

WEDNESDAY, 20 JUNE 2007

IN THE CHAIR: MRS KRATSA-TSAGAROPOULOU

Vice-President

1. Opening of the sitting

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

2. Portability of supplementary pension rights (debate)

President. – The next item is the report by Mrs Oomen-Ruijten (A6-0080/2007), on behalf of the Committee on Employment and Social Affairs, on the proposal for a directive of the European Parliament and of the Council on improving the portability of supplementary pension rights (COM(2005)0507 – C6-0331/2005 – 2005/0214(COD)).

Vladimír Špidla, Member of the Commission. – (CS) Madam President, honourable Members, I should like to thank Mrs Oomen-Ruijten for her dedication and hard work in drawing up this report.

The report has taken a great deal of hard work, drawing on the combined efforts of the Committee on Employment and Social Affairs along with the Committee on Economic and Monetary Affairs and the Committee on Women's Rights and Gender Equality, and it represents an important basis for further discussion with a view to reaching a final agreement on this essential directive, which is amply justified in the context of the relaunched Lisbon Strategy and social protection for migrant workers and workers in general who move around the labour market.

In addition to the report itself, I welcome the atmosphere in which Parliament has worked with the Commission and the Council, as this has given us the best possible chance of reaching agreement at first reading.

I should like to take this opportunity to congratulate the German Presidency on their work in addressing this issue and on making genuine progress.

The challenge which this directive presents to the German pension system should not be understated and it is to the credit of the German Presidency and Vice-Chancellor Müntefering that such progress could be made. I must share with you my disappointment, however, that despite all of these efforts agreement has not been reached this time at first reading. I do believe, though, that the constructive approach that has thus far emerged will soon lead to the directive being adopted. This will have a real impact on the obstacles to mobility created by some supplementary pension schemes.

Honourable Members, I should like to stress once again that this directive is not just a collection of words; it directly affects millions of workers who change jobs in the modern labour market and take advantage of the opportunities presented by supplementary pensions. Given that 40% of workers have an employment relationship of under five years, it is clear how important our task is and how important this directive is.

Before I get on to the substance of the report, I should briefly like to recap the purpose and the need for a European approach to this issue. The Commission, the Members of this Chamber, the Council and the social partners have long expressed their dissatisfaction with the glaring inadequacy of the rights and protection conferred on mobile workers as regards the link between their statutory pension contributions and their supplementary pension contributions. As long ago as 1992, the Council urged the Member States to support changes to the conditions attached to supplementary pension rights, so that obstacles to worker mobility could be removed. The concept of obstacles to worker mobility of employees is relatively common, but in principle it means that when you are mobile, you lose out. Under existing schemes, when migrating workers change jobs they are, to a greater or lesser extent, disadvantaged. This sometimes happens almost imperceptibly, but they are never in the same position, with the same advantages as they would have enjoyed had they not decided to change and become mobile.

The first step to achieving this goal was Directive 98/49/EC. It was clear, though, that this directive failed to resolve those issues that, according to the experts in the field, have a particularly detrimental effect on mobility, namely the acquisition and protection of deferred pension rights and the portability of these rights. The proposed directive on the portability of rights in supplementary pensions was not drawn up on a whim, but following a long period of thorough negotiation and consultation, and not without reason. Although at the start the social partners were called on to table proposals, as befitting their fundamental role in providing supplementary pensions, it was quickly demonstrated that the only way of making progress was by means of a targeted legislative approach, with the opinions of the social partners and the key participants taken into account.

A targeted approach of this nature – one that recognises not only the enormous diversity and indeed, on occasion, the rapid development of supplementary pension systems, but also the voluntary nature of these systems – was, and still is, the right way to address this complex and emotive issue. This explains why the Commission prudently decided not to launch the harmonisation process but rather to establish minimum requirements. Apart from this, one of our biggest challenges is to strike the right balance between removing the barriers to mobility and ensuring that the current stable and sustainable environment for the development of supplementary pensions is retained.

If one were to analyse the positive progress and the challenges that we were supposed to have resolved with the development of this directive, it is rather disappointing that at this moment not all Member States in the Council were able to reach an agreement or compromise regarding the elements of this important directive. It is encouraging, however, that the report we are debating today coincides substantially on many issues with the Commission's opinion. In my view, there is therefore a genuine possibility of reaching agreement with the Council in the near future.

Honourable Members, although the most recent Council negotiations did not reach a conclusion, I feel that every participant can confirm that there was a strong desire to reach agreement and that the Council still shares this desire, which will provide a basis for further progress. Reflecting that spirit of cooperation, I should like to highlight two of the main points of divergence between Parliament and the Council, on which we shall have to negotiate a consensus. The first of these is the key point of the recognition of supplementary rights and what the minimum conditions should be.

I take great interest in the amendments and the decision to focus the legislation on workers over 25. There is a great deal of empirical evidence to show that mobility in this age group is significantly lower than that of younger people, so your amendment is eminently sensible. I am also aware that the Council will not look favourably on the idea of excluding the recognition of rights for those above 25, so this could be one of the areas in which negotiation and compromise are required. Your attempts to reduce obstacles must, however, be applauded and I feel that this is certainly the right way forward.

The second issue that will probably need to be debated between Parliament and the Council is that of the scope of the directive. As regards existing rights and the date by which the directive is to be transposed into national law, the Commission fully supports the substance of the amendments to Article 2 and believes that they are proportionate and sensible. The Commission firmly believes that any restrictions to the scope and thus the effectiveness of the directive should be minimised and supports Parliament in this regard. The recent technical amendment to Article 5 of the report is a reasonable clarification that should prevent misunderstandings over how entitlements should be protected. Article 5 is a key part of this directive and is vital to the aim of removing the barriers to worker mobility.

I should like, if I may, to tell the Members of this Chamber once again that there is no proposal in this directive that would lay down any method for protecting these rights. It is more a question of ensuring that mobile workers are treated fairly in terms of their deferred pension rights. Given the way in which the labour market is developing, and how active working life is gradually being extended, I feel that when we speak about mobile workers, we are actually talking about all workers, because over the course of a career there is absolutely no doubt that most workers change jobs at least once, and will be able to take advantage of the protection that the proposed directive will afford. As for transposing the directive into national law, we share your view that this should happen as soon as possible. At the same time, however, we recognise that any amendments to the directive should not hinder the provision of supplementary pensions in the EU.

Lastly, I warmly welcome the proposals contained in Article 10, the substance of which I wholeheartedly support. The removal of Article 6 on the transferability of rights is, in my view, regrettable. The amendments to Article 10 contained in the report, however, send out a clear message that this complex

and highly specialised issue has not been forgotten but merely postponed. In the meantime, the Commission, in conjunction with Parliament and the social partners, is looking into ways in which it would be possible effectively and sustainably to remove any remaining obstacles to mobility in terms of supplementary pension schemes.

Honourable Members, this directive was, politically and intellectually, exceptionally complex, not to mention the complicated nature of the whole concept of the policy. The proposed directive very much forms part of our response to demographic change, because it is clear that supplementary systems will play an increasingly important role in that response. The directive also forms part of the concept of flexicurity, because its method is a typical example of greater mobility allied to responsible social protection. I also feel that this directive generally falls within the overall concept of European social policy, that is to say, at no time and nowhere in the EU should workers be placed in a detrimental situation.

Honourable Members, once again, I would like to thank you for the work that Parliament has done in negotiating this directive.

Günter Gloser, *President-in-Office of the Council*. – (DE) Madam President, Commissioner, ladies and gentlemen, the portability of occupational pensions is an issue that has been on the European agenda for over 20 years. The Commissioner has just explained the developments that have taken place in that time, including in respect of migrant workers. Following the failure of an initiative under the so-called social partnership procedure in 2002/2003, the European Commission tabled a proposal for a ‘portability directive’ in October 2005.

The Commission’s proposal comprises the following four key areas: firstly, the transfer of occupational pension rights in the form of a capital sum when there is a change of employer, that is portability in the narrow sense of the word; secondly, stipulating vesting periods for eligibility for occupational pensions; thirdly, the fair and just treatment of eligibility for an occupational pension when a worker leaves a company, and fourthly, information requirements to ensure that workers know about their eligibility and can better plan for their retirement. As Commissioner Špidla said, this also affects the issue of flexicurity.

The directive regulates part of social and labour law and – it is important to stress this – it therefore needs unanimity. This, as much as anything else, got the negotiations off to a very difficult start, although with such a highly complex subject it was hardly surprising. In addition, the European Union does not just wear one size of suit; there is huge variety and almost every Member State has its own occupational pension system that usually does not fit the others.

The central regulatory area of the directive, the transfer of occupational pension capital to a new employer, was therefore considered to be highly problematic by many Member States. The Netherlands rejected this possibility from the outset. As early as the Finnish Presidency portability in the narrow sense of the word was therefore deleted from the proposal for a directive. The need for unanimity made it pointless to continue negotiations on this point.

The subsequent German Presidency focused on fleshing out the details of just and fair treatment, the arrangements for the information requirement and the scope of the directive in terms of both substance and timing. After intensive discussions and many bilateral meetings at technical level, it was possible to reach an agreement on all points. Ultimately, however, the necessary unanimity was not achieved in the Council of Ministers, which I very much regret. One Member State in particular found its hands politically tied when its parliament and cabinet rejected the proposals.

Given these fundamental political reservations on the design of the original proposal, it would most probably also be very difficult to achieve the necessary unanimity for the directive in the future as well.

Through this directive we want to promote workers’ mobility. At the same time, however, we also need to improve their retirement provision. To do so we not only need majority support from the European Parliament but also the agreement of the 27 Member States. Perhaps we will achieve more if the first step is less ambitious. It takes time for the necessary trust to grow, for the countries without occupational pension schemes to introduce them and for the countries with distinctive systems not to feel cheated. In this situation I believe that maximum demands are counterproductive. All they actually do is provoke automatic rejection in the Member States and they do not allow progress to be made. As with all decisions in the European Union, agreement is only possible if everyone first has the political will to agree.

Ria Oomen-Ruijten (PPE-DE), rapporteur. – (NL) Madam President, to say that this is a difficult issue is an understatement. We have been working on nine articles for nearly two years. European agreements for supplementary pensions are needed for three reasons.

First of all, legal pensions, the first pillar, are increasingly coming under pressure due to the number of young people falling and the number of old people rising. This is why sound agreements need to be in place for second-pillar pensions. At present, one in ten employees in Europe has a supplementary pension. In Great Britain and Germany, this percentage is well above the 50% mark and in Denmark, Sweden or the Netherlands, even 90% of the employees have signed up to a supplementary pension scheme. This is therefore sufficient cause to encourage Member States and social partners to face up to their responsibility and to start putting an effective scheme in place that provides for old age.

Secondly, nearly every day, I come across people who have changed jobs and who are penalised for this, because they exercise their right to freedom of mobility. They have built up a pension, the premiums have been paid, but if the capital does not change, then it is of no use to them when they retire. This directive intends to address this problem.

Thirdly, within the framework of the Lisbon Agenda, we preach that worker mobility should be further promoted. Everybody would like to see this principle applied, but we have problems implementing it. My goal was, and still is, to table legislation that brings something, not least for employees, that is realistic for the Member States and social partners and also offers sufficient scope to managers of supplementary pension schemes to adapt to it. Legislation that only contains exceptions or an act that does not apply to all Member States and does not enter into force until 2018 is of no use. We have to tackle the problems of the future now.

I should like to extend warm thanks, particularly to Mr Ettl and Mr Cocilovo, to the other shadow rapporteurs for social affairs, to Mrs Lulling for the advice, but also to the rapporteurs and shadow rapporteurs of previous pension reports, Mr Karas and Mrs van den Burg. Together, we stand by a result and also take responsibility for this report by the Committee on Employment and Social Affairs.

We can – and I also have the Council Presidency in mind when I say this – make progress on this basis without encroaching on existing schemes. Moreover, this directive is about minimum standards. There is nothing stopping the social partners from offering more protection in an agreement.

I should now like to quickly outline the key points. With regard to acquisition, the conditions of acquisition which Parliament prescribes affect some schemes. Time is needed to adapt, and Amendment 22 provides for this additional time of five years.

With regard to dormant pension rights, as the current formula has been developed in cooperation with the German Presidency, we will soon be voting on a basic principle which the Member States will be able to flesh out as they see fit. Concerning the transfer, as it became obvious very quickly that this was a bridge too far, we did not pursue this option any further. In respect of information, workers are gaining easier access to the status of their pensions.

It may well be, therefore, that Member States need more time to adjust their schemes, which is precisely what this House is giving them. Member States, together with the social partners, are being given until 2013 to adapt their schemes in the areas of both acquisition and the fair adjustment of dormant pension rights.

After two years of nearly constant consultation, the time has come for this House to nail its colours to the mast. I should like to add that the signals that I have picked up, not least from the forthcoming Portuguese Presidency and from my own Member State the Netherlands, are definitely positive, because this report offers many things to go on at second reading.

If we want to achieve the Lisbon objectives, we can only do this on the basis of specific topics of this kind. We did not manage to finish it today. We will negotiate with the Council, and I as rapporteur and we as Parliament will try to continue to adopt the most constructive stance possible in order to settle this matter, for that is what is really needed.

Eoin Ryan (UEN), draftsman of the opinion of the Committee on Economic and Monetary Affairs. – Madam President, I also wish to congratulate Mrs Oomen-Ruijten on her work on this very difficult and complex piece of legislation, which, as has already been said, has been going around for about 15 to 20 years.

However, as draftsman of an opinion on this report for the Committee on Economic and Monetary Affairs, I see it as vital that citizens can take the benefit of their supplementary pension plans with them when they take up a new job in another company or in another Member State, and the single market is going to see a huge increase in the number of people moving from Member State to Member State.

This legislation must ensure that the workers changing jobs are not unduly penalised and that the value of their pension is fairly adjusted on moving to new employment.

In addition, we have to appreciate the fact that employers providing these supplementary pension schemes are doing so on a voluntary basis. Therefore, any unnecessary financial pressure stemming from the provision of such schemes should be minimised. Balancing the objectives of these two goals is, however, no easy task, but I believe that the compromise texts of the Finnish and German Presidencies are a step in the right direction.

I believe that if workers are encouraged to be mobile and flexible, then they cannot be unduly punished through their pensions if they change jobs. Currently, moving to a new job or to work in another country can lead to significant losses. On top of that, we must ensure that when somebody takes their money out of a pension scheme, the workers who remain in that pension scheme will not lose out.

One of the biggest and most complex challenges facing each of the Member States over the next decade will be how we tackle the effect of our ageing population. Pensions are going to become – if they have not already become – a huge issue in Member States. Considering that this piece of legislation has been on the table for the last 15 to 20 years, it is high time that appropriate action is taken on this issue and we make sure that workers are fairly treated and fairly looked after in their pension schemes if they move from one Member State to another or from one company to another.

Astrid Lulling (PPE-DE), *draftsman of the opinion of the Committee on Women's Rights and Gender Equality*. – (FR) Madam President, ladies and gentlemen, if one is, like me, rapporteur for the Committee on Women's Rights and Gender Equality and a member of the Group of the European People's Party (Christian Democrats) and European Democrats, one often finds oneself, so to speak, out at sea, that is, in God's hands. That is what happened to me with my draft opinion. In its adopted form, I can scarcely recognise my baby.

What I had recommended at the beginning of the work on this much debated Proposal for a Directive, has either disappeared already because it was rejected by a majority of those who happened to be present in the Committee on Women's Rights and Gender Equality, or it was not taken up by the committee responsible. I can, therefore, only regret that I find no trace left of the most important proposal from the Committee on Women's Rights and Gender Equality, which stressed that the Directive should be implemented in a way that respects directives relating to equality of treatment and equality of opportunities for women and men.

As for the substance, the most stormy discussions began after the adoption of my opinion, which was a year ago, and the intention of which was to ensure that employed persons could retain their pension rights and could carry on paying their contributions when they changed job or interrupted or ceased a professional activity, either for family reasons, or to better reconcile professional life and family life.

I shall not go into detail about the quarrels that are still going on, about, among other things, employers who offer supplementary pensions as a way of developing staff loyalty, while this directive is part of a perspective encouraging workers' mobility. I know that it will not be easy to reconcile these two viewpoints but I should like to say that the main objective, that is, guaranteeing acquired rights under acceptable conditions, which do not call into question the financial sustainability of the schemes nor the offer of supplementary pension schemes by employers, must be achieved for those employed persons who change employer within a Member State or outside of it, thereby respecting principles of subsidiarity and flexibility.

Othmar Karas, *on behalf of the PPE-DE Group*. – (DE) Madam President, Commissioner, ladies and gentlemen, we all say yes to the internal market and it is right that it should be extended because it is the most effective way in which we can respond to globalisation. We all say yes to mobility, but it is insufficiently developed in the European Union. Strengthening the internal market and supporting mobility mean, however, that we must remain vigilant about retaining the social security safety net. We need to strengthen occupational retirement provision – the second pillar – in Europe, as an addition to the first pillar, not as a replacement for it. That is why we supported the pension funds directive for

funded occupational retirement provision. Obviously we also need a portability directive for intra-company pension rights.

Through this directive we must ensure that workers maintain the rights that they have acquired. There is therefore a need to clarify concepts such as transferability – easier with new contracts than with old ones – the acquiring of rights, the treatment of workers who are no longer active in the scheme and dormant rights. On what basis are calculations made? How do we assess contributions, both their size and the length of time over which they have been made? How do we deal with the expected payout period? It is about striking a balance between companies' economic security and workers' social security, and it is about striking a balance between those who stay in the company and those who leave the company because of job security or to further their careers.

Today's vote will not be the end of the matter. Parliament is adopting a position as a basis for further negotiations. We want a solution, but we want a solution that treats both aspects, the companies' point of view and social security, on an equal footing and finds a compromise. I would therefore ask you to support the resolution from the Committee on Employment and Social Affairs.

Harald Ettl, *on behalf of the PSE Group.* – (DE) Madam President, I should like to extend special thanks to Mrs Oomen-Ruijten for her excellent work. If the representative of the German Presidency spoke of 'maximum requirements' today then that is surely a gross exaggeration, devoid of any foundation.

The proposal for a directive should be seen as part of the Lisbon Agenda. It meets the demands of workers to have their rights to acquire and maintain pension rights protected as well as their rights to supplementary pensions, now that the barriers to the free movement of workers have been removed. A period of five years is provided for the Member States to adjust and redesign their systems to ensure fair treatment of dormant rights.

This point in Article 5 is a core component of the proposed directive. If Mr Mann's amendment to it is accepted, then the proposal will be stripped of its substance and the bill will be worthless to workers. We pass economic laws and make impressive speeches about good social conditions, but then do the opposite. Proceeding along the extreme lines proposed by Mr Mann is unacceptable for the Socialist Group in the European Parliament, because these points are directed at the core components and key areas covered by the proposed directive.

I would ask you to support the rapporteur's proposal for a forward-looking solution.

Luigi Cocilovo, *on behalf of the ALDE Group.* – (IT) Madam President, ladies and gentlemen, it also gives me pleasure to thank the rapporteur, as well as the many Members who have worked as shadow rapporteurs, for their efforts and their work on this highly complex issue.

I would like, however, to be clear on the fact that the complexity escapes nobody. Nobody is unaware of the distinctions between the various types of fund: redistribution funds, capitalisation funds, defined contribution and defined benefits funds, funds that are actually company funds and funds managed through the accumulation of contribution reserves on the company's books. It is therefore difficult to find solutions which do not take account of this high degree of differentiation. It is also true, however, that on this issue we all ought to have shown greater consistency.

I refer in particular to the Council, which in my view is turning into a bog that sucks in and smothers all Parliament's efforts to make balanced and consistent progress on social issues. This is true, for example, with regard to the Working Time Directive and the directives adopted by Parliament on the regulation of temporary employment agencies. To the extent practicable we have made some progress, although of course we have had to accept inevitable compromises, if not outright butchery, but we have not made any progress at all on portability. Once again the problem is being postponed.

On this point, we hope that those timid but positive steps forward designed to guarantee some minimum threshold requirements are not swept away too. These include, for example, the pension entitlement conditions for workers covered by the second pillar, the conditions for the reimbursement of contributions paid on behalf of workers exiting schemes before acquiring vested pension rights, and the conditions regarding the treatment of workers exiting schemes who leave their contributions within the fund, insofar as there is in substance a postponement of the payment of benefits, but there are already acquired rights

relating to equity in these benefits. On these points, in some cases the minimum thresholds identified in the report are still subject to criticism or have been questioned.

In the future we will have to take a different approach to tackle problems like these – one that ensures that we can offer workers involved in mobility issues at least the certainty that they will not be discriminated against or penalised. I believe, however, that any solution that falls below the thresholds indicated would be so negative that the traumatic solution of a rejection within Parliament would be preferable. We hope that at least the compromise reached between these thresholds can be maintained in relations with the Council.

Jean Lambert, *on behalf of the Verts/ALE Group*. – Madam President, I would also like to thank the rapporteur for her work. Getting us to this vote has not been easy, as we have heard, because we have been forced to respond to changing and sometimes intransigent positions from the Council.

My group will support a number of the committee amendments, notably those that change the scope from workers to persons, which will certainly help cover certain particular cases. We expect this directive to cover all who have contributed to these second-pillar schemes through their work, and to be non-discriminatory in application. We shall not, therefore, be supporting Amendment 34 or the amendments from one other political group.

We have heard that mobility is seen as increasingly important. Indeed, it is a fact of life. Flexicurity is a buzzword in our discussions, and mobile workers need a background of security, of which pension provision is a part. They need to be able to spread their pension risk, but individual pensions have their problems, as our debate on Equitable Life this week has shown. It should be a warning to all Member States tending to rely only on state and private pensions, without a work-based pillar. As we know, there is no requirement to introduce such schemes in this proposal, so those Member States should not put barriers in the way of others.

People should be able to benefit from the accrual of pension payments and not see their contributions left in various schemes like drying slices of salami, hence Amendment 48 to reintroduce portability, the core of this proposal. We know that there is no majority support, but we want to put down a marker to let the Council know that it really has to get to grips with this issue, because it is an increasing necessity. Its current approach seems, to many of us, to be a delaying tactic and, at times, a betrayal of their own calls for greater mobility.

We need rules to protect the dormant rights of scheme members, so we cannot support Amendment 38, which we see as a wrecking amendment not in the interests of citizens. We will support the committee position on this point. However, we have problems with the age-related provisions in Article 4 and the lengthy vesting periods in the committee amendments. We find them discriminatory and, in spite of what the Commission has told us, we believe that increased mobility for the over-25s will be a continuation of what is happening now. Amendment 47 is therefore based on the legal age at which Member States allow people to work full time, which is 15 in at least one case. We cannot support going beyond the Commission proposal.

We also want to see early implementation, hence Amendment 49. However, the Council has to take on its responsibility and deliver a proposal which reflects its rhetoric and improves the situation of those changing employment within the European Union.

Jiří Maštálka, *on behalf of the GUE/NGL Group*. – (CS) Ladies and gentlemen, I should like to begin by congratulating the rapporteur for this major piece of work – she has in effect rewritten the whole of the Commission's original proposal.

I feel, however, that she has unfortunately not managed to resolve some key differences and to draw up a compromise text that would be acceptable to all – as we can see from the persistent negative approach of some Member States. It is also a pity, in my view, despite the lengthy negotiations over the draft, the Council proved unable to find a common position.

As far as I am concerned, the Commission's original proposal strikes me as much more appropriate to the sections of the population in question than the rapporteur's proposal, because it offers pension holders more rights. It is hard to understand why the Group of the European People's Party (Christian Democrats) and European Democrats continues to endorse the rapporteur's proposal even though the most important part was left out, namely the transferability of pension rights from one Member State

to another. Our political group welcomes the removal of Article 6 on the transfer of rights, not only on the grounds of the tax issues, the absence of a Community-wide calculation scheme and the absence of minimal standards on index policy, but mainly because the transfer of pension rights would lead to higher costs for individual pension holders.

Our group objects in particular to the points adopted by the Committee on Employment and Social Affairs, because they significantly undermine the Commission's original proposal, for example, by raising the minimum age for implementing these rights from 21 to 25 years, narrowing the range of people granted these rights, removing self-employed people from the draft and extending to five years the time which people must be in the system in order for them to claim this entitlement.

Along with other MEPs from our group – the Confederal Group of the European United Left/Nordic Green Left – I have tabled a number of amendments that should at least improve upon these most important points. Our vote on the proposal as a whole will be determined by whether or not our amendments are adopted.

Derek Roland Clark, *on behalf of the IND/DEM Group*. – Madam President, when four pensions experts attended a meeting of the Committee on Employment and Social Affairs in May last year, they were not happy with this directive. They said that it did not sufficiently respect subsidiarity and was too much too soon.

The Employment Committee itself is at odds over it. Never before have I seen one Member standing over another haranguing and shouting at them. That is because this matter is very complex, as a result of the different attitudes the Member States have towards pensions. There are different systems, hence the complexity.

I am all in favour of people moving about and taking their pensions with them, building on them as they go, but let the pensions firms sort it out. That is what they are there for. They have got the expertise – let them have the headache. After all, we even have a Services Directive now, which is supposed to help in this area.

I therefore ask Members to support my own rejection amendment. You will be in good company: it has already been rejected in the Council, so the dossier is destined to gather dust on a top shelf somewhere.

Luca Romagnoli, *on behalf of the ITS Group*. – (IT) Madam President, ladies and gentlemen, the right to free movement between the Union's Member States with regard to supplementary pensions should not be hampered. Neither the pension systems of each Member State nor the conditions for acquiring pension rights ought to cast doubt upon the portability of acquired rights.

Europe's population is living longer on average and, as Mrs Oomen-Ruijten rightly pointed out, supplementary pensions are increasingly important throughout the Union, especially if we wish to guarantee the quality of life of an elderly population within the context of a European social model which, although it could be improved, is still a system that is not found on any other continent.

It is therefore vital to improve further the mechanisms for acquiring supplementary pensions and their portability, without countenancing anything less than what seems to be barely sufficient. Specifically, it would be appropriate to extend the scope of application to all group supplementary schemes. Personally, I would have liked this report to have made the principles laid down applicable to invalidity and survivors' pensions too.

With regard to the required contribution period, I agree on the five-year minimum entitlement period and on the other conditions laid down by the amendments which govern this entitlement. The requirements for dealing with the vested supplementary pension rights of outgoing workers seem to be balanced, although I believe that further progress ought to be made in improving the portability of rights.

To conclude, we are living through times in which the Member States are trying to combine flexibility and mobility in employment, to an extent that I believe is excessive, with incentives for accessing social security.

In this context, the concerns of young people about their pension futures and about the great difficulty in maintaining a decent quality of life in old age should not only be repeatedly proclaimed but should also be seriously tackled by the institutions, particularly since it has been shown that pension schemes with defined contributions are less likely to provide pensions commensurate with the cost of living. As

the rapporteur and many fellow Members maintain, mobility in employment ought to be better rewarded, above all in terms of integrated pension assurances.

Jim Allister (NI). – Madam President, in an age when few jobs are for life, when state pension schemes are generally inadequate, when worker mobility is uninhibited, and when Europe has a notably ageing population, deficiencies in pension arrangements are of increasing significance for many of our constituents. Thus what can be done to ensure adequate and flexible pension regimes should be done.

Supplementary pensions for many are an essential part of their financial planning, thus the rules governing them should not be stifling, nor should they be restrictive. Nor should they afford the opportunity for government grab by stealth taxes, something with which we are familiar in the United Kingdom.

My primary plea, however, is that in promoting the mobility of pensions we do not merely impose another layer of EU regulation. Remember, these are voluntary arrangements. Member States must retain control of what happens in their own countries where there are different regimes and different practices.

Thomas Mann (PPE-DE). – *(DE)* Madam President, in the internal market, workers' mobility is supposed to be promoted and not impeded. That also applies to occupational pension rights when workers change jobs. However, the systems do not all share the same characteristics. In France and Spain they are predominantly intended for managers. In Member States such as Austria, Luxembourg and Germany they are a voluntary benefit. The idea is to tie qualified staff into the company for the long term. Company loyalty is therefore rewarded. In Germany alone their value is EUR 250 billion.

What the Member States have achieved on their own should not, however, be destroyed by forced harmonisation at European level. Excessively high minimum standards and excessively high costs prevent both new occupational systems from being created and existing ones from being maintained. The EU average is 10%. My amendments, which are supported by the Group of the European People's Party (Christian Democrats) and European Democrats, are a contribution to increasing that figure.

Firstly, I am in favour of reducing the minimum age to 25 years. The Commission wants 21 years. The report fails to indicate any age at all. That will not work! Younger workers change employer frequently, leading to a whole host of tiny pensions and huge administrative costs.

Secondly, contrary to Mr Ettl's view, the five-year vesting period supports the position of the German Presidency, which has made great efforts to achieve an agreement. The two years called for by the Commission will increase costs by 20%. The Commission is aware of this. The Committee on Employment and Social Affairs does not want any period at all. Who is going to pay?

Thirdly, along with 80 other Members, I am in favour of deleting indexation. Treating workers who have left the company in exactly the same way as those who are in the company will increase costs by 30%. The Dutch Minister of Social Affairs and Employment fears a financial debacle for his country, where 90% of all employees are eligible for occupational pensions.

Occupational pensions only have a future if they are feasible and affordable. If my group's amendments are not accepted then I would recommend rejecting the entire report.

Jan Andersson (PSE). – *(SV)* Madam President, I would like to start by thanking the rapporteur, Mrs Oomen-Ruijten for her constructive and well-balanced proposal.

Supplementary pensions are important in many Member States and will become ever more important in the future. I think that the balance struck in the proposal is a sound one. On the one hand, geographic freedom of movement between the Member States is ensured and, on the other, account is taken of a variety of systems.

Some people maintain that this directive is unnecessary. On the contrary, it really is needed. Many of our systems around Europe have been created on the basis of a labour market that once looked quite different. We currently have a flexible labour market within our countries, between different companies and across national borders, so pension systems too need to be changed.

I have always, and for a variety of reasons, been opposed to the right to move pensions, and I approve of its having been removed. We have different tax systems, and life expectancy varies from country to country. Moreover, a right to move pensions could sometimes also lead to those who remain in a

particular fund seeing that fund undermined. It is more important to do what we have proposed, namely to concentrate on dormant rights so that those who leave a fund are not discriminated against but have their rights fully recognised.

I think that the qualification period and the minimum age should be as low as possible, for they are an obstacle to movement. On this matter, we have struck a balance in Parliament that anticipates our in the long term removing both qualification periods and minimum ages.

The conditions for reaching an agreement will be good if Parliament votes in favour of the proposal by Mrs Oomen-Ruijten and the Committee on Employment and Social Affairs. We have tried to conduct a dialogue with the Council, and our positions are not far removed from each other. I hope that we shall approve our position. I believe that doing so would also be an incentive for the Council and would make it possible to arrive at an agreement at second reading.

Ona Juknevičienė (ALDE). – *(LT)* Madam President, colleagues, today we are considering a very important directive which should strengthen the freedom of workers to choose suitable employment. It should become yet another stimulus for strengthening the Community's labour market competitiveness. I congratulate Mrs Oomen Ruijten, who has prepared this document, and I hope that in voting a majority of Parliament will support her.

Honourable Member, I congratulate you on your efforts to encourage worker mobility and to abolish all the obstacles that hinder it. This directive is a step toward revitalising the labour market, stimulating investments and competition, and strengthening social guarantees for workers.

Community members have the right to decide whether to have supplementary pension systems. At present, seven of the ten Member States that joined in 2004 do not have them. This includes Lithuania. In some countries supplementary pension systems are not widespread and include only an insignificant portion of employees. I hope that those countries, which do not have an employer-contributed pension system, will come to understand the advantages thereof, and will make use of their neighbours' experience to institute such systems for their own populations.

In seeking to help the proposed directive to achieve its goal, it is very important that employer-contributed supplementary pension systems are encouraged and accrued funds are portable not just within each country, but within the whole Community. It is also very important that employers should have the right to choose pension systems and modes of portability that are cost-effective and do not entail financial loss.

I support the rapporteur's opinion that this directive should be applied as widely as possible, and that there should not be any exceptions to the requirement that the rights be portable. Flexible and effective portability of pensions is an additional social guarantee for workers and a motivation to use one's knowledge and abilities appropriately. This in turn abolishes one more obstacle to mobility and frees up the potential of the whole European Union labour market, thereby increasing competition.

Elisabeth Schroedter (Verts/ALE). – *(DE)* Madam President, Commissioner, Mr President-in-Office, ladies and gentlemen, it is regrettable that, particularly in the country that I know best, this issue is still being treated in accordance with the completely outdated view that occupational pensions are a reward for long service to a company. This has not been the case for some time. Occupational pensions are in fact the second pillar of retirement provision, and they are often agreed collectively in connection with wage cuts; as such they are part and parcel of today's living and working biographies. These biographies are characterised by mobility, career breaks and a wide variety of working conditions. In the lower income brackets it is barely possible to survive on the state pension nowadays.

As a response to this reality the Commission proposal on the transferability of occupational pensions is consistent, logical and ambitious. Now that mobility is, firstly, desired and, secondly, an essential part of any career, it is inconceivable that both transferability and dormant rights should be deleted from a directive on occupational pensions. Anyone with this intention robs the younger generation of the opportunity to build up their own retirement provision. Anyone with this intention places a future burden on the public purse, because after a long but eventful working life people will be driven into poverty.

I very much regret the fact that the Member States were not sufficiently willing to take this bold step forwards with the Commission. Part of the blame for the failure in the Council lies with the German Presidency for tabling an unacceptable proposal, and it should not hide behind the Netherlands.

Even if there is still not majority support for transferability today, in the long term we must continue our efforts to secure retirement provision for the next generation, and we must achieve this goal together, if necessary one small step at a time.

Mary Lou McDonald (GUE/NGL). – Madam President, I too would like to congratulate Mrs Oomen-Ruijten on her work. I also share her view that of course what this Parliament wants and what the citizens of Europe need is a result on this matter, because unquestionably, workers are more mobile for all sorts of reasons, and that is something that is to be encouraged and supported.

I find myself in the position of supporting the Commission's original proposal over and beyond the report that is in front of us. I find it inexplicable as to why the age threshold of 21 years is suggested to be raised to 25. I accept that workers very often leave it until much later to even consider their pension entitlement, but I think as a rule of thumb we should be encouraging people to make those provisions and consider those matters at the earliest possible point, so in our group we will be supporting amendments to change those age-related provisions.

In addition, I cannot understand why the self-employed are not also covered in these provisions. I think that is very worrying and again our group will vote in accordance with that concern.

Kathy Sinnott (IND/DEM). – Madam President, the revelations from the investigation into Equitable Life have left many people questioning the security of their pensions. When people make sacrifices in their working years to set aside funds for their retirement, they do it for one reason and one reason alone: their own security and that of their family. With demographic projection showing an ageing Europe, people feel they cannot trust their future to state pensions. States will be pragmatic and do what they have to do when over a third of their population is over 65. Today's workers look at the state pension programmes as a foundation on which to build their incomes by supplementary schemes for what might be 20, 30 or even 40 years of life after retirement.

I recognise that it is difficult to find a balance of protecting existing pension situations while creating a framework that will withstand the kind of pressure that will mount on pensions as Europe ages and that will also ensure that pensioners do not spend their entire retirement fighting to get their money back, having set it aside during their working years.

José Albino Silva Peneda (PPE-DE). – *(PT)* Madam President, Commissioner, ladies and gentlemen, I should like to begin by commending Mrs Oomen-Ruijten on her outstanding report. The proposals contained in the report are adventurous, well-balanced and prudent, and clearly targeted at developing greater freedom of movement with more protection, a vital component of the European project.

Ladies and gentlemen, the globalisation of the economy and the ageing population are two issues to which Europe has yet to find a clear and convincing response. A more globalised economy implies readiness for change, and that means greater mobility. Workers' mobility entails guaranteeing the acquisition, retention and transfer of pension rights, and is crucial to the development of the internal market.

On the other hand, in view of the ageing population, with the inherent, predictable increase in public spending that that implies, it is essential to guarantee the financial sustainability of social security models, a task that will be easier to achieve if the conditions are in place for there to be supplementary schemes to State-funded pensions. This is very much the way things are going, in view of demographic change and the financial pressure it has exerted on the public authorities.

The greatest challenge facing the EU is that of upholding the core values that underpin the European social model whilst remaining competitive on the world stage. We will only achieve this if we take political action and if we are able to rework some aspects of the social model, and to take strong action to deepen the internal market, in particular as regards the freedom of movement of, in this case, persons. In this regard, today's proposal is a very positive and encouraging sign.

IN THE CHAIR: MRS MORGANTINI

Vice-President

Karin Jöns (PSE). – *(DE)* Madam President, Commissioner, Mr President-in-Office, ladies and gentlemen, I should like firstly to congratulate Mrs Oomen-Ruijten very warmly on her excellent work. We simply cannot require workers to show increasing flexibility in the labour market and at the same

time ask them to do more to provide for their own retirement, without giving many of them an opportunity to acquire occupational or supplementary pension rights. Around 20% of workers are now only offered temporary job contracts. As the Commissioner has already said, 40% now spend less than five years working for the same company. Against this background, describing occupational pensions as rewards for loyalty, as is the case in my country for example, is nothing short of cynical.

The timing of the provisions urgently needs to be improved. Anyone who wants to keep long vesting periods and on top of that exclude dormant rights from the scope of the directive altogether, while at the same time delaying the entry into force of such an impoverished directive until 2018, has still not arrived in the real world. I actually wanted to say all of this to my fellow Member Mr Mann, but he has already left the Chamber.

It is surely no accident that the positions of the Commission and Parliament are so close here. Our population is ageing and we have to act accordingly. In my country in 1970, for example, for every pension there were still eight people in work, but in 2030 there will only be two. That is why we urgently need to slam on the brakes. We must make it possible for all workers to have a genuine opportunity to make proper provision for their retirement themselves. Obviously employers must bear part of the responsibility. You cannot tell me that the rules that we are proposing – as they stand in the Oomen-Ruijten report – are going to drive umpteen thousand companies into bankruptcy.

Anne E. Jensen (ALDE). – *(DA)* Madam President, Commissioner, Mr President-in-Office of the Council, I too think that the proposal put forward by Mrs Oomen-Ruijten today is a constructive one, and I would like to thank her. The proposal takes full account of mobility in the labour market, without undermining existing schemes of mutual support such as the Danish labour market pensions. Sympathetic though one might be to rules such as those proposed by the Commission that would make it possible to freely transfer one's pension scheme, it is difficult to find a model that dovetails with existing arrangements. I therefore believe that the solution we have arrived at, which does not include the transfer of pensions, is a good one.

In Denmark we have rules that guarantee the right of employees to transfer their pensions free of charge in the first two years after they have changed jobs and that place a ceiling on the expenses that pension companies can charge when a pension is transferred. That does not of course stop each individual EU country from similarly developing its own rules for the transfer of pensions. The proposal we have before us guarantees the individual saver's basic pension rights and includes rules governing the earning of pension entitlements and governing dormant rights and the provision of information. That is the least we must demand. Moreover, for those who cross national borders in order to change jobs, this legislation is particularly important.

Kyriacos Triantaphyllides (GUE/NGL). – *(EL)* Madam President, the proposal for a directive we are debating promotes uncertainty, adaptation to easy dismissal and retraining and recruitment in other work on uncertain terms, on the basis of the unilateral needs of the market, rather than full, permanent, regulated work with rights. Nonetheless, the European Commission has re-tabled the proposal, playing a political game at the expense of the citizens in order to secure its approval.

The proposal is intended to remove what it considers to be obstacles in relation both to free movement between Member States and mobility within a Member State, obstacles that are created by certain provisions in the supplementary pension systems. These obstacles relate to the terms on which pension rights are acquired, the terms on which dormant pension rights are retained and the portability of fundamental rights. All these are, of course, being dumbed down. That is why, unfortunately, we shall not be supporting this proposal.

Jens-Peter Bonde (IND/DEM). – *(DA)* Madam President, in Denmark we have pension savings amounting to more than DKK 2 200 billion, which have been accumulated through tax allowances. Now along comes the European Court of Justice with a judgment prohibiting us from taxing pension savings accumulated in other countries. We are now to allow full tax allowances with no guarantee of tax receipts later. The June Movement would like to see free competition with a view to providing people with the largest possible pension payments for their contributions, but it must be fair competition.

We also want to retain our tax-funded social model with equal social entitlements for all. For example, we provide people with retirement pensions whether or not they have been in the labour market. It is a civic entitlement earned simply by living in Denmark. If we are to provide retirement pensions to everyone who settles in Denmark, such pensions will quickly be reduced. An arrangement whereby a

Danish married couple is able to take their State pension and early retirement pension with them, untaxed, to a tax haven would be so expensive for society that it would have an impact on the size of those pensions.

The EU needs to take more account of the distinctive Danish social model, with its high taxes and correspondingly high social benefits. We need practical rules enabling people to take their pensions with them if they move to another country, but those who move away must not have their pensions paid for by everyone else who pays tax. The June Movement calls on the Council and the Commission to respect our tax-funded social rights.

Csaba Óry (PPE-DE). – (HU) As you are also aware, we celebrated the Year of Mobility in Europe in 2006. Representatives of European institutions, representatives of Member State administrations, organisations representing employers and employees expressed their views at numerous professional events about how important it is to promote mobility within the European Union.

Based on this, it would seem that every EU institution, the European Commission, Council, Parliament and every Member State have definitely committed themselves in general and in principle to improving mobility. However, this is only true for as long as this important issue is discussed in general terms. As soon as a decision has to be made about specific measures or regulations, the enthusiasm which the decision-makers have talked about during the general discussion of this topic vanishes, as if by magic. The main focus is on the concerns and problems. This is also the feeling we can get when discussing the new legislation aimed at guaranteeing the portability of supplementary pensions.

Fellow Members, there are many who are in favour of preserving the status quo and complete inertia. They refer to how there is a historical model in Germany, which you cannot alter even in the slightest. I am all for showing great respect for historical traditions. In this instance, however, we are talking about the interests of all Europe's workers and the entire European economy. I definitely think that this matter has a higher priority. We cannot allow the momentum of European development to be disrupted because of such particular interests, which, when taken into consideration, means that several tens of millions of workers in a given Member State should suffer serious discrimination in relation to the rest of the EU's workers.

Promoting mobility, guaranteeing the portability of supplementary pensions are issues which, at any rate, must be settled at EU level. If we fail to do this we are likely to fall further behind in the global competitive environment which we are competing in against our challengers in the form of the economies of South-East Asia, India and North America. We need to see that inevitable events are in progress and that making arrangements which extend beyond borders and workforces is of paramount importance. 'It is a must', as the English say. I would therefore ask you also to support this. I would like to make an additional, final remark. Pensions and investments affect workers personally, especially when companies are paying for them.

Alejandro Cercas (PSE). – (ES) Madam President, I shall carry on where Mr Óry left off, because I wish to express the same concerns and satisfactions, and I too would like to congratulate the committee, the rapporteur, Mrs Oomen-Ruijten, on having been so brave and having walked into this minefield with conviction and with the will to move forward and to remove the obstacles that we have been facing.

It is crucial that our words are consistent with our actions. It is crucial that we remove the obstacles to the mobility and free movement of workers. We have said it, Lisbon has said it and the Council has said it a thousand times, but we are making no progress. It is also crucial to respect and safeguard the rights of workers who are mobile and who move within the Community and within our own countries.

I would therefore like to express my concern at the difficulties within the Council and the difficulties that may also arise in Parliament today. I am concerned, firstly, because, once again, the Council is dashing our reasonable and minimal hopes. Minimal progress is being blocked as a result of national issues and national self-interest. I am worried because this is not the first time, nor will it be the last time, that the ladies and gentlemen of the Council have turned a deaf ear to the demands of the Europeans. I am worried because it is said that the work that Parliament has done is going to serve as a basis for subsequent work, when Parliament's consensuses do not do any good in terms of unblocking the Council's positions. I am worried because those same problems in the Council are being transferred to Parliament and we are having a difficult vote today.

Let us hope, Mrs Oomen-Ruijten, that the amendments intended to restrain your report do not succeed and that your reasonable and minimal report is supported by everybody and can serve as a basis for continued progress, which Europe needs very much and which is being demanded by the citizens, of whose views our governments do not take sufficient notice.

Anneli Jäätteenmäki (ALDE). – (FI) Madam President, it must be possible to transfer pensions from one country to another. The freedom of movement of workers from one country to the next depends on people being able to receive their pensions without problems, without a lot of red tape, and without any application procedure.

I am therefore in favour of eliminating the problems associated with supplementary pensions for the free movement of the workforce. The transfer of supplementary pensions from one pensions system to another, however, is a laborious process. It increases bureaucracy and costs. Future European Union legislation should not make it possible to transfer supplementary pension rights. Besides, there is a simpler solution: each supplementary pension system should pay the employee the pensions which have accrued in its system separately. This will be a simpler, more effective and cheaper solution for employees, the recipients of pensions and the pension systems themselves.

Dimitrios Papadimoulis (GUE/NGL). – (EL) Madam President, if we want to safeguard the mobility of workers, we must also safeguard the portability of their rights. We cannot have workers being moved and their pension rights and entitlements acquired from years of working in their home country being lost through mobility. There are huge obstacles and problems here from neoliberal policies.

I should like to thank Mrs Oomen-Ruijten on her important work, but I regret that our political group cannot agree with the report in its final form, because on the most basic material issue regulated by the new directive, namely the terms on which supplementary pension rights are acquired, the report worsens the Commission's initial proposal by calling for a five-year rather than a two-year vesting period and a minimum age limit of 25 rather than 21. A more favourable arrangement in Article 4 of the directive is needed for the benefit of young workers. That is why I call on you to support Amendments 50 and 51, which we consider important.

Johannes Blokland (IND/DEM). – (NL) Madam President, I should like to congratulate Mrs Oomen-Ruijten on her report. The portability of supplementary pension rights is not a matter of course. If in the pensions debate the Netherlands – which is, after all, a pioneer – considers issuing a veto when fresh pensions legislation is proposed, then this is certainly food for thought.

It is of huge importance for new steps to be taken to guarantee better harmonisation of the different pension schemes. In addition to harmonisation, it is the financial viability of different schemes that is, above all, a cause for concern. Clearly, not everyone can endorse this report, because in respect of the Commission proposal, the rapporteur has suggested not to allow any more exceptions.

I am left with a question. When the exemption option is deleted from Article 9, paragraph 3, will Member States be encouraged to transfer to a capital-based pension scheme, for surely that should be done. In the European Union, where people have the freedom to work in different Member States, an appropriate social security system should be in place, and the transfer of pension rights that have been accrued individually should be a minimum entitlement.

Anja Weisgerber (PPE-DE). – (DE) Madam President, ladies and gentlemen, we all agree that workers' mobility needs to be promoted. However, in many Member States, such as Luxembourg, Austria and Germany, this directive will have a huge impact on all occupational pension systems. Only 1.5% of workers move to an employer in another Member State, but the other 98.5% of workers who remain in their Member State will also be affected by the directive. I should like to say this to Mrs Jöns: it is these workers who we will be damaging if occupational pensions, which are of course voluntary, are no longer offered by companies because they are no longer affordable. Entire national systems could collapse.

Occupational pensions are of huge importance in the light of our ageing population. However, companies are under no obligation to offer occupational pensions. Applying the directive to defined-benefit pensions – as is currently envisaged – would penalise those companies that have given extensive pension guarantees in the past. We are running the risk here of companies withdrawing their voluntary occupational pensions.

In addition, according to the current proposal of the Committee on Employment and Social Affairs, people are to acquire pension rights immediately on reaching their 25th birthday, without there being

any vesting period. This would mean an enormous increase in both bureaucracy and costs, making the whole scheme unaffordable. Adjusting the pension rights of inactive scheme members to the value of the rights of active workers – indexation – would increase costs by 30%. This was the main reason why the Dutch Minister for Social Affairs and Employment voted against the directive.

We need reliable, predictable and affordable rules. We are in favour of mobility, but on such conditions that the occupational pensions systems, which are so important for workers, are not put at risk.

Should the relevant amendments not be adopted, in the interests of workers I will be voting against the report.

Ieke van den Burg (PSE). – *(NL)* Madam President, I should like to make a few observations. First of all, with regard to the German Presidency's analysis as to why it was so difficult to bring this issue to a successful conclusion. Something that was, as I see it, wrong right from the start is that exceptions were agreed on, not least by your own country, and that this set a process in motion, as a result of which other countries also started to insist on exceptions, which eventually resulted in a situation that nothing was left standing from the directive. I think this should be mentioned in the analysis.

Secondly, turning to the role of employers, social partners and pension funds themselves, I am a staunch advocate of them taking the necessary steps, but as Commissioner Špidla already said, they have missed their turn. I do think, though, that if we adopted this directive now without incorporating this element of value transfer, this would act as an incentive in that they would revisit this element of their own accord, and I should like to hammer this particular point home with the necessary emphasis. I was also opposed to Article 6, as formulated by the Commission, which would grant an individual right to value transfer, but as it should be regulated well, the necessary efforts do have to be made.

As for dormant rights, Mr Mann, it is definitely not the case that the Netherlands was opposed to this component for the reason that it would not be fundable. We have resolved this rather well in our own country in that dormant right holders also share in the profits which their premium contributions yield. Dutch people who have worked in Germany, for example, or other countries, and have been mobile have no access to the rights they accrued in those countries. This is unfair treatment. I think that this is why Article 5 about dormant rights is so important; I am therefore deeply disappointed that both the German Presidency and Mr Mann are now trying to get these rights to apply to future dormant rights only. The argument of retroactive applicability is real nonsense. Pension rights are determined every year, not least on behalf of the active participants. This can be done in exactly the same way for dormant participants. This is nothing to do with retroactive applicability; this is simply about adjusting regulations and this is a fair share which they need to have in it.

In short, the Oomen-Ruijten report receives our unqualified support, and as far as we are concerned, I hope that it does not remain stuck, like the Posting of Workers Directive, in the quagmire which Mr Cocilovo mentioned, but is now really being addressed by the Council.

Carlo Fatuzzo (PPE-DE). – *(IT)* Madam President, ladies and gentlemen, the money paid by workers for a supplementary pension is money belonging to workers. Money paid by employers, so that their employees can have a better life when they are retired, is also money belonging to workers. There should therefore be no problem in adopting a directive on the portability of rights which already belong to workers.

Mr Mann, you say that this directive, as courageously put forward by the Commission, involves considerable costs for insurance funds, and that it should therefore be rejected. I say, however, that the greater the costs for the pension funds, the greater the benefits for workers and the greater the number of workers that will sign up for voluntary pension funds.

To conclude, once again I can see, unfortunately, that the Council is acting as a brake within the European Union. Since the agreement of all 27 Member States of the European Union is required, within the Council one vote against a proposal is enough to block it. I wonder then why we continue to lament the fact that in France and the Netherlands there was a vote rejecting the Constitution. We would all like Europe to make progress, but when it comes to actually tackling the expectations that citizens have of us, we always adopt the position that is worst for citizens and workers. It is clear that we cannot make progress by acting in this way.

Proinsias De Rossa (PSE). – Madam President, I congratulate Mrs Oomen-Ruijten and all of those involved in finding a broad consensus on this extremely complex area. We need a strong vote today for the Oomen-Ruijten report and we need to ensure that the Thomas Mann amendments are defeated. I would appeal to my colleagues and, indeed, friends in the GUE/NGL Group to swallow hard and to give their support at the final vote today.

It is a great pity that after 20 years' debate on portability and acquired rights we end up dealing with a directive that only really addresses the issue of acquired rights and not portability. Nevertheless, I support this particular approach at this point in time. I fully understand why we are in the position we are in, and we need an indication from the Member States that they are going to address seriously the obstacles that prevent full portability.

The veto in Council in this area of policy has to be dropped. I do not specifically mean, necessarily, on this particular directive – although I believe that should be so – but the general issue of the veto in the area of social policy needs to be dropped. I do hope that the upcoming IGC will address that issue in the next few months. More qualified majority voting will not steamroll anybody into any position, but it will oblige Member States and the Council to address the issues and to negotiate rather than to obstruct.

Following today's vote, the Council, I believe, must get serious. They cannot expect trade unions to accept adaptability with regard to labour law reform if they are not prepared to address this key issue of worker security.

Gabriele Stauner (PPE-DE). – *(DE)* Madam President, Commissioner, Mr President-in-Office, ladies and gentlemen, the proposed directive raises difficult problems, as is so often the case when people are directly affected. It is about nothing less than pension rights, that is one of the sources from which income is derived in old age. Germany, Austria, the Netherlands and Luxembourg have very detailed occupational pension insurance systems, which are of high quality and have benefited both sides, both employers and employees.

The objective of a European directive has to be to strike a balance between the original motive of rewarding company loyalty and the requirement of workers' mobility, which is of course being called for so vehemently by the business world and also by the European Commission. The method used to transfer state pension rights within the European Union – pro-rata calculation – should in my view also be used for occupational pension rights. If we want mobility we have to bear the consequences. I support my group's amendments, but regardless of whether they are adopted or not I will be supporting the report as a whole, because it gives workers and employers security and predictability and means that they can plan ahead.

However, this proposal for a directive does highlight a fundamental problem for EU legislation in the field of social affairs: unanimity is required in the Council. This case illustrates perfectly that this is barely achievable in the Council, despite the best efforts of the current Council presidency, which we should acknowledge. The significance of our Parliament's decision will therefore barely last the day, because any decision in the Council and the content of that decision are unknown. If we are to work successfully for the citizens, we in Parliament must therefore insist on majority decision-making in this area too.

Monica Maria Iacob-Ridzi (PPE-DE). – Îndeplinirea obiectivelor de la Lisabona constituie o prioritate pentru noi toți. De aceea, orice inițiativă care promovează creșterea mobilității forței de muncă și care poate contribui la creșterea economică și la reducerea șomajului este binevenită. Armonizarea legislativă în domeniul pensiilor suplimentare, care să promoveze mobilitatea europeană a muncii, nu poate fi realizată, însă, în mod abrupt. Unele state membre au sisteme mai dezvoltate, cu o îndelungată tradiție în domeniu, iar altele sunt în stadiul incipient al introducerii pensiilor suplimentare. De aceea, vreau să felicit raportorul pentru reflectarea acestei diversități în toate amendamentele aduse directivei. Suntem în fața unui raport echilibrat, care facilitează păstrarea sau rambursarea drepturilor de pensii suplimentare, dobândite de angajații care schimbă locul de muncă, fără a împovăra angajatorii, fondurile de pensii private sau ceilalți contribuabili. Este un prim pas pe care toate statele membre îl pot accepta și pe care se poate construi mai departe.

Transferul pensiilor de orice fel trebuie să fie posibil pentru cetățenii europeni care lucrează într-un alt stat membru al Uniunii. Un avantaj în plus pentru angajat este transparența sporită a sistemului. Statele membre sunt obligate să ia măsurile necesare pentru ca angajații să fie informați despre drepturile bănești ce li se cuvin, în cazul în care încetează să lucreze pentru o anumită companie. Pentru România ,

introducerea acestei directive în domeniul pensiilor suplimentare înseamnă un standard care ne permite să dezvoltăm acest sector economic, aflat în stadiu incipient în țara noastră, fără a mai suporta costurile implicate de o reformă. Începând cu 2008, legislația românească prevede introducerea pensiilor suplimentare, ceea ce înseamnă că aproape toți cetățenii români vor putea beneficia de drepturile conferite de această directivă. Cu toate acestea, este nevoie de timp pentru a implementa noile cerințe. De aceea, sprijin ideea acordării unui termen suplimentar de șaizeci de luni pentru punerea în practică a măsurilor prevăzute în directivă.

Piia-Noora Kauppi (PPE-DE). – Madam President, I am happy to see this report reach this stage for a couple of reasons. The proposed changes go in a very sensible direction.

During the process, we were somewhat confused about the Commission proposals, for example on the retroactive implementation of the rules on vesting periods and about the difference between public, private and supplementary pensions. Thankfully, if we accept the proposed changes today, the outcome will be much better than the Commission's original proposal.

We need to keep an eye on the bigger picture. If we make voluntary schemes too bureaucratic, and radically different from today's alternatives, no one, especially not SMEs, will provide them. This will defeat the object of encouraging employers to expand the scope of voluntary schemes to more employees. It also means that the opportunity for companies to use voluntary schemes as attractive tools in recruiting employees and rewarding their loyalty will be lost. In addition, millions in investments will potentially be lost.

The objective is to encourage as many companies as possible to opt for the right kind of supplementary schemes and thus help alleviate, inter alia, the democratic time-bomb implications for publicly funded social security schemes. This can also be encouraged by leaving it up to Member States to decide when and how they will develop portability, so that companies located within them do not find themselves facing big surprises.

If we get this right, the EU can, without transgressing subsidiarity, make a genuine contribution to modernising social security in Europe and reaching its Lisbon goals.

Avril Doyle (PPE-DE). – Madam President, I fully support mobility of workers and greater portability of pensions, but it is important that this proposal on a very complex and specialist issue does not result in a reduction in the number of employers willing to offer voluntary pension schemes to employees. We need to allow employers who can afford to do so to offer generous pensions in order to attract and reward high-calibre personnel.

A recent Eurobarometer survey shows that 50% of younger employees and 30% of those in the 45-54 age group all expect to change jobs within the next five years, so making sure pensions savings follow employees throughout their career should be our goal. In this regard, I support our rapporteur Mrs Oomen-Ruijten's efforts on the preservation of dormant rights.

As Member States' statutory pension schemes face increased challenges on demographics and the dependency ratio, supplementary pension schemes are becoming more and more important. However, companies need to be able to offer pensions at an entry level that is viable for them. I can live with the compromise reached by the Council on this matter that, in cases where schemes stipulate a minimum age, this may not exceed 25 years. In Ireland, 54% of all employees are in occupational pension schemes, and the vesting period is two years. This works well for us, but I can accept a five-year vesting period to alleviate cost fears and to achieve a compromise to ensure the transfer of capital from the private sector pension schemes without undermining them.

I hope there is a resolution of difficulties sooner rather than later and that the Commission's revised proposal charts a more acceptable path both for the Council and for Parliament. After all, our objective is, as the Commissioner said, not harmonisation, but minimum requirements, to ensure that it is not a case of 'You move, you lose your deferred pension rights'.

Günter Gloser, President-in-Office of the Council. (DE) Madam President, Commissioner, ladies and gentlemen, thank you for your contributions to the debate. I should like to comment on one further point that was also mentioned by several Members.

Obviously, many of you referred to the Lisbon Strategy, to the increasing need for workers' mobility and to the action required as a result, for instance adopting appropriate rules precisely in respect of the portability of occupational pension rights.

Regardless of our assessment of the individual proposals that you have made or that appear in the report, unanimity is required in the Council and one Member State is saying clearly that it is bound by a parliamentary decision. Members of the national parliament have asked their government to respect that decision during the negotiations in the Council and to make certain proposals, which has meant that ultimately the unanimity that we need has not been achieved.

Mrs Schroedter, there is no need to enter the realms of fantasy and criticise Germany's role here. Even under the Finnish Presidency it became clear which direction we could go in, where our positions converged and where they did not. That is why portability in the narrow sense of the word was removed from the proposal at that time. In all of the many discussions that we have had we have tried to reach an understanding, an agreement, but in the end we lacked the consent of one Member State. I have received positive signals from the Netherlands and Portugal – the incoming presidency – in one contribution. If then there is a desire to move closer together then hopefully an agreement will still be possible, at least in certain areas.

Vladimír Špidla, *Member of the Commission*. – (CS) Honourable Members, this debate can certainly be deemed a success, because, from many points of view, it has succeeded in clarifying the thrust of the approach taken by Mrs Oomen-Ruijten in her report.

It has clarified the idea of protecting and strengthening the rights of migrating workers, and, in turn, preserving and strengthening the long-term balance of these supplementary schemes, because the manifest unfairness of the current solution will inevitably lead to fewer people taking part in supplementary schemes. From a long-term perspective, this approach will naturally lead to strengthening.

I feel that, in a modern human society characterised by very little certainty, there are two very deeply embedded certainties. One of these is of course the certainty that death will come, and the second certainty of modern systems is that my pension rights will be fairly protected. I feel that this is such a certainty so fundamental that it is very good to strengthen it whenever we have the opportunity to do so.

Ladies and gentlemen, in a nutshell, the debate has shown that the report by Mrs Oomen-Ruijten follows a strong, fair-minded approach based on the economic and social development of the European Community, and improves the situation for mobile workers by protecting deferred rights and by guaranteeing the due acquisition of rights. The debate has clearly shown that this report is well balanced and neither affects nor hinders existing systems, even at a national level.

I should also like to mention some views that have emerged from the debate. One was that the report addressed the concept of making pension rights more dynamic. This idea was neither in the original proposal nor in Mrs Oomen-Ruijten's report.

Honourable Members, it is right, in my view, to support the report before us in full. It creates a good basis for further development, which, as the debate has illustrated, is vital, and in my view it represents a major improvement on the existing state of affairs.

President. – The debate is closed.

The vote will take place later today.

Written statement (Rule 142)

Richard Seeber (PPE-DE), *in writing*. – (DE) Workers' mobility is a fundamental right in the European Union. This can only become a reality if the right conditions are created. This applies particularly to the area of social security. It is simply not enough for state pension rights to be transferable; the same also has to apply to occupational pension systems.

It is important that the rules remain practicable: we do not want well-intentioned procedures to cancel out their additional benefits because excessive red tape makes them unwieldy. Overall the approach proposed is a step in the right direction.

3. Improving the method for consulting Parliament in procedures relating to enlargement of the euro area – Adoption by Cyprus of the single currency on 1 January 2008 – Adoption by Malta of the single currency on 1 January 2008 (debate)

President. The next item is the joint debate on

- the Council and Commission statements on improving the method for consulting Parliament in procedures relating to enlargement of the euro area,

- the report (A6-0244/2007) by Werner Langen, on behalf of the Committee on Economic and Monetary Affairs, on the proposal for a Council decision in accordance with Article 122(2) of the Treaty on the adoption by Cyprus of the single currency on 1 January 2008 (COM(2007)0256 – C6-0151/2007 – 2007/0090(COD)), and

- the report (A6-0243/2007) by Werner Langen, on behalf of the Committee on Economic and Monetary Affairs, on the proposal for a Council decision in accordance with Article 122(2) of the Treaty on the adoption by Malta of the single currency on 1 January 2008 (COM(2007)0259 – C6-0150/2007 – 2007/0092(COD)).

Günter Gloser, President-in-Office of the Council. (DE) Madam President, Commissioner, ladies and gentlemen, as we begin this debate, which is about procedural issues, we should firstly not forget the pleasing conclusions of the Convergence Reports published by the Commission and the European Central Bank on Cyprus and Malta. The Presidency is delighted that the Commission was able to establish that Cyprus and Malta have reached a high level of durable convergence and that, on this basis, it has been able to table proposals for the euro to be introduced in these two countries.

At the meeting of the Economic and Financial Council on 5 June 2007, ministers endorsed the Commission's assessment that Cyprus and Malta meet the conditions for the euro to be introduced.

The Presidency would therefore be very glad if Cyprus and Malta's success were not overshadowed by procedural issues and if the European Parliament, the Commission and the Council could reach an amicable solution.

It is in all of our interests to avoid delaying or creating any uncertainty about the technical and legal preparations that Cyprus and Malta need to make for the introduction of the euro. I should particularly like to thank the European Parliament for its willingness to cooperate.

The Presidency has sympathy for the European Parliament's concerns and understands why it wants to have more time to examine the Convergence Reports and the Commission's proposals for Council decisions on the introduction of the euro.

However, the Council and the Presidency are bound by the procedure laid down in the EC Treaty. The timetable is essentially determined by the rules laid down in the Stability and Growth Pact, including the Maastricht reporting regulation.

The Council's obligation to consult the European Parliament on proposals for the euro to be introduced in Member States is laid down in Article 122(2) of the EC Treaty. The Presidency believes that the Council has respected this provision of the EC Treaty in the cases of Cyprus and Malta.

The Council received both Commission proposals for Council decisions on 21 and 22 May 2007, each in three language versions. The remaining language versions were transmitted to the Council in the course of the subsequent two weeks. On 25 May the Council consulted the European Parliament on the two Commission proposals.

In its request for consultation, the Council referred to the fact that it would be helpful if the European Parliament could adopt its opinions on the Commission proposals at its plenary session from 18 to 21 June. These opinions could then be made available to the Council, meeting at the level of Heads of State or Government, on 21 June 2007.

Although it is not a legal requirement, the Presidency would be pleased if the discussion of the Heads of State or Government could also take into account the European Parliament's position. In any case,

the Council cannot adopt its two decisions on the introduction of the euro until the European Parliament's opinions have been provided.

In principle, the Presidency supports the proposals made by President Barroso in his letter of 13 June 2007 in response to President Pöttering's letter. The Presidency believes – as the Council President, Mrs Angela Merkel, explained in a letter to the President of the European Parliament on 19 June – that this matter primarily concerns the Commission and the European Parliament.

Joaquín Almunia, *Member of the Commission*. (ES) Madam President, ladies and gentlemen, I would like to begin by thanking this Parliament's Committee on Economic and Monetary Affairs and the rapporteur, Mr Langen, for the speed with which they have examined the convergence reports on Cyprus and Malta approved on 16 May by the European Commission and by the European Central Bank.

Tomorrow in Brussels, the European Council will debate the enlargement of the euro zone to these two countries and we all trust that on 10 July, following the positive agreement of the European Council tomorrow, Ecofin will take the final legal decision to enlarge the euro zone to these two countries.

Both this Parliament and the Ecofin Council of 5 June agree with the analysis of the Commission and the Central Bank with regard to Cyprus and Malta's compliance with the convergence criteria laid down in the Treaty.

At the meeting held with the coordinators of Parliament's Committee on Economic and Monetary Affairs on 7 June, I had the opportunity to explain to you that we in the Commission have been provided with full and reliable information on these two countries for the purposes of drawing up the convergence reports.

There is confusion in certain documents accompanying the draft resolution between data relating to the quarterly financial accounts and the data that is notified twice a year by the countries under the excessive deficit procedure, data relating to deficit and to debt. I must say once again to this plenary of Parliament that, with regard to the information necessary in order to take decisions on excessive deficit procedures, the Commission has no reservations in terms of the quality of the data provided by Malta and Cyprus. No reservations of any kind.

With regard to Malta, the Commission issued an opinion on the criterion on the sustainability of public finances, conditional upon the Ecofin Council's approval of the abrogation of the excessive deficit procedure which had been opened up for this country in 2004 and the Ecofin of 5 June has confirmed this point, bringing an end to the excessive deficit procedure with regard to Malta.

There are also precedents with regard to an approval in the convergence report conditional upon fulfilling conditions, either in terms of the stability of the exchange rate or the declaration of excessive deficit. With regard to Malta's compliance with this criterion, therefore, there is no kind of particular situation or exception. The general procedure applied has been the one applied in many other previous cases to many other countries.

Over the coming weeks and once the Council's positive decision has been confirmed with regard to the enlargement of the euro zone to Cyprus and Malta, the Commission will issue the two reports on each country's state of preparedness for joining the euro. I am also aware of certain honourable Members' concerns in this regard. That report on the degree of preparedness for the change of notes and coins is not the same as the convergence reports. It is not a convergence criterion and the Commission regularly publishes, as we will do over the coming weeks, reports and communications focussing on this issue.

Under these circumstances, ladies and gentlemen, we are able to predict that on 1 January 2008 the euro zone will have fifteen Member States with the accession of Cyprus and Malta. This is an extremely positive step for those two countries, for the euro zone and for the whole of the European Union. The euro is undoubtedly one of the greatest achievements of European integration and the greater the number of citizens enjoying its advantages, the more the Union's capacity to offer all of its citizens greater guarantees of prosperity and social wellbeing will be recognised.

Ladies and gentlemen, with this debate on Cyprus and Malta's request to join the euro zone, this is the fourth time that the European institutions have given their opinion on the membership of the zone. The first of them took place in 1998 and it was aimed at identifying which countries would initially make up the euro zone on 1 January 1999. On that occasion it was decided that eleven Member States would join the zone. Two years later, in 2000, Greece's request was analysed and it was agreed that Greece

could join the euro zone from 1 January 2001. Last year, all of the European institutions debated and agreed that Slovenia would join the euro zone on 1 January 2007. Finally, we have this request from Cyprus and Malta, which I hope will be definitively approved by the European Council and Ecofin on 10 July.

In no way can it be said, therefore, that the euro zone is a closed club, as has sometimes been claimed. It is a club that is entirely open to all members that wish to join it and which are prepared and fulfil the conditions for reaching that stage.

Following these four procedures for setting up and enlarging the euro zone, from next year it will have fifteen Member States, another two have an opt-out clause (the United Kingdom and Denmark) and a further ten Member States do not yet belong to the zone and I hope that they will join over the next few years.

Without making any prediction as to when all of the conditions for joining the euro zone may be met, I believe that over the next few years, practically every year we European institutions are going to have to give our opinion on new memberships of the zone in accordance with the Treaty, which declares the euro the official currency of the Member States of the Union.

In Articles 121 and 122 the Treaty also stipulates which criteria determine whether a Member State meets the conditions for adopting the single currency and establishes the procedure to be followed by the European institutions. With regard to the motion for a resolution that the honourable Members have prepared on these procedures for consulting Parliament with a view to the enlargement of the zone, I would like to refer to this aspect in the second part of my speech.

According to the Treaty, the procedure must involve five actors: the Commission, the European Central Bank, Parliament, the European Council and the Ecofin Council. However, the Treaty does not contain any specific provision regarding the time limits for each of the institutions to issue their opinion.

On the four occasions on which we have given our opinion, a similar timetable has been followed: firstly, the request for entry into the zone by the Member State or States, which is usually presented at the beginning of the year prior to the year in which they wish to join the euro zone; secondly, the Commission and the European Central Bank's assessment of whether or not the conditions are met, which is carried out in spring; thirdly, the Council's definitive decision, which takes account of the opinion of Parliament and the debate in the European Council, which normally takes place in the middle of the year prior to the introduction; and finally the adoption of the euro by the Member State or States on 1 January of the following year.

There are a series of determining factors in these steps, and I would like to refer to them because they affect all of the institutions. Firstly, why is the euro introduced on 1 January? In view of the enormous legal, economic, fiscal, accounting and practical implications of changing currency it would be extremely unwise to consider a date other than 1 January to adopt the euro and I believe that there is general agreement amongst everybody on that.

Secondly, the Member State should be allowed a period of time to carry out the preparations for joining the euro in an orderly and effective manner and, on the basis of our experience of previous enlargements, we can state that, in the interest of the citizens of the country in question, who would suffer most from the consequences of a badly-prepared adoption of the euro, it is desirable for the process of decision-making by the European institutions to be completed several months in advance of the 1 January on which notes and coins are introduced and the irrevocable exchange rate in the country joining the euro takes effect.

These are the determining factors in practice and neither of them are in the hands of the Commission, of course. What does fall to the Commission, however, in cooperation with the European Central Bank, is the adoption of the convergence report on whether or not the criteria have been fulfilled. The date on which the Commission must adopt the convergence report is determined, firstly, by when the Member State presents its request – the Commission cannot decide when a Member State is to present that request – and, secondly, by when the Commission has the reliable and rigorous data that it needs in order to carry out an appropriate, rigorous and accurate assessment of whether or not the convergence criteria have been fulfilled.

The date of the Commission's convergence report therefore depends, on the one hand, on when the Member State presents the request and, on the other, on when the Commission can be provided with the appropriate, rigorous and accurate data required in order to carry out the assessment.

In 1998 and 2000, the Commission generally adopted the convergence reports at the beginning of May. In 2006 and 2007, the approval took place in the middle of May because, since 2005, the time limit for the Member States to communicate the data on their budgetary situation has been put back by a month, from 1 March to 1 April. This has been done in order to acquire accurate and rigorous information on the budgetary execution for the previous year of the Member State applying to join the euro zone. Experience indicated that the notifications of 1 March did not include all of the accurate data required in order to provide a sufficient picture of how the previous budgetary year had been concluded.

Under these circumstances, if we bear in mind that Cyprus and Malta fulfilled the exchange rate stability criterion on 2 May of this year, the Commission has had two weeks, as happened last year in the case of Slovenia, to draw up and adopt the convergence reports. The point I wish to make through this perhaps overly detailed explanation, is that all of the institutions have tight deadlines within which to take decisions in this procedure.

The time limit available to Parliament is determined, on the one hand, by the approval of the convergence report by the Commission and the Central Bank, but also, on the other, by the dates decided upon by the Council for its decision-making procedure, both in the European Council and in the meeting of the Ecofin Council, and that is clearly not in the hands of the Commission.

In any event, the President of the Commission, Mr Barroso, has written a letter to President Poettering indicating that the Commission is willing to explore ways for each institution to be able to exercise the competences assigned to it by the Treaty in the best possible way within this procedure, and the Commission and I personally would like to say to you once again, in response to this Parliament's motion for a resolution, that we are willing to seek an agreement amongst the three institutions on a procedure that will improve the way in which we work, in view of the objective limitations we face when making decisions in this area.

Ladies and gentlemen, the Committee on Economic and Monetary Affairs is perfectly aware, and all of you should be aware, that the Commission and myself are of course entirely at your service when it comes to providing any information available before these time periods elapse – with regard to the economic situation of the candidate countries and the degree of compliance with the convergence criteria – even before the Member States present their requests.

Werner Langen (PPE-DE), rapporteur. – (DE) Madam President, Minister of State, Commissioner, before I turn to Malta, Cyprus and the procedure, I should like with your permission to make a few preliminary remarks about the euro. There is no doubt that the euro is a very successful project. It is stable internally and externally. We should not forget this in today's debate. Internally, we have low inflation rates; externally, the euro has become the second most important currency in the world and is very stable against the dollar. None of this has happened by accident. It is the result of a construction in which the Member States and the Commission bear the main responsibility: the Maastricht criteria in the Stability and Growth Pact – which has of course already been watered down under Commissioner Almunia's leadership – the deficit procedure, the clear statistical data and the independence of the European Central Bank. Only if all of these factors coincide will the euro remain a stable currency in the long term. I am saying this as a preliminary remark, because I still need to address the procedure.

Of course the Treaty is clear, but the Treaty also states that the European Parliament has to be listened to. Commissioner, I will be quite frank: we will not allow our role to be reduced to that of an optional extra! The Commission – so I have just heard – has done everything to the letter, and Parliament has to create its own window. If that is the case – and that is what we say in the motion – then, should an interinstitutional agreement not be concluded containing the points that we will subsequently be adopting by a large majority, next time we will break off our consultations, as we also do for agriculture policy. We will not adopt these opinions as quickly as we have been asked to do so now for the third time. Let me make it quite clear: Parliament will not be treated as an optional extra, not by anyone!

I will now turn to Cyprus and Malta. I am glad that we can support an enlargement from 13 to 15 participating countries. In February, Malta and Cyprus requested a Convergence Report pursuant to Article 121 with the aim of obtaining membership. Examination of the data available – the Commissioner has described the undeniable problems in this respect – tells us the following: Cyprus has participated

in ERM II for a long time; as of 5 May it meets the requirements in respect of long-term interest rates; per-capita GDP is good, at 85% of the EU average, and its economy shows substantial convergence. Nevertheless, it had a problem with the data, and specifically with the quarterly financial accounts. This was also discussed on 3 May.

We should also examine the clarity of the data from the point of view of the Commission's responsibility. It is not enough for the Commission to say that we are dependent on the data and that the Member States have to supply it. The Commission is also responsible for these data being correct. We saw this in the case of Greece, where the Commission did not carry out a sufficiently thorough examination and six months' later we had a nasty surprise.

Cyprus meets the conditions and Cyprus – and it had been criticised on this score – has also brought its Central Bank law into line, although it only did so some time after requesting the Convergence Report, namely on 15 March, that is over a month later. However, the law has now been amended, inflation is low, and although government debt is still over 60% it is heading in the right direction. We can therefore say today that we unreservedly support Cyprus's accession to the euro zone. I am sure that the European Parliament will do so.

In Malta's case the picture is similar, but with one exception. We support Malta's accession. On Monday, the Committee on Economic and Monetary Affairs voted in favour of the accession of both States by a large majority, almost unanimously – for Malta with 39 votes in favour and for Cyprus with 38 votes in favour and one abstention. With Malta, however, we had the problem that at the time that the Convergence Report was tabled the deficit procedure had not yet been closed. The Commission therefore tabled a Convergence Report that did not comply with Article 2 of the Protocol on the Convergence Criteria. This states that at the time of the examination the deficit procedure must be closed. That is a fact. We accepted the report nonetheless, but the Commission should not say here that it has done everything to the letter and that it is just this interfering Parliament that is disrupting its consultations with the Council.

Turning finally to our motion for a resolution, we have received the reports and letters from the President of the Commission, Mr Barroso, and Angela Merkel. Mrs Merkel has a difficult procedure to complete, as she has to listen to all 26 other Member States. Mr Barroso only needs one Commission decision. I agree that we should take a decision, despite the fact that many of our requests have not been met, but that is why we are now calling for an interinstitutional agreement. In this agreement, which should be adopted by the end of 2007, we call on the Council and the Commission to be more accommodating on the timing. Otherwise next time round – and it will probably be Slovakia – we will insist on our right to a period of at least two months for consultation. Next time we will not tolerate the schedule that we have gone along with now for the third time.

With this in mind we welcome the fact that Cyprus and Malta can become Members, but we demand reasonable consultation conditions from the Commission and the Council for the European Parliament.

IN THE CHAIR: MR ONESTA

Vice-President

David Casa, on behalf of PPE-DE. – (MT) Mr President, I cannot begin without first expressing my appreciation towards the Maltese and Gozitan population for the great strides they have managed to take in these three years since Malta became a member of the European Union. These were three difficult years that presented numerous challenges. In these three years the Maltese have shown themselves capable of adjusting to the future. It has been an extremely interesting time for my country, and I can say outright that the results have begun to show. The introduction of the euro this January confirms this.

Malta has clearly shown itself capable of fulfilling all the necessary criteria so as to ensure that this important transition occurs smoothly. This transition will strengthen the country's economy and, in turn, competitiveness. Change is never easy. However, I believe that Malta is fully prepared to face up to this new challenge in January. We must keep in mind that Malta was given a restricted time period in which to conform to, and adopt, the measures required for this changeover to take place. In less than three years, Malta has reduced its inflation rate to 2.2%, and the ratio of national debt compared to the Gross Domestic Product is decreasing towards the reference rate of 60%. There has been a sustainable reduction in the budget deficit, which now stands at less than 3%, and one must also consider the fact that, as from Malta's entry into the ERM2 programme, the Maltese lira did not undergo any devaluation

and at no point was there ever an air of uncertainty in the country. As Commissioner Almunia said, Malta has achieved a high level of sustainability and convergence. Malta and the Maltese are used to facing and overcoming their challenges, challenges that, in the past, were far from small and that nonetheless led to a string of successes throughout history. This is an historical moment for the European Union because it will lead to a larger eurozone, one that incorporates more countries and more people. It is also an historical moment for Malta because it will contribute to the further integration of its citizens with the European Union.

I would also like to thank the rapporteur for his work in this area, which proved to be very useful.

Dariusz Rosati, *on behalf of the PSE Group.* – (PL) Mr President, first of all, I would like to say that I welcome the fact that, on 1 January 2008, the eurozone will have two new members, namely Cyprus and Malta. Both countries have fulfilled the convergence criteria stipulated in the Treaty. I would like to warmly congratulate our Cypriot and Maltese colleagues.

Expanding the eurozone is an important process which fosters deeper integration in the European Union. This process also has a positive effect on candidate countries and the eurozone's economic position. Countries preparing to join the eurozone are developing at a much faster rate than those in the zone. Their macroeconomic situation is also better, especially in terms of public debt and budget deficits. The new members will strengthen the whole zone and the single currency.

At the same time, I would also like to state that I do not welcome the fact that a great deal of time pressure is being placed on Parliament in its work to assess these new countries' eurozone membership. Our current work schedule does not allow Parliament to properly prepare an opinion. This is why the resolution which I hope we will adopt today, aims to initiate a debate on an interinstitutional agreement which will, in the future, facilitate the efficient and effective analysis of convergence reports.

I welcome the open and constructive position that President Barroso and Commissioner Almunia have just declared, on behalf of the Commission. Minister Gloser, I hope that the Council's position will also be constructive. I am counting on the creation of an efficient mechanism for a problem-free expansion of the eurozone in the future.

In the debate on the expansion of the eurozone, it should be stressed that certain compulsory Maastricht convergence criteria do not apply to the current situation. This is particularly the case for inflation. First of all, it does not seem appropriate for the eurozone membership criteria to be defined according to the average inflation rate in countries which do not belong to the eurozone.

Secondly, the current criterion does not take into consideration the fact that rapid economic growth in the new Member States naturally translates into a higher inflation rate, which is by no means a sign of economic weakness. In fact, quite the opposite is the case. It reflects the fact that the new Member States are catching up with the developed economies of the old Union.

Thirdly, I would like to draw your attention to the fact that the definition of stability applied by the Commission and the European Central Bank in convergence reports is different to the definition of price stability used by the European Central Bank in the field of monetary policy. Meanwhile, the Treaty text only contains one definition of price stability and we cannot have two different interpretations of this term.

The inflation criteria currently means that some of the new Member States may not be able to join the eurozone for many years. This permanently divides the Member States into two categories, namely the eurozone countries and those which remain outside the eurozone. This situation threatens the cohesion of the Union and is at odds with the spirit of the Treaty. The convergence criteria were drawn up 16 years ago, in entirely different circumstances. They should be adapted to the current situation. I appeal for an in-depth debate on this subject.

Donato Tommaso Veraldi, *on behalf of the ALDE Group.* – (IT) Mr President, ladies and gentlemen, first of all I would like to thank Mr Langen, the rapporteur, for the excellent work he has achieved despite the short length of time available.

In fact, on 16 May 2007 the Commission adopted its convergence report on the criteria for Malta and Cyprus to join the single currency and on 25 May the European Parliament was invited to express its view on the proposal for a Council decision on the adoption by Cyprus and Malta of the single currency

on 1 January 2008. Because of the short time available Parliament was not able to make a thorough assessment of the situation of these countries and the reports put forward by the Commission.

I would nonetheless express a favourable opinion on the adoption by Cyprus and Malta of the single currency, since the convergence criteria have been met. In fact, with regard to Malta, in the last 12 months the inflation rate has been 2.2%, which is less than the reference value of 3%. The excessive deficit has been corrected through a sustained reduction in the budget deficit under the threshold of 3% of GDP and the debt rate is falling, coming close to the reference value of 60% of GDP. Until March 2007 Malta's average long-term interest rate was at 4.3%, which is below the reference value of 6.4%. The Maltese economy is highly integrated into the European Union and the balance of payments deficit fell to 6.3% in 2006, partly thanks to direct foreign investments.

With regard to Cyprus, in the last 12 months the inflation rate has been 2%, which is lower than the reference value of 3%. For 2007 the forecasts made by the Commission in spring this year are for an unchanged deficit of 1.4% of GDP. Since its entry into ERM II, the European exchange rate mechanism, the Cypriot pound has been exchanged in a stable manner at a satisfactory exchange rate. In the last 12 months the average long-term interest rate has been 4.2%, which is below the reference value of 6.4%. The Cypriot economy is highly integrated into the European Union's economy. The Commission considers that economic integration has been achieved, despite the increase in the balance of payments deficit.

In order to avoid problems arising again in the future on procedural timetables, it is necessary to improve the method for consulting the European Parliament, by setting up interinstitutional cooperation between Parliament and the Commission. This will make it possible to have the time necessary to make a proper assessment of the proposals by the Commission and the European Central Bank. On this point, I believe that the exchange of views with Commissioner Almunia and the reply by Mr Barroso, President of the Commission, to the letter sent to him by Mr Pöttering, President of Parliament, were fairly positive. The Commission ought to notify Parliament very early of all requests for convergence reports submitted by the Member States and should decide together with Parliament and the Council on the timetable for the procedure.

Zbigniew Krzysztof Kuźmiuk, *on behalf of the UEN Group.* – (PL) Mr President, by taking the floor in the debate on expanding the eurozone to include Cyprus and Malta, I would like to draw your attention to the following issues. First of all, the Commission is once again reminding us of the need for the new Member States to meet all the Maastricht criteria before joining the eurozone. At the same time, it is turning a blind eye to the fact that, when the euro was introduced, many of the old Member States did not meet these criteria.

Secondly, despite the revision of the Stability and Growth Pact, the Commission has remained lenient towards the biggest Member States in terms of their adherence to the Maastricht criteria. In the past, the Commission has tolerated, and appears to still tolerate, significant budget deficits and a level of public debt in particular, which often exceeds 60% of GDP. Statistics confirm this. In 2006, public debt in the countries of the old European Union was as high as 63.3% of GDP and, in as many as half of the eurozone countries this debt exceeded 60% of GDP.

Thirdly, the Commission's attitude towards countries wishing to join the eurozone varies greatly. Very recently, Lithuania's application to join the zone was rejected, in spite of the fact that it had met the Maastricht criteria, and its inflation rate barely exceeded 0.1% of the reference value.

Therefore, the Commission's quick approval of Cyprus and Malta's membership of the eurozone might seem surprising in view of the fact that both countries' public debt clearly exceeds 60% of GDP. In 2006, Cyprus' public debt amounted to as much as 65.3% and Malta's debt stood at 66.5% of GDP. Moreover, both countries are finding it difficult to provide Eurostat with statistics pertaining to their financial situation.

In spite of the doubts I have just expressed, I would still like to congratulate both Cyprus and Malta on joining the eurozone.

Cem Özdemir, *on behalf of the Verts/ALE Group.* – (DE) Mr President, Mr President-in-Office, Commissioner, ladies and gentlemen, both Malta and the Greek part of Cyprus meet the Maastricht criteria. It is therefore logical to enlarge the euro zone to include both countries. If it were up to me and

my group, more Member States of the European Union would be welcome to join the euro zone, provided that they met the criteria. That can only be good for the European Union.

This event is, however, tinged with sadness and I should like to explain why: unfortunately, in Cyprus an opportunity has been missed to involve both parts of Cyprus in the euro zone and to blaze the trail for a reunification of the island of Cyprus on the basis of a bicomunal and bizonal solution. That is very regrettable, because as a result the wall in Cyprus will be reinforced rather than weakened.

Andreas Mölzer, on behalf of the ITS Group. – (DE) Mr President, ladies and gentlemen, economic experts seem to agree that the euro zone is enjoying a general economic upturn. They are even talking about a sustained rise in employment. It is my belief, however, that all too often it is only a rise in part-time employment – or the new forms of work, as they are euphemistically known – that has been recorded, which can hardly compensate for the full-time jobs that have been lost. Under these conditions the dwindling birth rate should come as no surprise. You cannot feed a family on a McJob! Enthusing about an upturn is a slap in the face for every single one of the millions-strong army of jobless in the EU. It mocks all of those millions of people who are labelled as the working poor.

We are facing a problem that should not be underestimated: the fact that existing differences within the euro zone are widening, for example the southern European countries are seeing a continual worsening of their competitive position. The fact that the euro is not a universal remedy is proved by the example of the United Kingdom alone. As we know, the British economy is in good shape, even without the euro. The United Kingdom has the sixth largest manufacturing sector in the world and the eighth largest services sector. For this reason alone, no EU Member States should, in my opinion, be forced to introduce the euro. Fears about, for example, handing over sovereignty to the European Central Bank should be treated just as seriously as the price rises feared by consumers. Many millions of citizens have in fact found the euro to have inflationary powers, since it has been a decisive factor in the increased price of everyday necessities. Neither official statistics showing the contrary nor image campaigns will do anything to change that. Any EU country that is considering introducing the euro should as a general rule, in my view, always let the sovereign power, that is the people, decide.

Panayiotis Demetriou (PPE-DE). – (EL) Mr President, Commissioner, ladies and gentlemen, first of all I wish to thank the rapporteur, Mr Langen, and the members of the Committee on Economic and Monetary Affairs, for their positive report on the integration of my country, Cyprus, and of course of Malta into the eurozone. I also wish to thank Mr Almunia for the assistance he has given Cyprus all this time in achieving this objective. Despite the tight timeframe which the Commission allowed Parliament and despite the reactions voiced, Mr Langen has demonstrated a huge sense of responsibility, has circumvented procedural issues and, I repeat, has demonstrated his ability to get to the heart of the matter in his positive report. My thanks once again to Mr Langen.

The European Parliament is today rewarding Cyprus's long-term efforts to put its economy in order and converge with the indicators of the European Union. The European Parliament is giving the third institutional green light to the adoption of the euro in Cyprus. The adoption of the euro in Cyprus will bring the euro to the Middle East and forge a monetary link between Europe and Arabia via Cyprus. The monetary area of the European Union will extend from Brussels to the far end of the Eastern Mediterranean. Cyprus has always had a strong economy; even during the difficult years after the military invasion and the occupation of the north of Cyprus by Turkey and the loss of its basic economic resources, it has managed to develop a strong economy. Thus, everything that needs to be done by 1 January 2008 on the part of Cyprus for full economy integration and convergence will have to be done and you can be sure that it will be done. As far as Eurostat's comment on the provision of imperfect data is concerned, Mr Almunia's clarification satisfies us.

I trust that by 1 January 2008 the necessary basis will be in place for a proper resolution of the Cyprus problem and for Cyprus to reunite politically, socially and economically, so that the euro becomes the currency of all Cypriots, both Greek and Turkish alike. The European Union has an obligation to take an initiative in this direction.

Pervenche Berès (PSE). – (FR) Mr President, Mr Gloser, Commissioner, this is actually the fourth time that the European Parliament has been called upon to make a decision on the euro area, in its initial setting up or on the occasion of its enlargements. The issue of the euro is no small matter for our fellow citizens: it is, in their hands, one of the European Union's most valuable assets.

Since last year, however, since the opening of the debate on the accession of Lithuania, we have had the impression that it has become a debate from which any political issue must be removed and where only purely technical arguments can be raised.

In this debate, the European Parliament is asking to be able to come to a decision of this kind in the normal way. For that to happen, like any other institution, it needs time. That is the spirit of the letter that our President sent to the Presidents of the other two institutions. The answer we have received from the President of the Commission springs from a spirit of cooperation and conciliation, we appreciate that. On the Council's part, it is a work in progress. We need to go beyond that, Mr Gloser. We need you to show the same spirit of consultation and conciliation as the Commission, otherwise we shall find it difficult to carry on in this way.

Beyond the technical arguments, I should not want the whole of the discussion to take place without at any time our raising the problems of governance of the euro area. What situation are we in today, after all, with two countries that have a permanent opt-out clause and countries that have to sign up and belong to this area, without at any time our questioning the governance of the area?

We are approaching the time when rotation of the authorities of the European Central Bank (ECB) takes place. It is a mechanism that we have criticised here, in this Parliament, and that, I think, we continue to criticise. We think also that the functioning of the Eurogroup is not quite satisfactory and that we must do even better.

Tomorrow we shall have the accession of Slovakia and then after that, until 2012, our timetable will be noticeably lighter. Let us take advantage of this time to improve the governance of the euro area, otherwise our fellow citizens will no longer have confidence in their own currency, the geographical extent of which is being enlarged without first of all improving its functioning.

With your permission, Mr President, I shall say a word finally about the inflation criterion. I know that this criterion was defined in 1992, at a time when Europe was very different from what it is now. If, however, we want to revise the Maastricht criteria on a strictly economic basis, independently of any political conditions which would allow this debate to be reopened, then there are other aspects of the Maastricht criteria that ought to be revised.

Marios Matsakis (ALDE). – Mr President, the eurozone is another important institution, bringing European nations closer to each other and further connecting our people's wellbeing and prospects in the common future of a united Europe.

For this reason, the citizens I represent as a Cypriot MEP rejoice at the decision of the Committee on Economic and Monetary Affairs to approve the Commission's proposal to proceed with the adoption of the euro by Cyprus on 1 January 2008.

I of course note with regret that paragraph 7b of the report's explanatory statement somewhat erroneously states that the Cypriot Government has infringed the provisions of Regulation (EC) No 501/2004 of 10 March 2004 on providing Eurostat with full information on quarterly accounts for general government.

Yesterday, I wrote to the Cypriot Finance Minister and to the Commission on this subject. I welcome the speedy correction made by Commissioner Almunia, both to me in writing and here this morning. I wonder whether it would also be possible for a suitable correction and clarification to be made in the report, even at this late stage. I should appreciate the assistance of the rapporteur in doing this.

Cyprus's adoption of the euro will, in addition to everything else, have two further beneficial effects. Firstly, it will bring Turkey closer to Europe as, on a practical level, the euro will replace the Turkish lira as the currency used in the Turkish-occupied northern part of Cyprus.

Secondly, it will bring Europe closer to the United Kingdom, as the euro will be the currency used by the civilian population living in the two British colonies in Cyprus, Akrotiri and Dhekelia. In these areas, the pound – albeit the Cyprus pound, a colonial version of the mighty British pound – will be replaced by the euro. These colonies will be the first official British territory on which the euro will be the currency of general use. In the future, the euro may even gradually extend from the colonies to the British mainland, undoubtedly to the joy of all the British MEPs in this House, of whom, incidentally, I do not see many.

In conclusion, I call on all my colleagues to support this report and I take this opportunity to extend an invitation to you all to visit Cyprus in 2008, to enjoy Cypriot hospitality and to spend your euros freely in the sun.

Alexander Radwan (PPE-DE). – *(DE)* Mr President, ladies and gentlemen, I will confine my remarks today to the procedure and will not comment on the many other points that have been addressed. In terms of substance I can quite frankly echo Mr Langen's assessment of Malta and Cyprus and his comments on Parliament's approval.

I will therefore concentrate on the procedure. Here I will simply take the words of the Minister of State, Mr Glosar, as my starting point. He said that we should not primarily consider the procedure. There was talk of sympathy, requests and considering. For the next procedure I should like to say: we will sympathetically consider Council and the Commission's requests to make our decisions quickly. Next time, however, we will also use the procedure that Parliament provides for such matters. We fully understand the Council's constraints with its meeting schedule. The Commission's constraints too, and the 1 January deadline: all of these things are well understood in Parliament. However, if there is no understanding the other way round, that we in Parliament also have a particular procedure and that we are now unable, and not for the first time, to observe one of the basic rules of that procedure properly, for example the translation deadlines, then next time round there will be consequences.

We can therefore only press for an appropriate agreement to be adopted between the institutions. Otherwise the Council would have to see to it that Parliament were no longer consulted in the future. It has of course been mentioned that this is enshrined in the relevant Treaty, and if it is enshrined in the Treaty then it has to be respected. The German Foreign Office and all European foreign ministries have made repeated attempts to stop Parliament becoming too powerful. This, however, applies to other fields.

Nevertheless, one area that is very important to me is data provision. That is why we in Parliament want to have sufficient time to deal with this. We have seen what happened with Greece and Hungary. We hold the Commission responsible for guaranteeing that the data on which the decision for an accession is based is also scrutinised as thoroughly as possible, so that we can assume that it is correct. I need only refer to the comments of the Hungarian Finance Minister, who, following what happened in Hungary, publicly philosophised about the various possibilities that are actually open to a finance minister when supplying data to Brussels. The ECB President, Mr Trichet, has also pointed out that collecting data in the European Union is problematic.

For us it is crucial that the Commission does not pass the buck to Eurostat in such cases but that it takes responsibility itself. However, we should also like to strengthen the Commission vis-à-vis the Member States. It is unacceptable that the Commission should have to comply with such requests when the Member States continue to use all of the means at their disposal to restrict the Commission's supervisory powers in areas where they really do need to be exercised.

Joseph Muscat (PSE). – *(MT)* Thank you Mr President, today's vote is a significant one for Malta, because aside from the important and legitimate arguments that have been put forward regarding when would have been the best time to adopt the euro, there is, notwithstanding, a political consensus and a commitment to ensuring that the changeover happens on 1 January 2008. Once the European Commission has accepted the statistics and methodology put forward by the Maltese authorities, then these will be accepted by all European authorities when the same basis is used by successive governments.

In the next few years, considerable work will have to be carried out on the sustainability of the public finances if the Maastricht criteria are to be complied with. As both the Commission and the European Central Bank have stated, the Maltese Government has, until now, resorted to the one-off sale of public assets, while continuing to add fiscal pressure, mainly on the workers and the middle class. This is not sustainable. The National Committee is doing a good job in preparing for the changeover to the euro, but more has to be done to directly involve consumer representatives in fighting the perception that the euro will lead to a higher cost of living. More basic information needs to be given, including information on interest rates. The 'FAIR' initiative, which allows individual businesses to enter into agreement on dual pricing, should be praised. However, currently little more than half of Maltese and Gozitan enterprises have taken part in this scheme. I strongly urge those other businesses that have not as yet joined this initiative to do so, without delay.

Let us make a success of the changeover to the euro, although one must not be fooled into thinking that this will solve the country's economic problems. The solution to these is to be found within ourselves. In recent years, Malta's Gross Domestic Product has fallen from 78% to 71% of the European average. The progress registered in this period came mostly from large bank profits and government projects with direct expenditure. This kind of policy will become extremely limited in view of the convergence criteria. Meanwhile, the sectors that ought to be drivers of our economy, such as tourism and manufacturing, have gone downhill. This was clearly proven by the economic and social shock that hit our country yesterday, when 570 persons lost their job in one day, due to the closing down of the VF factory. This is why a national effort is needed that genuinely favours competition in these areas.

Ieke van den Burg (PSE). – Mr President, I also have to apologise to my Cypriot and Maltese colleagues for spoiling this historical moment of accession to the eurozone with this debate on our institutional problems with dealing with accession issues. However, it does not take anything away from our support for their adoption of the euro and for both Mr Langen's reports.

We did not want to burden the accession of these two countries with the issue of the future procedure, but I hope that we can come to an agreement with the Commission and the Council today to ensure that, in future, there is a better procedure and a more serious opportunity for Parliament to give its opinion on this issue.

That is why we have drawn up this non-legislative motion for a resolution on the procedure. We would like to be invited to meet with the other two institutions to produce an interinstitutional agreement on several issues, which are listed in our motion for a resolution. This text calls for a pre-announcement system, whereby those Member States wishing to accede notify us in advance so that we can begin studying the situation, and concerns the assessment of the quality of the statistics and data provided.

My last point concerns the scheduling of the dates for the formal procedure. We recognise that everything has to take place in a very short period of time. However, if we are better prepared then we will have a better opportunity for serious discussion.

The Commissioner said that he was willing to sit together with us to conclude an interinstitutional agreement of this kind. I would like to ask Mr Gloser to give us that commitment as well, on behalf of the Council, the German Presidency and future presidencies.

Antolín Sánchez Presedo (PSE). – (ES) Mr President, Commissioner, ladies and gentlemen, Cyprus and Malta's request that its degree of convergence be assessed was presented less than two years after it joined the exchange rate mechanism, on 2 May 2005, and the reports of the European Central Bank and the Commission have been presented according to the same pattern as the reports requested by Greece, Lithuania and Slovenia.

Though it is always useful to improve the processes for enlarging the euro zone and improve the European Parliament's involvement, my central message is addressed to our fellow citizens from Cyprus and Malta, so that they may hear our view that Cyprus and Malta can join the euro zone and must be able to enjoy all the advantages of the monetary union from the beginning of next year.

This enlargement of the euro zone will be a significant step in the process of European integration. For the first time since reunification, the majority of Member States of the European Union will be part of the euro zone.

Günter Gloser, *President-in-Office of the Council.* – (DE) Mr President, Commissioner, ladies and gentlemen, let me express my warm thanks to you, Mr Langen, for the two parts of your contribution as rapporteur. You recommended the entry of Malta and Cyprus into the eurozone in spite of the reservations about the time factor which you expressed in the second part of your remarks. It is important that we should be able to achieve this within the various time limits, as Commissioner Almunia said before. Both countries need a certain amount of time to prepare for this step so as to ensure that the people of Malta and Cyprus do not ultimately bear the brunt of an excessively long drawn-out preparation process.

I would like to re-emphasise that the European Council indicated to the President of the European Parliament that a difficult situation obtained and that time might be too short. Let me also deal with the question of what is feasible, of what can still be done before particular official deadlines. The timetables have been laid down. We cannot deviate from them, because provisions of the EC Treaty are involved.

The other question is to what extent, in the consultations between Ecofin and your committee, you are receiving the information you need in order to monitor the situation continuously and thus to be prepared. Another question concerns the extent to which you are being given advance copies of reports from the countries that have applied for membership.

May I also say this in response to various questions that have been asked in the course of the debate here: on the one hand, many things are prescribed, but in areas where changes may be possible – and this was explained by Mrs Merkel in her letter to Mr Poettering and was also referred to by the President of the Commission – if we are to recognise these possibilities we must remain engaged in the discussion through appropriate proposals from the Commission. In all other respects, it is a matter of awaiting developments. I therefore hope you will appreciate that I cannot make any promises today on behalf of the Council in respect of this item.

Joaquín Almunia, *Member of the Commission*. (ES) Mr President, Mr President-in-Office of the Council, ladies and gentlemen, in this final speech in the debate I would like once again, on my own behalf and on behalf of the Commission, to congratulate Cyprus and Malta on the efforts they have made to bring us this far and on the efforts they are making to introduce the euro successfully, both for their economy and for their citizens.

I believe that this demonstrates once again that the euro zone is not a closed club and that joining the euro is not just an obligation for the Member States, but an excellent opportunity for those who wish to share the single currency with 318 million other Europeans and for the countries that already belong to the Economic and Monetary Union.

I therefore believe that it is a good decision to support the entry of Cyprus and Malta into the euro, as Mr Langen's report does.

I would like to make two comments on compliance with the criteria. In his speech, Mr Langen called into question the way in which Cyprus and Malta fulfil the criteria or the way in which the Commission's convergence report has assessed the compliance with those criteria.

I must say that the abrogation of the excessive deficit procedure for Malta, which took place at the last Ecofin Council on the proposal of the Commission, is a necessary condition in order for Malta to fulfil the Maastricht criterion on this point and the Commission's convergence report of 16 May said that, if the Ecofin Council approved the abrogation of the excessive deficit procedure, Malta would comply. We have done that in order not to delay the convergence report, because if not we would have had to wait until 5 June in order to publish the convergence report and you would have had even less time to debate it.

The assessment of compliance conditional upon definitive approval is therefore intended to help the work of Parliament and the Council, not to hinder it.

So to the figures: Cyprus and Malta's deficit and debt figures notified within the context of the excessive deficit notification procedures that take place twice a year, on 1 April and 1 October, are as reliable – having been analysed by Eurostat, which published its opinion on 23 April – as those of the other Member States. Eurostat has no reservations regarding the deficit and debt figures notified.

There is no foundation for calling into question the figures for Cyprus and Malta and not calling into question the figures for France, Italy, Spain, Portugal, Germany, Sweden, Denmark or any other Member State. No foundation whatsoever.

There are difficulties with other figures: there are difficulties with the quarterly financial account figures in the national accounts, with the unemployment figures at this time of the enquiry into the German workforce and with the French figures, but that is everyday statistical work, and if Parliament wants to give Eurostat more resources, they will be welcome. If Parliament wants to support the work of Eurostat, the honourable Members know that I, as the Commissioner responsible for Eurostat, am always grateful for Parliament's support of the Commission and of Eurostat, but I do not wish there to be any doubt about the validity and the quality of the figures on the basis of which we are assessing whether Cyprus and Malta fulfil the convergence criteria.

With regard to the procedures, I wish to address you directly, Mr Langen. The Commission is not marginalising Parliament or hindering its work in this debate in any way, and it has no desire or reason to do so. Quite the opposite, and I have expressed, and President Barroso has also done so in his letter,

the Commission's and the Commissioner for Economic and Monetary Affairs' total willingness to work with you.

I would like you to listen to me, Mr Langen, because I am telling you and I am repeating what the President of the Commission said in the letter to Mr Poettering and what I said on 7 June in the Committee on Economic and Monetary Affairs in your presence – we are entirely willing to share information with you and to forward any information available. But what you cannot ask of the Commission is that it take the view that a country has definitively fulfilled the deficit criterion when the Council has not yet abrogated the excessive deficit procedure. Next year, if Slovakia presents a request, we are going to have that problem again, because Slovakia is currently under an excessive deficit procedure that can only be abrogated – in the event that that abrogation is appropriate once the definitive figures for the 2007 budget have been validated by Eurostat.

We are not therefore going to be able to anticipate, and nor is the Ecofin Council, the decisions on abrogation of the excessive deficit procedure for Slovakia before the time of year that Malta's excessive deficit procedure has been abrogated.

We can anticipate the convergence report by saying that, if the Ecofin Council approves the derogation, Slovakia will fulfil the criterion. That is a hypothesis. We cannot say in February that Slovakia fulfils the deficit criterion, however, when the abrogation can only be approved in May or June of next year. Likewise, we cannot carry out a rigorous assessment — and you are right to demand that we carry out a rigorous assessment — of whether countries fulfil the Maastricht criteria, the convergence criteria, before we know the spring economic forecasts in May 2008, which cannot be approved or published beforehand by the Commission and its services, because if we anticipate the spring forecasts they will be winter forecasts and they will not provide a view of the economic situation and the economic data for the spring.

I therefore wish to make it clear to this Parliament that next year's convergence report cannot be anticipated before May. The Commission, Parliament and the Council must therefore talk and agree on a way in which we can work rigorously, coherently and cooperatively in order to come to correct decisions that enable all of us to work rigorously and take decisions at the appropriate time so that the citizens of the next countries to join the 13 current members of the euro zone do not suffer the consequences of a belated decision and of a lack of preparation for the introduction of euro notes and coins.

This is the Commission's attitude and conviction. There should be an agreement amongst the three institutions. That is desirable. It makes no sense that, for each enlargement of the euro zone, we should be discussing the procedures rather than the countries that are entering and the beneficial consequences for their citizens. We must resolve this problem, but we will only resolve it by maintaining an attitude of cooperation amongst the three institutions and taking account of the objective limitations with which the institutions must take this decision.

Werner Langen (PPE-DE), rapporteur. – (DE) Mr President, I must come back to Commissioner Almunia's last remarks. I am rather disappointed at the way he interpreted rather than faithfully representing what I said.

Firstly, I did not say that the data from Cyprus and Malta were worse than those from the other countries. Indeed, in the cases of Portugal, Hungary and Greece, the Commission sold us bad data as good. That is a fact. Secondly, it is not a matter of us attacking specific countries but of the Commission taking responsibility. Thirdly, on 3 May 2007, the Commission presented to the European Parliament and the Council document COM(2007)230 – the quality report on quarterly financial accounts for general government. That document found fault with Slovenia, Malta and Cyprus. No more and no less than this is set out in the explanatory statement of my report.

Joaquín Almunia, Member of the Commission. (ES) Mr President, Mr Langen, with regard to the last aspect, I would say once again that it is clear that, with regard to these quarterly accounts, the Commission and Eurostat are asking a number of countries, including Cyprus and Malta, to supply information, to improve it and to supplement it. I would repeat, however, that these statistics are not relevant in terms of assessing whether or not a country fulfils the convergence criteria. There are thousands of statistics, many series of statistics that the countries have to send to Eurostat, which make up the statistical apparatus of the European system of statistics. Those statistics, however, which are incomplete and deficient in

the case of Cyprus and Malta, are not the statistics which we have used and which we must use in order to assess the convergence criteria. They are different statistics.

With regard to your previous comment, Portugal, Italy, France, Greece, Hungary and many other countries have received revisions from Eurostat of the GDP figures, deficit figures, debt figures and many other factors. We are clearly talking in particular about deficit and debt, however.

You, Mr Langen, and all of the honourable Members, know that these revisions have taken place and you know that the figures that we are using thanks to the work of Eurostat and of the Commission, work that has improved considerably over the last three years, are now more realistic and more in tune with reality. Together with the Council you have approved a Regulation that provides for better instruments and more capacities for revising the figures that Eurostat receives from each Member State. We thank you for the support that Eurostat has received and which is enabling it to produce work of a higher quality than it previously produced, and if I, as Commissioner responsible for Eurostat, need new legislative instruments for improving the quality of its work, I shall ask you for it.

I can tell you today that, if I compare the credibility and quality of the Member States' budget, deficit and debt figures with which I had to work three years ago, then things have clearly improved in that respect, and that is something we should all welcome. Please do not blame the Commission for doing its work properly by offering you and everybody else better deficit and debt figures.

Pervenche Berès (PSE). – *(FR)* Mr President, I invite Mr Langen and all his colleagues to take part as actively as today in the discussion in the Committee on Economic and Monetary Affairs, when we apply ourselves to improving, in the scope of the discussion currently in progress, for example, the way that Eurostat functions, and when we adopt texts about which the Commissioner has just spoken, which should make it possible to improve the governance of Eurostat. At these times I do not see you.

I should like to ask Mr Gloser if he is willing to commit himself, on behalf of the Council and in the spirit of Mr Barroso's reply to Mr Poettering, to sitting round a table with us in order to reach an agreement on a common timetable for all three institutions when the time comes to consider a new request for accession to the euro area.

Günter Gloser, President-in-Office of the Council. *(DE)* We have heard in the debate what options exist. The Commissioner and Mr Barroso have made proposals. The task now is to sit down together and clarify what is still possible within the existing Treaty provisions. We should use the available time for that purpose.

President. – I have received, in accordance with Rule 103(2) of the Rules of Procedure, a motion for a resolution to wind up the debate⁽¹⁾.

The debate is closed.

The vote will take place tomorrow, Thursday 21 June 2007.

Louis Grech (PSE), in writing. – The Maltese public's support will also be influenced by the impact of eurozone membership on ordinary citizens, the business community and the economy itself. Three major factors stand out. The first is the success of the transition. After perhaps a low start, preparations seem to be gathering pace and no doubt it is imperative that consumers and operators keep tight control of the process.

So far we have tended to hear only about the pros, in terms of the benefits to Maltese consumers when they travel abroad, the improved competitiveness of Destination Malta for tourists, lower transaction costs for businesses engaged in intra-EU trade, and so forth. But we have heard very little about the potential disadvantages.

On the one hand, Malta needs to adapt to policies, adjustment mechanisms, and measures taken by the European Central Bank, such as on interest rates and monetary aggregates, that will strongly influence our destiny. On the other, our fulfilment of the membership criteria cannot rely on the results of a crash economic diet but must be based on sustainable economic policies that ensure that we do not infringe the rules.

(1) See Minutes

Richard Corbett (PSE), in writing. – I am interested to see that more countries, the latest now being Cyprus and Malta, are choosing to join the euro, which makes Britain's position look increasingly conspicuous.

Bearing in mind that the euro is rapidly establishing itself as the world's strongest currency and has now displaced the US dollar as the main denomination for world trade, accounting for 45% of the global market compared to 37% for the dollar, it is becoming increasingly clear that for the UK, staying out means missing out.

IN THE CHAIR: MR POETTERING

President

4. Signature of acts adopted under codecision: see Minutes

Marco Cappato (ALDE). – *(IT)* Mr President, Rule 28 of our Rules of Procedure provides that questions related to the work of the Bureau shall receive a reply within 30 days of being submitted.

About three months ago, on 28 March, I submitted a question on the statements made, in the presence of the President of our Parliament, by Cardinal Angelo Scola, who said that it was not appropriate for the current European Parliament to make continual pronouncements on issues such as marriage, family and life. In the face of such an attack on this Parliament I decided to submit the question I have mentioned, and I think it is important for Parliament's Bureau to defend this House and its deliberations against attacks by a foreign State such as the Vatican City State.

President. Mr Cappato, if what you say is true – and I do not doubt that it is – you must, of course, be given an answer. The capable ladies and gentlemen next to me will look into the matter and then you will get an answer.

5. Voting time

President. The next item is voting time.

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

5.1. Residence permits: uniform format (vote)

- Coelho report (A6-0211/2007)

– *Before the vote:*

Carlos Coelho (PPE-DE), rapporteur. – *(PT)* Mr President, in 2003, Parliament rejected two Commission initiatives on this issue. I congratulate the Commission on accepting Parliament's idea of separating the issue of residence permits from that of visas.

Quite apart from technical issues involved in radio collisions between the different chips used, these are indeed separate issues. It is one thing to have an identity document to be used within the Schengen area, but having a travel document to be used outside the Schengen area is quite another. This will enable all third-country nationals living legally in the Schengen area to be identified in the same way.

I should therefore like to congratulate the Commission on proposing to us the introduction of biometric identifiers containing an image and fingerprints in interoperable formats. The use of these biometric data is the best way of preventing the use of false identities and identity theft.

I should like to draw the Commission's attention, however, to the need for such changes of residence to meet the same high levels of security required for the issuing of national identity cards. I also wish to draw the Commission's attention to the gaps regarding the way in which data are gathered, especially in the case of children, or people who are unable to provide fingerprints due to various forms of incapacity. Lastly, let me draw the Commission's attention to data protection standards and to the need to draw up a detailed list of the authorities that will have access to those data, and of the authorities permitted to carry out checks on residence permits, in order to prevent the misuse of the most sensitive data.

5.2. The banning of exports and the safe storage of metallic mercury (vote)

- Papadimoulis report (A6-0227/2007)

5.3. Operation of taxation systems: Fiscalis 2013 (vote)

- Hans-Peter Martin report (A6-0117/2007)

– Before the vote:

Hans-Peter Martin (NI), rapporteur. – (DE) Mr President, I shall only take up your attention very briefly. The report before us on the Community programme Fiscalis, a legislative programme, has been disgracefully censored. The chairwoman of the Committee on Economic and Monetary Affairs, the Socialist Member Pervenche Berès, inexplicably censored the explanatory statement of my report on her own authority. This is unworthy of a parliament that calls itself democratic. You will find the censored passages at the end of a lengthy exposé on money-wasting and on scrutiny of the European Commission in an addendum – perhaps you could call the House to order, Mr President – in an addendum which is attached for those who are interested.

(Mixed reactions)

President. You were the cause of the disorder. I reject your accusations against Mrs Berès. That is no way to behave here in Parliament.

(Applause)

Pervenche Berès (PSE). – (FR) Mr President, the explanatory statement accompanying this report happens to have been completely contradicted by the vote on the resolution in committee, a resolution which this Parliament is now about to be asked to vote on. Consequently, applying our Rules of Procedure, I asked our rapporteur to kindly withdraw the terms of the explanatory statement since it did not correspond with the resolution as it had been adopted in committee. These terms were added to the explanatory statement in the form of a minority opinion, in accordance with strict application of our Rules of Procedure.

I thank you, Mr President, for having allowed me to inform the House about the reality of democratic life within the Committee on Economic and Monetary Affairs.

(Applause)

President. Thank you, Mrs Berès. I did not doubt that.

5.4. Portability of supplementary pension rights (vote)

- Oomen-Ruijten report (A6-0080/2007)

5.5. Adoption by Cyprus of the single currency on 1 January 2008 (vote)

- Langen report (A6-0244/2007)

5.6. Adoption by Malta of the single currency on 1 January 2008 (vote)

- Langen report (A6-0243/2007)

5.7. Galileo (vote)

- Motion for a resolution: Galileo (B6-0238/2007)

5.8. The transposition and implementation of public procurement legislation (vote)

- McCarthy report (A6-0226/2007)

5.9. MDGs at the Midway Point (vote)

- Kinnock report (A6-0220/2007)

– Before the vote on paragraph 9:

Vittorio Agnoletto (GUE/NGL). – (IT) Mr President, I propose adding the following text to the end of paragraph 9: ‘deplores that the Italian Government has not yet paid the EUR 260 million it owes for the 2006-2007 quota to the Global Fund To Fight AIDS, Tuberculosis and Malaria and invites the Italian Government to settle this debt shortly’.

(The oral amendments were accepted)

– Before the vote on paragraph 45:

Maria Martens (PPE-DE). – (NL) Mr President, I will read the text in English:

‘Calls on the EU to increase funding to ensure that progress in basic science and biomedicine results in new and affordable drugs, vaccine and diagnostics for neglected diseases, to support the development phases of R&D, and to secure the use of new products by neglected populations whilst respecting the TRIPS provisions;’

(NL) ... and then a section will be deleted. The section that is going to be deleted reads as follows:

and will be replaced by:

‘whilst respecting international patent rights, without which pharmaceutical R&D would collapse;’

(The oral amendments were accepted)

5.10. ACP-EU Joint Parliamentary Assembly (vote)

- Cornillet report (A6-0208/2007)

– Before the vote on paragraph 9:

Thierry Cornillet (ALDE), rapporteur. – (FR) Mr President, our fellow Member, Mrs Morgantini, has also tabled an oral amendment and I suggest combining the two. It would, therefore, be a matter of accepting Mrs Morgantini’s oral amendment and completing it with the following part sentence: ‘and to call upon the international community to ensure the actual implementation of this multinational force’. The two amendments would complete each other to make just one only.

Luisa Morgantini (GUE/NGL). – (IT) Mr President, I would like to say that I am willing to accept Mr Cornillet’s proposal.

(The oral amendments were accepted)

5.11. Improving the method for consulting Parliament in procedures relating to enlargement of the euro zone (vote)

- Motion for a resolution: euro zone (B6-0264/2007)

6. Explanations of vote

- Coelho report (A6-0211/2007)

Pedro Guerreiro (GUE/NGL), in writing. – (PT) As our group says, this proposal, which introduces biometric data information into the uniform format for residence permits for third-country nationals, 'raises several concerns as regards its technical feasibility, financial costs and risk of its abuse'.

As we have highlighted, it is highly debatable whether the introduction of biometric identifiers really does increase security, or whether it is rather a threat to security through the risks of abuse, technological flaws and lack of transparency and sound data protection

This is a disproportionate measure that forms part of a supranational dynamic, a measure that is aimed at setting up EU-level monitoring and control instruments. It is not in any way accompanied by 'particularly consistent and serious safeguards, especially regarding the way they are collected and used' and it is completely impossible to guarantee its use in a 'relatively safe environment'.

This proposal is both a consequence and an integral part of the trend towards excessive preoccupation with security pursued by the EU institutions, and as such we reject it.

Mary Lou McDonald (GUE/NGL), in writing. The second modified proposal introducing biometric data information into Regulation 1030/2002 laying down a uniform format for residence permits for third country nationals raises several concerns as regards its technical feasibility, financial costs and the risk of its abuse. It is still not clear whether the introduction of biometric identifiers really does increase security or whether it is rather a threat to security through the risks of abuse, technological flaws and lack of transparency and sound data protection. The original Commission proposal has also turned out to be technically impossible and the financial resources destined for its development have been partly wasted. Due to these reasons, we cannot support the Commission's modified proposal, which would again only raise the financial costs and technical difficulties and would be entirely inadequate to the aim of added value in security.

Andreas Mölzer (ITS), in writing. (DE) Thanks to the visions of some multi-cultural dreamers, a situation has arisen which is becoming increasingly difficult for the native population to endure. In many cases, immigrants and their children have no consideration for the native population; on the contrary, they demand more and more rights for themselves and seem bent on eradicating our Western Christian heritage; conversely, they simply turn a deaf ear when it comes to civic duties or to obligations of any incomer, such as willingness to integrate.

The widespread provision of social housing for nationals of non-EU countries and for neo-citizens of the Union who are not integrated has not only created a profound sense of insecurity among the indigenous population but also led to a massive deterioration in people's housing conditions and quality of life, a situation in which outbreaks of violence are almost a daily occurrence. In the light of these realities, a general tightening of the right of immigration is needed. The Coelho report does not offer a basis for such action, which is precisely why I voted against it.

- Papadimoulis report (A6-0227/2007)

Milan Gaľa (PPE-DE). – (SK) My formal background is that of a dentist. Mercury is used in dentistry for amalgam fillings, and I have been watching with interest the EU strategy concerning mercury and the elimination of mercury from all areas of life where there is an appropriate alternative. In principle, I agree with many of the measures the Commission has been submitting in the form of draft legislation in line with the mercury strategy.

However, I am anxiously waiting to see how we deal with the opinion that mercury should also be banished from dentistry, where mercury amalgams have been used for 150 years now and quite successfully at that. There are no conclusive indications or evidence of the toxic effects of amalgams if used appropriately. At the same time, there is no clear opinion on whether there are appropriate alternative filling materials. I believe that if amalgam waste is properly separated in dentistry departments and if we dispose of it properly, safely and on a permanent basis, as proposed in the report, there will be no need for the time being to do away with amalgam as a filling material.

Richard Seeber (PPE-DE). – (DE) Mr President, I wish to give the report my firm backing, and I have voted in favour of it. It is important that we should have a European strategy for mercury, because it is one of the most toxic environmental pollutants, and Europe must certainly lead the way here. I did vote against some proposals designed to tighten the rules, because I believe it is necessary to provide incremental arrangements for businesses and to allow for a smooth transition so as not to jeopardise the

general level of competitiveness. I am also wary of creating too much red tape, and a steady hand is needed if we are avoid that risk. On the whole, this is a very encouraging report.

Liam Aylward, Brian Crowley, Seán Ó Neachtain and Eoin Ryan (UEN), in writing. We have voted against amendments suggesting that liquid mercury should be stored in above-ground facilities. No impact assessments have been carried out by the Commission on the safety of such storage and there is no technology available to solidify liquid mercury. Storage of mercury in an above-ground facility is therefore questionable in terms of safety and in terms of time (the amendments suggest that this storage would be temporary). Without new technology, storage would not be temporary. On the other hand, impact assessments have been undertaken by the Commission for the storage of liquid mercury in salt mines and deep underground hard rock formations and has been confirmed safe.

We are very much aware that technology could be developed in the near future. We very much welcome the Council's agreement to a European Parliament request to include in the proposed regulation a review on extension of the scope of the regulation and a review of other options available for the storage of mercury in 2010.

Ilda Figueiredo (GUE/NGL), in writing. – (PT) In 1990 the Oslo-Paris Commission (OSPAR) recommended that all mercury cell chlor-alkali plants (MCCAPs) be converted to mercury-free technology by 2010. Parliament's March 2006 resolution on the Community strategy concerning mercury urged the Commission to take action to implement OSPAR.

Apart from ongoing mercury emissions from MCCAPs, when these plants convert to mercury-free technologies, the vast quantities of mercury in their cells need to be managed in an environmentally appropriate manner.

To prevent this surplus mercury from flooding the world mercury commodity market, a proposal for a Regulation banning exports of metallic mercury by 1 July, 2011, was adopted in October 2006, and attempts have been made to bring that date forward.

The proposal includes parallel provisions on safe storage of the excess mercury which will mainly be coming from decommissioned MCCAPs, to prevent its re-sale. Currently there are around 12 000 tonnes of mercury sitting in mercury cells in Europe. To that end Euro Chlor (the EU chlor-alkali industry federation) has been asked by the European Commission and has agreed to develop a Voluntary Agreement for the storage of surplus chlor-alkali mercury.

Marie-Noëlle Lienemann (PSE), in writing. – (FR) The management of mercury is an important issue for the conservation of the environment.

If Europe has more waste mercury to store, it is because our industries did not foresee the risks involved in the use of this metal, in particular for the production of chlorine.

First lesson: we must very quickly rethink our production methods in order to be prepared for a vital ecological revolution.

Next, it is necessary to constantly monitor the storage of waste, by setting up regular checks. That is why I voted in favour of Amendment 25 which rules out permanent storage above-ground and underground. Alas, it did not receive a majority of votes. Nonetheless, the other improvements in the text justify a vote in favour of the final report.

Georgios Toussas (GUE/NGL), in writing. – (EL) Even though it recognises that there is currently no absolutely safe method of storing metallic mercury, the report endeavours to legalise a special type of territorial 'racism', by imposing the choice of the Spanish province of Almaden as the site for permanent landfill of the most toxic element on the planet. The worst thing is that it endeavours to justify the imposition of this specific area with the existence there of infrastructures and 'manpower'. In other words, it is using unemployment as a means of blatant coercion of the workers, so that they agree to turn their area into a landfill for toxic mercury waste from the entire EU, with incalculable risks to the health of the inhabitants and the environment.

The proposal in the report for the involvement and funding of all sorts of NGOs in the crucial question of the application of mercury-free technologies in developing countries and in so-called 'economies in transition' comes under the same dangerous policy by circumventing the rules which derive from binding bilateral agreements in this sector.

That is why the Greek Communist Party abstained from the vote.

The Greek Communist Party maintains that the question of where metallic mercury should be stored and managed is a subject for science and the application of its conclusions and not of choices that reflect the interests and profits of business.

- Oomen-Ruijten report (A6-0080/2007)

Milan Gaľa (PPE-DE). – (SK) Supplementary pension schemes, collectively referred to as the 'second pillar of the social insurance system', are an inseparable part of modern society. We have witnessed in the past the reform of labour markets and social insurance systems in several Member States, and these have included pension system reforms. Let me use Slovakia as an example of a country which introduced supplementary pension schemes within the context of reforming the social security system. A large number of Slovak nationals have already joined the second pillar.

Savings generated in the second pillar are privately owned. They are more secure than the promises of the state to pay out pensions from public coffers. An advantage of the second pillar is that pension benefits no longer depend on the country's demographics but on savings accumulated in one's own account. For these reasons and in the spirit of encouraging worker mobility in Member States, I have welcomed the draft directive designed to improve the portability of supplementary pension rights, and I believe that this will make it possible to reduce the number of problems associated with eligibility for pension rights, retaining suspended pension rights and with the portability of acquired rights.

Agnes Schierhuber (PPE-DE). – (DE) Mr President, the single market and mobility depend on social security, which must extend beyond a person's working life. It is important in this respect to maintain the balance between employers and employees on which the acquisition of pension rights depends.

This was the first reading, and we still have numerous discussions ahead of us. The delegation from the Austrian People's Party has given the Oomen-Ruijten report its unreserved support, because we believe that this is the right way to continue developing mobility and the single market.

Laima Liucija Andrikiienė (PPE-DE). – (LT) Mr President, first I would like to thank the rapporteur Ria Oomen-Ruijten and other colleagues who prepared this report concerning the improvement of portability of the right to a supplementary pension. I voted for this document, as I believe it will positively affect most European Union Member States, especially the newest EU members. In the Baltic countries, the Czech Republic, Slovakia, Hungary and Malta, supplementary pensions have not yet been legislated, whereas in the Scandinavian countries and Slovenia, by contrast, the majority of workers participate in such pension schemes.

Our Parliament's urging to oblige EU countries to gradually seek easier portability of pension rights should provide a new impulse above all to the new Member States, and likewise to Greece, Italy and Portugal, to amend their legislation in such a way that the mobility of people in the European Union be encouraged, not penalised.

Carlo Fatuzzo (PPE-DE). – (IT) Mr President, it is with pleasure that I take the floor to say to Europe: 'if you are there, let us see some action'. Europe must show greater courage, it must have the heart of a lion and not be a chicken.

The Directive on the transferability of pension rights is absolutely crucial for all European citizens and workers. By approving this proposal we are doing something for workers, but we will not really succeed in obtaining a result for which European citizens can applaud Europe. Therefore, Mr President, let us not mourn over the referendums in France and the Netherlands that rejected the Constitution. Europe must be more courageous.

Lena Ek, Olle Schmidt (ALDE) in writing. (SV) As a Liberal, I find it difficult to vote against a proposal aimed at improving Europeans' opportunities to move around more freely. It is not made any the easier when the proposal is also aimed at encouraging people to take more active responsibility for saving for their pensions, this being one of the genuinely key issues for the future. Nonetheless, I was unable to vote in favour of the original proposal.

The problem is twofold. Firstly, it is debatable whether this complicated issue is suited to being raised at European level, given the various Member States' very different systems for pension savings. Secondly, I could not help but note that Sweden, in common with Germany, has systems particularly ill-suited to

this type of changeover. The Swedish model, in which the social partners decide about the issue, is incompatible with the rapporteur's proposal. Considerable problems could also arise if huge sums by way of invested funds could suddenly be released in a short period in order to guarantee the ability to transfer pensions.

I am, in the long run, in favour of a system in which people can change jobs and move from one country to another and still not need to worry about how doing so might affect their pensions. I therefore in the end voted in favour of this House's amended version of the report in which national derogations are permitted.

Ilda Figueiredo (GUE/NGL), in writing. – (PT) On the issue of the transferability of pension rights, there are at least two key aspects that must be taken into account: ensuring workers' rights and guaranteeing the sustainability of public social security systems.

The issue before us is specifically supplementary pension schemes and not public social security schemes. With regard to these two aspects, we are opposed to the amendments tabled in the report amending the Commission's original proposal. These amendments propose, for example, to increase from 21 to 25 the age of access to supplementary pension schemes and to make the acquisition of pension rights conditional on a minimum five-year period.

Supplementary pension schemes must not, however, replace public schemes. Public social security schemes based on solidarity and universality are among the cornerstones of any state and something that must be guaranteed in a fairer and more egalitarian society.

Lastly, we are very disappointed at the rejection of the amendments we tabled, including the proposal to combine the Commission's original position on the minimum age of 21 with a two-year period of acquisition of rights, which would have been more favourable to the workers. Hence our final vote against.

Hélène Goudin and Nils Lundgren (IND/DEM), in writing. (SV) We have chosen to vote against this report. The June List wholeheartedly supports an efficient internal market. We thus support the principle whereby an employee must be able without difficulty to transfer earned pension points between the Member States. We do not, however, believe that the EU should have views on the form to be taken by the Member States' respective pension systems, provided that all EU citizens are treated equally within the system in force. We are thus critical of quite a few individual proposals in the report, such as the views on vesting conditions for policyholders in supplementary pension schemes, the views on minimum ages for earning pension rights or EU rules on the qualifying period for entry into a pension scheme. How the Member States choose to design their respective pension systems needs to be an entirely national matter, provided that all EU citizens are treated equally within the system in force.

Bogusław Liberadzki (PSE), in writing. – (PL) I am voting in favour of Mrs Oomen-Ruijten's report on the proposal for a directive of the European Parliament and of the Council on improving the portability of supplementary pension rights (COM(2005)0507 – C6 0331/2005 – 2005/0214(COD))

Demographic changes and an ageing population have made us aware of the need for supplementary pension and social security insurance systems, which will ensure dignified living conditions. The new directive and Mrs Ria Oomen-Ruijten's report both aim to improve the mobility of workers, within and between the Member States of the European Union, by establishing minimum requirements concerning the acquisition and retention of supplementary pension rights.

The report aptly highlights the role of the Member States in providing consistent support for the transfer of acquired pension rights, especially in the event that new, supplementary pension systems are established. Over the five years following the implementation of the directive, the European Commission will draw up a report which will take into account the conditions governing transfers of capital corresponding to employees' supplementary pension or social security entitlements.

Thomas Mann (PPE-DE), in writing. (DE) I voted against the report on the portability directive. The report goes well wide of the real target of increased cross-border mobility of labour between Member States. On average, only 10% of all employees in the EU receive company pensions. Because of the cost increase of at least 20% that can be expected to result from the high minimum standards which have just been adopted, there will scarcely be any interest in the creation or expansion of company

pension schemes. My fear is that what employers and employees have achieved to their mutual advantage in the national context over several decades is now being put at risk.

The minimum age for the acquisition of company-pension rights has been entirely scrapped. The five-year vesting period has been abolished. The minimum standards are to be applicable retroactively, which is in outright contradiction to the principle of safeguarding legitimate expectations. I also voted for the deletion of index-linking, which would most probably be interpreted by the European Court of Justice as 'equitable adjustment' and as an obligation. The German *Bundesrat* has calculated that treating employees who have changed companies on equal terms with those who have not will increase the cost of supplementary pension schemes by 30%.

European Commissioner Vladimír Špidla has announced the presentation of a new proposal. Following the failure to reach agreement in the Council, the proposal will be largely based on today's parliamentary resolution and will thus jeopardise company pension schemes – and not only in Germany.

Bart Staes (Verts/ALE), in writing. (NL) Directive 98/49/EEC guarantees the rights to supplementary pension for workers and the self-employed who move within the EU, but provides no guarantees in the area of portability of supplementary pensions and flexibility of the acquisition conditions.

This is something which the Commission proposal addresses. It lays down terms and puts forward three minimum rules regarding the portability of rights: either they remain within the business (dormant rights), they are transferred within a certain period of time, or they are paid in cash (up to a certain threshold). According to the Commission, the new directive must apply to all supplementary pensions that are work-related.

I particularly regret the fact that the Oomen-Ruijten report excludes the proposal of portability of pension rights from the directive. As it stands now, it only deals with dormant rights.

As I see it, the new directive should do everything in its power to support workers who invest in supplementary pension rights. Accordingly, nobody should be excluded by imposing minimum conditions in terms of age or period of time. I can only endorse the report if the directive retains the broad scope proposed by the Commission. If not, I will be voting against.

Georgios Toussas (GUE/NGL), in writing. – (EL) The proposal for a Commission directive, as formulated with the anti-labour changes voted jointly by the Christian Democrats, the socialists and the liberals, supported by the New Democracy and PASOK MEPs, blows national supplementary insurance schemes sky high throughout the EU. It marks a deterioration in the terms of insurance and retirement of the workers, a reduction in pensions and an increase in the retirement age. It speeds up procedures for private insurance companies to increase their share of this sector. The basic direction of these reactionary changes is the so-called 'three-axis' system of main state pension, with a supplementary and occupational pension from private companies. The blow to the workers' rights in the supplementary pension sector is linked to the ambition of the monopolies to use the reserves in these insurance funds to fund their investments, while at the same time legalising the acceptance of the 'investment risk' or possible loss of the workers' money.

New Democracy and PASOK vote in favour of all the anti-grassroots measures in the European Parliament, on the one hand, and harangue and deceive the workers in our country, on the other hand, by endeavouring to show the people a supposedly friendly mask.

The Greek Communist Party calls on the workers to step up their fight against the anti-labour, anti-grassroots EU policy, to defend state social insurance schemes and to demand satisfaction of their contemporary needs, higher pensions and a lower retirement age.

Thomas Ulmer (PPE-DE), in writing. – (DE) I voted against the portability directive, because it misses the real target of increased cross-border mobility of labour between Member States. The rules on the transfer of company-pension rights only have the force of a recommendation for the Member States. For this reason I had repeatedly advised outright rejection of the directive, since it has become superfluous. - Langen report (A6-0244/2007)

Andreas Mölzer (ITS). – (DE) Mr President, even though the introduction of the euro has made life easier in many respects, as in the case of cross-border trade, it would be wrong to overlook its less savoury aspects, such as the surrender of sovereignty and price increases.

As in the case of any enlargement of the EU, the introduction of the euro in new Member States will ultimately affect the fragile stability of the entire system. This is why I believe it is imperative to ensure that the overall balance is not upset by the inclusion of weak national economies.

Now it may well be that Cyprus and Malta are ready. In the past, however, governments have all too often played with marked cards in order to qualify for the euro club. In my opinion, such an important decision must on no account be taken over the heads of the population, and that is why I have abstained in this instance.

Ilda Figueiredo (GUE/NGL), in writing. – (PT) We abstained from the vote on account of the fact that it is entirely up to each Member State to make the sovereign decision on whether or not it wants to join the Eurozone. Our opposition to the creation of Economic and Monetary Union and to the Eurozone is well known. The example of Portugal has amply demonstrated how the euro is a tool for promoting wage moderation and flexibility in the labour market. By sustaining nominal and not real convergence, it has been to the detriment of growth, employment and living standards, and to the benefit of the large European multinationals and financial groups.

I wish to point out that the issue of speeding up the enlargement of the Eurozone is also based on the political criteria of strengthening both political integration and the Eurozone itself. With two new Member States – Malta and Cyprus – the Eurozone will boast over half of EU Member States. This is a significant psychological barrier, when dissatisfaction among the workers and the people as a whole in the Eurozone is on the increase and when the future Constitutional Treaty is under discussion. The majority therefore accept the idea of joining, even though Malta does not fulfil all the nominal convergence criteria. As in the past, this is not an ‘economic’ decision, but a political one.

Cem Özdemir (Verts/ALE), in writing. (DE) On the basis of economic criteria, the decision is no doubt justified. From a political point of view, it is nevertheless a regrettable decision. It squanders an opportunity to let both parts of the island of Cyprus enter the eurozone. Instead of bringing North and South closer together through a single currency, it will only deepen the divide between the two parts of the island.

- Langen report (A6-0243/2007)

John Attard-Montalto (PSE). – (MT) Thank you, Mr President. The government has adopted as its policy the target of introducing the euro by 1 January 2008. In order to do so a number of criteria had to be reached, for example regarding deficit and inflation. Obviously these had a negative impact on the government’s financial policies, as well as on the more vulnerable section of society.

Indeed, we believed that there was an alternative, which still entailed adopting the euro, but adopting it at a slower pace. Obviously, our entry into the eurozone will have a number of positive effects, yet it will also have adverse effects in other areas. However, in view of national interests, the Maltese Labour Party delegation has voted in favour.

Sylwester Chruszcz (NI). – (PL) Mr President, today we debated and voted on the expansion of the eurozone and Malta and Cyprus’ membership of this zone. I leave the sovereign decision on the abolition of the national currency in Cyprus and Malta to the citizens of these countries. However, as a representative of the League of Polish Families in the European Parliament, I am opposed to Poland’s membership of the eurozone and the negative economic and social impact this would have on Poles.

All current public opinion polls confirm that the majority of Poles do not want the euro. I think that we should not only avoid acting hastily, but we should also not introduce the euro in Poland at all. I also disagree with the opinions expressed today that the Member States have a duty to join the eurozone. Poles should decide on this issue in a national referendum and I hope that the Polish zloty will remain a national currency in Europe, alongside the British pound and the Danish and Swedish currencies.

Ilda Figueiredo (GUE/NGL), in writing. – (PT) It is well known that we opposed the creation of European Economic and Monetary Union and the euro. Indeed, we voted against Parliament’s resolution of 2 May 1998 establishing the Eurozone, which was originally made up of 12 countries, including Portugal. We feel that monetary policy, and the prerogative of issuing currency, lies exclusively with the Member States, and therefore reject this transfer of sovereignty, which will make it impossible to address the economic and social problems in each country, including Portugal.

At this time, the enlargement of the Eurozone is based on political criteria – for example the strengthening of political integration and of the Eurozone itself – as this issue amply demonstrates, given that Malta does not fulfil all of the nominal convergence criteria. However, with two new Member States – Malta and Cyprus – the Eurozone will boast over half of EU Member States. This is a significant psychological barrier, when dissatisfaction among the workers and the people as a whole in the Eurozone is on the increase and when the future Constitutional Treaty is being discussed.

In our view, it is entirely up to each Member State to make the sovereign decision on whether or not it wants to join the Eurozone, and this is why we abstained from the vote.

- Langen reports (A6-0244/2007 and A6-0243/2007)

Jonathan Evans (PPE-DE), in writing. British Conservatives have always opposed the entry of the UK into the euro zone. Nevertheless, we have never opposed the right of other sovereign nations to form a common monetary system. Our abstention reflects our belief that it is for the members of the euro zone to decide how best to conduct monetary policy in the interests of a stable currency.

Bruno Gollnisch (ITS), in writing. – (FR) Our vote concerning the adoption of the euro by Malta and Cyprus will be identical to the one for Slovenia: we shall abstain. We will not go against what we hope will be the conscious will of sovereign peoples.

We must, however, recognise that a threshold has been crossed: it is not at their express request, but because they almost fulfil the ‘stupid’ Maastricht criteria, as Mr Prodi would have said, that these countries have to adopt the euro. Have their citizens been told about it? At least one of these countries does not meet these famous criteria and neither of the two, it seems, has supplied the statistics necessary for a proper assessment of their state of preparation. Why rush? The practical and technical measures for actual transition to the single currency are a great unknown. Also, the euro zone’s capacity for absorption, which at another time was a matter of concern for Mr Langen, has disappeared from the picture and from the analysis.

Here we are again faced with the bicycle syndrome, from which European construction appears to suffer: if it does not go forward, it falls down. The euro zone must be enlarged at all costs. Full stop! The truth is that it is the citizens of Europe who will have to pay the price!

Hélène Goudin and Nils Lundgren (IND/DEM), in writing. – (SV) We have chosen to abstain in the final vote on these reports. It is up to the people of Cyprus and Malta to decide, preferably through a referendum, whether they want the country to be part of EMU.

We do not believe that Sweden should be part of the currency union. Nor do we recommend other countries to participate in it.

Marie-Noëlle Lienemann (PSE), in writing. – (FR) I voted in favour of the introduction of the euro in Malta and Cyprus, because it is a matter of supporting strengthened integration of these countries in the sense given by the European Union. Nonetheless, this decision ought to have been accompanied by measures enabling more democratic control of the single currency (establishment of real economic government of the euro zone capable of balancing the power of the European Central bank (ECB), changing the Central Bank’s objectives so as to include research for growth and full employment, changing the criteria of the Stability Pact so as not to penalise public investment policy in the future).

Let us take care not to pursue endless enlargement of the euro zone without any new perspectives.

- Motion for a resolution: Galileo (B6-0238/2007)

Richard James Ashworth (PPE-DE), in writing. The British Conservative delegation supports the Committee on Budgets resolution calling on the Commission to resubmit its proposals for financing the Galileo project. However, we have grave reservations about proposals to fund it through the existing European budget.

Pedro Guerreiro (GUE/NGL), in writing. – (PT) We are very disappointed at the significant rejection by the majority in Parliament of the amendments tabled by our group, which were aimed at ensuring that ‘the Galileo programme must not, under any circumstances, be used for military purposes’, and that ‘safeguards must be put in place to prevent the programme from being privatised’ thereby guaranteeing that its implementation is funded entirely with public money.

Does this rejection mean that, following much-vaunted public investment, the unacceptable option of tendering the programme out to the private sector is already being considered?

Our position is clear.

We feel that the Galileo programme (European programme of satellite radionavigation) will be able to contribute towards cooperation, scientific and technical advancement and to foster the exchange of, and access to, information.

This is a project that should be based on a strategy of public investment and public control, so that a public service can be provided. That way, there can be equal access and the free use of available information for all users.

It is a project in which the citizens' rights, guarantees and freedoms must be guaranteed. It must also be ensured that it is not used for military purposes and/or as part of the trend towards an excessive preoccupation with security.

Jens Holm, Kartika Tamara Liotard, Helmuth Markov, Erik Meijer, Søren Bo Søndergaard and Eva-Britt Svensson (GUE/NGL), in writing. In order to conclude GALILEO, the European satellite navigation system, EU member states are asked to pay another € 2 400 000 000. For many years it has been argued that this project would bring technological innovation, satisfaction of consumers' needs, employment, and independence from the United States. These assets could justify the spending of community funds, instead of leaving it solemnly to profit-orientated multinationals or the American war industry. As long as GALILEO remains a peaceful process, we do not principally reject it. Unfortunately, GALILEO will be developed 10 to 20 years too late, and in the meantime GPS, the American counterpart, has conquered the world market. This makes GALILEO into a costly prestige project. Spending a lot of community money on this, might sound attractive to big business, but voters and consumers will increasingly regard this as a scandalous waste of money. European companies refuse to participate in Public Private Partnerships, because they do not expect any profit due to the arrears with GPS. They do hope to receive a large community investment in 2012 for free. Consequently, we do not want to spend even more money on GALILEO. If there are no real perspectives, we should dare to stop.

Nils Lundgren (IND/DEM), in writing. (SV) EU Member States will be technologically dependent on current and future military superpowers, such as the United States, Russia and China, if we cannot develop our own satellite-based radio navigation.

Galileo is undoubtedly needed, but this expensive project should for the most part be funded by private actors with political support. Paragraph 6 of the resolution states that, in the European Parliament's view, the Galileo programme should be funded entirely from the European Union budget. I am not prepared to go so far and therefore choose to vote against the resolution as a whole.

Lydia Schenardi (ITS), in writing. – (FR) We support the Galileo project, even if we had a few reservations about supporting it.

We cannot, however, support this resolution. It is deplorable that, after the predictable failure of the public-private partnership, this Parliament should be saying it is prepared to give up an independent GPS system if it ceases to be purely a Community project to include direct funding by Member States.

Galileo is useful! By whatever means, it must be financed. The Commission cannot find EUR 2.4 billion, from the hundreds of billions that it intends spending, not always usefully, by 2013? Then what? Why should the Member States be pushed aside? Galileo is not a toy, nor is it the exclusive, symbolic project of Brussels' Europe that wants us to believe that it is not concerned only for itself, its competences and its sustainability.

Just for once, leave aside dogma. Put into this industrial venture a quarter of the political willingness that a handful of Member States put, a few years ago, into building a European aeronautical and space industry, and prove what you refuse to admit: intergovernmental cooperation works. In Brussels, on the other hand, it is at a standstill.

Geoffrey Van Orden (PPE-DE), in writing. The clear intention of the resolution is for Galileo to be financed with a blank cheque from public funds to further EU political ambitions. Collaborative technological projects have a dubious track record. They do not require EU involvement and should

only be undertaken for clear economic, strategic and industrial motives – not to further EU ambitions to be a global actor.

British Conservatives want opportunities for British industry and British R&D, but this resolution does not guarantee that. It supports the Commission's proposal to use public funds – through the EU budget – for the entire Galileo project. This course of action will be another drain on taxpayers in the United Kingdom and other EU Member States, and one in which they have had absolutely no say.

Whereas, in the past, there was reluctance by the EU to admit military applications, this coyness has now been dropped. In the Commission's Communication on European Space Policy (26 April 2007) the aim of meeting 'Europe's security and defence needs as regards space' is one of the key objectives. As long-standing opponents of ESDP, the British Conservatives oppose proposals that extend the Commission's hand into the defence arena.

- McCarthy report (A6-0226/2007)

Ilda Figueiredo (GUE/NGL), in writing. – (PT) All it took for us to decide to vote against this report was the first recital. Community law on public procurement aims to open – liberalise would be a better word – public markets in the Member States to cross-border competition, in order to support the development of the internal market, in keeping with the liberalising agenda contained in the Lisbon Strategy.

We are of course in favour of national rules on the transparency of tendering, provided they do not block opportunities to use public markets to boost the economic fabric and national SMEs, bearing in mind their size and importance. There is a substantial difference in this case, however, leading us to vote against, which is that responsibility for this issue should continue to rest with the Member States.

Public procurement is also an important instrument in promoting social and environmental policy, given that it may contain criteria relating to social and environmental issues involved in awarding contracts. It cannot be restricted to supranational level, with rules on non-discrimination or on other economic interests used as a pretext.

- Kinnock report (A6-0220/2007)

Gay Mitchell, Mairead McGuinness, Colm Burke and Jim Higgins (PPE-DE), in writing. We voted in favour of part one of paragraph 40 and against part 2 of paragraph 40. Similarly, we voted in favour of the first part of paragraph 41 and against the second part. We abstained on the vote for the resolution as a whole.

The reason for this is that we did not wish to indicate that we support any interpretation of the word 'rights' as indicating a support for abortion. We do, of course, support the general thrust of the Millennium Goals and therefore did not vote against the resolution as a whole.

Edite Estrela (PSE), in writing. – (PT) I voted in favour of the Kinnock report (A6-0220/2007) 'On the Millennium Development Goals – the midway point' because I feel that we need a broad partnership in order to be able to achieve the Millennium Development Goals. It is therefore desirable for the national parliaments and civil society in all the interested countries to become involved.

One of the key factors in achieving the Goals is that of a 50% reduction in poverty by 2015, with special focus on issues such as HIV/Aids, tuberculosis and malaria. Gender inequality and discrimination against women are further points that must be taken into account in development programmes.

Pedro Guerreiro (GUE/NGL), in writing. – (PT) I welcome the fact that the report acknowledges the seriousness of the world situation.

As the UN report on the Millennium Development Goals revealed, progress in the fight to reduce hunger has been too slow. Indeed, the figures have worsened in recent years: 854 million people (17% of the world's population) per day suffer from hunger and almost 16 000 children die every day due to hunger-related causes.

Nevertheless, once again the report glosses over the causes at the root of this intolerable situation.

It is important to highlight the fact that, at the same time as 16 000 children die every day:

- The US Administration has earmarked USD 600 billion for military spending in its budget;
- The 691 richest people in the world have a net fortune equivalent to USD 2.2 billion, which is equal to the combined wealth of the 145 poorest countries;
- The 500 richest people have a combined income higher than that of the 416 million poorest;
- The 8 million richest people in the world have a net fortune equivalent to 80% of the GDP of all the countries in the world.

This is the root of the problem.

David Martín (PSE), *in writing*. The rapporteur's approach to this highly important subject is to be commended. There is urgent need for efforts to reach the MDGs to be redoubled. This means wholesale debt relief and scaled-up, better coordinated and better targeted aid.

Luís Queiró (PPE-DE), *in writing*. – (PT) In the space available in an explanation of vote, there are two points that deserve to be highlighted.

The first paragraph of the resolution says: 'the overarching aim of development cooperation is and must be the fight against poverty; stresses, however, that this fight is not limited to material growth and therefore, democracy-building and the promotion of basic human rights, rule of law and the principles of justice, equity, transparency and accountability must always be central themes of any such cooperation.'

I did not oppose this resolution because I understand that these concerns require us to contribute as much as we can, but I feel that the idea must be stressed that the fight against poverty cannot be effective unless the causes of poverty are combated. Among the structural causes of poverty is always bad governance. It is for this reason, and not out of a desire to impose some sort of model, that it is so important to fight on these two fronts at the same time. Otherwise, we will be resolving a problem today only for it to come back tomorrow.

Lastly, the report tells us that 'Portugal, which is due to host the EU-Africa Summit during its Presidency, achieved only 0.21% ODA/GNI in 2006', which is terrible.

Konrad Szymański (UEN), *in writing*. (PL) I was forced to vote against the report on 'MDGs at the Midway Point'.

Including proposals to fund abortion using EU budget aid will inevitably lead to divisions concerning the aid strategy for Africa. This will undermine the effectiveness of our actions. From both a moral and a medical point of view, abortion does not hold the key to solving the problem of maternal deaths during childbirth.

Using European Union resources to fund abortion in Africa is contrary to the principle of providing support. It forces all European Union citizens to become indirectly implicated in this matter. It also represents a kind of moral imperialism towards Africa. The consistent support of this House for funding abortion in developing countries is the biggest mistake we have made in terms of shaping humanitarian aid policy.

- Cornillet report (A6-0208/2007)

Gerard Batten, Roger Knapman and Thomas Wise (IND/DEM), *in writing*. The UKIP does not recognise the legitimacy of the ACP-EU JPA and therefore cannot support this amendment. However, we agree with the spirit of the text and sincerely hope that the international community as a whole will ensure that the international travel bans on key figures in the Zimbabwean regime are fully respected.

Derek Roland Clark (IND/DEM), *in writing*. The UKIP does not recognise the legitimacy of the ACP-EU JPA and therefore cannot support this amendment. However, we agree with the spirit of the text and sincerely hope that the international community as a whole will ensure that the international travel bans on key figures in the Zimbabwean regime are fully respected.

David Martín (PSE), *in writing*. The work of the ACP-EU JPA is vital when we consider the large number of least developed countries within that grouping and the volume of development assistance the EU targets at the ACP countries. I support many of the demands made in the report, such as those

calling for national parliaments and civil society to become more involved in the process of national aid programming in the ACP.

Luís Queiró (PPE-DE), in writing. – (PT) The report clearly reveals how the work of the ACP-EU Joint Parliamentary Assembly – both in 2006 and before – is an excellent instrument for creating the crucial structures, relationships and dialogue necessary for the creation of sound foundations for good relations between both sides and for the development of genuinely useful projects.

That being said, although it should be noted that whilst progress so far has been laudable, our concerns should be based on what lies ahead. We have an obligation – one that is, on the one hand, both moral and ethical and, on the other, in our own interests – to support development in associated countries, to help them develop mechanisms to open up their economies and together to turn globalisation into a virtuous movement; it is up to us to circumvent, reduce and remove the potential pitfalls involved in this movement.

Against this backdrop, in relation to some of these partners, it is vital that the forthcoming EU-Africa summit, set to take place during the Portuguese Presidency, yields results. Realism with results is preferable to utopian ideals without history.

7. Corrections to votes and voting intentions: see Minutes

(The sitting was suspended at 1 p.m. and resumed at 3 p.m.)

IN THE CHAIR: MR COCILOVO

Vice-President

8. Membership of Parliament: see Minutes

9. Approval of Minutes of previous sitting: see Minutes

10. Towards an arms trade treaty (debate)

President. The next item is the Council and Commission statements – Towards an arms trade treaty.

Günter Gloser, President-in-Office of the Council. – (DE) Mr President, Commissioner Ferrero-Waldner, ladies and gentlemen, illicit arms trading and the irresponsible export-control policies of some states are fuelling conflicts worldwide, undermining respect for human rights and encouraging crime and terrorism. Moreover, they are hampering the sustainable economic development of entire regions.

It is against this backdrop that the idea of enshrining binding principles for arms dealing in an international agreement was conceived a few years ago. The concept of an arms-trade treaty was born. The Member States of the European Union campaigned for such an agreement from the outset, and the current Presidency of the Council also attaches great importance to this process. At a meeting on 18 June the General Affairs and External Relations Council re-emphasised the importance of an arms-trade treaty.

I was very pleased that Mr Romeva i Rueda, the European Parliament's rapporteur on the EU Code of Conduct on Arms Exports, accepted the invitation to attend the informal seminar for the members of the Conventional Arms Exports Working Party COARM Group in Berlin at the beginning of January, where he explained in detail the views of the European Parliament on a global arms-trade treaty. The Presidency shares Mr Romeva's view that such a treaty would serve the extremely important purpose of subjecting the global arms trade to legally binding and responsible rules.

An important step was taken with the adoption of resolution 61/89 by the General Assembly of the United Nations on 6 December 2006. The resolution asks the Secretary-General to seek the views of Member States of the United Nations and to appoint a group of experts by 2008. It will be the task of that group to assess the feasibility, scope and draft parameters of such a treaty. In the lead-up to the session of the General Assembly, numerous Member States of the EU were involved in the drafting of the resolution and in canvassing other states to approve it.

About 80 states, including all Member States of the EU, have so far answered the UN Secretary-General's call. In a separate EU opinion submitted to the Secretary-General, the Presidency of the Council cited the EU Code of Conduct as a good example of international cooperation in the control of arms exports and made the case for an arms-trade treaty. Together with other EU Member States, the Presidency also continues to press for the submission of country papers. A large number of favourable opinions will be of paramount importance in demonstrating the strong worldwide support that exists for the project.

The success of such a treaty will be crucially dependent on whether it binds not only all the major arms exporters but also the countries that import arms. The United Nations is therefore the right forum for these negotiations.

Let me cite two examples of issues to which the group of experts must devote particular attention in order to pave the way for an effective treaty. First of all, the scope of the treaty must be spelled out in detail. To this end a separate checklist will be necessary. This must not be confined to the categories used in the UN arms register but must also apply to materiel such as small and light arms, ammunition and man-portable air-defence systems (MANPADS). Manufacturing equipment and technology should also be included in an appropriate form.

Secondly, the treaty must contain a comprehensive catalogue of criteria to be applied when decisions are taken on arms exports. Among these criteria are compliance with arms embargos, respect for human rights in the country of destination, preservation of regional stability, prevention of internal or regional conflicts, promotion of sustainable development and prevention of any undesirable redirection of the goods.

Numerous regional organisations around the world have already been examining these issues. The European Union's Code of Conduct on Arms Exports is the most fully developed international instrument for the control of arms exports. Thanks to its experience with the Code of Conduct, the European Union can make a special contribution to the discussion of these issues. At the same time, however, it must avoid creating the impression that it seeks to impose the EU Code of Conduct on other Members of the United Nations. The fact is that support for this project in all parts of the world is remarkably strong at the present time. Nevertheless, an important role in this process devolves on the European Union, to which several major exporting nations belong.

Let me also pay particular tribute to the role of civil society, for non-governmental organisations, scientists and scholars and the media have played a significant part in persuading hesitant governments of the need for an arms-trade treaty. From the very start they have made valuable suggestions and contributions, and I urge non-governmental organisations to maintain their active involvement in this process.

The Presidency is pleased to note that the European Parliament has expressed itself on various occasions in favour of the conclusion of a global arms-trade treaty and that it is using its interparliamentary contacts for that purpose. I read the latest draft resolution with great interest and warmly welcome the persuasive proposals it contains. I very much hope that we can continue and intensify our vigorous dialogue with the European Parliament on this important issue too.

(Applause)

Benita Ferrero-Waldner, *Member of the Commission*. Mr President, I would just like to add a few words to those of the President-in-Office of the Council.

Over the last few years, the fight against the illicit spread of weapons has been the focus of much political and public attention and the issue remains of great importance to all of us. Let me commend the honourable Members on the leadership they are showing on the legally binding arms trade treaty to regulate the international trade in conventional arms. It is an ambitious approach proposing common international standards. I understand your motion for a resolution has already been submitted. The Commission also welcomes the Council conclusions of two days ago; I need not go into those in detail, because they have already been mentioned.

We all recognise the negative impact of irresponsible exports of military equipment on regional security, economic development and human safety in some of the most vulnerable parts of the world. An arms trade treaty would be of great value, for instance in reducing the illicit spread of small arms and light weapons. These weapons result in considerable human misery and, in making the world less safe, they affect our own security and prosperity.

The illicit trade in conventional weapons also has global consequences, which means we must enhance the coherence between EU security policy and Community development assistance. Development and security are linked more closely than ever, and the threat these illicit weapons present goes beyond the immediate violence they cause. In this globalised world of ours, lost GDP and reduced foreign investment, for instance, represent failed opportunities few countries can afford.

Even with an arms trade treaty, countless illicit weapons would remain in circulation around the world. In addition to the Union's strong political engagement, we are therefore providing practical support for legislative and administrative capacity-building, giving the EU a significant role in the fight against the illicit spread of small arms and light weapons.

We are fully engaged in the implementation of the 2005 EU strategy against the illicit spread of small arms and light weapons. This area, as you know, is not new to us. The Commission has been fully involved in it for many years and has also gained experience working with international organisations, academia, NGOs and civil society in dealing with the consequences of inappropriate or illegal arms sales. Much remains to be done, both through the treaty and outside it.

(Applause)

Ana Maria Gomes, on behalf of the PSE Group. – (PT) In recent years, there has been little cheer for those in favour of arms control and disarmament rooted in multilateral legal instruments. Last December's decision by the UN General Assembly officially to launch the process of drawing up a global arms trade Treaty (ATT) gives rare cause for celebration.

Although it came as no surprise, the solitary vote against the resolution that launched the process, by the United States, was sad. The Treaty is aimed at finding a common legal denominator for the import, export and transfer of arms, at offering a global response to a completely globalised trade and at creating uniform criteria that make the arms trade subject to the imperatives of human rights, stability and sustainable development.

It is also intended to mobilise public opinion in developed countries against the opacity that characterises the millionaire legal contracts governing arms sales to allied countries. The United Kingdom's scandalous decision to block the latest investigation into the country's arms sales to Saudi Arabia, and into the accompanying high-level corruption, is a perfect example of the true nature of the arms trade.

Only in this field would a European government dare to block a serious investigation in the national interest. It is because of special treatment that governments the world over have taken special measures to control the arms trade. The EU can and must take the lead in this area. It must fight for the lessons learnt from the interpretation and implementation of its code of conduct – in particular as regards the criteria of sustainable development and human rights – to be applied to the new Treaty, because these two aspects are especially pertinent, as Mrs Ferrero-Waldner pointed out.

In this regard, I welcome the conclusions of the last 'General Affairs Council', which highlighted the importance of joining forces with other countries and regional organisations to draw up a new Treaty. All that remains is for the EU to transform this good will into a diplomatic strategy, properly rooted in a Council common position, in relation to the ATT. While reason and scruples are not around to dignify the White House with their presence, European leadership in this area is particularly urgently needed.

Marios Matsakis, on behalf of the ALDE Group. – Mr President, it is truly shameful that, despite the perils brought to humanity by the numerous irresponsible arms transfers carried out for so many years, we still do not have a legally binding UN treaty on international arms trade. However, even if we had, I doubt if we would have had the means, or that those who matter would have had the will, to closely monitor and implement it properly, but we should concern ourselves with this once we have a UN Treaty in place.

Today, the most unscrupulous and murderous worldwide may easily possess arms. With enough money and the right connections, anything may be purchased, from a hand gun to a jet fighter plane. It is probably only a matter of time before even nuclear weapons may be purchased on the open market.

Why, you may ask, should there be such a despicable state of affairs in our 21st century society? The answer is quite simple: there will always be deranged individuals in this world who want to inflict their pathologically criminal plans on others and, similarly, there will always be evil traders who supply the means for death and destruction to anybody, as long as they are able to make a handsome profit. I must

be mentioned here that the arms industry's highly lucrative enterprises continuously produce more advanced killing machines in greater numbers and at an ever-increasing pace.

I know that we cannot change the world overnight and the forces of evil will always have their share of determining the fate of our fellow human beings. However, one must at least try to make a start to change things to some extent. In this way, I support this motion for a resolution which calls for the establishment of common international standards for the import, export and transfer of conventional weapons. After all, it is better than nothing, and let us hope that one day human beings will have enough common sense to realise that there is no need to produce weapons at all.

In conclusion, I find it noteworthy to mention that, of the 17 leading arms exporters, more than half are EU Member States. Let this statistic be food for thought for all of us.

Raül Romeva i Rueda, *on behalf of the Verts/ALE Group*. – (ES) Mr President, this House has spoken out in favour of an international treaty on the transfer of weapons on many previous occasions.

What makes this debate and the resolution that we have presented special, however, is that the United Nations are now getting to work. A resolution that was approved in December 2006 with the support of 153 countries has been the departure point for our debate today. It is right that we should remember that 153 countries signed it, because that gives the process genuine legitimacy.

Within this context, we must stress certain points of the resolution that we are presenting today.

Firstly, the 153 countries are being asked to forward their reports to the Secretary-General of the United Nations indicating what they believe the treaty should contain, its scope and, in particular, their opinion with regard to its viability.

Secondly, those reports should be based on current international legislation, particularly with regard to international humanitarian law and human rights in general. There are important existing treaties that must be taken into account.

Thirdly, the governments of the States must commit themselves to carrying out a thorough study of the degree of compliance and, above all, of non-compliance with the current rules, international embargos and, in the case of Europe, strict application of the Code of Conduct on arms exports. One of the cases that deserves to be highlighted in particular is that of arms exports to Sudan, an issue that we will discuss specifically during the July part-session.

Fourthly, the governments must also pay attention and give every possible support to the setting up of a group of experts that will have to be created in 2008 with a view to defining the content of the treaty.

Finally, we must be aware that, although the process of drawing up an international treaty on the transfer of weapons is already under way, it will be a slow process, and in the mean time arms sales in the world are still increasing. According to the SIP, in 2005, sales, around a third of which come from the European Union, rose to USD 290 000 million. In the mean time, therefore, we must be particularly rigorous and demanding with regard to the existing control mechanisms and pay particular attention to the control of intermediaries, compliance with embargos and increasing the transparency and parliamentary control of those exports.

Tobias Pflüger, *on behalf of the GUE/NGL Group*. – (DE) Mr President, I warmly welcome the fact that we have this joint motion for a resolution on an international arms-trade treaty, because time is running out, as arms expenditure and arms exports spiral throughout the world. According to the study conducted by SIPRI, the Stockholm International Peace Research Institute, the equivalent of EUR 900 billion was devoted to military spending last year, which represents EUR 137 for every man, woman and child on the planet.

That was three and a half per cent more than in 2005. Over the past ten years, global arms expenditure has increased by 37%. As for the international arms trade, in its new Yearbook of Armaments, Disarmament and International Security, SIPRI reports a 50% increase in the volume of trade since 2002. Once again, the United States and Russia have been far and away the top arms exporters. Germany, with USD 9.2 billion – EUR 6.9 billion – between 2002 and 2006, has pushed past France into third place.

Member States of the EU are up there among the global leaders when it comes to arms exports. Last year alone, Germany's arms exports were worth USD 3.9 billion, more than double the 2005 amount of USD 1.5 billion. France has armed Sudan, and Belgium is supplying weapons to the autocrat Joseph Kabila in the Democratic Republic of the Congo, partly so that he can massacre the opposition. Once a conflict has been fuelled, along comes the EU with its military missions in Africa – in the Congo, Sudan and so on. The fire-fighters are dousing the flames with petrol. It is high time the EU and its Member States put a stop to these deals. Arms exports are violating human rights all over the world. Arms exports are killing people all over the world. Let us finally put an end to this traffic in death.

Justas Vincas Paleckis (PSE). – *(LT)* Mr President, the European Union, which always speaks for conflict resolution by negotiation rather than by force, is interested in muzzling the unrestricted growth of business in trading instruments of death. Last year, as has been mentioned, EUR 900 billion was spent for military purposes. This is EUR 137 per capita for the total population of the world. On the basis of military spending, we are back in the Cold War. Almost half of this enormous sum is made up by the United States' expenditure on military armaments.

The scope of spending on weaponry is growing dangerously, having reached almost EUR 40 billion last year. The largest exporters in recent years have been the United States and Russia, each one accounting for 30% of the global arms trade, with the EU not far behind at 20%. The greatest concern is caused by the flow of ultra-modern weapons to conflict-torn regions in unpredictable countries.

Last year 153 countries supported a United Nations resolution on a process to create a treaty on Trade in Arms. For the moment it is difficult for all countries to agree on a legally binding document that would provide for the international regulation of imports and exports of weapons; however, steps in that direction in the United Nations are essential. At the same time, it must be stressed that individual countries are the first-line combatants against irresponsible arms trading and the damage it wreaks on peace, security, development and human rights. The international community, and likewise the public of any country that uses arms trade for dealings in dangerous and corrupt ventures, has a duty to bring appropriate pressure on such governments and parliaments.

Margrietus van den Berg (PSE). – *(NL)* Mr President, every year, approximately one million people are wounded by hand-guns, machine guns or grenade launchers. The extent of firearm violence globally is enormous, as is the human suffering. In recent armed conflicts, small lightweight firearms are often the only weapons that are used. In southern Africa alone, some 30 million light firearms are in circulation; in the Middle East, estimates range from 60 to 110 million. The majority of these weapons are produced and sold legally. For dozens of years, international Treaties have been in place to control biological, chemical and nuclear weapons and their spread, but despite the enormous number of fatalities, this is not yet the case for the sale of and trade in conventional weapons. This results in human rights violations, long-term wars and countries that are becoming more impoverished. The large majority of these weapons are produced by five rich countries. In 2005 Russia, the US, France, Germany and Great Britain jointly accounted for 81% of the worldwide arms trade.

More than two thirds of these weapons are intended for Africa, Asia, the Middle East and Latin America. Not only human lives are being destroyed, also economies, infrastructure, health care and education. In Northern Uganda alone, 2 500 children have not attended school during the last 20 years of armed violence.

The UN resolution of 6 December 2006 sets the scene for a treaty against this free circulation and in favour of control of the trade as a whole. This is, of course, of the utmost importance if we want to curb conventional weapons. I would therefore urge the Council – and I gather from the acting Chairman, Mr Gloser, that something is being done – to get a massive, rapid and positive response from Europe and, for our part, to tackle the serious shortcomings in the application of the European code of conduct from 1998. EU weapons still wheedle their way into countries such as Sudan, China and Sierra Leone. It is high time we made this code legally binding, as this would give the UN process an enormous shot in the arm.

Richard Howitt (PSE). – Mr President, last year I spent two weeks in the Democratic Republic of Congo on behalf of this Parliament. Four million people died in their civil war and, of course, an international arms embargo on that country failed to prevent arms from all over the world – including from Germany and France, for which there is clear evidence – getting into that country and contributing

to the strife that took place. There cannot be a more graphic example of why the international community needs to do more to enforce its will and its values in this area.

As we say in our resolution, we want to see a comprehensive, rigorous and fully implemented arms trade treaty. The European Union can play a pivotal role in the international community to make sure that the text achieves just that. I am very proud that the European Parliament text put before us today refers to the arms trade causing ‘unacceptable human suffering and exacerbating conflict, instability and terrorism’. I thank Mr Gloser, the German Presidency and the Council for taking a similarly tough line in their resolution and speaking of ‘an undesirable and irresponsible proliferation of conventional arms’. Let us carry those words through so that we really can influence what is happening in the United Nations.

The next stage must be to engage civil society. I think we are in our present position as a result of those NGO campaigns of the mid-1990s that were finally successful in working with us to get the EU Code of Conduct. I am very proud that experts at the Lauterpacht Centre at Cambridge University in my own constituency drew up the first draft of this treaty to be put forward to the international community. I appeal to parliamentarians to sign the declaration in favour of the Treaty on the controlarms.org website. Our work with civil society to engage the people of this world for a strong treaty is essential.

Finally, I am very proud that my own country, the UK, together with Finland, proposed this in the United Nations and that every single EU Member State has submitted its willing support to the UN. We should be proud of Europe too.

Günter Gloser, *President-in-Office of the Council*. (DE) Mr President, Commissioner, ladies and gentlemen, on behalf of the Presidency of the Council I would like to express my sincere thanks to you for your contributions and suggestions but also for the initiatives you have taken on this very important matter as well as for the warnings that were sounded by some speakers.

Let me just respond to two points. Firstly, unless human rights and international humanitarian law are being respected in the recipient country, arms exports can never be licensed. I have stressed that we are engaged worldwide at various levels in promoting respect for human rights. That is another matter which has often been on the agenda of this Parliament. The right to life, the prohibition of slavery, political and social participatory rights, equality before the law, freedom of speech and assembly and the prohibition of discrimination continue to be flouted in too many countries of this world. It is therefore our duty to ensure that these violations of fundamental values are not fostered by the supply of armaments.

Secondly, there is the issue of embargos. The United Nations Security Council, the OECD and the European Union have imposed embargos on a number of countries, and the present draft resolution of the European Parliament places special emphasis on the need to uphold the embargo against Sudan. It is absolutely essential that observance of embargos be made one of the key criteria for export licensing in an arms-trade treaty. It is no coincidence that this criteria is listed at the very start of the catalogue of criteria in the EU Code of Conduct.

I can assure you that we shall continue to make every effort during our presidency to secure an effective arms-trade treaty. The key role that the European Parliament is playing in this discussion has also been a great source of help and support. I hope we shall be able to maintain this cooperative approach throughout the subsequent presidencies.

Benita Ferrero-Waldner, *Member of the Commission*. Mr President, I thank Parliament for its support, for its initiative and for its motion for a resolution. As I mentioned before, the Commission, as part of wider EU efforts, strongly supports the opening of negotiations on a legally binding arms trade treaty, within the UN framework – this is important to highlight.

An international instrument promoting high standards of responsibility is clearly desirable and, for this enterprise to be successful, we need to build the broadest possible consensus and encourage all states to support this initiative. We would wish it to be a legally binding, separate and self-standing initiative that would cover all conventional arms transfers, set out the principles defining illegal transfers, include monitoring and be broadly based. We know that it will not be easy to persuade all suppliers worldwide, and it will therefore be very important for all the major arms producers to avoid having a situation such as we had with the ICC or with the mine ban treaty. We will, therefore, seek the broadest possible consensus.

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

The debate is closed.

The vote will take place on Thursday 21 June 2007.

11. MEDA and financial support to Palestine - evaluation, implementation and control (debate)

President. The next item is the report (A6-0210/2007) by Rodi Kratsa-Tsagaropoulou, on behalf of the Committee on Budgetary Control, on MEDA and financial support to Palestine – evaluation, implementation and control (2006/2128(INI)).

Rodi Kratsa-Tsagaropoulou (PPE-DE), rapporteur. – (EL) Mr President, Commissioner, ladies and gentlemen, there are many reasons at present which make the report we are debating today highly important and topical.

The poor results of the Euro-Mediterranean process and, at the same time, the huge challenges in this area are forcing us to take serious stock and adopt serious policies and financial commitments.

The tragic situation in the Palestinian territories is getting worse and developments are sounding the alarm for a deterioration in the situation and calling on us to take stock of our actions and become aware of our responsibilities for the future.

We also have to give convincing answers to the concerns of European citizens about the management of resources in areas which are lagging behind in democratic commitments and management and evaluation mechanisms.

I should like to remind the House that the MEDA programme is our principal financial instrument for the implementation of the Euro-Mediterranean partnership supporting measures for the political chapter and the economic chapter, in the aim of creating a free trade zone, and for the cultural and social chapter which forms the third pillar.

MEDA II, which is the most recent MEDA programme we have applied, was scheduled to provide the sum of EUR 5.3 billion from 2000 to 2006. The MEDA regulation came to an end in 2006 and today we have a new European Neighbourhood and Partnership Instrument which entered into effect in 2007 and we believe that our experience from MEDA will be very useful for the new instrument.

I should like to remind the House that annual commitments under MEDA II, to which most of our report is devoted, varied between EUR 569 million in 2000 and EUR 697 million in 2004. In other words, there was a steady increase, although we need to bear in mind that between MEDA I and MEDA II our commitments increased for Palestine, Syria, Algeria and Morocco and for the regional activities, but decreased for Egypt, Jordan, Lebanon and Tunisia. Similarly, increases varied according to implementation sector. There was a marked increase in funding for actions which include education, training and economic institutional support, while less funds were committed for other sectors, such as agriculture, local development and private reforms under MEDA II than under MEDA I.

In light of our experience in the European Parliament and the information received and the report by the Court of Auditors, the Commission's management of the MEDA programme has clearly improved since the early years and we can say that, given the political circumstances that play their role in the area, the evaluation is satisfactory and a great deal of effort was made, gradually resulting in an even allocation of resources, with shorter preparation times and faster disbursement.

We might urge the European Commission to take account in future activities of the fact that there is a steady increase in the number of projects and programmes, that there is an even larger share of budget support in the total programme, that the role played by our offices and the apportionment of responsibilities at local level has been judged satisfactory and important and must be increased and that cooperation with the local authorities played a role and we must enhance this. We must also do whatever

(2) See Minutes.

we can to enhance cooperation between the Mediterranean countries (South-South partners) in order to achieve the much sought-after objective of regional cooperation and integration.

As far as the funding sectors are concerned, we take the view that the economic aspect of the partnership must be directed towards social cohesion and sustainable economic development, not forgetting that overall monitoring and enhanced action in all sectors are needed if we are to achieve our objectives.

The question of funding for Palestine is an important part of our report and was the subject of increased interest on the part of our honourable friends. From 1994 to 2006 the Commission provided about EUR 2 300 million to the Palestinian people. Payments to Palestinian areas have been quite stable at between EUR 232 and 260 million from 2002 to 2005. In 2006 alone, EUR 700 million was provided, which is our record so far. As we know from the decision by the Quartet on 9 May 2006, we have the temporary international mechanism and the European Commission used this mechanism to deliver the sum of EUR 107.5 million to its three windows, one for emergencies, one for infrastructure and one for payments to the poorest, vulnerable social groups. Our committee has considered our relations with the Palestinian Authority and the best way of addressing requirements, both for political and economic aid to the Palestinian Authority per se and for channelling humanitarian aid and, in order to update the report, I have proposed two oral amendments, one to paragraph 38, which is now out of date and can be deleted or radically amended and one new paragraph referring to the Council decisions both on support for the new government and on the commitment through the international mechanism to take the action needed for humanitarian aid to Gaza. I wish to state that our political group supports our undertaking and I believe that I also have the support of the rest of the House on this new paragraph.

(Applause)

Günter Gloser, *President-in-Office of the Council*. *(DE)* Mr President, Mrs Ferrero-Waldner, ladies and gentlemen, let me express my sincere thanks to the rapporteur. We have analysed the recommendations and largely agree with Parliament's assessment of the MEDA programme and, of course, with its conclusions.

The report concludes that the support provided by the MEDA programme served its intended purpose and rendered an important contribution to the achievement of the MEDA objectives. It also recognises that the aid was consistent with the development plans and needs of the recipient countries. I want to be quite emphatic about that, because I still recall certain discussions.

The Council acknowledges the Commission's efforts, which have led to perceptible improvements in the speed and efficiency of planning within the MEDA II framework.

The MEDA programme has now been completed, and the first of January 2007 marked the switch to the European Neighbourhood and Partnership Instrument. The ENPI is a tailor-made instrument for the implementation of the European neighbourhood policy.

The European Parliament has called for the development of cooperation among Europe's partner countries in the Mediterranean region, and this is being done through the ENPI Southern regional programme, to which EUR 343.3 million is being allocated by 2010.

We share your view that the continued pursuit of the Barcelona process is of vital importance to the whole region. The fact that we have managed, in spite of the tensions in the region, to address substantive issues and make further progress together shows that the Barcelona process, our Euro-Mediterranean dialogue, is still the right framework for the pursuit of change in the Mediterranean region.

The Euro-Mediterranean Parliamentary Assembly makes an important contribution to closer North-South relations through its interparliamentary dialogue. All of us, whether in civil society, government or parliament and in spite of our diverse structures and responsibilities, have the aim of nurturing our partnership with the Mediterranean region and the will to work together to that end.

Let me now move on to the part of the report that deals with financial assistance for the Palestinians. Before discussing the report, however, I would like to mention that we have been following the latest developments in the Palestinian territories, and especially in the Gaza Strip, with deep concern. The violent clashes between Fatah and the radical Islamist movement Hamas in the past week have claimed more than 100 lives and left many people with serious injuries.

The Hamas militias have effectively taken control of the territory, using brute force against the legitimate national security forces, civilians and aid workers. In this situation, President Mahmoud Abbas has been compelled to dissolve the Unity Government, declare a state of emergency and appoint an emergency government. The deal that was struck between the Palestinian factions with Saudi Arabian help in Mecca in February has thus collapsed, and the involvement of Hamas in the government of the country has been ended.

The humanitarian situation in the Gaza Strip, which was difficult enough before, has further deteriorated. The hospitals are completely overcrowded and are short of medical supplies. The vast majority of the population of Gaza are dependent on food aid. Aid organisations have had to suspend some of their activities because they fear for the safety of their staff – and rightly so, I am sorry to say, as was shown by the deaths of two UNRWA workers caught in crossfire during gun battles.

At Monday's meeting of the General Affairs Council, the Foreign Ministers of the European Union called for an immediate end to the violence and assured President Abbas of their full support for his decisions. They decided to resume normal relations immediately with the new government under Prime Minister Salam Fayyad and declared their intention to create conditions in which the provision of direct financial and practical assistance could also be resumed. The Foreign Ministers also reaffirmed that they did not wish to leave the people of the Gaza Strip without humanitarian assistance in their present distress. Other conclusions that may have to be drawn in the light of the new situation are currently being discussed.

The introduction by the European Union of the temporary international funding mechanism TIM in June 2006 has played a significant part in meeting the most urgent needs of the beleaguered Palestinian population. The structure of TIM is transparent, and the mechanism has proved to be a flexible and effective instrument.

Last year alone, the European Commission and the Member States provided more than 300 million euros' worth of direct aid to the Palestinian population through TIM and are continuing to make their payments in the present situation, in which these funds have become even more crucial. This needs to be underlined and emphasised time and again, because a different picture is occasionally painted, even in the media. For this reason we also welcome the decision of the Middle East Quartet to extend the TIM mandate for another three months until the end of September.

In your report you rightly call on Israel to release the tax and customs revenue it has been withholding from the Palestinians. The European Union has also made repeated calls to this effect, most recently in the conclusions adopted by the General Affairs Council at its meeting on 18 June. The Israeli Government has announced – as you know, we had talks with the Israeli Foreign Minister, Tzipi Livni – that it is now ready to release the funds.

We very much hope that this will give the Palestinian economy a desperately needed boost too. This is another area in which the prospect of a political solution depends on a perceptible improvement.

The European Union is already active in another area to which you referred, namely the essential reform of public finances, including financial control and auditing. The Commission is assisting the Palestinian Ministry of Finance in the ongoing development of transparent structures for the Palestinian budget.

The aim of the European Union is, and will remain, two states – Israel and Palestine – living side by side in peace with each other and with their neighbours in the region. We want to help in the long-term creation of better living conditions for the Palestinians instead of engaging in crisis management. The last few weeks have made it crystal-clear why this is an urgent necessity.

Benita Ferrero-Waldner, *Member of the Commission*. Mr President, I would like to thank Mrs Kratsa-Tsagaropoulou for her excellent report. It comes at a key moment as it concerns cooperation with the southern Mediterranean area, whilst the strengthened Neighbourhood Policy is also being implemented. I shall speak first about the main findings before turning to the current situation in the Palestinian Territories and our response to that.

Firstly, with regard to the performance of MEDA over the last 10 years, I am pleased about Parliament's positive appreciation of how this programme has contributed to realising the objectives of the Barcelona Declaration. Further progress can and should still be achieved, but I share Parliament's view that the Barcelona Process remains the most appropriate framework for the Mediterranean policy. This process

is now supported by the Neighbourhood Policy which will help to develop bilateral relations and put into practice many of the aspirations of the Barcelona agenda.

In terms of effectiveness and thoroughness, the findings of Parliament and those of the Court of Auditors encourage the Commission to continue further improving its performance. It is clear that we will also take into account the different suggestions from the two institutions. I undertake to continue the efforts of the Commission in this regard, and we have already launched a final evaluation of the MEDA Regulation. The results should be available in early 2008.

All our efforts need to be seen in the context of the ongoing and progressive management improvements which have been introduced by the Commission since 2001. I entirely share Parliament's view on the issues of fostering greater social cohesion and sustainable economic development. Equally, I share your willingness to pursue the objectives of the Barcelona Process as identified in the report. We have taken numerous initiatives in this regard through thematic support, for instance in the areas of good governance, democracy and gender. Lastly, as regards visibility, I have made a great personal priority of visibility, on which we are making progress.

Your report, Mrs Kratsa-Tsagaropoulou, clearly analyses the strengths and weaknesses of the MEDA programme. It acknowledges the improvements that have been achieved, but also points out where it is still necessary to make further progress. The new ENPI regulation, in force since the beginning of this year, offers enormous new opportunities. Therefore, we are looking forward to continued dialogue and your constructive support.

Turning to the current situation in the Palestinian Territories, we are more than ever at a critical juncture. We are following the situation day to day, even hour to hour, and for the moment we are addressing the urgent needs and will probably have to continue doing so. As our Council President said at the General Affairs and External Relations Council on Monday, we had a long and intensive discussion on the Middle East. There was broad agreement on the need to support President Abbas and his new government led by Prime Minister Fayyad. This has also been the line taken by the Quartet.

It has already been said that the EU will resume normal relations with this government immediately. At the same time, we cannot abandon the humanitarian needs of the population in Gaza, and we will never let the Palestinian population down.

With regard to assistance, there was a strong wish to develop the conditions for urgent, practical and financial support. That includes: extending the emergency relief under the Temporary International Mechanism for another three months, this time with the complete cooperation of Salam Fayyad; continuing humanitarian assistance, including to Gaza; exploring options to relaunch direct financial support, including the building of institutions; supporting the Palestinian civilian police through the resumption of the EUPOL COPPS; and hopefully resuming the EU Border Assistance Mission, EU BAM Rafah.

I made it clear to the Council and to Prime Minister Fayyad that resuming direct assistance to the Palestinian Authority implies certain technical conditions – that means controlling conditions – in terms of audit control and verification. I can tell you that we are already in touch with Prime Minister Fayyad and his staff on how this can be achieved. Indeed, a meeting took place yesterday with my head of delegation and the Prime Minister.

As a first step, we intend to pay EUR 22 million directly from a reserve to help towards clearing the arrears of the Palestinian Authority, particularly to the private sector so that it sees there is some movement.

The TIM will also continue for the moment to channel funds vital for the Palestinians in both an accountable and transparent way. It will operate, as I say, in support of the Fayyad Government as of now. In this regard, let me thank you and welcome the political agreement on the extra EUR 90 million for the TIM. I also hope that the procedures for adoption can be accelerated.

As the President-in-Office of the Council has already said, the most important thing is that the withheld Palestinian funds, for which we have called so often on the Israelis to release, will hopefully finally be sent to the government of Mahmoud Abbas.

Finally, let me take this occasion to thank Parliament once again for its support, which has been, and will continue to be, essential. Under the TIM, a European initiative, we have provided high levels of

support reaching more than one million Palestinians – medicines, hospital supplies, fuel for essential public services, allowances both for the poor and the public sector. That would not have been possible without your support, and now for the future we also need your support for all the items I have just mentioned.

Véronique De Keyser (PSE), *draftsman of the opinion of the Committee on Foreign Affairs.* – (FR) Mr President, this excellent report by Mrs Kratsa, whom I thank for her work, contains two important statements.

Firstly, the aid given to Palestine since 2003 has been well managed and without fraud. That is an essential element, which will silence the persistent and groundless rumours about corruption in the executive team.

Secondly, the temporary aid mechanism put in place after the sanctions in 2006 against the Hamas government has not, alas, despite the sums invested, succeeded in preventing a humanitarian tragedy with an increase in infant mortality, the appearance of new diseases and extreme poverty in the occupied territories.

Having said that, since the emergency government was set up and the National Unity Government was dissolved, aid seems miraculously to have been reestablished and even the taxes withheld by the Israelis could be paid back to the new government. I am delighted. While the country, however, plunged in civil war, is divided in two, this spectacular turnaround demands that we look at things differently. The European Union has been responsible for its policy in the Middle East since January 2006. This policy is aimed at isolating Hamas and depriving it of its electoral victory. It has ignored the advances of its political platform, on which the National Unity Government was built; it has refused to condemn Israel for taking and imprisoning 45 Palestinian Members of Parliament. Today, the extremists have won and a no-go area has been established in the region. Any faith in justice and democracy is dead for Palestinians and the image of the European Union tarnished for a long time.

No, of course, we do not support today the activities of Hamas. We condemn them. When chaos takes over, however, when civil war breaks out, it is the time of bloodshed and outrage and I would say that we have contributed to bringing about this chaos. Months ago the European Parliament raised cries of alarm that the NGOs were calling for help. Even the UN is no longer silent. Read the do Santos report. We are accountable for this disaster in the eyes of international opinion, and if the United States has had the courage of a Baker-Hamilton Commission to examine their policy in Iraq, I am asking today for the setting up of a Parliamentary commission to assess our European policy in the Middle East and its consequences today.

IN THE CHAIR: MR ADAM BIELAN

Vice-President

Ingeborg Gräßle, *on behalf of the PPE-DE Group.* – (DE) Mr President, Commissioner, Mr President-in-Office, ladies and gentlemen, may I express our sincere thanks to the rapporteur. It is rather a pity for your report that it is now entirely overshadowed by a single issue, namely whether or not it is reasonable to keep putting money into this difficult region now that the whole focus is on Palestine. I would like to thank you for your sterling work, because we believe that we still have far more to learn from past experiences for our future programmes. Commissioner, one of my requests would be that we do not let major disruptions occur in our programmes in future. The EU specialises in complete makeovers after seven years. I believe the budgetary controllers could achieve far more progress in the long term if we could rely on greater continuity in our programmes.

We can see today that our rapporteur's report was overtaken by events several times. She took a lot of trouble with this difficult issue, particularly as regards Palestine, with visits to the region and an investigative report by OLAF as well as hours of discussion on what is surely the most troublesome area of the world. For the third time, we are confronted by the question whether it is reasonable to put EU money into that area. In spite of the reservations of many of my fellow members of the Committee on Budgetary Control, we decided in committee that it was reasonable, chiefly on humanitarian grounds, because we were aware of the good that had been done locally with this money, and we knew that the funds would be sorely missed if they were no longer available. Two days ago the Council also answered this question once again. We would like to issue a reminder that, as the budgetary legislator and the discharging authority, the European Parliament is sitting in the same boat.

We do want to support the lawful Palestinian Government, and we naturally have no wish to turn our backs on the humanitarian crisis in Gaza, but precisely because a civil war is taking place there, the European Commission has a special duty of accountability to us and must come to terms with its obligation to give us this account of its stewardship, particularly in view of the fact that budgetary aid is the riskiest form of support.

I was pleased to hear Commissioner Ferrero-Waldner's assurances that EU funds would be increasingly linked to successful reform policies in that part of the world too, for there is one thing we find inexcusable: for humanitarian and political as well as economic reasons, we cannot tolerate our assistance being systematically undone time and again.

Paulo Casaca, *on behalf of the PSE Group.* – (PT) Mr President, Commissioner, Mr President-in-Office of the Council, Mrs Kratsa-Tsagaropoulou, Mrs De Keyser, ladies and gentlemen, we are here to discuss the report by Mrs Kratsa-Tsagaropoulou on the European Court of Auditors' report on MEDA, the European programme on the countries of the Southern Mediterranean. The report before us focuses in particular on Community aid granted to Palestine.

The Court of Auditors' report did not cover aid to Palestine. The only European institution to have carried out a thorough analysis of this financial mechanism, the Anti-Fraud Office (OLAF), has refused to reveal its report. The members of the Committee on Budgetary Control have not been shown the report, not even confidentially.

That being the case, we cannot make any guarantees on the proper use of Community funds in the country. Politically, however, we are faced with a serious dilemma; on the one hand, to provide development cooperation and humanitarian aid to people who are victims of leaders who have little or no regard for their well-being, and, on the other, to ensure that Community funds are not diverted for the purpose of purchasing arms, terrorism, propaganda, indoctrinating children in particular, racism, xenophobia and hate, and suicide bombings, as has come to light in the case of funds granted to Lebanon.

This is a question of the highest importance that requires a robust political response, based on the humanitarian conviction that all human beings are entitled to life, regardless of the religion or ethnicity to which they or their forebears belong; that is to say, a policy that is able to stand up to demagoguery and hypocrisy.

I therefore wish to applaud most warmly this morning's gesture by the Israeli authorities to grant free passage to the West Bank to hundreds of Palestinian refugees who spent several days blocked in the Eretz tunnels, having escaped from the wave of terror sweeping Gaza. I should also like to make a sincere, fraternal call to the Israeli and Egyptian authorities to make as much effort as possible to work together with international forces and with the new Palestinian Government appointed by President Abbas to rescue the Palestinians escaping persecution in Gaza, which has already cost the lives of many Gaza inhabitants.

I hope we can count, as on many occasions before, on the collaboration of the European Community Humanitarian Office (ECHO) to help alleviate the suffering in Gaza, provided this does not stop ECHO from carrying out no less urgent humanitarian actions to help Iraqi refugees not only in Syria and Jordan but also in Egypt, Lebanon and various Gulf countries.

Palestine is at the moment being targeted by a fanatical ideology that uses religion to conceal its greed for power and that is currently laying waste to Lebanon and Iraq. Anyone who still refuses to grasp this reality will once again have to face facts that it was impossible to predict.

Jorgo Chatzimarkakis, *on behalf of the ALDE Group.* – (DE) Mr President, Mr Gloser, Commissioner, let me begin by warmly thanking the rapporteur, Rodi Kratsa-Tsagaropoulou, for her report. The section on MEDA in particular has been very well formulated and highlights all the steps that will have to be taken. Congratulations on a truly solid piece of work!

In the light of events and since time is short, I intend to confine myself to TIM, the aid fund for the Palestinians. The draft report shows clearly that the Commissioner has pulled off a real master stroke here. I congratulate you on that, Commissioner, because the EU had been compelled to call a complete halt to its aid payments to the Palestinian Authority. We had no option. We cannot assist terrorists. We never have done in the past, and we never should. There is always a duty to act, however, when individual

suffering occurs. With TIM the European Union has found a solution that meets the high moral standards applied by Europeans to the payment of aid.

In these circumstances, I believe that, while criticism of minor accounting errors and inaccuracies should be noted, it certainly must not be made the focus of this debate. After all, we are dealing here with a project that was put together somewhat hastily. We all know that we were subject to certain constraints. I do not agree with the critical undertone regarding the Israeli strategy of suspending the release of tax revenue. We cannot blame the Israelis for not having run after the terrorists with the money, and for that reason we should let the matter rest. Besides, subsequent events have shown that it was right to keep back the money as security, since it can now doubly benefit President Abbas and the forces of moderation. In this context I must also commend Israel's decision to open the Erez border crossing on humanitarian grounds, thereby directly helping the Palestinians who were fleeing from Hamas.

In conclusion, let me express my gratitude to the aid workers on the ground, for aid has to be delivered to the local people. The European Parliament is grateful for the humanitarian mission they are accomplishing. Theirs is no easy task. Our sincere thanks go to them.

Adamos Adamou, on behalf of the GUE/NGL Group. – (EL) Mr President, I wish to congratulate Mrs Kratsa-Tsagaropoulou on her hard work, even though I disagree on certain issues.

I do not agree with Mr Chatzimarkakis; I will oppose Mr Chatzimarkakis and I will point out your responsibilities, Commissioner, as a representative of the Commission, for the chaotic situation prevailing today in Palestine. You are responsible because you did not allow a procedure for channelling any financial aid to a government called National Unity to work. Furthermore, you alone are responsible for the present situation, because you insisted – selectively and groundlessly – on circumventing the institutional channels and the direct channelling of financial aid to a national unity government which had accepted the agreements of the PLO and, as such, met the Quartet's preconditions. And lastly, from now on, we must be clear that under no circumstances can the resumption of direct financial relations depend on terms which split the Palestinians and serve Israel's expansionist policy.

I should like to ask you, Commissioner, to acknowledge your responsibilities and to assume them.

Simon Busuttil (PPE-DE). – (MT) Thank you Mr President, I too would like to join my colleagues in congratulating Vice President Kratsa for her extremely interesting report. This report is especially important and useful at this particular time, because this is a time when we are facing the challenge of how to send out a message of hope in a situation that seems completely hopeless. This is the challenge ahead of us, and our answer, despite everything, should be that we are still persevering in our efforts and that we must take heart. I am in no doubt, Commissioner, that in your enthusiasm this is exactly what you are doing; that you continue to be our ray of hope in these difficult circumstances.

That is why we support the initiatives you have adopted, such as the TIM mechanism, which we now know will be renewed. You have our full support because we feel that this mechanism will cater for the basic requirements. You also have our backing when it comes to the ability to provide direct assistance to the Palestinian authorities, naturally on condition that financial transparency is guaranteed, because it is the duty of this Parliament to ensure that the money is spent in a transparent manner.

It is a pity that we do not have time to talk about the other aspects of the Mediterranean because we know that the MEDA funds were spent in other countries and that they were spent in a way worthy of praise. For example, the rate at which the money was spent in countries such as Morocco, Jordan and Tunisia has improved greatly over time.

Proinsias De Rossa (PSE). – Mr President, I want to thank Mrs Kratsa-Tsagaropoulou for an important report, which reflects the excellent work the European Union is doing through the MEDA programme. I have one caveat, however, relating to recital N, which does not reflect the realpolitik of the situation following the formation of the National Unity Government. I believe that particular reference should be amended to more accurately make that reflection.

The European Union and the Quartet did not respond quickly or pragmatically enough, in my view, to the achievement of the formation of the Unity Government by the democratically elected representatives of the Palestinians. I believe that this failure on our part was the straw that broke the camel's back. We now have a coup d'état in Gaza which threatens the longed-for peaceful future of the Palestinian people.

Yes, it has to be condemned, but any novice politician could have predicted this development. Indeed, many of us who are more long-toothed did so last month in this very House.

After 40 years of brutal occupation and constant humiliation by the Israeli authorities, coupled with the world's refusal to act in accordance with its own democratic norms and to recognise the democratic choice of Palestinians, it is not surprising that Palestine is undergoing this crisis now. Even at this late stage, Europe must seek to act in partnership with all the elected representatives of the Palestinian people to restore confidence in politics, in negotiations and in elections.

We must do what we can to help restore law and order, which is just as important to the Palestinian people at present as humanitarian aid.

Salvador Garriga Polledo (PPE-DE). – *(ES)* Mr President, Commissioner, the European Union has dedicated a lot of time, effort and budgetary aid to cooperation amongst the countries of the Mediterranean. The two MEDA programmes add up to more than EUR 7 000 million in commitments and more than EUR 600 million per year.

We believe that the MEDA actions have been one of the European Union's great successes and they have contributed not just to economic development but also, crucially, to democratic development and the defence of human rights throughout the Mediterranean Basin.

I believe that the majority of the entire network of civil society associations in the Mediterranean countries owe their existence to the work of the MEDA programme. We are therefore very proud that the execution of all the aspects of this programme is very good.

Palestine has always been controversial from a budgetary point of view; it is the aspect of the MEDA programme that creates most conflict. Direct aid to Palestine is very difficult to control, as certain Members have said, both in terms of its destination and in terms of its application. I would like to mention that during the last term in office we had a committee of inquiry on direct budgetary aid, of which I myself was a member. Its results and conclusions led to a series of doctrines and measures that, amongst other things, made it possible to create this transitional intervention mechanism.

Of course, today we are faced with a situation in which the humanitarian and political reality goes beyond any budgetary aid predictions we could make from the point of view of budgetary control.

I therefore share this Parliament's practically unanimous view and we are entirely in agreement with this vote of confidence in the Palestinian Government. We know that direct budgetary aid is very difficult to control, but we are expressing our confidence so that, with everybody's help, we can move ahead with it.

Jamila Madeira (PSE). – *(PT)* Mr President, although the MEDA programme is quite new, it has already had positive results on the ground, on the other side of the Mediterranean. There is some way to go, however, before it becomes genuinely effective and is recognised by the people who benefit from it either directly or indirectly.

Having seen at first hand what MEDA has done in Gaza and the West Bank, I welcome many of the suggestions made by Mrs Kratsa-Tsagaropoulou in this report, and I wish to take this opportunity to congratulate her. I agree that support and efforts need to be targeted at specific areas, but should be expanded to cover other areas that may prove fruitful in the short term without major investment, as in the case of microcredit.

We are going through a period of change in Palestine, which should, at the earliest opportunity, be the precursor to the resumption of international financial aid and ultimately to the end of Israel's illegal confiscation of customs revenue from a people and a government that is literally being strangled, without food, without economic revenue and without a future to fight for.

Salam Fayad has given us guarantees of political competence and responsibility. It is up to us, the European Union, to give them the resources, both via financial aid that we channel into the territories and by lifting the blockade on the movement of persons, goods and services in the West Bank – any multiplier effect arising from this aid is rendered useless by the blockade. For this to happen what is needed is a proactive, rather than reactive, European Union.

Günter Gloser, *President-in-Office of the Council*. – (DE) Mr President, Commissioner, ladies and gentlemen, may I once again express my special thanks to the rapporteur but also to all of you for the debate and your contributions, which have certainly underlined how important it was to launch the Barcelona process more than ten years ago and to formulate a policy for that purpose. It was also an attempt to find new instruments.

Some of you made clear that the MEDA programme also served to promote improvements in the political situation and infrastructure in our partner countries. When we look at certain countries on the southern fringes of the Mediterranean, it sadly becomes apparent that a good few aims have not yet been achieved. Some of you referred to the need for greater efficiency here. The continuation of the European Neighbourhood and Partnership Instrument, however, will play a major part in consolidating this Euro-Mediterranean dialogue.

Allow me to return to the point about the particular situation of the Palestinians. Several of you emphasised that the Commissioner had found a way through this difficult situation, and for that she was rightly praised. It is also important to say that we must help, but when we do help – and sometimes our approach will be driven by pragmatism – the procedure must not suddenly come under fire after three months. I do believe, Commissioner, that a way has been found in which we can actually provide help in the current situation.

As I said yesterday at the meeting of the Committee on Foreign Affairs, there is certainly a need to distinguish a little between cause and effect. The European Union has repeatedly said how it intends to support the process in the wider Middle East, but it has also said that its recognition of newly elected governments depends on the fulfilment of certain criteria, namely renunciation of violence, adherence to the Road Map and acceptance of the State of Israel, all of which are long-established requirements. It is important to be aware of that. We too have made corresponding efforts, of course. I would not keep putting all the blame on insufficient recognition of governments or on inadequate resources.

In the Council of Foreign Ministers the European Union has just pressed for and secured an important pledge from Israel to release the frozen funds. That certainly involved negotiations with the Palestinians too. As the Commissioner stressed in the debate with the Foreign Ministers on Monday, very rapid results will be achieved here, because it is important to provide assistance both on the West Bank and in the Gaza Strip.

Benita Ferrero-Waldner, *Member of the Commission*. Mr President, it is highly important to recognise that there is an important connection between MEDA and the new Neighbourhood Policy. It is true that we have achieved a great deal: the Mediterranean countries are now working together with us, for the first time, not only multilaterally but also bilaterally, i.e. not only the Mediterranean and Barcelona programmes but also bilaterally in the Neighbourhood Programme.

The European Neighbourhood and Partnership Instrument is a special instrument which builds on MEDA as regards programming and implementation. However, we have tried to concentrate and focus a little more in order to increase efficiency.

With regard to ECHO, Mr Michel, who is responsible for ECHO, has made everything possible; EUR 60 million from ECHO funds has already been allocated this year to the Palestinians via UN organisations and NGOs.

Allow me to speak briefly about OLAF. As you know, the Director-General mentioned that he has to respect the various rules and regulations of OLAF. At the same time, however, he has delivered a résumé of the main conclusions, around ten pages approximately, in a special report to the Committee on Budgetary Control. He has also offered to attend that committee to answer questions in a closed session. However, I must make it clear that this would concern money for the years 2001-2003 only and not the last period.

Allow me to return to the difficult question of Palestine and of our funding there. First of all, you know that this is a European Union policy, not just a Commission policy, and therefore it is the Member States in unanimity which have decided on policy, and we have then tried to support this as much as we could. Therefore, when the National Unity Government was formed, it did not take us long; I held my first meeting with Salam Fayyad the following week. I had already met him before he was in government, and we tried to see what could be done. It was *he* who said that we have to take some time: you have the Temporary International Mechanism so use it for the time being. However, I am obliged to issue an

order to the Finance Ministry, to the single treasury account. He then also opened a special PLO account, but this was never the account that we used. This was intended to be used for money from the Arab countries, in particular, and perhaps also for Israeli money which, in the end, did not materialise.

Therefore, it should be clear that this was an EU policy. Now there is a new situation, to which we reacted immediately, and so has and had the Quartet. I have just outlined what can be done as regards this policy.

In response to the Member who mentioned micro-credits, we want to assist in jumpstarting the economy and, for that reason, we are paying arrears to the entrepreneurs from the EUR 22 million that was a reserve programme. This has not been done for a long time and we have now activated that, therefore we will also have good financial control over it.

On the whole, we have done what we can and have always taken into consideration that the Palestinian people should not suffer. We try to at least assist them.

President. The debate is closed.

The vote will take place on Thursday, 21 June 2007.

12. Juvenile delinquency, the role of women, the family and society (debate)

President. The next item is Katerina Batzeli's report on behalf of the Committee on Women's Rights and Gender Equality on juvenile delinquency, the role of women, the family and society (2007/2011(INI)) (A6-0212/2007)

Katerina Batzeli (PSE), rapporteur. – (EL) Mr President, Commissioner, the European Parliament is today opening the file of juvenile delinquency, a file which is constantly swelling with unsolved cases, with juvenile perpetrators and victims, with a society which is concerned and which is often stigmatised and reacts in a fragmentary manner, either by seeing these young people as a bad sign of our times and calling for them to be punished as an example or demonstrating indifference as to their fate or by highlighting the causes and the importance of their reintegration into society.

It is extremely difficult to identify the exact reasons for delinquent behaviour in a juvenile, as each specific act is expressed in the context of a complex process of their socialisation and social control. Nevertheless, it is possible to make two reliable ascertainments. Firstly, it is in no way the case that juvenile delinquency is a disease attributable to physical, intellectual or mental abnormalities and, secondly, in order to analyse the behaviour of juveniles, delinquent or not, we must examine the environment in which the juvenile's character is developing: family, school, friends and social setting. In addition, however, in this day and age, there are also external factors in their lives, such as the media, technology and especially the Internet, which catapult them into the adult world, often causing an aggressive reaction.

The purpose of our report is not so much to intervene in the national courts and penal systems, as our committee has no competence in this sector and the role of the European Parliament is very limited here. Our objective is to highlight the best practices applied at national level, to strengthen the exchange of information and experiences, to network the competent agencies and to give them institutional, organisational and financial support. The experience acquired in each Member State is an important indicator for the other Member States of the fact that innovative and alternative methods can work more effectively than traditional methods of locking up juvenile offenders and treating them like criminals.

An integrated strategy is needed at national and European level which combines measures around three pillars: preventive mechanisms, social integration mechanisms for juveniles and extrajudicial and judicial intervention mechanisms. However, in designing and implementing an integrated national and Community policy, it is of decisive importance to have direct social participation by all the relevant agencies, the regional and local authorities, the school community, the family, non-governmental agencies and the media. As detailed in the individual paragraphs in the report, the European Commission must set the following immediate priorities:

Firstly, it must set up a European Juvenile Delinquency Observatory based on national observatories.

Secondly, a European telephone hotline for children must be set up.

Thirdly, basic policies must be presented focussing directly on disseminating information and promoting the integration of preventive measures into existing Community programmes and on publishing a study in cooperation with a network of national experts leading to a Commission communication and the drafting of an integrated framework programme to combat juvenile delinquency, to be funded under a new heading in the Community budget.

The basic actions in the programme could include action to disseminate best prevention practices, measuring and analysing systems developed for the treatment of juvenile offenders, such as restorative justice, developing a European model for the integration and social welfare of young people and juvenile delinquents and, most important, networking the responsible services of the local and regional authorities.

Commissioner, knowing your political awareness of and proposals for child rights, it would be advisable for you to include this concern of the European Parliament in a European plan for young people. They say that bad children are usually sad children. Let us give them reason to smile.

Franco Frattini, Vice-President of the Commission. Mr President, I welcome this report and I support the main recommendations made by the rapporteur, Mrs Batzeli. Juvenile crime is indeed one of the challenges we have to address in our modern societies. I will give you an example. A recent study conducted by the European Crime Prevention Network on bullying in schools showed that school bullying was, and still is, a significant problem in Europe, involving between one in seven and one in three students within any given school term.

As a first step, we need to improve our knowledge of the phenomenon by collecting relevant data. Statistics collected at national level are not easily comparable because of the differences in Member States' legislation and the different ways in which official crime statistics are produced. Considerable work has been done in the past five years by the European Crime Prevention Network to improve the quality and comparability of Member States' criminal justice statistics. Moreover, the Network's website has become an effective tool for providing information, both to practitioners and the general public, on Member States' prevention policies.

In addition, the five-year action plan on statistics, adopted by the Commission last August, will also include and measure juvenile crime and juvenile justice, so that we can have a broader view of this phenomenon at European level. As a result, we will be better able to identify policy needs and to develop indicators, taking into account the current work of international organisations, and will possibly be able to develop a juvenile crime prevention strategy at European level.

Prevention is clearly a key aspect of this area, and I share the rapporteur's view that we cannot merely use repressive measures to deal with this problem. We have to work on an interdisciplinary and multi-institutional basis. In particular, policies such as spatial planning, social housing, social inclusion, education and training, anti-discrimination and anti-racist measures, and integration of migrants, play an important role in preventing crime, in particular juvenile crime.

Moreover, the experience of networks operating in juvenile and urban crime prevention activities proves that all social activities to improve the environment, such as work on public spaces, renovation of squares, lighting, street cleaning, housing policy, facilities and social action services, contribute to an active and long-lasting crime prevention policy for young people.

Crime prevention must also provide an effective contribution to Community safety policies, which aim to avoid the very emergence of crime risks, in particular by fostering healthy and caring societies that offer young people the necessary social environment for a sense of identity, integration and a purposeful life. We have to be aware that Member States and the local authorities bear the main responsibility for implementing effective crime prevention policies. This is even truer for juvenile crime, which typically occurs at local level. The local authorities therefore hold the main responsibility for addressing the problem, ideally supported by the national authorities.

However, cooperation and supportive action at European level can play an important role without replacing Member States' national policies. I have already mentioned the European Crime Prevention Network's important work in collecting and facilitating the exchange of information. However, the network has also played an important role in exchanging experiences and best practice between Member States regarding effective prevention policies. Moreover, a comprehensive comparative study of juvenile crime in all EU Member States, as well as acceding and candidate countries, began last year and will

be completed by the end of this year. I will, of course, make it available to you. Such studies will provide a sound basis for future European policy developments in this field.

Over the last few years, substantial financial support has been provided for policy initiatives in crime prevention through various Community-funded programmes. Under the Hippocrates and AGIS programmes, the Commission has co-funded more than 120 transnational projects in the last five years in areas such as the design of safe urban environments, the exchange of best practice on juvenile and urban crime and the development of good practices in the juvenile justice system.

In addition, in order to respond to the need for firm action against violence among children and young people, including bullying in schools, the Commission has funded, and will continue to fund, several projects regarding peer violence and bullying through the Daphne II programme, which will be succeeded by Daphne III. The emphasis on bullying in schools has increased in recent years, as already mentioned, and there are several interesting projects ongoing. The new generation of financial programmes under the new financial perspective in the field of justice, freedom and security, particularly the programme 'prevention and fight against crime', will, along with Daphne III, offer substantial financial support to national and transnational projects in this field.

Finally, these will be complemented for the same period, 2007-2013, by additional and substantial funding in the area of education and training, youth, culture and citizenship. You are, I am sure, familiar with the new Youth in Action programme. As I have already mentioned, education is one of the keys to preventing juvenile crime, so these programmes constitute another important contribution to long-term prevention policies.

Esther Herranz García, on behalf of the PPE-DE Group. – (ES) Mr President, Commissioner, I would like firstly to acknowledge the work of the Committee on Women's Rights and Gender Equality, as well as the experts who came to the public hearing that we held, because their contributions have provided us with extremely valuable knowledge with a view to tackling the phenomenon of juvenile delinquency in Europe. I would also like to congratulate Mrs Batzeli on this report and the honourable Members for their efforts and their work.

The increase in juvenile delinquency in Europe is a phenomenon that we cannot ignore, however. The minors committing crimes are becoming younger and younger, and that is extremely worrying. It is therefore necessary for the European Parliament to call upon the Member States to share their experiences and provide solutions in order to curb this phenomenon.

To this end, it is also important not just to create a coherent and effective strategy but also to take account of the specific role played by the family, teachers and society in general in forming the values of young people. I would like in particular to stress the role that we politicians must play in this field and I therefore welcome the initiative carried out in La Rioja, where the figure of the extracurricular coordinator was created, someone close to the young people who shares their leisure time outside of the classroom and who promotes their development and their social integration. Now we can enhance that initiative by means of more ambitious programmes, such as those explained by the Commissioner.

But when we talk about juvenile violence, we cannot forget social reality. Ladies and gentlemen, on 17 May 2003, Sandra Palo, a young Spaniard of 22 years old with mental disabilities, was kidnapped, raped, run over several times and burnt alive by four youths aged between 14 and 18 years old. Having spent four years in a youth detention centre, one of them will be released shortly.

Ladies and gentlemen, freedom brings with it responsibilities and our societies, which are free, must be responsible. If we want to prevent cases such as that of Sandra Palo from happening again, we must avoid any message that creates a sense of impunity amongst young people and adopt effective measures that restore the citizens' confidence in the system.

Lissy Gröner, on behalf of the PSE Group. – (DE) Mr President, Commissioner, may I express my particular thanks to Mrs Batzeli for this report, which was drafted on the initiative of the Socialist Group in the European Parliament. The group was delighted to receive this motley and very comprehensive catalogue of proposed measures to deal with juvenile delinquency today. Implementation, of course, is primarily a matter for the Member States, but we in the European Union also bear responsibility for tackling this growing phenomenon. The Commissioner, as you know, presented a strategy for the rights of children. That is undoubtedly another contribution to the effort to develop something together. We must not wait until city suburbs are ablaze again before we do anything.

Above all, we must have an integrated approach to the solution of social problems. We must ensure that youth unemployment is reduced, that poverty among young people is alleviated and that social imbalances are redressed. We also have the structural funds, of course, which we can continue to use; in this respect the Member States have numerous options. As you made very clear, Commissioner, the Daphne programme offers a wealth of really good ways in which we could tackle the phenomenon of violence on a cross-border basis, and the Youth in Action programme also offers useful measures to that end.

I believe, however, that the Member States should offer far more in the way of efficient psychosocial care for problem families. We must strengthen the role of schools in the fight against violence and juvenile crime. It is our responsibility to provide assistance through our Lifelong Learning programme. I believe the responsibility of the media must be more strongly emphasised. This includes a responsibility to cut down on scenes of violence. I believe it is imperative that there should be a ban on violent videos and violent games for young people.

Let me close by thanking the Commissioner. The telephone hotline for children and young people is an important contribution that provides assistance and allows young people to be heard more clearly.

Marios Matsakis, *on behalf of the ALDE Group*. – Mr President, I offer my congratulations to the rapporteur on her excellent report on this most important subject, which affects, either directly or indirectly, the lives of all citizens.

Numerous studies tell us that juvenile delinquency is on the increase in Europe and this is a most depressing and worrying modern-day phenomenon, which seriously threatens our society's future. Something must be done to stop and, if possible, reverse this trend.

Mrs Batzeli has dealt with the problem in detail covering areas of aetiology, prevention and treatment of delinquency. I consider the preventive approach to be of particular importance and, in this respect, the roles of the mother, the father, the family in general, the school and society are extremely relevant. At this point, I wish it to be noted that, in my view, it is not the role of women but of *mothers* that is of concern in this context. I also wish to point out that the role of the father is just as important and should perhaps be included in the title of the report.

I also note with regret that this report was adopted at committee level by women only in what I understand, and I stand to be corrected on this, is an all-women committee. Why that is so in institutional and practical terms I fail to fully comprehend. Nonetheless, I would have expected more input from men in the committee deliberations on this report. Why this was not so, I do not know.

It seems that juvenile delinquency is, to some extent at least, a side effect of so-called modern living and the demands put on parents by their complex socio-economic needs. Perhaps in our hunger for wealth and for career promotion, which in most cases requires both the father and mother to be away from home for many – too many – hours every day, we parents have reduced the priority given to our children.

On the occasion of debating this report, it may be wise to urge parents to pause for a moment or two and consider deeply within themselves what is most important in their lives: a higher income or more time spent with their children? Parents know the answer.

Zdzisław Zbigniew Podkański, *on behalf of the UEN Group*. – (PL) Mr President, juvenile delinquency is a mass phenomenon and is, unfortunately, on the increase. This begs the question: why? Where did we go wrong? What methods and models should we adopt in the fight against juvenile crime?

Some call for us to totally abandon restrictive methods and to focus on preventative action and on fostering social solidarity. Others call for the role of the family and of schools to be strengthened. There are also a number of extreme voices calling for young criminals to be placed in isolation.

Unfortunately, popular analyses and concepts often do not include the main reasons for a flawed upbringing. These include globalisation, which worsens the economic situation of families, as well as mass, labour-related migration and the breakdown of family ties and contact between children and parents, which is vital to the children's upbringing.

Secondly, young people are corrupted by the widespread availability of unethical and immoral material, which promotes aggression and violence. There is less cooperation between parents, socio-educational

organisations and schools. There has been a break with cultural traditions and a weakening of the role played by the Church in educating young people. No positive, alternative solutions have been suggested.

It seems that the hearts and minds of rich, powerful people have been deafened by the rustle of banknotes. Money is now more important than humanity. It has crushed humanism and faith in the common good.

Hiltrud Breyer, *on behalf of the Verts/ALE Group*. – (DE) Mr President, many thanks to the rapporteur. We know that putting juvenile crime on the EU agenda is an important step and that the creation of a Community framework programme also sends out a truly positive signal.

It is true that we must take preventive action to ensure that children and young people do not become violent in the first place and that localities do not develop into hotbeds of social unrest. I find it regrettable, however, that so many Members here nod their heads whenever anyone claims that working parents are to blame, while these very Members are passive onlookers or even accomplices when facilities for children and young people are closed, children are virtually put out on the streets, and society deprives them of the opportunity to engage in a range of active pursuits.

There is one key issue that I consider very important, and that is the portrayal of violence in the media. I found it regrettable, Commissioner Frattini, that you spoke so little about this and that your child-protection report also makes so few references to it. We know that children are confronted from a very young age with horror films, pornography and portrayals of violence. In Germany 800 000 children are still watching television at ten o'clock at night, while we know that a young person aged 18 in the United States will already have watched over 200 000 scenes of violence. This shows how important it is that we should tackle this issue. Killer games which train young people to kill through simulation, whether played on a mobile or acted out, blunt their sense of empathy. I would have wanted the Commission to do more in this area.

We shall also be tabling more amendments to the report on children's rights. These amendments call for a ban. The Member States must examine far more thoroughly whether child protection needs to be improved in the realm of the media. On this point we cannot afford to look away or to trivialise or whitewash anything.

Ilda Figueiredo, *on behalf of the GUE/NGL Group*. – (PT) Mr President, one cannot speak about juvenile delinquency without analysing the underlying causes. After all, it is on much-needed prevention measures that we need to focus our attentions.

The root cause of the problem, let us not forget, is the deepening of the neoliberal policies that have led to social and territorial inequality, to youth unemployment – the by-products of which are much more serious than general unemployment – to high levels of poverty and social exclusion due to low salaries and the erosion of benefit systems, not to mention the weakening of public services and the impact of unstable work on the lives of families and on the education of children and teenagers.

Hence the need for a complete sea-change in the policies that have given rise to this situation; the time has come to stop pursuing these strategies. Living conditions for families must improve so that greater attention is paid to children and young people. Workers therefore need greater rights, including better salaries and fewer working hours without any loss of income. Better public services, including education, health, housing and social protection, are also needed. As we know, though, all of this involves different Community and national policy guidelines that prioritise people rather than competition and the profits of the large economic and financial groups.

It is time to uphold the values enshrined in the United Nations Convention on the Rights of the Child, of 20 November 1989, as we suggested in the proposals we tabled. We also stress the importance of specialist training for magistrates working with minors and all those who work in juvenile courts, so that we can invest in prevention before it is too late.

Urszula Krupa, *on behalf of the IND/DEM Group*. – (PL) Mr President, the increase in juvenile delinquency is inextricably linked to the growing decline and breakdown of the family unit, as well as the promotion of a feminist view of the role of women. According to this view, motherhood is seen as a burden and an obstacle to self-fulfilment.

Juvenile delinquents mostly come from broken or dysfunctional homes, and are often raised by single mothers facing more than just material problems. Emotional problems in relationships between parents, the use of unethical and amoral methods used in a child's upbringing, criminal models of behaviour,

inappropriate living conditions, gaps in education and the parents' lack of time for their children all result in feelings of rejection and of being under threat. They also produce an attitude of antipathy towards other people. A child that has been deprived of the bond with its parents often displays a tendency towards deviancy and criminality before the age of five. These children develop into antisocial individuals as the loss of a loving bond with people who are important in one's life is the worst evil imaginable.

Another, separate problem is the destructive impact of a liberal education, where nothing is prescribed or forbidden. The media also promote a hedonistic way of life and there is a growing atmosphere of violence and aggression, which affects even the world of politics. We should not forget the role played by alcohol and nicotine addiction, as well as the destructive force of drug addiction and social stratification, which all result in a backlash. Prevention must be based, first and foremost, on re-establishing ethical and moral principles in all areas of life. We also need legislation and preventative action, together with judicial and extrajudicial measures. We also need to give women back their status as protagonists. A woman who is simply used to fulfil the aims of the Lisbon Strategy will not be able to raise her child properly.

An increasingly dysfunctional society – not only in terms of crime – requires us to re-establish respect for human dignity, the role of motherhood and of the family. Only children who are surrounded by love and brought up according to moral standards stand a chance of not breaking ethical principles and the law.

Viorica-Pompilia-Georgeta Moisuc, *în numele grupului ITS*. – Raportul doamnei Bazeli tratează o gamă foarte largă de aspecte privind delincvența în rândul tineretului, prezentând în mod corect cauzele acestui fenomen extrem de grav, aflat în plină expansiune pe diverse paliere, atât în statele Uniunii Europene, cât și în afara ei. Mă voi referi la două aspecte pe care nu le-am găsit semnalate în raport, și anume:

1. Biserica - indiferent cărui cult îi aparține, poate și trebuie să aibă un rol din ce în ce mai important în sistemul educațional al copiilor și tineretului, în școală și înafara școlii. Cooperarea bisericii cu școala și familia este benefică în prevenirea unor alunecări nedorite a tinerilor pe panta infracțională, în formarea unei mentalități sănătoase și corecte despre viață, dar și pentru recuperarea unor tineri aflați în situații critice. Educația religioasă în școlile de toate gradele este cvasi-absentă. Ea ar trebui să-și recapete locul pe care l-a avut în urmă cu mulți ani.

2. Spiritul de disciplină și de responsabilitate al tinerilor față de familie și societate, față de chiar viața lor, lasă mult de dorit ca urmare a unor multiple cauze analizate, de altfel, în raport. În plus, în statele foste comuniste, constrângerile exagerate la care au fost supuși tinerii generații după generații, au fost înlocuite acum, în ultimii șaptesprezece ani, într-o măsură mult prea mare, cu un libertinaj deschizător al unor periculoase alunecări, spre negarea valorilor naționale și europene și copierea unor așa-zise modele extrem de dăunătoare pentru formarea civică și profesională a tinerilor.

Ca profesor și ca pedagog, apreciez în mod deosebit efortul doamnei Bazeli pentru analizarea acestei problematici atât de complexe și o rog să se aplece cu bunăvoință asupra celor mai sus amintite.

Zita Pleštinská (PPE-DE). – (SK) In substance, juvenile delinquency is more dangerous than adult crime because it affects an extremely vulnerable part of the population at a time when one's personality is being formed, and it very soon exposes adolescents to the risk of social exclusion. Currently, juvenile delinquency is even more disconcerting because of its mass nature, being driven by a reduction in the age at which criminal behaviour begins and the rising number of offences committed by children less than 13 years of age. Moreover, the crimes they perpetrate are increasingly cruel.

I welcome Mrs Batzeli's report, which clearly articulates the causes of juvenile delinquency and tries to find answers as to how to gradually eliminate it. The most recent psychological studies suggest that the family is the first and only place where a child learns to love, respect and be respected. Dysfunctional families, in which parents do not take care of their children and in which the child does not receive the necessary love, understanding and support, breed most young offenders. A long time ago Plato regarded the family as the fundamental unit of social life and the main place of education. Auguste Comte described the family as a bridge between the individual and society and underscored its basic role in society.

The upbringing of a child starts in the first years of the child's life in the family, that is, long before the child crosses the threshold of a school. Everything that the child is taught at school or outside school forms their attitudes and personality in the right or wrong way. Adolescence is a period when spiritual

life is experienced more intensively, a period shaping one's stance towards the problems of personal life in society, a period when extraordinary support is required in the family. The role of the family as an educational environment is not limited only to the first years of the child's life but continues until the child becomes independent, that is, finds a job.

Colleagues, there is truth in the popular saying that home is the hands that hold you when you cry. I firmly believe that we can reduce juvenile delinquency in society only if we create a sustainable environment where every family is able to strengthen its role of responsibility in society. The family must be our haven, the family must be our teacher, and the family must be our support.

Edite Estrela (PSE). – (PT) Mr President, I should like to begin by congratulating Mrs Batzeli on her report, which contains sensible and urgently needed proposals, such as the creation of a European Juvenile Delinquency Observatory.

The rise in juvenile delinquency requires an integrated, effective policy at family, school and social level, one that helps pass on social and civic values and that helps integrate young people into society. At the same time, measures are needed to combat poverty and social exclusion. A society with glaring social inequality cannot promote social cohesion, nor prevent juvenile delinquency.

The images of episodes of youth violence in various developed countries, both within and outside the EU, are cause for alarm. What leads hundreds of young people to use violence to draw attention to their problems? Families, politicians and societies as a whole must come together and discuss where they have gone wrong and why.

The rise in juvenile delinquency is a very serious problem and we must ask ourselves why young people of 13 to 17 years of age physically abuse and even kill defenceless individuals as a form of entertainment. It is shocking. Handing out condemnation and criticism is not enough. What is needed is action, so that we do not, in times to come, bemoan the fact that it is too late to do anything, and end up like a father of these young people, who said he felt a failure as a father.

Experts single out causes, the first of which is the lack of supervision and the second is indolence. Without any occupation, school or work, young people become irresponsible. Added to this is a permissive culture with few or no obligations and unlimited rights. There is no sense that society steadfastly demands anything of young people; neither work nor merit is valued.

Some of these young people have been victims of violence or have been brought up in an atmosphere of violence at home. Some feel rootless and socially marginalised, while others copy the examples of violence they see on television. Even children's games and cartoons cultivate violence.

Kathy Sinnott (IND/DEM). – Mr President, this report makes grim reading. More teens are getting involved in delinquency at a younger age and their actions are more brutal. This is so serious for the young people involved and for everyone in society that we have to find solutions, but we have to be accurate in our analysis of the problem.

The report includes a list of the critical formative influences on children: families, schools, friends and socioeconomic circumstances. In the interests of accuracy, I would add to this list: mass media and telecommunications, by which I mean movies, television, computer games and the internet – and, now, the new mobile phone technologies.

Studies show that children spend more time with the mass media than with all the other influences put together. Articles 13 and 17 of the United Nations Convention on the Rights of the Child, which is cited as the first authority in this report, seem to give children an absolute right to mass media and telecommunications and to give mass media and telecommunications absolute access to children. With their present content of violence, hatred, racism and pornography, and their use by child predators – all possible contributors to delinquency – should we see the mass media as having this absolute right and children having such an absolute right?

If any of the other influences on this list, such as family or school, were abusing or damaging children, we would remove the child for their safety. As we implement the UN Convention of the Rights of the Child in the EU and in Members States, we must rethink Articles 13 and 17. They were written in 1989, when people did not understand what the internet would be like in 2007.

We must also look at the role of fathers. Psychologists tell us that mothers give a child a sense of their own identity and their identity in the family, whereas fathers socialise the child and help them to know acceptable behaviour.

IN THE CHAIR: MRS KRATSA-TSAGAROPOULOU

Vice-President

Amalia Sartori, (PPE-DE). – *(IT)* Madam President, ladies and gentlemen, I would like to thank Mrs Batzeli for her work and the committee for the proposal we have before us.

When faced with a problem that is spreading throughout the world and producing alarming results at European level, in terms of both the type and the number of crimes committed by young people, I believe that it is right for us to ask ourselves what we can do. The idea of drawing up minimum standards suitable for all EU countries and sharing good practices would certainly be a useful step in tackling this growing problem. I agree, therefore, that we need the Commission to take up this issue.

As regards the content of the text itself, I feel it is important to point out certain passages. Firstly, we must continue to remind ourselves and others that children are of value to the whole Community; they represent our future. For this reason, it is in the general interest for children, from birth, to be put in a position where they have all they need in order to become citizens of the European Union. This means policies accompanying children as they grow up in the family, at school and at work, the fight against poverty, policies on housing and employment, public services, strict respect for the right and duty of schooling and cultural education until they enter the world of work, combating the spread of violence and zero tolerance regarding exploitation of and violence towards minors, even if this occurs within the family. We need to clarify not only rights, but also duties and the penalties involved.

Silvia-Adriana Țicău (PSE). – Doresc să o felicit pe colega Bazeli pentru acest raport. Delicvența juvenilă și violența în școli sunt fenomene care există în toate statele membre și pe care avem responsabilitatea de a le combate prin strategii și măsuri la nivel național și european. Este nevoie de prevenire, de includerea socială și reabilitarea delicvenților minori, precum și de măsuri judiciare corespunzătoare. Pentru că anumite grupuri de minori sunt mai vulnerabile - fete între 14 și 18 ani, grupuri de imigranți, persoane fără domiciliu fix - și pentru că există riscul ca organizații criminale să utilizeze minori pentru traficul de stupefiante, prostituție și furt, este important ca incitarea minorilor la delict să se constituie în circumstanțe agravante pentru infractorii adulți. Măsurile educative trebuie să devină prioritare și este important să existe acorduri de parteneriat între diferite instituții precum școală, poliție, instituție și autoritățile locale pentru dezvoltarea de centre de recreere pentru tineri și incluziunea socială a acestora. Instruirea părinților privind importanța supervizării copiilor și îndrumarea acestora, precum și conștientizarea pericolelor, le va permite acestora să intervină de la primele semne ale apariției unor probleme de comportament.

Anna Záborská (PPE-DE). – *(FR)* Madam President, Commissioner, ladies and gentlemen, I should like to congratulate Mrs Batzeli on her report. The title of the report indicates that it is for women, the family and society as a whole to respond to juvenile delinquency. I should have liked men and fathers also to have featured in the title. Everyone is aware of their importance and I should like, in future, for us to be bold enough to mention the role of fathers openly in the various European policies.

Some very detailed statistics, particularly those of the Irish researcher Patrick Fagan of the Heritage Foundation in Washington, prove unquestionably that the emotional bond between parents and their children is formed in early infancy. Using evidence from police crime statistics, he demonstrates that the stronger the emotional bond is within the family, the less risk there is of juvenile delinquency.

The Lisbon Strategy lays down that 60% of very young children should have a nursery place. I am not questioning the wishes of young parents who want to pursue a professional career, but, in the light of the statistics and the parental experience that we all share, ladies and gentlemen, we must demand the highest possible quality for child care. Accessible child-care centres at an affordable price must be close to the workplace of one of the parents.

I thank the rapporteur for having stressed the importance of the quality of child-care establishments.

Eradicating violence among young people is a responsibility that the family and society must share. Society must establish the framework for State intervention. I refuse to depenalise and decriminalise

acts of violence committed by young adults and I recommend that the European Union should set up an observatory on youth violence in order to institutionalise the education of young people.

Marie Panayotopoulos-Cassiotou (PPE-DE). – *(EL)* Madam President, Commissioner, ladies and gentlemen, I congratulate the rapporteur on the excellent work which she has presented to us, the good cooperation we developed during the examination of the amendments and for giving us an integrated approach to the problem of juvenile delinquency.

Cooperation is needed between all the competent bodies involved with children in order to address this problem, which is not a new problem in human society. It has always existed. Allow me to remind you of something that impressed me as a child, when they told us a story about a convict who was asked who was to blame for the fact that he was a serious offender in jail and he said his mother, to whom he had taken a stolen egg at the age of three and who had accepted it. So it is not the parents who work – the parents always work – who are to blame; it is the parents who have no respect for basic moral principles and values who are to blame, it is the teachers who do not help children to recognise the prime major value of respect for human dignity who are to blame. That is where it all begins and that is what forces us to take measures and we must take measures and of course we must punish – or if the word offends you, let me mitigate it and say we must reprimand – young people so that they learn self-control.

Of course self-control is taught, as we have heard, from a very early age and teachers and the institutions to which we entrust our children from a very early age therefore have a responsibility here. Young people must learn to be upright and responsible citizens who can bring their character and skills to bear in the economic and social life of their environment.

I am not in favour of an observatory. The Member States must take measures and add special actions with funding mechanisms to combat the problem.

Tadeusz Zwiefka (PPE-DE). – *(PL)* Madam President, I would also like to thank Mrs Batzeli for her excellent report. Of course, most of us agree with the view that juvenile crime is on the increase and is a growing threat.

Ways of dealing with and preventing juvenile delinquency differ greatly from one Member State to the next. Moreover, some politicians try to exploit this problem for their own specific political ends. By promoting only drastically harsher punishments and the introduction of strict discipline in schools, they are not only failing to solve the problem of juvenile crime, but may be making the current situation worse.

I fully agree with the rapporteur's conclusion that prevention should be the main, and most important, aspect of the strategy for combating juvenile delinquency. Preventative policies clearly have long-term objectives, which means that they generally exceed the length of a parliamentary term and the term in office of a specific government. These policies are also more expensive in the short term and do not bring quick political benefits. Unfortunately, this means that politicians prefer coercive policies which produce fast and simple results, primarily in the shape of media coverage. Therefore, the main task is to completely depoliticise the problem of juvenile delinquency and to establish Community social frameworks, rather than to focus on the field of criminal law, which will remain within the remit of individual Member States.

I share the view that adopting a youth prevention and social solidarity code would be an important step forward. The rapporteur has stressed that the problem of juvenile crime should be analysed according to four criteria, namely family, schools, peer groups and background. Only this multi-faceted approach offers a chance of success. Thus, pro-family policies implemented by individual Member States should not focus mainly on offering financial incentives to have children. Instead, they should, first and foremost, aim to provide the broadest range of assistance and support to families after the birth of a child. I have no doubt that the most important link in this chain is indeed the family.

Mairead McGuinness (PPE-DE). – Madam President, I would like to thank the rapporteur for this excellent report. I would like to bring to your attention a new report on juvenile delinquency published in Ireland in the last few weeks, which shows that four out of five young people in our detention schools have psychiatric problems. The Emotional Intelligence, Mental Health and Juvenile Delinquency Report was carried out by two academics from University College Dublin, and it is the first time that this type of research has been carried out anywhere in the world, so it is significant in terms of this debate. It shows that two thirds of all juvenile offenders suffer from conduct-disorder conditions such as ADHD.

More than half are abusing drink and drugs; some began using cannabis and alcohol as young as nine years old and began taking cocaine when they were aged just 13.

The research shows that young people experience very high rates of psychiatric disorders, they engage in serious criminality and have significant deficits in emotional intelligence and cognitive ability. As I have said, it is significant because this is the first time such research has been carried out. Eight out of ten of the young boys in this research meet diagnostic criteria for at least one serious psychiatric disorder.

The researchers identified that these young people had, on average, experienced three psychiatric disorders. This equates to almost three times as many disorders among boys who had been referred to a psychiatric service because of the difficulties they were experiencing.

Unfortunately, the difficulties highlighted by this research are not addressed in our current service provision for these young people. The vast majority fail to receive any treatment for the problems they have, and this report highlights – and I would say this applies across Europe as well – the importance of addressing these difficulties. In addition to reducing the effects that mental health problems have on children's functioning and development, treatment will lead to a significant reduction in offending behaviour and criminality and, therefore, has significant benefits for society and the legal system – in Ireland and, certainly, in the EU as a whole – so I would recommend this research to the House.

President. – The debate is closed.

The vote will take place tomorrow, Thursday 21 June 2007.

13. External dimension of the area of freedom, security and justice (debate)

President. – The next item is the report (A6-0223/2007) by Mr Klich, on behalf of the Committee on Civil Liberties, Justice and Home Affairs, on an area of freedom, security and justice: Strategy on the external dimension, Action Plan implementing the Hague programme (2006/2111(INI)).

Bogdan Klich (PPE-DE), rapporteur. – *(PL)* Madam President, this report was initially supposed to be a review of the Commission's Communication from 2005 on the strategy drawn up by the Council that year. However, during the course of the work it turned out that great progress has been made in creating an area of internal security, freedom and justice and that the work has gained new momentum. New documents have been drawn up, new decisions have been made and new action has been taken. Our situation today is very different to a year and a half ago.

That is why I have decided to look forward, rather than look back. This is also the attitude that both the Committee on Internal Market and Consumer Protection and the Committee on Foreign Affairs, which have worked on this report on closer cooperation, should take. Therefore, it should not seem strange that the report actually amounts to a set of recommendations for the Commission and the Council.

The report is based on two assumptions. First of all, in the modern world, internal and external security are intertwined, they influence each other and are really inextricably linked. Secondly, our legal systems and political attitude need to maintain a balance between civil liberties and the safety of our citizens. This means that if we want to ensure that our citizens are safe and free, both of these values must be promoted beyond the borders of the European Union, but a balance should always be struck between them.

Thus, our foreign policy must always take into account these principles and adapt its instruments, namely our common positions and actions, bilateral and multilateral agreements, accordingly. In other words, we should, for example, include both anti-terrorist and human rights clauses in our agreements with third countries. In its current cooperation with these countries, the European Union should promote both respect for human rights and the joint fight against international terrorism.

Here, in Parliament, we are also aware of the current limitations and barriers which restrict the effectiveness of the European Union in this field. They partly result from our complicated and unclear institutional structure, and partly from a lack of willingness to deepen European integration. Different procedures apply under each pillar to decisions concerning cooperation and external agreements. The joint Community police and judicial cooperation in criminal matters that we have been hearing about for a long time has yet to materialise. It must appear soon.

We expect the forthcoming EU summit to lead to an international conference which will, by the end of the year, produce a new draft treaty and that this treaty will give the Union a legal personality, abolish the current pillar structure, reduce the number of categories that apply to legislation and simplify and unify decision-making procedures.

However, before all this takes place, and before the treaty comes into force, as it may only come into force in 2009, the report proposes the application of a temporary clause, a *passerelle*, in accordance with Article 42 of the Treaty on European Union, in the field of police and judicial cooperation in criminal matters and the policy on legal immigration and the integration of foreigners. This would allow the Council and all of us to introduce the new Community mechanisms into these very important fields. In view of the pressure of immigration on our southern borders and the threat of organised crime on our eastern borders, the failure to make these decisions would be a serious political mistake.

As we are discussing the issue of borders, I would particularly like to draw the Commission's attention to paragraph 42, which mentions the need for a visa to enter the United States, and is particularly galling to European Union citizens. Once again, Parliament calls for this matter to be settled. Finally, I would like to warmly thank all of my collaborators, including those from my political group, the shadow rapporteurs from other political groups and Commissioner Franco Frattini, for their excellent and fruitful cooperation.

Günter Gloser, *President-in-Office of the Council*. (DE) Madam President, Vice-President Wallström, ladies and gentlemen, the European Union has set itself the task of providing its citizens with an area of freedom, security and justice. The Union, however, cannot achieve this aim on its own. Free movement of persons and goods and Europe's economic strength and democratic stability have made the European Union a magnet for illegal immigration, organised crime, international drug-trafficking and even Islamist terrorism.

This means that we must reflect on how we can develop the existing mechanisms and approaches in the field of justice and home affairs and, as the rapporteur just mentioned, integrate them into the external relations of the EU.

I warmly welcome the great interest shown by the European Parliament in the external dimension of justice and home affairs and particularly in the aforementioned strategy, and the recommendations contained in your report, Mr Klich, provide important food for thought for the Council's deliberations on how to strengthen the role of the Union's policy on justice and home affairs in its external relations and make it even more effective.

The strategy for the external dimension of our justice and home-affairs policy sets out the objectives and line of approach in detail. One element of our cooperation with countries outside the EU is the support provided by the European Union to institutions and to capacity-building efforts. This is a long-term task, and progress in its performance is discussed within the joint institutions. The direct neighbours of the European Union play a particularly important role with regard to the security of the Union. This is why the action plans adopted jointly with our partner states as part of the European neighbourhood policy contain very comprehensive chapters on cooperation in the domains of justice and home affairs.

Among the countries involved in the European neighbourhood policy, Ukraine has a very special status, not only on account of its long common border with the EU. Cooperation with Ukraine in the fields of justice and home affairs is already far advanced. Another cornerstone was laid in Luxembourg on 11 June with the signing of a working agreement between Frontex and the Ukrainian border-guard service. In addition, visa-facilitation and readmission agreements were signed on 18 June.

The Union attaches special importance to close cooperation with neighbouring regions in the realm of migration. On the basis of its Global Approach to Migration, the European Union has greatly intensified its cooperation with the countries of Africa and the Mediterranean region over the past year and a half. The results are encouraging. Only two days ago, on 18 June, the General Affairs Council decided to extend the Global Approach to Migration to the neighbouring regions on the eastern and southern borders of the EU. Besides our direct neighbours, cooperation in the realm of justice and home affairs assumes particular importance in the context of the European Union's relations with its strategic partners, the United States and Russia. Accordingly, the report also deals with many aspects of this partnership.

In May 2005, Russia and the EU adopted four road maps for the creation of common areas. The common area of freedom, security and justice is the one in which the greatest progress has been achieved to date – a view shared by the Russian side. This, of course, includes the agreement on visas and readmission, which entered into force at the beginning of June.

At the last EU-Russia meeting of Justice and Home Affairs Ministers, Wolfgang Schäuble, the German Minister of the Interior, also openly addressed the issue of the Russian security forces' heavy-handed response to the demonstrations staged by the opposition in talks with his Russian counterpart, Rashid Nurgaliyev. Shortly after the Troika meeting of Justice and Home Affairs Ministers, the regular human-rights consultations with Russia also took place. During the German presidency, human-rights issues relating to Uzbekistan have also played a key role in the deliberations of the Subcommittee on Justice and Home Affairs.

Our last meeting with the United States focused sharply on the fight against terrorism, visa issues and issues of data protection, including the transmission of airline passenger data.

In the last few days the German Presidency has been continuing to do its utmost to bring about the conclusion of a new agreement on the transfer of passenger name records. The United States is not an easy negotiating partner, as we have learned from these discussions.

In addition, the German Presidency has also brought Europe's two strategic partners, the United States and Russia, round the table to discuss common security challenges. These include combating the drug trade, fighting terrorism and managing border security.

Another part of the report is devoted to the reinforcement of police and judicial cooperation. I believe the German Presidency has made considerable headway in improving cooperation within the European Union. Special mention should be made in this context of the agreement to bring many of the provisions of the Prüm Convention into the legislative framework of the EU.

Political agreement was also reached on the incorporation of Europol into the legal framework of the European Union. Frontex has also been considerably strengthened over the past six months.

Let me also highlight the framework decision on exchanges of data from criminal records between Member States, which was referred to in the Klich report.

The extent to which cooperation is possible with non-EU countries such as Russia depends on the level of data protection in those countries, and that will have to be examined on a case-by-case basis.

Global threats and phenomena can only be effectively combated through international cooperation. This strategy for the external dimension of justice and home-affairs policy is therefore indispensable to the creation of an area of freedom, security and justice. The Council will continue to rely on close cooperation, conducted in a spirit of mutual trust, with the committee and the European Parliament in the implementation and further development of this strategy.

IN THE CHAIR: MRS DIANA WALLIS

Vice-President

Franco Frattini, *Vice-President of the Commission*. (IT) Madam President, ladies and gentlemen, undoubtedly we all agree on the principle by which people's fundamental rights and freedoms can know no territorial borders. Unfortunately, organised crime and terrorism know no borders either. It is for this reason, as the rapporteur and the President-in-Office of the Council have said, that there is a growing link between the internal and international dimensions of European Union policies in the area of freedom, security and justice.

This means working together towards an important two-fold political objective: firstly, to strengthen an internal area of security guaranteeing fundamental rights and freedoms to citizens and residents of the European Union and a harmonisation of systems and rules to provide justice to those who need it, and secondly, to guarantee an international dimension that in some way provides an instrument for European Union foreign policy by strengthening the role of the law and the institutions, by promoting democratic values outside of our borders and by consolidating the institutions.

These are ambitious foreign policy objectives for the European Union, to be achieved through measures on security on the one hand and respect for fundamental freedoms and rights on the other. These two

values can and must go hand in hand. As has been said, there can be no contradiction between guaranteeing security for citizens and all human beings, and at the same time guaranteeing respect for their fundamental freedoms. I believe that these common values must form the basis for our agreements, relations and partnerships with non-EU countries. When Europe plays a role on the international stage our policies must therefore include the promotion of human rights and democracy.

The report before us concerns fundamental matters that I fully support: improving democratic accountability, strengthening security and rights, guaranteeing citizens a higher level of protection against terrorism and organised crime, promoting cross-border cooperation among police forces and judicial authorities and developing an effective European Union immigration policy characterised by solidarity that must go beyond the borders of the European Union, a European asylum policy for those in need of international protection and a concerted effort to clamp down hard on people trafficking, which exploits the desperation of immigrants.

We are already part-way to achieving all this. European immigration policy is growing. Over the last few weeks I have put forward documents to Parliament and to the Council on opening up to economic migration and circular migration, promoting mobility and thus abandoning the solely repressive approach to migration policy, although it remains essential to combat all forms of illegality.

Just a few days ago I proposed a Green Paper on asylum policies, which will enable this Parliament and all interested parties to participate, so that by the beginning of next year I can present an action plan creating, as promised, a single European system on political refugee status by 2010.

There are thus many issues regarding immigration and asylum policies in which Europe already plays a role in the international arena. I believe that the Euro-Mediterranean dimension of Europe should be further strengthened in this area, just as Europe plays a part in the east, as regards the Balkans, the Caucasus and relations with the Russian Federation and Ukraine. We are already conducting activities in various sectors in this region, from people trafficking to the fight against the sexual exploitation of children and women and the fight against cybercrime, another issue that obviously knows no boundaries or borders and which must be tackled at international level.

Much has already been said on terrorism. Clearly, the fight against terrorism must continue using the means of the rule of law, but it is certainly necessary to pursue and improve international cooperation with the major world players.

For this reason, I very much welcome the fact that the rapporteur has highlighted the importance of decision-making processes that enable the European Union to make its own decisions. I very much welcome the reference to Article 42 of the Treaty, known as the 'bridging clause', but I believe that it is extremely important not to waste the opportunity presented by the next European Council to discuss the future institutional framework of the European Union and not to forget that, in the area of security, justice and fundamental freedoms, Europe cannot remain at a standstill. Europe must have the means to make decisions quickly, effectively and with greater democratic legitimacy, for example by assigning a greater role to this Parliament and to the European Union Court of Justice.

Finally, I would like to say a few words on Euro-Atlantic cooperation. As the President-in-Office of the Council has said, with the United States of America we have two sets of difficult negotiations in progress. One of these concerns the transfer of information on financial transactions, born out of the SWIFT affair, and the other concerns the transfer of information on passengers on flights to and from the United States. I hope that in both cases agreements can soon be reached guaranteeing both the certainty of our legal positions – therefore a European legal basis rather than reliance on bilateral relations – and a balance between the needs of the fight against terrorism and ensuring the confidentiality of personal data, both of which are key human rights. I hope that the United States will accept the balanced position that the German Presidency, with the Commission's support, has tried to put across and that these agreements will be reached by the end of this month, before the German Presidency comes to an end.

I have briefed the Chairman of the Committee on Civil Liberties, Justice and Home Affairs on the status of the negotiations. There are aspects that cannot yet be made public because the negotiations are still in progress, but I have endeavoured to provide the Chairman and the parliamentary group coordinators within the committee with frequent updates on the outcome of the talks.

Aloyzas Sakalas (PSE), *draftsman of the opinion of the Committee on Foreign Affairs*. – Madam President, this report was prepared under enhanced cooperation between the Committee on Civil Liberties, Justice and Home Affairs and the Committee on Foreign Affairs. I am pleased to inform my colleagues that Mr Klich and I have agreed on a comprehensive text which, I believe, reflects the views of both committees. I very much thank Mr Klich for his time, cooperation and flexibility.

In addition to the many points made in the report, my main message to the Council and to the Commission would be as follows. Firstly, it is obvious that the internal stability of the EU is to a degree dependent on external factors, such as the situation in neighbouring countries. Secondly, no standard approach will work to improve the political situation in these countries, as the countries differ greatly in their economic, political and social realities. Thirdly, I therefore stress the need for a tailor-made approach towards neighbouring countries in EU policy in the area of freedom, security and justice.

President. This debate is now adjourned until 9 p.m.

14. Council Question Time

President. The next item is Question Time (B6-0125/2007).

The following questions are addressed to the Council.

Question No 1 by **Manolis Mavrommatis** (H-0354/07)

Subject: EU taxation policy

The taxation policy pursued by the Member States should be consistent with the Community's objectives in terms of job creation, EU competitiveness, the single market and free movement of capital. The 27 Member States are solely responsible for the planning and implementation of direct taxation policy, while the Community rules governing individual areas of taxation policy in the Union require the unanimity of the 27 for any decision-making. Value added tax (VAT) on products has become quite a complicated matter in recent years. In particular, VAT in the Member States ranges from 3% in Luxembourg to 25% in Denmark. Will the Council say whether the EU is moving closer to adopting a common system for value added tax, what stage has been reached in discussions to date and what the Member States' intentions are concerning the adoption of a common rate of VAT?

Günter Gloser, President-in-Office of the Council. – (DE) Madam President, the common system of value-added tax was established in 1967 by the first and second VAT Directives. These two directives prescribed the general structures of the system. The detailed provisions governing the application of the common VAT system were introduced in 1977 with the adoption of the sixth VAT Directive. This directive has since been subject to numerous amendments, most of which were occasioned by the creation of the single market and the accompanying removal of tax barriers between Member States.

On 1 January 2007 the sixth directive was repealed and replaced by Directive 2006/112/EC on the common system of value-added tax, which incorporates all of the statutory amendments to the original directive. As far as VAT rates are concerned, the directive establishes the principle of applying a standard rate plus one or two reduced rates. The standard rate must be at least 15%. This minimum rate is fixed until 31 December 2010. The reduced rates, which must amount to at least 5%, are applicable to goods and services defined in the directive. The directive also provides for certain exceptions to this general rule and for transitional arrangements, allowing the Member States to respond to specific situations.

So that the effects of the reduced rates can be more accurately assessed, the directive also lays down that, by 30 June 2007 at the latest, the Commission is to present to the European Parliament and the Council an overall assessment report on the impact of reduced rates applying to locally provided services, focusing especially on job creation, economic growth and the proper functioning of the internal market and based on a study carried out by an independent economic think-tank.

Manolis Mavrommatis (PPE-DE). – (EL) Madam President, Minister, as the Commission has said, you must have information on the impact on economic prosperity and job creation in the Member States from different value added tax rates at your disposal and make it known by 30 June 2007.

It is only to be expected that different VAT rates have a strong impact on sectors of the internal market and on the flourishing of the economies in the Member States, with the result that individual economic indicators are affected and inequalities in the economy and society are exacerbated.

I ask you, Minister, do you already know the impact different VAT rates have and, if you do, what is it?

Finally, what policies is the Council considering in order to mitigate the adverse repercussions of these differences?

Günter Gloser, President-in-Office of the Council. (DE) Mr Mavrommatis, I also said that there has been a variety of developments and decisions within the scope that exists for this in the European Union. It should be particularly useful in that, when the report of the expert group is presented, we shall have the facts on the table and be able to assess whether or not there are obstacles, as it were, to the functioning of the internal market, and what has been the impact on certain sectors to which reduced rates have applied in the past. I am sure you will understand that we ought to wait for this report. After that, we – the Council and Parliament – must conduct an assessment together.

Jörg Leichtfried (PSE). – (DE) Mr President-in-Office, I should like to extend the question a little. The attempts to achieve uniform or harmonised VAT rates in Europe are admirable, but surely the objective of European tax policy should be the ultimate achievement of uniform, or at least comparable, taxation rates and taxes throughout the European Union. I should be interested to hear what kind of discussion there has been on this issue in the Council in general, whether this issue has been approached, and if so, how.

Günter Gloser, President-in-Office of the Council. (DE) Mr Leichtfried, I understand that a debate has been held in the past on tax rates and the various common tax base indicators in the field of corporation tax, for example. You will be aware that, under the German Council Presidency, some work has been done on this, but no agreement reached as yet.

With regard to VAT, I would reiterate that this is the next item on our agenda. What will this expert report find? What are the Commission's proposals and analyses? What is being proposed to the Council? There is no current discussion in the Council on the specific question put by the honourable Member, however.

President. Question No 2 by **Claude Moraes** (H-0356/07)

Subject: EU cross-border cooperation to protect children from child abuse - mutual recognition of disqualifications from working with children

There is an urgent need for effective systems within the EU to ensure that unsuitable people are not able to gain employment which brings them into contact with children.

On 1 June 2006 the European Parliament adopted its report on the 2004 'Initiative of the Kingdom of Belgium with a view to the adoption by the Council of a framework decision on the recognition and enforcement in the European Union of prohibitions arising from convictions for sexual offences committed against children' (14207/2004 - C6-0244/2004 - 2004/0818(CNS)).

What progress is being made towards adoption by the Council of the proposed framework decision, which is crucial for ensuring the protection of children in Europe?

In the event of a lack of progress towards adoption, how does the Council intend to ensure that all the objectives this initiative aims to achieve will be otherwise met? (it aims to ensure that Member States recognise and enforce bans on working with children imposed on individuals by other Member States.)

Günter Gloser, President-in-Office of the Council. (DE) The Council has discussed in detail the initiative of the Kingdom of Belgium with a view to the adoption by the Council of a Framework Decision on the recognition and enforcement in the European Union of prohibitions arising from convictions for sexual offences committed against children. Following this discussion, the Article 36 Committee decided at its meeting of 22-23 March 2007 to deal with these issues in connection with the Framework Decision on the organisation and content of the exchange of information extracted from criminal records between Member States, and to amend this draft Framework Decision accordingly.

On 13 June 2007, at the Justice and Home Affairs Council meeting in Luxembourg, the Council reached agreement on a general direction for a Framework Decision on the organisation and content of the exchange of information extracted from criminal records between Member States, and brought the initiative of the Kingdom of Belgium to a conclusion consensually. In so doing, the Council took account, in particular, of the important aspect of the Belgian initiative that Member States should have access to information on the relevant convictions pronounced and prohibitions imposed in another Member State, so that each Member State can draw such conclusions from this information as are necessary to protect children from the risk of sexual abuse.

Claude Moraes (PSE). – I would like to thank the President-in-Office of the Council for that answer, but I should also like to ask him to acknowledge in the German Presidency the real concern across the European Union about recent incidents of possible child abduction for the purposes of exploitation. I would ask him to acknowledge that this is now a major issue in the European Union, for his country, for mine and for others, and to ensure that we come to a conclusion, before the end of the German Presidency, on the exchange of criminal records on people who work with children and will be a danger to them.

Günter Gloser, President-in-Office of the Council. (DE) Mr Moraes, as I said before, we have indeed taken up the initiative, and the Ministers for Justice and Home Affairs, too, have recently agreed to implement the key concern at the heart of the Belgian initiative. Notwithstanding certain differences concerning the information permitted to be passed on, the EU has now found a joint solution to the core issue forming the basis of Belgium's initiative, which I believe is a significant step forward. I am sure you appreciate that the time remaining to the German Council Presidency will presumably be insufficient to bring about agreement in other fields.

Sarah Ludford (ALDE). – Is it not a pretty dire situation that, three years on from the proposal and when everybody agrees that making cross-border information available on sex offenders is one of the most urgent priorities and one very much supported by the public, we simply have no agreement? And the Council says it will look at this *soon!*

Is it not also pretty shocking that the UK Government is seeking an opt-out from this law enforcement area of European cooperation so that, even if it were agreed, our children would not even be protected by measures to track sex offenders?

Günter Gloser, President-in-Office of the Council. (DE) Baroness Ludford, I would rather not discuss at this time the outstanding decision on the amendment of the Constitutional Treaty, but I have made it clear that the Ministers for Justice reached an agreement on 13 June, and that a solution has been included in the planned Framework Decision in the form of the integration of the exchange of information from criminal records, a key element of the Belgian initiative. It is particularly important to bear in mind that, if only one Member State has the information, what happens if a person takes up employment elsewhere? Would the rest of the EU know about it? This has now been guaranteed thanks to the Framework Decision agreed upon.

President. Question No 3 by **Marie Panayotopoulos-Cassiotou (H-0358/07)**

Subject: Discrimination against disabled people or children with learning difficulties

Although 2007 is the Year of Equal Opportunities for All, people with disabilities or special needs continue to encounter discrimination owing to their particular circumstances. Typical examples are: (a) disabled people who are unable to obtain insurance cover and, in the event of an accident, have to rely on their families and (b) children with learning difficulties (e.g. stammering, dyslexia) who encounter a lack of standard practice in national school legislation. Moreover, whereas they may be given favourable treatment in one particular country - oral examination in the case of dyslexic individuals, for example - they do not enjoy the same opportunities in other Member States, even in the European Schools.

Will the Council intervene to ensure that disabled people are able to obtain private insurance and that the needs of children with learning difficulties are met, in particular in the European Schools?

Günter Gloser, President-in-Office of the Council. (DE) I should like to start by saying that the Council Presidency considers this a very important, valid question. The Council is fully aware of the importance of guaranteeing the welfare of disabled people and of children with learning difficulties.

The Council would like to take this opportunity to draw attention to the general legislative framework for the fight against discrimination in employment and occupation on grounds of a person's religion or belief, disability, age or sexual orientation. The Directive, which is based on Article 13 of the EC Treaty, lays down the minimum requirements to be met by all Member States. The problem is that this legislative framework extends to neither insurance nor the education system. Nevertheless, Member States may introduce or retain provisions that do even greater justice to the principle of equality than those of the Directive, and which envisage protection against discrimination in fields subject to national competence.

Concerning the European Year of Equal Opportunities for All, the Council notes with satisfaction that the Commission is intending to publish a number of studies relevant to the honourable Member's question. These studies are intended to highlight the social situation of disabled people, including with regard to education and training, and to summarise the statistics on disabled people provided, in particular, by social-security institutions, with a view to obtaining a realistic overview of the situation of disabled people, including with regard to the educational dimension.

Marie Panayotopoulos-Cassiotou (PPE-DE). – (EL) Madam President, Mr President-in-Office of the Council, thank you for your reply.

I wanted to point out that, as a country, Germany is already demonstrating understanding for people with disabilities and there is legislation allowing them to obtain insurance, so that they are treated equally in employment.

European schools do not have the same measures to help children with disabilities as the Member States and that is why I am asking for initiatives on the part of the Council.

Günter Gloser, President-in-Office of the Council. – (DE) Mrs Panayotopoulos-Cassiotou, I would have to have another look into the circumstances you have just presented. Nevertheless, as I said before, an attempt must be made to develop new initiatives with regard to certain things. When the Commission presents its report, it will become apparent where the gaps are, and then I am sure that these can be closed by means of legal measures either at EU or – as I am assuming will be the case – at national level.

President. Question No 4 by **Manuel Medina Ortega (H-0361/07)**

Subject: Intergovernmental cooperation and passarelle clauses on immigration issues

Given the growing importance of immigration issues in EU policies, and the implementation of intergovernmental cooperation mechanisms such as Frontex or rapid intervention teams, what plans is the Council considering with a view to strengthening the Community pillar in this area, particularly by means of the so-called 'passarelle clauses' provided for in the EU Treaties?

Günter Gloser, President-in-Office of the Council. – (DE) Madam President, I crave the House's indulgence, as I shall have to refer to many technical aspects in my reply that may not always be easy to follow, but those actively working on the subject matter are of course aware of how important the principles are in this regard.

Currently, measures in this field – that is, the field of migration – can be taken pursuant to Title IV of Part Three of the Treaty establishing the European Community. The fields in which measures are taken by means of codecision with the European Parliament are extended by Council Decision 2004/927/EC of 22 December 2004 providing for certain areas covered by Title IV of Part Three of the Treaty establishing the European Community to be governed by the procedure laid down in Article 251 of that Treaty, in accordance with the second indent of Article 67(2).

Most measures referred to in these provisions are now taken by means of codecision. However, the European Council took the view that, until the entry into force of the Treaty establishing a Constitution for Europe, the Council should continue to act unanimously with regard to the measures referred to in Article 63(3)(a) and (4) of the EC Treaty in the field of the legal migration of nationals of third countries into and between Member States. These and other issues are still being examined in the course of the ongoing process of Treaty reform.

Manuel Medina Ortega (PSE). – (ES) Madam President, I would like to thank the President-in-Office of the Council for the information that he has given us, of which, despite its technical nature, this Parliament is clearly very well aware.

At the moment there is immense concern in Parliament at the Council's inability to resolve immigration issues by means of intergovernmental cooperation. I shall refer to a single case, that of the maintenance of the Dublin II Regulation, which currently prevents us from showing solidarity towards the Republic of Malta in order to deal with the immigration problems, something which could be resolved in a Community fashion.

My worry is that the intergovernmental method is not sufficient and that we should move over to the first pillar. One example of this is the issue of the Dublin II Regulation.

Günter Gloser, President-in-Office of the Council. (DE) Mr Medina Ortega, the migration issue has been the subject of frequent discussions in past rounds. I have pointed out many times, including in connection with another of today's debates, that the global approach to migration will undoubtedly play a key role in the Council conclusions tomorrow and the day after, and that it is not just an issue, but rather is being dealt with. The honourable Member is right to ask how we can help Member States of the European Union such as Malta. However, we shall also endeavour to find solutions to the issues surrounding, and causes of, migration, particularly illegal migration, together with the countries of origin.

The other question is of a technical nature, but of course this all depends on how we deal with the issue of the future of the Constitutional Treaty.

Andreas Mölzer (ITS). – (DE) Mr President-in-Office, mass legalisation of illegal immigrants in various Member States has often been interpreted as an invitation, and has led to veritable waves of refugees, as well as gift-wrapping a boom for people-smuggling gangs.

To what extent are there plans to extend readmission agreements, particularly with countries receiving financial support from the EU?

Günter Gloser, President-in-Office of the Council. (DE) Readmission is an important issue, one that has been on the agenda of the joint debates between the European Union and African countries, and most recently of last year's joint conference on migration in Tripoli. This is true of many areas, of course, as – even though this has not had a decisive influence on the present discussion – there is currently a wave of migration not only from South to North, but also from East to West. In that regard, the very issue of whether it is possible to arrive at regulations for the respective readmission agreements is always included in discussions on visa provisions. This is also the case in the talks with African Union countries, for example. I cannot give you any figures at present as to the countries with which such agreements have already been concluded, but I am sure we shall be able to provide these at a later date.

Louis Grech (PSE). – (MT) Although I agree with the President that what has to be discussed are the causes of emigration, I would like to know what the German Presidency's position is regarding Malta's burden-sharing proposal. We agree that, eventually, this will have to be discussed in the light of the Constitutional Treaty, but this is an urgent catastrophe and requires urgent action.

Günter Gloser, President-in-Office of the Council. (DE) These are two different fields. The causes of refugee flows will be another important item on the agenda of November's EU–Africa Summit under the Portuguese Presidency. What aspects of the respective situation can be improved in cooperation with countries of origin? Good governance, better structures, the prospects of finding work or training?

Secondly, what can the European Union do? In this regard, Commissioner Frattini and the German Council Presidency have recently considered granting temporary access to employment. This avenue is still being pursued. In addition, in the form of Frontex, we have without doubt hit upon an initial approach to helping countries who may be unable to solve certain problems locally, and who receive support from Frontex.

President. Question No 5 by **Sarah Ludford** (H-0364/07)

Subject: Counter-terrorism and human rights

Following the EU-US summit in April 2007, what strategy is the German Presidency proposing for ensuring that transatlantic cooperation to combat terrorism and crime is pursued through methods which respect human rights and civil liberties?

When and how does the Presidency propose to involve the European Parliament in the transatlantic dialogue on security, including the legal framework for fighting terrorism?

What responses has the Presidency sought and received from Member States in response to the European Parliament report on extraordinary rendition adopted on 14 February 2007?

Can the Presidency give an update on filling the post of counter-terrorism coordinator, and is it conducting a review on the need for that post to carry more weight in the Council structure, not least in ensuring respect for Article 6 TEU?

Günter Gloser, *President-in-Office of the Council.* (DE) At the 2007 EU–USA Summit, the European Union and the United States agreed the following: consistent with our common values, we confirm that we have long been working to ensure that efforts to combat terrorism are in line with our obligations under international law, including human rights standards, refugee law and international humanitarian law.

We shall continue and intensify our ongoing dialogue on the fundamental rights under international law that are relevant to our common fight against terrorism. This dialogue has helped us obtain a better knowledge of each other's legal framework and should promote cooperation between us on fighting terrorism.

The Presidency informs Parliament regularly about transatlantic relations, including about issues connected with international law. One such briefing was given here in the run-up to the EU–USA Summit on 24 April 2007.

On the subject of transatlantic dialogue, the legislator contributes to the transatlantic dialogue on security. The Council noted the European Parliament resolution of 14 February 2007 on extraordinary rendition on the agenda of the General Affairs and External Relations Council on 5 March 2007. The Presidency has neither sought nor received any responses from the Member States to the said European Parliament resolution. The post of counter-terrorism coordinator is currently being assessed, and the search for a suitable candidate is under way.

Sarah Ludford (ALDE). – It would have been preferable to have a full debate on the CIA renditions and European complicity this part-session, as the Liberals wanted, but unfortunately the largest groups on the right and left strangely refused to support that idea. We could then have pressed the Council collectively to respond at last to Parliament's and Dick Marty's reports.

How is the Council ensuring human rights compliance, as stated in the summit conclusions, when we know that US efforts are directed at persuading EU Member States to dilute legal protections? Is the Council going to let MEPs into those ongoing secret discussions given that we are supposed to have a high-level dialogue on terrorism? We have never been consulted on the action plan, and I think it is about time the Council improved its partnership with Parliament on these matters.

Günter Gloser, *President-in-Office of the Council.* (DE) If I remember rightly, I have already explained, in the debate on the subject, the importance of transatlantic dialogue and what the European Union and also the Council Presidency have contributed to that debate. It is indeed the case that many an impetus has been given and that the relevant talks are currently being held – admittedly not high-level talks, but talks at working level. I hope you will understand that these are confidential talks. Regularly including the subject of transatlantic relations on the agenda, however, ensures that the possibility of exchanging views on how far both parties' efforts towards a resolution have progressed will continue to exist in future.

Jörg Leichtfried (PSE). – (DE) Mr President-in-Office, allow me to express my opinion that your efforts in certain part-fields have not yet proved entirely successful, particularly – with regard to my area of competence – in the field of the checks on European passengers at US airports, which I consider shameful and without doubt in violation of human rights. I believe that this state of affairs is unacceptable in the long run. I should be interested to hear what the President-in-Office intends to do about these measures, which have been taken in the United States under the guise of combating terrorism?

Günter Gloser, *President-in-Office of the Council.* (DE) Mr Leichtfried, I do not want to go into your assessment of the checks in the United States at this time, but I do know that the actions of the USA are in response to certain events. As the honourable Member knows, however, we are conducting ongoing

dialogue with the USA about the Visa Waiver Programme, to ensure that the visa-free regime applies to other EU Member States, too. I shall take the opportunity presented by your question to take up this issue again, and possibly also to suggest that our successor the Portuguese Council Presidency raise it in talks with the USA.

President. Question No 6 by **Dimitrios Papadimoulis** (H-0369/07)

Subject: Deployment of US missile defence system in EU Member States

The USA's plan to set up a missile defence system in Member States of the European Union - Poland and the Czech Republic - on the pretext of guarding against missile attacks from Iran and North Korea has given rise to public concern in Europe, such plans being perceived as making Europe a target as well as giving rise to new divisions. According to an announcement by the Russian Security Council, these plans have already entailed a revision of Russian defence strategy since they are considered to be a threat to the Russian Federation.

What are the Council's views on the deployment of such systems in Member States of the European Union? What measures will it take to ensure that these plans, which are reviving Cold War conditions in Europe, are revoked?

Günter Gloser, President-in-Office of the Council. (DE) Mr Papadimoulis, the US missile defence system and the planned stationing of 10 rockets in Poland and a radar system in the Czech Republic has not yet been discussed in the Council. The bilateral cooperation between the United States and some EU Member States in connection with the stationing of elements of the US national missile defence system falls within the national competence of the Member States concerned. Consequently, the Council has not considered raising the issue of missile defence in talks with the USA or with NATO. Ballistic missile defence is the subject of consultations within NATO and the NATO–Russia Council. On 19 April, special meetings of the North Atlantic Council and of the NATO–Russia Council were held on the subject of missile defence. This subject was also discussed at an informal meeting of NATO Foreign Ministers in Oslo on 26-27 April.

Dimitrios Papadimoulis (GUE/NGL). – (EL) Madam President, I am surprised by the Council's reply. Fine, you do not want to discuss it with the Americans and NATO. Do you intend to discuss it in the Council, with your Czech and Polish colleagues? Or have you handed everything over to NATO? The German Minister of Foreign Affairs has expressed his concern. Mr Solana likewise. Germany wants smooth Euro-Russian relations. Do you intend to discuss the matter during this summit? Do you intend to discuss it at some point? What is the point of the Council talking if it does not talk about issues which worry all the citizens of Europe?

Günter Gloser, President-in-Office of the Council. (DE) I should like to refer once again to the starting position. A few years ago, at the North Atlantic Council in Prague, the partners agreed on the new challenges presenting themselves and on the answers – possibly new ones – NATO had to find to these. NATO has set up the relevant working parties. This debate was continued in Riga, but no definitive result has been achieved as yet. For example, we agree on the joint threat analysis.

At this stage, however, the United States made its proposal for a national missile defence system. We take the view that, as a rule, the subject of the missile defence system should be discussed within NATO rather than within the European Union. I can only reaffirm that this neither has been, nor will it be, discussed within the Council.

Andreas Mölzer (ITS). – (DE) Mr President-in-Office, you say – rightly – that the Council does not wish to deal with this issue, but I should like to ask, against the background of surveys according to which 51% of Poles oppose the planned stationing of this US missile defence system, why calls by citizens' action groups for a consultative referendum have been dismissed on grounds that referendums are unsuitable in this case. What is the Council's position on the subject of public participation in such important decisions? Does the possibility of negotiating on this, at least, still remain?

Günter Gloser, President-in-Office of the Council. (DE) As far as public participation is concerned, this is a national decision, and no guideline is required on the part of the Council Presidency. This is a matter for Member States on their own responsibility.

In this connection, however, I should like to reiterate that there has indeed been movement on this issue in general terms, particularly between Russia and the United States, who have agreed to an intensive

exchange of views on the subject and to confidence-building measures. This currently remains open. As the honourable Member is aware, Mr Putin recently made proposals to this end to the USA, too. I believe that we should await these talks.

Tobias Pflüger (GUE/NGL). – *(DE)* My question follows on directly from this. Has the EU Council Presidency taken a position on Vladimir Putin's proposal to involve Azerbaijan in this missile system?

Secondly, does the position of the EU, or rather the Council, on the US missile system correspond to NATO's position, or is there a difference? If the latter, what is the nature of this difference?

Thirdly, does the Council intend to deal with the issue of the missile system at any stage?

Günter Gloser, President-in-Office of the Council. – *(DE)* The Council has not dealt with this as yet, nor can I anticipate whether it will do so in future. As I said before, there is no need for the Council Presidency to give its opinion but, in view of the debates of recent days, we warmly welcome the fact that the situation between the United States and Russia, which was initially rather confrontational, has now returned to a different level and that the parties are declaring a willingness to talk to each other. We have hitherto taken the view that this is a matter for consultation within NATO rather than within the European Council.

President. Question No 7 by **Nils Lundgren (H-0374/07)**

Subject: Gas pipeline in the Baltic Sea

There are varying reports as to whether the Council has approved the construction of a German-Russian gas pipeline running under the Baltic Sea. It is important - particularly from a democratic perspective - that the public receives an answer on this matter. I have discussed the matter previously with both the Commission and the Council without receiving specific and satisfactory information.

Has the Council formally approved the construction of a German-Russian gas pipeline running under the Baltic Sea? The Council's approval is presumably required to enable the project to go ahead? Should a dispute arise over environmental impact assessment in Swedish waters, is it the European Court of Justice or the Swedish Environmental Court which passes final judgment in the case?

Günter Gloser, President-in-Office of the Council. *(DE)* I would point out that there is no legal basis for the Council to formally approve or reject projects such as those mentioned in the honourable Member's question. In other words, such projects can go ahead without the need for the Council's prior approval.

As the honourable Member is no doubt aware, Decision 1364/2006/EC of the European Parliament and of the Council laying down guidelines for trans-European energy networks and repealing Decision 96/391/EC and Decision 1229/2003/EC makes reference in several places to a gas pipeline between Russia and Germany running across the Baltic Sea via the offshore route. I also assume the honourable Member is aware that, in accordance with Annex I to this Decision, a North European gas pipeline is categorised under 'projects of European interest': the category of projects given the highest priority. With regard to the special provisions governing projects of this standing, the Council would draw attention to the operative part of the aforementioned Decision, which was adopted by the European Parliament and the Council by the codecision procedure.

I should like to refer Mr Lundgren, in particular, once more to Article 13 of the Decision, which reads as follows: 'This Decision shall be without prejudice to the results of the environmental impact assessment of projects, plans or programmes which define the future framework for such projects. The results of the environmental impact assessments, where such an assessment is requested in accordance with relevant Community legislation, shall be taken into consideration before a decision on the carrying out of the projects is actually taken in accordance with the relevant Community legislation.'

Regarding the second part of the question, in accordance with the Treaty, it is up to the Commission to ensure the correct application of Community legislation and, in the case of infringements, to take such measures as it deems appropriate. Naturally, this principle also applies to the Community legislation in force for environmental impact assessments.

Nils Lundgren (IND/DEM). – *(SV)* Madam President, as an EU country and as the country holding the Presidency right now, Germany is appealing for a common energy policy for the EU. In spite of that, it is concluding a bilateral agreement with Russia concerning a very considerable investment in

infrastructure in the form of the gas pipeline and is doing so without consulting other EU Member States around the Baltic Sea. What are there by way of comments on this?

Günter Gloser, *President-in-Office of the Council.* (DE) This issue has also been the subject of a previous Question Time. I can only reiterate that this is a private rather than a State project, and that any enterprises carrying out this project have to submit all the relevant documents, including in the countries in which this pipeline is ultimately to be laid, where they have to carry out this examination in accordance with the relevant provisions.

Justas Vincas Paleckis (PSE). – (DE) Mr President-in-Office, as we know, this gas pipeline has been severely criticised by various politicians, experts and scientists, particularly from Scandinavian and Baltic countries and Poland. Perhaps the Council could help bring the competent experts and politicians together to discuss the problem and perhaps reach a practical compromise?

Günter Gloser, *President-in-Office of the Council.* (DE) Mr Paleckis, it is primarily the task of the parties planning and wishing to carry out this project to keep the countries concerned informed as appropriate – which is done by making the appropriate application. This application will undoubtedly be followed by an examination of all possible aspects, particularly those of the environment and security. I am assuming that the appropriate talks will also be held. However, first and foremost, it is entirely up to the parties involved in the project to take the initiative on this – and these parties are private and not State enterprises.

Danutė Budreikaitė (ALDE). – (LT) Madam President, Minister, this is not the first time we are discussing this issue. Talking about its ecological consequences evokes all sorts of concerns and fears. Now Russia, implementing the project, is carrying out its own environmental impact assessment, saying that the weapons on the seabed are not dangerous. Do you not find it illogical that a private project manager is carrying out the environmental impact assessment?

Günter Gloser, *President-in-Office of the Council.* – (DE) Mrs Budreikaitė, there is both international and European legislation to be observed. As regards the international legislation, I assume that Russia, too, is bound by this. It is not a case of Russia carrying out its own examination and saying, when the result is available, this pipeline is environmentally sustainable on the whole; the other partners, too, have to be taken into account. I should like to reiterate what I said in a previous Question Time, which is that – including in the interests of the enterprises operating this pipeline – complete transparency will be ensured in order to allay citizens' fears, and care will be taken that the mines and bombs remaining at the bottom of the sea do not pose a risk to those living near the pipeline. This will be a very thorough examination, and is compulsory for everyone concerned, particularly the enterprises; so it would not just be a case of Russia approving and giving the green light to this project.

President. Question No 8 by **Robert Evans (H-0375/07)**

Subject: Overseas territories

Does the Council ever discuss the anomaly whereby some overseas territories, literally on the other side of the world, are deemed part of the EU when other places within the EU's borders are considered 'outside' the EU?

In view of the implication of these anomalies, is the time not right to modernise or regularise this situation?

Günter Gloser, *President-in-Office of the Council.* (DE) The Council has not discussed this issue in terms of the aspect which has been mentioned by the honourable Member. The physical distance or proximity to the 27 Member States is not, in itself, decisive as regards relations between the individual countries and regions of the European Union. Relations with overseas countries and regions are regulated in the fourth part of the Treaty Establishing the European Community, as well as in Council Decisions. The currently valid Council Decision, which was adopted on 27 November 2001 and amended on 19 March 2007, will run until 31 December 2013. The Council will review the situation again before then.

Robert Evans (PSE). – My point really was that what we decide in this Chamber – as you said in response to the last question, when you referred to EU laws that have to be respected – applies in places like Martinique, or Guadeloupe, or French Guiana on the coast of South America, thousands of kilometres away, far removed from this place, but it does not apply in places like the Channel Islands, which are

between France and Britain, or the Isle of Man, Liechtenstein, Andorra – I could go on. There are all these peculiar little tax havens and exemptions that we seem to allow and where EU law does not apply.

Does the Council not consider this position to be such an anomaly that we ought to look at it again and consider a more modern way forward, rather than trying to legislate thousands of kilometres away, and not on our own doorstep?

Günter Gloser, *President-in-Office of the Council*. (DE) I presumably do not need to make specific reference to the fact that the areas associated with your question concern regions outside Europe but which are part of the European Union because, as it were, they are members of the European Union in view of their links to the mother country. You are aware, of course, that countries such as Andorra or Liechtenstein are not members of the European Union even though they are situated in Europe. A corresponding review in Council will establish whether these regions will continue to be affiliated and whether legislation will continue to be transferred to the areas mentioned.

Tobias Pflüger (GUE/NGL), – (DE) Overseas territories where military bases of EU Member States are located are certainly a frequent occurrence. I would like to mention another specific case: Cyprus has designated sovereign military bases which belong to Great Britain but which are not part of the European Union. My question here is as follows: Is it a tolerable situation where an EU Member State has areas belonging to another EU Member State which are not part of the European Union?

Günter Gloser, *President-in-Office of the Council*. (DE) I can only tell you, as you are all aware, that there have been special developments on the island of Cyprus and that it still has special status. In this respect, old regulations still endure here but which, I imagine, will certainly be amended if a solution is found to the Cyprus conflict as a whole.

President. Question No 9 by **Philip Bushill-Matthews (H-0378/07)**

Subject: Possible age discrimination towards pilots flying over France

Does France's refusal to allow pilots over the age of 60 to fly over its territory constitute a breach of the EU Equal Treatment in Employment Directive (2000/78/EC⁽³⁾ of 27 November 2000), even when these pilots act as co-pilots in accordance with the International Civil Aviation Organisation's guidelines?

Günter Gloser, *President-in-Office of the Council*. (DE) Mr Bushill-Matthews, you are aware, of course, that monitoring of the proper transposition of EU legislation by Member States is the responsibility of the European Commission in the first instance. The Council does not therefore wish to comment on the specific case mentioned.

Philip Bushill-Matthews (PPE-DE). – Well, that was a very short answer, but not very sweet. I am aware that the Commission has certain responsibilities, but are you saying that the Council has no interest whatsoever and does not care about age discrimination? Because that is the clear message you are giving.

Günter Gloser, *President-in-Office of the Council*. (DE) You have just said that the Commission is the guardian of the Treaties. It will review this accordingly. Furthermore, the opportunity exists for the parties in question to have a corresponding review carried out in the event of discrimination.

Paul Rübiger (PPE-DE). – (DE) I believe that air travel basically requires reorganisation. The question to the Council is therefore justified: In future, is it envisaged proceeding more within the framework of intergovernmental cooperation or on a bilateral basis in this area in the event of discrimination, or do you consider it right that the Commission takes an initiative in this area?

Günter Gloser, *President-in-Office of the Council*. (DE) Mr Rübiger, a lengthy debate has certainly been held in the European Union and in the Member States regarding the transposition of relevant directives. In this regard, there was also the stipulation that transposition into national law takes place in all Member States. This constitutes the basis and, as with all other legislation, where there is a European law, citizens who feel affected, or who believe that they are the subject of discrimination, are able to proceed accordingly, even going as far as raising a complaint with the European Court of Justice.

⁽³⁾ OJ L 303, 2.12.2000, p. 16.

President. Question No 10 by **Bernd Posselt** (H-0380/07)

Subject: Unemployment in Kosovo

How does the Council Presidency assess the current situation in Kosovo, where the delay in recognising the territory's independence has contributed in recent months to an extremely high level of unemployment, and what steps will the EU be taking this year in Kosovo at an economic and political level?

Günter Gloser, *President-in-Office of the Council*. (DE) Mr Posselt, the entire political situation in Kosovo continues to be determined by the status process. When the UN's Special Envoy, Martti Ahtisaari, forwarded the Comprehensive Proposal for a Kosovo Status Settlement to the UN Security Council, this process became the definitive responsibility of the Security Council. EU Foreign Ministers have repeatedly given their unequivocal support to Special Envoy Ahtisaari as well as expression to their conviction that the Ahtisaari package represents an important basis for sustained, economic and political development in Kosovo and can also contribute to the consolidation of stability in the region as a whole.

Following the G8 Summit of Heads of State or Government, at which agreement could not be reached in relation to Kosovo, the EU Presidency called on participating parties to intensify their efforts in order to adopt a new UN Security Resolution at the earliest possible juncture. The European Union is also continuing to follow the Status process intensively.

The preparations carried out by the European Union in terms of its contribution to a future, international, civilian presence in Kosovo following a solution to the status issue have, by and large, made headway. The European Union is prepared to assume an important role, in close cooperation with other international actors as regards a possible future, international, civilian presence. To this end, planning teams are to be found on site which are making preparations for possible future work undertaken by an EU special envoy and an ESDP [European Security and Defence Policy] mission in the areas of policing and the justice system. The conclusion of these preparations will depend on how the status process itself and the actual status solution continue to progress.

As in the past, in future too, substantial assistance will be required from the international community in general, and the European Union in particular, in order to improve the economic framework conditions and the social situation in Kosovo. This can only be achieved in close cooperation with international financial institutions and partners on site. As soon as a precise cost estimate is available, which naturally also depends on the status solution, the Commission will draw up an overall finance package which will also be the subject of a donor conference. This donor conference will only take place once Kosovo's status has been clarified.

Bernd Posselt (PPE-DE). – (DE) My supplementary question to you is as follows: Can the issue of Kosovo's status not be resolved in terms that the European Parliament can agree to? Is the Council aware that 75% of the European Parliament came out in favour of the Ahtisaari plan, international independence and provision of an immediate warning system concerning further delays? Does the Council consider this to be a course of action which should also be adopted by other institutions? What does the Council mean by suddenly coming out and advocating the postponement of the entire matter for a period of six months, something which the European Parliament expressly warned against by a significant majority, and what does it mean by the statements made by Mrs del Ponte, who has no jurisdiction whatsoever in this field?

Günter Gloser, *President-in-Office of the Council*. (DE) Naturally, we are aware of the debates which have taken place in the European Parliament and the resolutions adopted by this House. However, I would again make reference to a detailed discussion which took place last Monday in the Council of Foreign Ministers and which will continue tomorrow evening in Brussels. In the course of this, unambiguous clarification was again provided in relation to the fact that although the Ahtisaari proposals constitute a basis, we do need a UN decision to assist in finding an acceptable solution.

It would now be completely wrong, and this has also been discussed with the governments of neighbouring regions, to take a unilateral decision. I believe that we should also be able to convince our partner, the United States, that a multilateral decision under international law is required. To this end, further talks will soon take place at a bilateral meeting between Mr Putin and Mr Bush. These talks will also certainly involve Kosovo. However, I am now giving due notice that a unilateral decision would not represent a sound basis for other decisions which are in the pipeline.

I am aware that impatience also prevails in the region. We have, for example, particularly thanked the Albanian Government for its influence over recent weeks and months and declared that a decision under international law is necessary and not just unilateral acceptance by individual countries.

Paul Rübiger (PPE-DE). – (DE) Mr President-in-Office of the Council, what initiatives are planned by the Council Presidency in the area of economic policy, above all, in the sphere of energy policy as well? Could you envisage the SME Charter or the Energy Charter, for instance, being used as a starting point for also counteracting unemployment in the economic process as well as for transposing the Lisbon agenda there in an attractive manner?

Günter Gloser, President-in-Office of the Council. (DE) Mr Rübiger, we are certainly aware, and Mr Posselt's question has also helped trigger this awareness, of the importance of establishing economic stability alongside political stability. A precondition is now a basic decision. We all know the circumstances. As regards future prospects (you have mentioned the Energy Community which already exists in the region), decisions must then be taken if the preceding political decision has been taken. However, you are also aware following other debates, including those relating to neighbouring regions, of the opportunities afforded these countries by the European Union in terms of promoting regional cooperation. The aspect you have mentioned certainly has far-reaching implications.

President. As they deal with the same subject, the following questions will be taken together: Question No 11 by **Esko Seppänen (H-0382/07)**

Subject: Athena system

While the EU Treaties prohibit the use of EU budget appropriations to fund military operations, the Member States have agreed on a special Athena system. How much funding from the Member States has been used to fund the various operations through this system?

Question No 12 by **Tobias Pflüger (H-0385/07)**

Subject: Military budget for Athena financing mechanism

According to information from the German Federal Government in the summer of 2006, the EU is acquiring certain communications facilities from NATO (with costs shared between the two organisations) for the purpose of implementing operation Althea, is negotiating the acquisition of the cartographic material for Bosnia and Herzegovina originally produced for NATO or is renting a precisely defined infrastructure (container) at the shared headquarters Camp Butmir, albeit already in the form of a regular contractual agreement that goes beyond Berlin Plus.

Does the Council consider that adequate democratic budgetary control is guaranteed for the Athena military budget after the most recent Council decision on the Athena financing mechanism and why has it not so far been possible to identify the payments to NATO initiated from the Athena budget, to publish details of the precise utilisation of appropriations from the Athena budget and to inform the European Parliament accordingly?

Günter Gloser, President-in-Office of the Council. (DE) Article 28 of the Treaty on European Union lays down the principles for financing civilian and military crisis management operations. Military or defence policy-related operations cannot be financed from Community funds.

Athena is the mechanism created by the Council in 2004 to manage the financing of the joint costs of such operations. The joint costs are less than 10%, which amounts to the total additional costs of an operation. The remaining expenditure is financed directly by Member States according to the principle whereby costs are borne where they accrue.

Athena is managed under the supervision of a special committee made up of representatives from Member States who are accountable to their own national parliaments through their respective ministers. As far as the Althea operation is concerned, both the European Union and NATO pay for their share as regards jointly used facilities, personnel, etc. NATO does not receive any reimbursement from Athena for the services rendered.

Esko Seppänen (GUE/NGL). – (FI) Madam President, Secretary of State, this is a peculiar system, which has no democratic supervision. By democratic supervision I mean parliamentary supervision, not supervision by the European Parliament or the national parliaments. This is the way to recycle the rules

of the Treaties, as you just said. I would now like to ask if the new Constitution, regarding which the Presidency has drafted a proposal, will alter the Treaties in such a way that this money could be granted out of the EU budget without the Athena system?

Günter Gloser, *President-in-Office of the Council.* (DE) Mr Seppänen, on the eve of the European Council, I do not wish to speculate today on the future of the European Constitutional Treaty. We will see which debates will be held and the consequences in terms of the contractual provisions.

On the second point, I would like to say that the respective ministers from the Member States are represented in committee and these ministers, in turn, are ultimately accountable to their own parliaments since the contributions come from the Member States. As far as I am aware, parliaments either have relevant specialist committees which can pass judgment and question the respective minister on the use of funds, or there are budgetary control committees which examine how these funds are used.

Tobias Pflüger (GUE/NGL), – (DE) Unfortunately, the reality is somewhat different. In the security and defence sub-committee, I am told that the EU has paid money to NATO. You are now saying that no money has been paid. This is very interesting. The problem is that we do not receive any figures when enquiring about them in the individual national parliaments, nor do we receive figures through the Committee on Budgets or in the security and defence sub-committee.

Would it be possible for the Council Presidency to compile a summary of the expenditure effected hitherto in relation to this Athena mechanism?

Günter Gloser, *President-in-Office of the Council.* (DE) On the first point, I can state the following: I will, as I have said just now, certainly look into and review the matter mentioned by you as to whether there is an inconsistency as you have described. On the other hand, as Council representative, I am unable to pass judgment on Member States' customs and laws in order to provide such an overview here. This shall be left to the Member States.

President. Question No 13 by **Inese Vaidere** (H-0387/07)

Subject: EU - Georgia negotiations on concluding the visa facilitation and readmission agreements

Georgia is an important EU partner under the European Neighbourhood policy. Its current government has demonstrated clear European aspirations and strong commitments to reforms directed to European values, as well as a good capacity in implementing them.

A lack of desire from the EU side for talks with Georgia on visa facilitation and readmission agreements is being observed. This contrasts distinctly with the successful conclusion of the EU visa facilitation and readmission agreements with Russia which will be put into effect from 1 June this year, as well as the EU negotiations with Ukraine completed in 2006, and negotiations with Moldova launched early this year.

Simplification of the existing visa regime with Georgia has never been placed on the EU's agenda and, surprisingly, it seems that this country is being punished for its aspirations towards European values and reforms.

What is the Council doing to accelerate the process of negotiations and conclusion of the visa facilitation and readmission agreements with Georgia, and what are the Council's plans regarding these negotiations?

Günter Gloser, *President-in-Office of the Council.* (DE) As Council President, I can inform you that no initiatives have been taken in order to provide the Commission with a mandate to start negotiations on corresponding agreements with Georgia. However, provision is made at any time in the EU-Georgia action plan within the framework of the European Neighbourhood Policy for the initiation of a dialogue on issues connected with the transit of persons, including issues of readmission and the issuing of visas.

In connection with discussions on the possible unequal treatment of citizens living in Abkhazia who receive visas there on the basis of the new agreements, as well as in connection with the issue regarding whether imbalances may indeed exist in this area between the rights of people living in Abkhazia and those of people living in Georgia itself, I would like to add that this debate, which has also taken place at another level within the European Parliament, will continue to bring about a solution.

Inese Vaidere (UEN). – (LV) Mr Gloser, you just referred to Abkhazia and South Ossetia, and it is well known that Russia is currently issuing Russian passports on a massive scale to inhabitants of Abkhazia

and South Ossetia, thus artificially reducing the proportion of Georgian citizens in those regions. The European Union, in hesitating with regard to the allocation of this visa facilitation to Georgia, is indirectly creating an additional incentive for Russian passports to be acquired, since Russian citizens currently have more opportunities of travelling to the European Union than Georgian citizens. I would like to ask a second question: why were these talks on visa facilitation for Georgia not begun in the Council? What specific solutions do you see that might resolve this situation which is, in my view, unacceptable?

Günter Gloser, *President-in-Office of the Council*. (DE) The European Union has concluded this visa facilitation agreement with Russia, along with corresponding agreements on readmission. In recent weeks, it has come to light, and at this point I can safely use the same term as has been used by Mrs Vaidere, that an imbalance exists between those people living in Abkhazia or South Ossetia who are suddenly able to travel using a Russian visa and Georgian citizens who cannot. This was what prompted the European Union, as within the framework of the neighbourhood policy, to consider opening talks on this issue with Georgia in order to counter this imbalance, were it to continue, whereby those citizens on the Russian side are able to obtain a visa while those on the Georgian side cannot.

President. Question No 14 by **Leopold Józef Rutowicz** (H-0390/07)

Subject: Adoption of 'roaming' directive

What is the Council doing to speed up the adoption of the 'roaming' directive, which is of vital importance to European citizens?

Günter Gloser, *President-in-Office of the Council*. (DE) Mr Rutowicz, you enquired as to the status of the Regulation on roaming at the part-session back in February, and so I am pleased to be able to give the following answer to your further enquiry – even though you should already be aware of the subject matter, as the subject of roaming concerns us all given that we can no longer do without mobile phones.

As I am sure you are aware, the Regulation on roaming, which is based on Article 95 of the EC Treaty, is subject to the codecision procedure pursuant to Article 251 of the EC Treaty. I can assure you that all three institutions have set themselves the objective of adopting the Regulation on roaming as quickly as possible. At the European Council on 6-8 June, the Council reached a political consensus on the proposal, and thus approved the opinion of the European Parliament at first reading. The legal and linguistic experts are already carrying out the final revision of the text, so that it can be adopted under an expedited procedure. It is anticipated that the legal act will be adopted at the end of June. It will be published in the Official Journal immediately afterwards.

Leopold Józef Rutowicz (UEN). – (PL) Madam President, unfortunately, the question was asked when the situation was quite different. Therefore, I imagine that we should at this point applaud the fact that these directives have been adopted so quickly and that European society will benefit from this work.

Incidentally, this is a great success for the whole European Parliament, the Council and the Commission. However, the rates set out in this directive are not such a great success. According to experts from the Committee on Internal Market and Consumer Protection, these rates were previously lower. The rapporteur increased them during the consultation process and, finally, they were increased in the directive itself.

However, I do have a question I would like to ask. Roaming remains, if I may say so, something that is unacceptable in Europe. My question, therefore, is when might roaming be abolished altogether in European Union Member States?

Günter Gloser, *President-in-Office of the Council*. (DE) We all know that there is often a gulf between our objectives and our achievements, but we should be pleased that a first, important, step has been taken, and it will require energy on the part of everyone involved to bring this into force by the end of June. This is also an example of why it is right and vital to discuss matters of the Constitutional Treaty.

The German Presidency's approach has always been to ensure that the public also sees the Europe of projects, the Europe of results. The Regulation on roaming that is due to enter into force shortly is an example of Europe's capacity for action and also of a project for the European public. We all know that there will continue to be discussions on further changes – I believe in the initiative of the European Parliament in that regard.

President. Question No 15 by **Danute Budreikaite** (H-0392/07)

Subject: Implementation of the EU's Neighbourhood Policy

The European Union's Neighbourhood Policy covers 16 neighbouring countries, the Mediterranean countries of Egypt, Algeria, Israel, Jordan, Lebanon, Libya, Morocco, the Palestinian Authority, Syria and Tunisia and the Newly Independent States of Ukraine, Moldova, Belarus, Armenia, Azerbaijan and Georgia.

An action plan has been drawn up for the implementation of the Neighbourhood Policy in respect of each of the neighbouring countries. 16% of the external relations budget is to be earmarked for the Neighbourhood Policy.

Can the Presidency state with which neighbouring countries agreements have been signed pursuant to the Neighbourhood Policy instrument? What amounts have been set aside, for what period, for the countries in question?

Günter Gloser, President-in-Office of the Council. (DE) European Neighbourhood Policy (ENP) action plans consist of political documents that represent a political consensus between the European Union and the individual partner countries on an agenda of political, economic and sectoral reforms and contain both short- and medium-term priorities for action. They are adopted between the EU and the respective partner country by the Association or Cooperation Council.

ENP action plans have been concluded with five of the six partner countries in the East, the first being that with Ukraine on 21 February 2005 and that with Moldova on 22 February 2005. These were followed by individual ENP action plans for Armenia, Azerbaijan and Georgia on 14 November 2006. No such action plan has been adopted with regard to Belarus, as the EU has no contractual relations with that country. Belarus will not be able to enjoy the extensive benefits of the European Neighbourhood Policy until it introduces a democratic system following free, fair elections.

The following ENP action plans have been adopted with regard to partner countries in the South: that with Israel on 11 April 2005, with the Palestinian Authority on 4 May 2005, with Jordan on 2 June 2005, with Morocco on 22 June 2005, with Tunisia on 4 July 2005, with Lebanon on 19 January 2007 and with Egypt on 6 March 2007. No action plan has been concluded with Algeria as yet, and no action plans have been adopted for Libya and Syria as the EU has no contractual relations with those countries.

The EU will provide a total of EUR 12 billion in Community funds for the implementation of the European Neighbourhood Policy in the 2007–2013 period, representing an increase of 32% in real terms. Following discussions with the EU Member States, and pursuant to Regulation No 1638/2006 of 24 October 2006 laying down general provisions establishing a European Neighbourhood and Partnership Instrument, the Commission decided on the financial breakdown and adopted strategy papers and indicative programmes covering countries, regions and cross-border programmes for the 2007–2010 period.

The multiannual appropriations for the country programmes under the European Neighbourhood and Partnership Instrument, ENPI, for 2007–2010 are as follows: EUR 220 million for Algeria, EUR 98.4 million for Armenia, EUR 92 million for Azerbaijan, EUR 20 million for Belarus, EUR 558 million for Egypt, EUR 120.4 million for Georgia, EUR 8 million for Israel, EUR 265 million for Jordan, EUR 187 million for Lebanon, EUR 8 million for Libya, EUR 209.7 million for Moldova, EUR 654 million for Morocco, EUR 632 million for the Palestinian Authority, EUR 130 million for Syria, EUR 300 million for Tunisia and finally EUR 494 million for Ukraine. It should be remarked that no strategy papers or indicative programmes have been adopted for Libya and the Palestinian Authority, as medium-term programming is not possible in those cases, and therefore the appropriations stated are only position numbers.

Danutė Budreikaitė (ALDE). – (LT) Madam President, thank you for the comprehensive response. I would like to clarify one thing. In the implementation of this policy, certain agreements and action plans are made with particular countries: the European Union and Ukraine, the European Union and Georgia. Are the Member States neighbouring these countries involved in drawing up the action plans?

Günter Gloser, President-in-Office of the Council. (DE) This afternoon, we held a debate on MEDA and the European Neighbourhood Policy, but more in relation to the South. I should like to underline that saying that the EU now has an external border, but that it also has neighbours and is interested in

the political, economic and social stability of these countries, has given the Member States who joined the European Union on 1 May 2004 an impetus.

When we developed the ENP, therefore, we also established a priority, particularly with the important aspect that a programme can be drawn up for each neighbour having the appropriate relations with the EU, depending on the progress made in the individual case, with the result that there are customised programmes for Ukraine or Moldova, for example. I can only say, Mrs Budreikaitė, that the countries you mention are cooperating on drawing up these action plans and have every interest in these. The content of these plans and this neighbourhood policy can play a vital role in certain fields, for example access to the internal market. The fact that the European Council is to give its blessing to this new approach of neighbourhood policy in its conclusions tomorrow and on Friday will mean that the subsequent Council Presidencies are hopefully able to use this programme as a basis for their further work.

Esko Seppänen (GUE/NGL). – (FI) Madam President, you said that there are no Neighbourhood Policy programmes in effect for Belarus, because no free elections have been held in the country. A programme of this sort has nevertheless been agreed with Azerbaijan. Do you think that the elections in Azerbaijan were free and above board, and do you think it is logical that such a programme has been agreed with Azerbaijan but not with Belarus?

Günter Gloser, President-in-Office of the Council. (DE) Mr Seppänen, there have been intensive talks with the countries of the South Caucasus, too. Reports have been drawn up on the progress achieved in each case and the European Union has carried out preparatory work, with the result that action plans have been successfully adopted over the past year. This means – not just presupposes – that the examination has revealed that these are elections for the conclusion of an action plan with Azerbaijan.

President. Question No 16 by **James Nicholson** (H-0394/07)

Subject: Brazilian beef

In order to ensure that European consumers can have total confidence in their beef supply, will the Council not consider imposing an immediate ban on the export of beef from Brazil to the European Union rather than waiting until the end of this year?

Günter Gloser, President-in-Office of the Council. (DE) Mr Nicholson, in accordance with Community law, it is the Commission who bears responsibility for the application of the protective clause, and thus the Council has no direct influence on the decision that the Commission has taken with regard to Brazilian beef.

James Nicholson (PPE-DE). – Thank you, Mr President-in-Office, but I am a bit frustrated by that reply. I also put a question last night to the Commission, which was not very helpful either. I would like to put to the President-in-Office that, when the Irish Farmers' Journal and a representative from the Irish Farmers' Association visited Brazil, they found clear evidence that rules were not being followed in Brazil. Traceability is non-existent. There are no controls at regional borders. Animal movement in Brazil from foot-and-mouth areas is taking place every day. There is evidence that substances banned in the European Union are being used in Brazil.

Is it not beyond time that we in Europe stopped paying lip service to this type of problem – when our consumers could have the possibility of being affected by this – and have a ban on Brazilian beef, which everybody in the European Union wants for the betterment of the producers and the consumers?

Günter Gloser, President-in-Office of the Council. (DE) I do not like having to say that the Council does not have competence in this area, but you said yourself that you have taken the opportunity to raise this problem with the Commission, too. The Council is also aware of the problem, of course, but it is now up to the Commission to look into the relevant information. Subsequently, the Commission is also responsible for making the relevant proposals and taking precautionary measures. This really does not fall within the competence of the Council.

Jim Allister (NI). – President-in-Office, you say this is a matter for the Commission, but the health of European citizens must be a matter in which the Council has more than a passing interest. The United States of America has imposed a total ban on all fresh beef imports from Brazil because it says traceability is non-existent, illegal growth hormones are in widespread use and, generally, controls are alarmingly

weak. Is the health of EU citizens less important than the health of American citizens and, if not, then why have we not already banned Brazilian beef?

Marian Harkin (ALDE). – I have heard what the Council has said, but I think it is sidestepping the issue here.

At the moment we are negotiating with the G4 in Potsdam and I would like to know whether we can ignore the recommendations of the chairman of the Committee on Agriculture and Rural Development, which called for a ban on the import of beef from Brazil. Can we ignore the conclusions of the final report on a mission carried out in Brazil by the European Food and Veterinary Office, which tell us quite clearly that the present system of residue and veterinary medicine control is not adequate?

Major shortcomings remain in the design, scope and implementation of the National Residue Control Plan. I should like to ask the same question as the others. Do you not agree that now is the time to take action and to protect European consumers?

Günter Gloser, President-in-Office of the Council. (DE) I agree with you that the European Union has to take action where there is information such as you have just described, but we have laid down rules for ourselves in this area. All I can do is take up your calls in the interests of consumers and encourage the Commission to inform the relevant bodies of the extent of its examination and what measures it is able to take, but I regret that we cannot constantly swap roles. We have clearly defined fields of responsibility, and this is the Commission's. I cannot anticipate the answer of the Commission, which does not need to be present for today's Question Time. I can only offer to make a renewed enquiry, so that you, as citizens' representatives, receive a suitable, clear answer from the Commission.

President. I should like to take this opportunity, President-in-Office, to thank you very much for your cooperation and courtesy during your country's Presidency at our Question Times.

Questions which had not been answered for lack of time would receive written answers (see Annex).

That concludes Question Time.

(The sitting was suspended at 7.05 p.m. and resumed at 9 p.m.)

IN THE CHAIR: MR VIDAL-QUADRAS

Vice-President

15. Membership of committees and delegations: see Minutes

16. External dimension of the area of freedom, security and justice (continuation of debate)

President. We shall continue with the debate on the report by Mr Klich on an area of freedom, security and justice: Strategy on the external dimension, Action Plan implementing the Hague programme.

Francisco José Millán Mon, on behalf of the PPE-DE Group. – (ES) Mr President, the external dimension is crucial to the construction of the area of freedom, security and justice. I am therefore delighted that Parliament has produced the Klich report on this subject.

There are threats such as terrorism, organised crime, drug trafficking and the trafficking of illegal immigrants that are of a global, international, nature, and the European Union and its Member States cannot therefore tackle them alone. The cooperation of third countries, and particularly of neighbouring countries, is essential.

I would like to stress three fundamental ideas. Firstly, that the construction of this area is a crucial objective. Achieving the cooperation of third countries must therefore be a priority within the external action of the European Union and its Member States.

Secondly, that this cooperation cannot therefore solely be the competence of the very active and competent Commissioner for Justice, Freedom and Security, nor of the JHA Council, but also of the Commissioner

for Foreign Affairs and the Foreign Affairs Council, the High Representative and the Commissioner for Cooperation. The Klich report therefore places particular emphasis on this necessary coordination.

Thirdly, I share many of the points of view of the Commission's 2005 Communication on the external dimension of the area of freedom, security and justice. However, in the chapter on the principles that must govern policies regarding third countries, I would have included the principle of positive conditionality. In other words, we must incentivise and stimulate the cooperation of third countries. We cannot be indifferent as to whether or not they cooperate with the European Union.

For example, when it comes to illegal immigration, which is unfortunately so topical in Spain, we cannot be indifferent as to whether or not they sign readmission agreements, whether or not they assist in the identification and documentation of their nationals, or whether or not they tolerate the activities of the organised mafias that traffic in illegal immigrants. We must call upon them firmly to cooperate in all of these areas and reward them accordingly. Furthermore, we should monitor and assess that cooperation. In this regard, there is already an assessment mechanism, established following the Thessalonika European Council in 2003.

Ladies and gentlemen, we are living in a globalised and highly interdependent world and, therefore, without the cooperation of third countries, the security and freedom of our citizens and the control of migratory flows will be more fragile and difficult to safeguard.

Martine Roure, on behalf of the PSE Group. – (FR) Mr President, the Area of Freedom, Security and Justice cannot function effectively unless our European actions are also extended to include our relations with third countries. It is, therefore, important to coordinate our strategy for freedom, security and justice with the European Union's external policy. I should like to thank our two rapporteurs, Mr Klich and Mr Sakalas, for having managed to establish our priorities in this report.

In the area of migration, it is not enough for us just to strengthen our borders. We must create a genuine dialogue with third countries, based above all on protection of fundamental rights and democratisation. We wish, thus, to ensure that fundamental rights become an integral part of all European instruments, by including a 'human rights' clause in agreements concluded with third countries.

The fight against crime and international terrorism will only be effective if we cooperate closely with our allies. We must, however, remember that, for the European Union, the fight against terrorism must above all include strengthening human rights. We cannot use the same weapons as the terrorists. Let us oppose violence and barbarism with the rule of law and justice! We insist, therefore, that European institutions take care that the requirements of Member States within the context of the fight against terrorism do not in any way compromise respect for the fundamental rights of any person, even when they are suspected of the crime of terrorism, in accordance with the conclusions of our Temporary Committee on the alleged use of European countries by the CIA for the transportation and illegal detention of prisoners.

Finally, I wish to come back to the issues of Swift and Passenger Name Records (PNR). Our American friends are important allies. Consequently, we must negotiate an overall policy for the exchange and protection of data that respects European legislation in this area.

Sophia in 't Veld, on behalf of the ALDE Group. – Mr President, first of all I would like to say what a shame it is that the rapporteur is not here, because I was going to compliment him on his excellent report and thank him for the good cooperation. Unfortunately he is not here, but, worse still, the Council is absent once again. I take that as a sign of its lack of commitment to these important matters, in particular to the human rights aspect of our external relations, to which I will return later. When it comes to taking security measures, measures against terrorism and crime, then the Council is always present and able to take very quick decisions, but when human rights are the issue, it is not here. I would like to emphasise that point.

This is a very important report, because it touches upon the very core of the European Union, namely democracy, human rights and individual freedoms. I am particularly happy with the first indent of paragraph 17, which states that the promotion of democratic standards, human rights and political freedoms is a key dimension of external relations and central to our overall goals.

As far as I am concerned, that is one of the report's key paragraphs. In the last six years we have taken many measures in the fight against terrorism and crime, but this action has been very unbalanced because

the human rights aspect has been completely underexposed. We have talked a lot about human rights, civil liberties and democracy. However, I wonder if we still have the same moral authority in the world, if we look, for example, at Guantánamo Bay, the CIA renditions and secret detentions and the fact that the Council has, until today, failed to reply to any of the issues that were raised.

If I consider that the human rights violations in Russia meet with only very timid condemnation by the European Union and that the summit this weekend will very probably eliminate the Charter of Fundamental Rights from the Constitution, I wonder what kind of political signal we are sending. I think we should stop talking about the principles of human rights and democracy and actually start putting them into practice and taking them seriously.

A second issue is, of course, democratic accountability, which the rapporteur rightly strongly underlines. It is very important for the European Parliament to be much more closely involved in these matters and I therefore endorse the call for a *passerelle*. It would, however, be even better if the Council arrived at conclusions on a treaty or a constitution this weekend that would ensure democratic control in the area of civil liberties, justice and home affairs.

Martine Roure has already highlighted an important point concerning the fight against terrorism. With regard to the topical cases of SWIFT and PNR, we have to say that there is no democratic oversight and that the agreement we will probably reach with the Americans simply does not meet our standards. I am beginning to wonder – and again I am addressing the empty chair in front of me – how hard the Council has been negotiating. We know that the Commission has made a major effort, but I wonder about the Council.

Small informal groups such as the G6 and the High Level Contact Group meeting behind closed doors on matters of anti-terrorism do not befit a modern democracy like the European Union.

Brian Crowley (UEN). – Beidh ceannairí an Aontais Eorpaigh ag bualadh le chéile an tseachtain seo, agus iad ag iarraidh Conradh nua don AE a chur le chéile. Beidh béim ar leith á chur acu ar chúrsaí dlí agus cirt.

Dar liomsa, ní chóir go mbeadh an chumhacht ag an AE socruithe dlí agus cirt a dhéanamh le vótáil trí thromlach cáilithe toisc go bhfuil córas dlí coiteann i bhfeidhm ag Éire agus an Bhreatain. Is córas dlí sibhialta atá i bhfeidhm ag na Ballstáit eile san AE.

The reality of what we have to deal with, of the new threats that are posed before us, whether it is terrorism, people trafficking, drug trafficking, asylum, illegal immigration and the pressures that are put on the services that deal with all these areas, highlight one single point most of all: human interaction or human involvement is at the core of all these areas.

It is incumbent on us within the European Union to ensure that we put every tool at our disposal, not only to guarantee the safety and security of our own regions and areas but also to ensure that the rights of people are protected: those who may be suspects, or even those who may have met a suspect at some stage. We find too often that, merely by association, you could be guilty of committing a crime under some of the new draconian laws that have been brought into different countries. That is why cooperation and coordination between the various Member States is important, because not only does it facilitate and allow the free movement of information and intelligence, which is essential in tackling so many of these crimes, but it also allows for best practice to be in force among the police forces or security services that may not be as good as others.

In the Committee on Employment and Social Affairs, we used to have the idea of the ‘open coordination’ method whereby good things led to the other good things. There are positive things in European Union countries that other countries can follow, not just third countries but also Member States. Because of the complexity of the legal systems that in the different Member States, there still needs to be oversight by the Council of Ministers. This is not an area that can be given exclusively to European Union competence. I hope that at the weekend we will find a proper compromise towards that.

Hélène Flautre, on behalf of the Verts/ALE Group. – (FR) Mr President, the Klich-Sakalas report has the merit of underlining the absolute necessity of ensuring the protection of human rights in the implementation of the Area of Freedom, Security and Justice. Nonetheless, tomorrow, at voting time, I shall oppose the amendments aimed at deleting all reference to the illegal detention and transportation of alleged terrorists in European Union territory, and I shall ask my fellow Members to do the same.

Today we are celebrating World Refugee Day and I remember the remarks made, right here, by Kofi Annan, describing as shameful the European Union's policy in relation to asylum and immigration. What has changed since? Despite the conflicts that mark out the world, the European Union accepts fewer and fewer refugees. The number of asylum seekers in the EU has reduced by half since the 1990s. Today, for example, the rate of acceptance of asylum applications for people from Darfur is incredibly low. The European Union also refuses to accept its responsibilities in relation to Iraqi refugees. More than four million Iraqis are today forced to move and, in spite of that, the German Presidency has stated that Member States do not wish to take part in a resettlement programme for refugees.

The heated negotiations on readmission agreements obliging third countries to admit on their territory any person in transit there causes, as you know, disastrous humanitarian situations and serious violations of the right to international protection and of the principle of non-refoulement. These agreements transfer to third countries responsibilities that they are not generally capable of assuming. This 'forced march' policy discredits in part the efforts made in other respects for the protection of fundamental rights in third countries.

The European Commission ought to make clear and practical proposals to get away from this schizophrenia. A transparent monitoring procedure for these agreements needs to be set up; effective recourse in the event of violation of rights following refusal of entry should be put in place. The Commission could also appoint, within its Frontex teams, people with special training in human rights and humanitarian law to properly ensure that international commitments and conventions are being observed.

Adamos Adamou, on behalf of the GUE/NGL Group. – (EL) Mr President, Commissioner, ladies and gentlemen, if we are to evaluate reports by Parliament on an area of freedom, security and justice, we must study developments in this sector over recent years in an objective manner.

The European Union anti-terrorism coordinator is not subject to any institutional control, either by the European Parliament or by the national parliaments. No progress has been made on any question of democratic control. We had a serious obligation in the field of civil liberties and the confidentiality of personal data in the name of combating terrorists. I will mention just two points: the use of biometric data in all citizens' passports and the lifting of confidentiality on telephone and Internet calls.

What we protected in the old days as nations and as states and kept as the apple of our eye, we now sacrifice and we almost look on anyone fighting to maintain freedoms and individual rights as aiding and abetting terrorism.

The secret services of the United States and other states are acting without control outside their state, thereby infringing a series of articles under international conventions of law. A typical example are the secret CIA flights. And yet all the European Union and everyone who voted in favour here in Parliament does is to ratify the incorporation into Community law of the Prüm convention, the last word when it comes to monitoring citizens in the European Union.

Even more measures are being promoted which come within the security agenda of the European Union and which of course serve its strategic perceptions about its foreign policy, including increased arming of the military and participation in military operations.

Instead of the European Union's taking a leading role at international level so as to study the causes of the waves of immigrants and put an end to the huge divide between rich and poor countries, we prefer to introduce rapid intervention forces with Frontex in order to 'rout' immigrants.

Ladies and gentlemen, the policy you are following not only fails to resolve the problems which it seeks in theory to resolve; on the contrary, it exacerbates them. The single area of freedom, security and justice with the content you attribute to it is increasing the lack of freedom, insecurity and injustice. Only if the content is overturned will it be able to resolve the problems to any serious degree.

Carlos Coelho (PPE-DE). – (PT) Mr President, Mr Frattini, ladies and gentlemen, the creation of an area of freedom security and justice is an internal EU objective, but one with an external dimension. Maintaining our stability and security depends, among other factors, on our relations with our neighbours and with other countries around the world, and on this point, we must be focused and must send out clear political messages.

It is for this reason that I shall be voting against the rapporteur's proposals aimed at removing references to CIA flights. Many of the problems we face are common to a large number of other countries, and the EU's experiences – and its success or failure – in dealing with these matters will prove a useful benchmark for these countries. We have made huge progress in many areas and once again I should like to thank Mr Frattini on his outstanding work in the Commission. Much remains to be done, however, on asylum and immigration, on the fight against organised crime and terrorism, on border management, visa management and police and judicial cooperation.

The Hague Programme and its action plan clearly set out the areas of cooperation with third countries. Responses must be found, however, to specific issues. Firstly, there is the problem of consistency between the pillars. External action as regards freedom, security and justice is sometimes transversal in nature and encompasses fields that fall under various pillars. While this system of having to have more than one pillar remains in place, coordination between the pillars needs to be improved in order to prevent overlapping between the various instruments belonging to the area of freedom, security and justice. It is vital that as many as possible of these issues can be introduced under the first pillar.

Secondly, there is the problem of the complexity of the internal institutional framework. It is crucial to introduce codecision and qualified majority voting in areas relating to legal migration.

Thirdly, Parliament's role must be strengthened: Parliament has a vital role to play in reinforcing the democratic responsibility of the Union's external action and it must be kept up to speed with the negotiations on agreements relating to the area of freedom, security and justice.

Lastly, reference must be made to the common European asylum system and the strengthening of resources relating to Frontex.

Genowefa Grabowska (PSE). – *(PL)* Mr President, the report we are discussing today is a good document and deserves our support. We should welcome the fact that the Union finally has a strategy for implementing the Hague programme. It has been a long time coming. Nearly every year, Parliament has discussed organised crime, corruption, money laundering, illegal immigration and human trafficking, the fight against terrorism, the fight against drugs in Afghanistan, the CIA, data protection, etc. It has also suggested ways of dealing with these phenomena. As a result, it has taken a long time for the strategy to develop and take on its current shape.

Certain questions arise. What do we want the strategy to achieve? How do we plan to do this? Why do we want to do it? The report's answer to the first question is that, first and foremost, we want to improve the way in which democracy functions. We also want police and judicial cooperation, as well as cooperation in all areas of human rights protection and the fight against terrorism. In other words, we want cooperation on internal affairs.

How are we going to achieve this? We have already developed mechanisms for this, primarily the neighbourhood policy. We have institutions such as EUROMED and EUROLAT. We also have bilateral and multilateral agreements. However, all this is not enough. We want the European Parliament to play a bigger role. We want it to be consulted on a greater range of matters. We also want a better division of competences between the Member States and the Union, in order to be able to resolve these matters more quickly and easily. The only real cure is a European constitution.

There is also a third question: why do we want to do all of this? The reason is that we are concerned by the fact that our external partners' actions are not always in line with European Union standards. If we want partners beyond the European Union who not only know what democracy, the rule of law and justice mean, but also apply these principles in practice, we must provide them with assistance. The report proposes suitable mechanisms to achieve these ends.

Thus, our external actions extend the area of democracy, security, freedom and justice far beyond the borders of Europe. This is important for the citizens of third countries, but is also incredibly important to European Union citizens. A broader, more global and common area of freedom and democracy will make the lives of EU citizens safer and democracy more stable.

Anneli Jäätteenmäki (ALDE). – *(FI)* Mr President, a report by the Council of Europe just released states that there is new evidence of secret CIA detention centres in Europe, in Romania and Poland. This is a serious blow for the EU, the community of values, which speaks loudly of human rights. One might say that it is shameful for the EU if it quietly accepts the presence of secret detention centres.

There are detention centres in Europe because US law does not permit them on US soil. In Europe the Commission and the Council have kept very quiet, and the reports by the Council of Europe have led to barely any action being taken, and Member States have not been hauled up over this to any satisfactory extent.

Something else I wish to bring up is the EU summit at the weekend. I hope that agreement will be reached there that the Charter on Fundamental Human Rights will become legally binding, so that the EU's decision-making bodies will also appear before the courts if human rights are not observed by an EU institution or EU authorities. Otherwise, I hope that human rights issues will be taken a little more seriously in the EU in practice and not just on formal occasions. I agree with what Sophia in't Veld said here just now.

Girts Valdis Kristovskis (UEN). – *(LV)* Mr Frattini, ladies and gentlemen, the Klich report justifiably emphasises the need for increased reliability in criminal matters when exchanging information with non-EU countries. Do you know, however, how effective the cooperation coordinators — Eurojust, Interpol and Europol — are, and how effective the agreements on police or judicial cooperation are? My personal experience shows that even in the simplest cases a check on basic evidence initiated by the minister for home affairs and the national public prosecutor's office concerning cases of corruption at the management level of Latvia's police required half a year in Latvia itself, although less than an hour would have been necessary for a check on the basic evidence in the relevant Member State. Mr Frattini, in my view it is absolutely unacceptable, in issues of inter-state judicial assistance, in cases of the highest significance concerning crimes of a political and economic nature on a national scale, for correspondence with non-EU countries to be drawn out over three or four years. Such is actually the case for the pace of the investigation into the case of the mayor of Ventspils, A. Lembergs. Such a pace in providing judicial assistance does nothing to successfully combat corruption. Unfortunately, this situation creates a legal nihilism in society, which expects crime to be tackled effectively. Mr Frattini, I would therefore draw your attention to the fact that there are individual cases where new instruments are necessary to distribute and examine cases of various categories on a priority basis, in particular, and – and this is important – not only on all sides, but also quickly.

Cem Özdemir (Verts/ALE). – Mr President, the promotion and safeguarding of human rights is a cornerstone in the foundation of the European Union and should be strongly reflected in the strategy on the external dimension of the area of freedom, security and justice. This means that we not only ask the Commission and the Council to produce human rights compliance reports on external dimension activities, we also suggest that the European Union Agency on Fundamental Rights assist the EU institutions in assessing the compliance with human rights of EU agreements with third countries.

Not only should the EU institutions promote and safeguard human rights in the EU's own activities, the conclusions of the work in the Temporary Committee on the alleged use of countries by the CIA for the transport and illegal detention of prisoners were clear. Where and when the EU concludes that serious breaches in the protection of fundamental rights have taken place on its territory or by cooperating partner countries, action should be taken to reveal this and to guarantee that security concerns never undermine respect for the fundamental rights of individuals.

Democratic accountability and the external dimension of the area of freedom, security and justice is fundamental, and it provides for high standards by the EU in its efforts to improve cooperation between the EU and international organisations, such as the Council of Europe, the OSCE and the United Nations.

Panayiotis Demetriou (PPE-DE). – *(EL)* Mr President, Commissioner, Mr Klich has produced a complete, integrated report. We support it and I congratulate the rapporteur on his report.

We have been talking and writing a great deal for a very long time about the strategy of creating an area of freedom, security and justice, but we do very little. We have our subject list, we have our thoughts and recommendations, but we do not have the Community spirit needed to take drastic measures to combat the institutional problems which arise. There is no decisiveness to take action outside the European Union. Each Member State stands rooted on the ramparts of its national sovereignty and we prevent effective joint action. For example, the refusal to use the 'passerelle clause' is, unfortunately, hampering the functioning and efficacy of the European Union and if the European Union malfunctions, it reflects very acutely on the sector of justice and internal affairs.

The pillars, unanimity and the fear of moving away from national standards are obstructing the promotion of a joint strategy to create a real area of freedom, security and justice. These obstacles are hampering

the application of the strategy, not only within the European Union, but also outside it and the external dimension of the Hague programme is as important as its internal dimension. Only a modern, constitutional framework will help to fundamentally promote the strategy for an area of freedom, security and justice. The historic bet of a European Union that functions better needs to be answered correctly by the leaders of the Member States when they meet in Brussels tomorrow. They must all assume their historic responsibilities.

Jan Tadeusz Masiel (UEN). – *(PL)* Mr President, as the rapporteur, the Commissioner and the Minister have all pointed out, internal and external security, freedom and justice are closely linked, and changes to one influence the other.

As I only have one minute of speaking time, I will just mention two issues. The first is terrorism. Whether we like it or not, terrorism is, to a significant extent, related to Islamic culture. We would limit its occurrence in Europe and the world if we became less involved in matters related to the Muslim world and if we finally accepted the right of the Palestinians to their own country. When it comes to this group of people, the word terrorism is overused, as their actions are, to a certain extent, simply a part of the fight for the freedom they lost in 1967. Their actions have often been a response to ours.

The second issue is immigration. Efforts to integrate immigrants in Europe are costing us too much, they only help a small number of people and usually produce few results. It would be better to spend this money on education in the immigrants' countries of origin. Controlled immigration seems to be a fair idea.

Marian-Jean Marinescu (PPE-DE). – Începând cu 1 ianuarie 2007, România are o poziție extrem de importantă în schema frontierelor externe ale Uniunii Europene, având în vedere zona geografică în care este situată și faptul că reprezintă a doua frontieră verde ca lungime. România a preluat responsabilitatea de graniță externă cu maximă atenție, investind sume importante în sistemul integrat de securitate a frontierelor, realizând cel mai performant sistem în domeniu. Este nevoie, însă, în continuare de sprijinirea atât a României, cât și a celorlalte țări care sunt frontiere externe ale Uniunii.

Frontex are în acest sens un rol operațional deosebit, iar alocarea de fonduri pentru lărgirea capacității sale de funcționare ar reprezenta expresia colaborării și solidarității dintre statele membre. Operarea cu țările vizate de politica europeană de vecinătate reprezintă o garanție suplimentară pentru prevenirea și combaterea terorismului, pentru lupta împotriva crimei organizate, a imigrației clandestine sau a traficului de orice fel, precum și pentru protecția cetățenilor Europei.

Un exemplu pentru extinderea stabilității politice la statele vecine Uniunii îl reprezintă acordurile încheiate în această săptămână între Comunitatea Europeană și Ucraina privind facilitarea acordării vizelor și readmisia persoanelor. În ceea ce privește cooperarea transatlantică, cred că statele Unite ale Americii trebuie să recunoască procesul de extindere al Uniunii inclusiv prin tratarea egală și nepreferențială a cetățenilor acesteia. Toate statele membre contribuie la asigurarea securității transfrontaliere precum și la lupta împotriva terorismului. Uniunea Europeană trebuie, deci, să ceară Statelor Unite, precum și celorlalte state care nu respectă principiul de reciprocitate, să renunțe la vizele de intrare impuse unor state membre ale Uniunii Europene.

Ioannis Varvitsiotis (PPE-DE). – *(EL)* Mr President, Commissioners, ladies and gentlemen, there are only a few of you left in the Chamber, but I think there are enough of you here to listen to me.

In adopting the strategy on the external dimension of the area of freedom, security and justice in 2005, the European Commission's aim was to export to other states the values incorporated in the internal policy of the European Union, namely the rule of law, respect for human rights and international obligations. The strategy even includes action in the sectors of immigration, people trafficking, protection of human rights, terrorism, organised crime and so forth and of course we support all this.

However, it needs to be pointed out that all of us – and the European Commission – are very sensitive on the issue of the protection of citizens' human rights, a point which needs to be taken very seriously.

However, all of us must know that this endeavour is not easy, nor must spectacular results be expected in a short space of time, because coordination efforts by all the Member States and systematic support from the Commission are required.

However, this report gives me the opportunity to repeat that I, as a Member of the European Parliament, feel that I am 'playing' the role of simple sidekick in this Chamber, of a simple spectator, given that the

European Parliament per se takes no part in the consultations and is barely even given adequate information on these issues and because ultimately, any report which we, as Parliament, submit to the Commission, is taken into very little account by it. Of course the unapproved Constitutional Treaty made provision for solutions which improved Parliament's standing, which created preconditions so that Parliament could be a real parliament. That is why we must hope that the efforts being made by Mrs Merkel will have tangible results, even though I fear that certain Member States will stand by their reservations.

In any event, the Commission must demonstrate more of a disposition towards close cooperation with Parliament.

President. The debate is closed.

The vote will take place tomorrow.

Written statements (Rule 142 of the Rules of Procedure)

Monica Maria Iacob-Ridzi (PPE-DE), în scris. – Strategia Comisiei Europene pentru dimensiunea externă a spațiului de libertate, securitate și justiție pune accentul pe un parteneriat puternic de securitate cu Statele Unite ale Americii, bazat pe reciprocitate și încredere.

Cu toate acestea, cetățenii a 12 state europene au încă nevoie de vize pentru a călători în SUA. Acest lucru constituie o violare a principiului reciprocității, întrucât toate statele UE au eliminat obligativitatea vizelor pentru cetățenii americani. Mai mult, noile state membre au acceptat în procesul de aderare să preia Regulamentul 593 al UE, care suspendă vizele pentru unele state terțe, precum SUA. România a primit din partea Comisiei Europene promisiunea fermă că poziția sa în privința eliminării vizelor va fi preluată în relațiile Uniunii cu SUA.

De aceea, cer Comisiei să se folosească de toate instrumentele care-i sunt conferite de legislația europeană, de la negociere până la propunerea de instituire a unor măsuri echivalente pentru cetățenii americani. În plus, Comisia trebuie să ridice problema vizelor în toate negocierile sale cu SUA, fie că este vorba de acordul privind evidența călătorilor, care se negociază în acest moment sau de alte înțelegeri din domeniul justiției și afacerilor interne.

Nu putem fi un partener de securitate egal Statelor Unite ale Americii fără a beneficia de un tratament uniform acordat tuturor statelor membre.

Piia-Noora Kauppi (PPE-DE), in writing. – I warmly welcome many elements in Mr Klich's report. First, it explicitly mentions the *passerelle* clause, encouraging Member States to improve their much-needed cooperation in the field of justice and home affairs. Furthermore, it recalls the need for greater parliamentary oversight, as provided for in the Constitution and hopefully the new institutional treaty to emerge by the end of the year.

There is a need for greater coherence between the union's internal security strategy, the AFSJ, and its external ones, the CFSP and ESDP. The sources of instability are not only internal, but clearly also external. Ultimately, it is only by strengthening the rule of law and human rights in its near-abroad that the Union can succeed in securing an area of freedom, security and justice.

The trafficking of women and children, weapons and drugs needs to be weeded out at the source. It is no use increasing internal controls inside the EU if the problems pile up on our borders. If the new EU External Action Service is properly created, it can provide a meaningful contribution to countering this challenge.

Marianne Mikko (PSE), in writing. – (ET) Ladies and gentlemen, as a result of the expansion of the European Union, a large part of the responsibility for the foreign policy dimension has fallen on the shoulders of the new Member States, several of which are small states like my home country, Estonia.

This means that the European Union must act with unity in defending an area based on liberty, security and justice. That applies to both foreign policy and internal security.

As head of the Moldova delegation, I must repeat that the situations of deadlock in Moldova and Georgia are now the most dangerous sources of instability in our neighbourhood.

The key to the elimination of these sources of conflict lies with the Kremlin. We must definitely improve dialogue with Russia. This does not mean complimenting Russia, but engaging in open communication with it.

The European Union cannot highly value a partner that uses the Russian minority in the Member States and countries covered by the neighbourhood policy in order to destabilise the situation.

We must clearly state that this does not correspond to our understanding of good neighbourly relations. During the April riots that took place in Tallinn, a person was killed, namely a Russian citizen. Moscow is willing to pay for the continuation of the outdated 'near abroad' doctrine with the blood of its own citizens. Of course the European Parliament cannot accept this.

The European Union urgently needs cooperation mechanisms that will work efficiently even with the present greater number of Member States. I hope that the European Council session that begins on Thursday will be sufficiently statesmanlike to achieve an agreement that will enable the European Union to become a giant in global politics.

17. Exchanges of information extracted from criminal records (debate)

President. The next item is the report by Agustín Díaz de Mera García Consuegra, on behalf of the Committee on Civil Liberties, Justice and Home Affairs, on the proposal for a Council framework decision on the organisation and content of the exchange of information extracted from criminal records between Member States (COM(2005)0690 C6-0052/2006 2005/0267(CNS)) (A6-0170/2007).

Franco Frattini, Vice-President of the Commission. Mr President, at present information on criminal records does not circulate efficiently between the Member States of the EU. This is not acceptable in a European area of freedom, security and justice and that is why the objective of the EU in the area of criminal records is twofold: firstly, to improve the circulation of information on criminal records between the Member States and, secondly, to use this information outside the territory of the sentencing Member State.

As you know, in 2005 the Commission adopted two legislative proposals dealing with these aspects respectively. A proposal dealing with the second aspect – circulation of information – was adopted in December 2006. Political agreement on the proposal dealing with the circulation of information was fortunately reached by the Council of Interior Ministers in Luxembourg on 13 June. This instrument is another important step forward.

In improving the way in which information is exchanged and made available to Member States, it radically overhauls the outdated, inefficient system of information exchange under the Convention on Mutual Legal Assistance of 1959. In its place, it establishes a streamlined system that will ensure that information stored in a single Member State is updated and then accessible to other Member States. In addition, the information will be easier to understand and, therefore, of greater value to the end users.

I note, with regret, that Member States have decided that the follow-up work should take the form of Council decisions and, even more regrettably, Member States do not trust each other enough to accept that these implementing measures will be adopted not by qualified majority but by unanimity.

I know that there are some amendments and I thank the rapporteur for the quality of his report. I share the spirit of the great majority of all the amendments proposed. I have a reservation concerning the amendments that propose the introduction of general provisions on data protection. Why? Because this instrument is a sectoral one: it contains a small number of provisions on data protection which are specific to criminal records and therefore they are more restrictive. Therefore, my worry is that the application of general provisions on data protection will be too flexible and less restrictive. That aside, personal data handled as part of the implementation of the framework decision should be protected in accordance with the provisions of the future framework decision on the protection of personal data processed in the framework of police and judicial cooperation in criminal matters. You all know perfectly well that I am urging the Council to find an agreement on such an important framework decision on privacy protection by the end of this year.

Agustín Díaz de Mera García Consuegra (PPE-DE), rapporteur. – (ES) Mr President, Commissioner, I would like to thank all of my colleagues in the Committee on Civil Liberties, Justice and Home Affairs

for their cooperation on this report and particularly the shadow rapporteurs, Mrs Buitenweg, Mrs Vălean and Mrs Grabowska.

Information on criminal convictions circulates between Member States under the mechanisms of the European Convention on Mutual Assistance on Criminal Matters of 1959, but there are serious difficulties with that mechanism.

These deficiencies were demonstrated dramatically by the case of Fourniret, a French man sentenced in the 1980s to seven years in prison for the rape of a minor and then released after just two. We would discover years later that, between his release and his re-arrest in June 2003, Fourniret had murdered nine girls and was suspected of killing a further twelve. He had managed to evade judicial action for more than 14 years, simply by changing his residence from one Member State to another, and furthermore, to top everything, he even managed to get a job in a school. It was clear that the mechanisms for exchanging information on criminal records had to be modified and improved.

The proposal for a Council framework decision intends to replace the information exchange mechanisms regulated in Article 22 of the Convention of 1959 and repeal the decision of 21 November 2005, all with a view to guaranteeing that the Member State of nationality is in a position to provide a correct, rapid and exhaustive response to requests for information that it receives with regard to convictions of its nationals.

Of the measures included in the Council's proposal, we must highlight the following:

- the principle of centralising information is retained;
- a framework is established for contributing to, designing and implementing a computerised system for the exchange of information on criminal convictions, based on the use of a standard European format that makes it possible to exchange information in a standard, computerised and easily translatable form by means of automated mechanisms;
- the principle of obligatory forwarding to the Member State of nationality is taken up, eliminating the dispensation of notification when the person also has the nationality of the Member State passing the sentence; and, finally,
- the obligation to conserve the information forwarded to the State of nationality is laid down.

With regard to the parliamentary measures proposed, I would highlight the following:

- with a view to guaranteeing the integrity and authenticity of the information forwarded, the Member State handing down the conviction shall be considered to be the owner or proprietor of the data relating to the sentences passed by their courts and tribunals;
- the future framework Decision must provide for a range of additional guarantees in the field of the protection of personal data;
- with regard to the definition of convictions, for the sake of consistency with other reports by this Parliament, the definition contained in the report by my esteemed friend and colleague, Mr Demetriou, must be retained;
- the inclusion of sentences in the register of criminal records of the Member State where the sentence was passed is a prior obligation, since it guarantees the authenticity and accuracy of the information forwarded; the information on sentences will therefore only be forwarded once it has been registered, but not before;
- it must be made clear that the deletion of criminal records depends not just on completing the sentence, but also on compliance with other additional conditions, such as fulfilling the civil responsibilities arising from the crime, or not re-offending within the time period laid down in law;
- it is necessary to establish clearly which legal framework will regulate the deletion of data, that is to say, whether the legislation of the Member State where the sentence is passed is applicable, or that of the State of nationality of the convicted person.

With regard to the conditions for use, Mr Frattini, I genuinely share your concern regarding personal data. The proposal is much more restrictive than the provisions in force in the field of judicial cooperation in criminal matters, which is justified by the speed with which information on criminal records can

become out of date. Therefore, each time information on a person's criminal record is required for the purposes of a new criminal procedure, it will be necessary to submit a new request for information.

I would like to end, Mr President, by calling upon the honourable Members to vote in favour of the proposed report, and I thank you for listening.

Panayiotis Demetriou, *on behalf of the PPE-DE Group*. – (EL) Mr President, Commissioner, ladies and gentlemen, the proposal we are debating this evening is a necessary step towards the development of judicial and police cooperation between the Member States of the European Union, a step towards promoting the strategy to develop an area of justice and security and I congratulate Commissioner Frattini on promoting proposals such as we are examining today, which promote the Hague programme.

Recording convictions and passing them on for recording in the Member State of which the convict is a national and exchanges of information on convictions in general will undoubtedly help in combating both national and cross-border crime.

There are, of course, gaps in the proposal. There is no Community method for regulating the question of recording administrative convictions which, in most Member States are not entered in the criminal records. There is no Community regulation of the question of recording convictions extracted from criminal records. Unfortunately, the variety of national regulations is still needed. There is still no approximation whatsoever of laws even on these procedural issues. Nonetheless, the coupling of national systems for recording and using information on convictions in the framework proposal goes some way towards dealing with the lack of a single Community policy on all aspects of the matter. However, we must emphasise the need for respect for the right to protection of personal data, not only theoretically, but also in practice. This will become clear in the natural course of events. We hope that respect for this right will be real and constant.

I support the report by my honourable friend Mr Díaz de Mera and I congratulate him on the interest which he has always demonstrated in the European Parliament in the promotion of this strategy to create an area of freedom, security and justice. I believe that the report will be supported by a large majority in Parliament tomorrow.

Genowefa Grabowska, *on behalf of the PSE Group*. – (PL) Mr President, the Member States have their own guidelines for collecting data on those convicted in criminal trials. Sentencing data is stored in national criminal registers. Each Member State is responsible for the central storage and management of information on court sentences. However, we are crossing national borders ever more frequently and, as we are no angels, we sometimes come into conflict with the criminal law system in another Member State, and are tried and sentenced there.

What should we do with these sentences? Should we register them or not? The Member States have different, not very cohesive practices and that is why we need to harmonise this field. We need closer cooperation between judicial bodies, we need a better and more efficient exchange of information and we need to ensure that the Member States exchange accurate, comprehensive and exhaustive information in response to each request for information from criminal records.

This is what the framework decision proposal aims to do. We need a European system for exchanging information in a standardised, computerised format, where interpretation is facilitated by automated procedures and a standardised format.

That is why my political group support this report. However, my group does have one serious doubt concerning the report, which discusses judicial cooperation and the exchange of information. Bearing in mind the importance of telling the whole truth, respect for the rights of and fairness towards the victims of the terrorist attacks in Spain on 11 March, we would like to express our concern regarding the choice of rapporteur for this report. He has also drawn up other reports on the issue of police and judicial cooperation in criminal matters. The European Parliament must be seen to be an institution based on the principle of transparency and which serves the citizens. That is why the authors of specific reports cannot be seen, in view of their activities at a national level, to be controversial figures.

To conclude, I would like to indicate that my political group welcomes the good compromise that has been achieved in this report. We support this report and we intend to vote in favour of it. We also believe that the implementation of this decision will mean that Member States will trust each other more, and that this much-needed basis of trust will also apply to criminal proceedings.

Adina-Ioana Vălean, *on behalf of the ALDE Group*. – Mr President, I would first of all like to thank the rapporteur, Mr Díaz de Mera García Consuegra, for his very good work that led to this report.

I will recall, as he has already done, the terrible story which took place three years ago in Belgium. A Frenchman, aged 62, was given a job at a school. He was then arrested and confessed to nine murders on both sides of the Franco-Belgian border. It was then learned that he had previously been convicted of rape in France but that no one in Belgium was aware of his criminal record. We all remember the Fourniret case. This case, among others, demonstrates how urgently we need a functioning European criminal records system in a Europe composed of so many different legal systems.

I congratulate the Commission on this very valuable proposal. This is a clear case of much-needed legislation that could bring tangible improvements to citizens' security in their day-to-day lives. I therefore salute last week's agreement in the Council, but I urge the Council to adopt this important text as soon as possible. For the first time, we now have uniform EU-wide rules which will ensure a faster exchange of information on criminal records and bring more legal certainty. It is also a first step towards online data communication between the EU countries. I am satisfied that the option chosen was an interconnection of records rather than having another central EU database. This is a positive step as far as cost and above all data protection are concerned.

I should like to insist again on the privacy issue. In the absence of any agreement on the framework decision on procedural rights in criminal proceedings and on data protection in the third pillar, I urge the Council to adopt the additional data protection provisions included in this report. We cannot continue adopting such instruments without giving additional guarantees to our citizens that their fundamental rights are respected.

Jaromír Kohlíček, *on behalf of the GUE/NGL Group*. – (CS) Ladies and gentlemen, the report by Mr Díaz de Mera García Consuegra rightly notes that information on investigations shared between countries should have a standardised format and should be shared as flexibly as possible. The report is also aimed at ensuring the exchange of other information that in certain situations may prove useful. Every time such information is exchanged there are, of course, potential pitfalls: at the very least there are the different legal systems in the Member States and the different classifications of the same acts. In extreme cases this may involve the boundary between a crime and a minor misdemeanour.

Personally, I am not happy that Mr Díaz de Mera García Consuegra was appointed rapporteur for this report despite being accused of non-cooperation with the Spanish police in connection with misleading information implicating ETA in the Madrid train attack. Where is the political and human responsibility of the former head of the Spanish police? To conclude, my group has significant reservations regarding this report.

Carlos Coelho (PPE-DE). – (PT) Mr President, I must begin by referring to the last speech. It is unacceptable here in this Chamber for attempts to be made at curtailing the parliamentary and political rights of any MEP whose rights have not been curtailed either by decision of this Parliament or by legal decision in his or her own country.

We cannot accept this kind of political persecution of Mr Díaz de Mera Consuegra, who has a distinguished record in combating crime and defending justice as a professional in his own Member State and who has been an outstanding Member of this House. The report before us today is further proof of his political ability and of the rigour that has characterised both his parliamentary work and his professional life.

I should like to say to Mr Frattini that I am firmly behind everything he said in relation to the Council's attitude. This measure is a much-needed one, and it is a great shame that the Council did not go further, in terms of both trust between the Member States and Parliament's involvement.

In any event, I share everything that other speakers have said regarding the need to look into criminal background in detail and regarding the fact that the sharing of this information between the Member States constitutes a value-added in combating crime, in terms of identifying suspects, supporting criminal investigations and determining the severity of a punishment.

I should like to finish by saying that I also agree with those who say that the Council must act more quickly in adopting, on the one hand, the framework decision on procedural guarantees for suspects and defendants in criminal proceedings and, on the other, the framework decision on data protection in

the third pillar, for which the rapporteur was Mrs Roure, a further essential element in striking an appropriate balance in the legal measures in the sector.

Agustín Díaz de Mera García Consuegra (PPE-DE). – *(ES)* Mr President, I have requested the floor in order to rebut some unacceptable personal remarks, but I have essentially requested the floor in order to thank my colleague, Mr Coelho, who has spoken not just as a friend, but also with knowledge of the facts. I will just make one comment demanding a correction and an apology from Mr Kohlíček.

Mr Kohlíček, the only possible explanations for your extremely unfortunate comments tonight in this House are ignorance, bad faith or some immoral purpose. I am sure, Mr Kohlíček, that you have heard — I hope you have heard — of something called presumption of innocence. I am sure you have heard of the European Union's Charter of Fundamental Rights and Article 48 thereof. I am sure you have heard of the Universal Declaration of Human Rights of 1948 and Article 11 thereof. I do not imagine that you are familiar — and there is no reason why you should be familiar — with Article 24 of the Spanish Constitution. But all free and democratic Constitutions contain their Article 48, Article 11 or Article 24.

I therefore hope that, when you are in a position to understand what the presumption of innocence means, and, in particular, when you are in a position to properly understand a case about which, to judge from what you have said, you clearly know absolutely nothing, you will be capable of making a private and public apology, and I shall be willing to accept it. Yours was an unfortunate and unacceptable intervention with which to end the debate tonight, Mr Kohlíček.

(Applause from the right and from the centre)

President. The debate is closed.

The vote will take place tomorrow.

18. Framework decision on combating racism and xenophobia (debate)

President. The next item is the report by Martine Roure, on behalf of the Committee on Civil Liberties, Justice and Home Affairs, on the proposal for a European Parliament recommendation to the Council concerning the progress of the negotiations on the framework decision on action to combat racism and xenophobia (2007/2067(INI)) (A6-0151/2007).

Martine Roure (PSE), rapporteur. – *(FR)* Mr President, the European Union is based on humanist values, of tolerance, multiculturalism and protection of fundamental rights. We share strong values that should be protected. The fight against racism and xenophobia is one of our priorities, but we must bear in mind Article 10 of the Charter of Fundamental Rights, which is devoted to freedom of thought, conscience and religion while respecting the inalienable right to freedom of expression, in accordance with Article 11 of this same Charter.

The Commission presented a proposal for a Framework Decision on racism and xenophobia in November 2001, in order to bring closer together the legislative provisions of Member States in relation to racist and xenophobic offences and to fight more effectively against racism and xenophobia in Europe. Until now, and despite an initial opinion issued by the European Parliament in July 2002, this Framework Decision has been at a standstill. In spite of the efforts of several Presidencies, Member States have still not been able to reach an agreement on the definition of punishable behaviour and the level of corresponding penalties to be imposed. It is, therefore, absolutely essential to have a European instrument that makes it possible to combat racism and xenophobia.

Recent statistics show that racism and intolerance are on the increase. The growth in extreme right-wing parties in Europe and, unfortunately, within our own Parliament, obliges us to strongly condemn any speech that incites hatred. This Framework Decision obliges us, however, to find a fair balance between freedom of expression and sanctions for offensive behaviour. The freedom to mock and criticise certain excesses, be they political or religious, are necessary in all democracies.

The European Council has finally come to an agreement on this subject and we are pleased about this. Indeed, the European Union must spread a strong political message to fight against public expressions of racism or hatred. We cannot allow ourselves to fail again on a text that is symbolic for the European Union. I should like to thank the German Presidency for this strong message, which confirms that Europe is not just a great market, but is working for the defence of the fundamental rights of all European

citizens. This new compromise is the fruit of long and difficult negotiations and we are aware that, of necessity, it has its weaknesses.

Nonetheless, I want this political compromise to constitute a minimum level of harmonisation that will allow Member States to go further in future, and I am particularly pleased by the addition of a review clause which will make it possible to achieve a higher level of harmonisation in future years. Having said that, in order to compensate for these weaknesses, I call on the Commission to present in parallel a proposal for a directive on the fight against all the forms of discrimination listed in Article 13 of the Treaty, in order to strengthen European legislation in this area. I know, in fact, that Mr Špidla is working towards this, I think. I hope that we shall soon have a proposal for a directive.

Finally, this political agreement on the framework decision has brought about substantial changes in the text in comparison with the Commission's first proposal on which Parliament gave its opinion. Consequently, Parliament should be consulted again in the next few weeks. We will issue our opinion quickly, you can be sure of that, because we have all worked hard for several months. We are all set.

This instrument is absolutely necessary for us to live in a world at peace, in which everyone is respected with their differences, beliefs and ways of life. This instrument is essential if we are to put an end to hatred and racism in a united and fraternal Europe.

Franco Frattini, *Vice-President of the Commission*. (IT) Mr President, ladies and gentlemen, I would like to thank Mrs Roure for her speech and for her report. The political agreement reached at the Council last April, after five years of negotiations, was certainly highly significant.

This agreement, albeit on a less ambitious version of the framework decision than the Commission's original proposal, in fact ensures that from the moment the framework decision enters into force and is transposed in each Member State, there will no longer be any safe haven in Europe for those who incite racial hatred, racism and xenophobia. This represents a political success.

I appreciate that the text of the framework decision contains penal provisions that could have been much harsher. I would have preferred stricter legislation. However, as the rapporteur has just said, we had to accept a compromise because, it being a framework decision, the principle of unanimity meant that we could not set our sights as high as we would have liked to.

Nevertheless, for the first time we have a common rule, stipulating that behaviour inciting hatred or discrimination based on race, skin colour or religion must be punished with criminal sanctions in all Member States. Consider how important it is to punish behaviour inciting anti-Semitic or Islamophobic hatred at a time in which we are talking about integrating immigrants from outside the European Union into our communities.

One of the main issues has certainly been to find the balance between criminal punishment for such behaviour, which is not free expression of thought but concrete incitement to commit violent acts and must be punished as such, and due respect for freedom of expression. We have worked hard on this aspect and I believe that the final result is satisfactory.

The measure is not intended to punish ideas, but behaviour inciting other people to commit criminal acts, to attack, to wound, to kill and to commit real acts of violence. All this has absolutely nothing to do with freedom of thought. We are not punishing ideas, but those who, on the basis of a mistaken, if legitimate, idea, move from this idea to behaviour inciting others to attack and to commit criminal acts. This is the boundary between freedom of expression of thought, which must be safeguarded, and concrete incitement to violence.

This is why I believe this decision to be significant. It is for this reason that we have established the principle – which is highlighted in Mrs Roure's report – by which a racist motive shall be considered an aggravating circumstance in all offences. If an ordinary offence involving physical violence is committed for racist motives, it must be more severely punished, since not only incitement as such, but also racist motives, make a given offence more serious than the act itself.

This is an important principle, and I believe that the fact that all 27 Member States have accepted it unanimously puts the European Union in a better position to uphold this key value listed in the Charter of Fundamental Rights.

Patrick Gaubert, *on behalf of the PPE-DE Group*. – (FR) Mr President, Commissioner, ladies and gentlemen, I wish first of all to apologise for Mrs Esteves, shadow rapporteur for my group, who unfortunately will not be able to take part in this debate.

I thank Mrs Roure for her work, her application and her perseverance because, yes, perseverance was needed to keep on demanding that the Council reach an extremely necessary agreement. More than five years of negotiation to reach a proposal for a framework decision on racism and xenophobia: is it really reasonable to have stalled for so long measures that are so fundamental to the lives of our fellow citizens?

I should like also to warmly thank the German Presidency for succeeding in breaking the deadlock on this text. The European Union is founded on communities with values, universal values of human dignity, freedom, equality and solidarity. By uniting, we have all decided to share those values.

Ladies and gentlemen, declarations of good intentions are not much use, if they are not followed up with strong actions. That is why it was necessary to act, to act practically, so that intolerance, in all its forms, should no longer poison our continent. Harmonisation of the legislation of Member States in relation to offences of a racist nature was vital. Henceforth, every Member State will have to make it an imprisonable offence to publicly justify, deny or crudely trivialise crimes of genocide, crimes against humanity and war crimes, and I am satisfied about that.

Nonetheless, I will not hide from you that my satisfaction is not absolute: yes, the adoption of this text sends a strong signal, especially in this European Year of Equal Opportunities, but I am afraid that its added value may be minimal. In fact derogations are anticipated and flexibility accepted. Therefore, behaviour will be penalised only if it could incite to violence or hatred towards a group of people. How, then, is it tolerable for a revisionist to be able to express his views in some European countries in the name of freedom of expression? Freedom of expression stops when the rights of others are flouted. I completely understand that there are different cultural and legal traditions in our Member States, but the fight against racism must not be the subject of any compromise. Tolerating certain expressions of hatred is, in actual fact, accepting them.

Ladies and gentlemen, as elected representatives, we shall have to be clear and condemn forcibly these acts of violence. We must remain vigilant because our fight in defence of human rights and for respect for the Charter of Fundamental Rights is far from over. I ask you, tomorrow, to vote very broadly in favour of this text. This battle is ours. It is an honour to our European democracies and an honour to our Parliament.

Emine Bozkurt, *on behalf of the PSE Group*. – (NL) Mr President, I am not only indebted to Mrs Roure for her report, it also receives my unqualified support. Racism is a persistent and growing problem in European societies. This is why more and better instruments are needed to address it, including at European level, should this prove necessary. As racism knows no boundaries, neither should measures to address it therefore.

Last year, my resolution on racism in football met with overwhelming support in this House, and I hope that this will also be the case for Mrs Roure's report tomorrow.

In the resolution on football, we called for a tougher approach, but a European stand on racism should not confine itself to football alone. Europe must promote the safeguarding of equal treatment for all its citizens. This is why proper education is needed, as is Europe's active commitment in favour of social inclusion in a bid to isolate those advocating racism and xenophobia and to strive towards a tolerant and diverse society.

I am pleased that hate crimes are being highlighted in particular in Mrs Roure's report. I also endorse the appeal not to introduce a hierarchy among the different grounds for discrimination. All forms of discrimination, including Islamophobia therefore, should be addressed in the same tough way.

The report mentions 9 million victims of racism and xenophobia. This is probably an accurate figure, but as I see it, 494 million citizens are the victims of racism, because if racism goes unpunished, then this has a damaging effect on society as a whole. Europe is there for everyone, and we should, above all, keep it this way.

Sophia in 't Veld, *on behalf of the ALDE Group*. – Mr President, first of all I would like to pay my compliments to Martine Roure, who has once again done a great job. I would also like to commend the

German Presidency for having secured this deal, but again I note with deep regret that the Council is absent during this important debate.

However, I am very happy that this legal instrument has finally been adopted. It is long awaited and very welcome, but now much depends on whether and how it will be used in practice, because a legal instrument making hate crimes a criminal offence is only the last resort. A legal instrument will not eliminate racism. Only our own attitude and our own mentality can do that, and we need much more than just this framework decision.

We need to promote equality, respect and tolerance, and that should be more than just words. Each of us has a responsibility in Europe. Legislation is not enough and we should lead by example. I very much concur with Mr Gaubert, who made reference to statements by people in public. That does not just apply to the average citizen but, even more so, to prominent politicians and religious leaders – in short, opinion leaders. It is therefore regrettable that even prominent people in Europe have recently made statements that incite hatred and violence. They contribute to a climate of intolerance and hatred. I refer, for example, to the President of one of the Member States, who made very denigrating remarks about Roma people. It is unacceptable and I think that Parliament at least should speak out against such unacceptable statements.

I am also referring to a Member of this House, Mr Giertych, who issued an anti-Semitic leaflet. Fortunately we reacted very strongly to that. I am also thinking of Mr Wilders in my own country, who made the most outrageous remarks in a debate yesterday, to which nobody reacted. That is another problem: we allow these extremists to set the political agenda. Even the mainstream parties have adapted their language to the language spoken by extremists. So we should look very carefully at our own statements and our own behaviour.

Finally, I very much agree with the call for the legislation to be extended to cover other groups, because we all know that hatred and violence against homosexuals is rampant in Europe, even in my own country, unfortunately, as it is against women. Sometimes we tend to forget that, but there are many statements that somehow seem to make violence against women acceptable. The next step should be to create a legal instrument that condemns incitement to hatred and violence against all groups of society.

Jean Lambert, *on behalf of the Verts/ALE Group*. – Mr President, I would like to thank the rapporteur for her commitment on this ongoing dossier, which should have been on the statute books before now. As others have said, we also think that action is important.

Last year, we saw a rise in anti-Semitic and anti-Muslim hate crimes in many parts of the European Union, or at least those parts which record such crimes effectively. As others have said, it is the European Year of Equal Opportunities for All and many of our citizens, residents and visitors still face discrimination and hate crimes simply because of the colour of their skin, their beliefs or because they have committed the perceived crime of being foreign. The Director of Human Rights First stated that ‘victimising one member of a particular group threatens all members of that group and causes immeasurable harm to society at large’.

My group sees this framework decision as a complement to existing legislation, but we also want to see existing legislation fully implemented. We support the call to be reconsulted on this dossier, and we have some concerns, for example that provisions for mutual assistance between Member States have been removed, which may make it more difficult to combat cross-border racism. We know that there is significant international organisation, for example, among groups based on despicable concepts of racial supremacy.

We have co-signed the constructive amendments to this report. Other amendments represent to us part of the problem, but we look to the Council for constructive and forceful action in conjunction with Parliament.

Giusto Catania, *on behalf of the GUE/NGL Group*. – (IT) Mr President, ladies and gentlemen, I would like to thank Mrs Roure for her persistent work with the Council in putting together this framework decision. It has taken a long time, but we can say that we have at last reached an important milestone.

It is quite right that we should combat racism and xenophobia with legal instruments, but I think that above all we must implement widespread cultural action. I believe that this Parliament also has the

means to initiate an effective information campaign in Member States, to ensure that this framework decision can be organised into a great cultural battle of ideas.

I believe that it is necessary to fight against racism and xenophobia, because the data provided by the European Monitoring Centre are alarming. There are increasing reports of racist and xenophobic behaviour, and it is my belief that we must tackle those who frequently attempt to incite racial and religious hatred. This can be achieved primarily through the media, which are all too often used to communicate messages that are highly dangerous for society.

I believe that the initiative adopted by the Council, but above all the work carried out by Mrs Roure in this Parliament, will serve as an effective tool for the political efforts and for continuing this work. As Mr Frattini has said, we need to establish the limits within which there is a balance between freedom of expression and the fight against racism and xenophobia. I believe that this is vital and that we need to implement strong political measures and important cultural action.

Laima Liucija Andrikienė (PPE-DE). – *(LT)* Mr President, Commissioner, colleagues, in the Berlin Declaration adopted on 25 March this year it is stated: ‘European integration has shown that we have learned from our history full of bloody conflicts and suffering’. I believe this is so, and one proof thereof is the document we are considering today.

The basic resolution defines the following as crimes: fomenting hatred and violence, public endorsement of genocidal crimes, crimes against humanity and war crimes, and refusal to acknowledge these crimes or immense trivialisation of these crimes. The basic resolution limits itself to crimes perpetrated on the basis of race, skin colour, religion, ancestry, or national or ethnic origin. However, it does not deal with similar crimes committed for other reasons, such as hate and violence against certain people because of their political beliefs, or their affiliation with a certain social group, or the social situation of groups of individuals – for example, the crimes perpetrated by totalitarian régimes.

I think the time is coming for a supplementary document which could deal with fomenting hatred and violence, public endorsement of genocidal crimes, crimes against humanity and war crimes directed against groups of individuals defined by criteria other than race, skin colour, religion, ancestry, or national or ethnic origin, which I have already mentioned. Such a document might address, for example, social situation or political beliefs, refusal to acknowledge these crimes, or trivialisation of these crimes. Criminal responsibility could be laid down in these instances.

The European Commission's initiative in fostering public discussion at the European level of genocidal crimes, crimes against humanity, and war crimes perpetrated by totalitarian régimes and those who endorse them, grossly distort them or diminish them, is welcome and worthy of support. On the basis of these discussions, after two or three years it should be possible to submit another proposal concerning a fundamental resolution on these crimes.

Justas Vincas Paleckis (PSE). – *(LT)* Mr President, I congratulate the author of the report, Martine Roure, on her courage, and extra loud praise goes to Germany, which has proclaimed adoption of a resolution on the fight against racism and xenophobia to be a priority of its presidency.

The idea of the European Union is based on tolerance, trust and peaceful coexistence of nations. Unfortunately, in recent times the number of racist and xenophobic attacks is not diminishing; instead it is getting close to 10 million per annum. Racist, xenophobic and anti-Semitic elements are being used not just by extremist parties – even the apparently more stable mass-membership parties and their leaders do not shy away from them. Even in this Chamber and in some national parliaments it is not uncommon to hear speeches steeped in extreme nationalism and xenophobia.

I agree with the rapporteur that in a culture based on rights and freedoms, criminal law is the last resort to be used desirably as little as possible. However, it is inevitable that penal policy will have to be used to tighten up this area. I fully support Commissioner Frattini's opinion that a racist motive in a crime should mean an increased penalty for that crime.

No less a priority is education, likewise dialogue between different religions and cultures, and a measured and thoughtful look at the past. Even when people are feeling their most tolerant, if discussions start about whose tragedy is the greatest and whose pain hurts the most, this is the road to the trampling of tolerance and lack of trust in one another.

For the new countries of the European Union the issue of restoring historical justice is particularly sensitive. The time is coming for an attempt to reconcile the attitudes of old EU members and the new countries to the tragedies and painful events of the 20th century. This needs to be done without some parties feeling a monopoly on morality, able to force their opinion on other nations. The most important aim is not to exacerbate, but to heal wounds, to learn from history and to block the path for any rebirth of racism and xenophobia.

Sajjad Karim (ALDE). – Mr President, whether it is the increase of Islamophobia or the sharp rise in anti-Semitic attacks, intolerance in Europe is on the rise. It is long overdue and more important than ever for the EU to remain firm by adopting legislation to counteract these worrying phenomena. This text does not, in itself, constitute the concrete action needed to address the persistent problems of racism and xenophobia in Europe today. It could be stronger by using the International Convention on the elimination of all forms of racial discrimination as a benchmark.

Secondly, this legislation must reaffirm Europe's commitment to our core values of respect for diversity and intolerance of discrimination, a commitment that must amount to so much more than the sum of the political compromises of the Council's text. In the current political climate, where support for right-wing extremism across Europe has brought racism into the mainstream, moderates must use this legislation and the dialogue that will surround its implementation to take back ownership of the diversity debate. We must rebuild the bonds of trust between divided communities and we must ensure that feelings of alienation are replaced with a much-needed sense of security.

Carlos Coelho (PPE-DE). – *(PT)* Mr President, Mr Frattini, ladies and gentlemen, first, I am delighted to say that I share Mr Gaubert's kind words for Mrs Roure. She is an MEP to whose outstanding work we have become accustomed, and she has once again proved this and, as Mr Catania correctly pointed out, her tenacity.

Crimes of a racist nature continue to be a constant, persistent problem in all Member States. The first step must always be that of prevention. It is necessary to try to prevent racism and xenophobia by means of a policy of education as early as possible and by means of political and social discourse aimed at preventing the dissemination of hate and the promotion of xenophobia and racism.

The figures from the European Monitoring Centre on Racism and Xenophobia confront us with this reality in the EU. Whilst it is important to recognise, in legal terms, that the Member States have legal provisions at their disposal, it is also necessary to point out that there are major differences between these provisions, and that harmonisation needs to take place. This framework decision is therefore welcome insofar as it comprises a certain level of harmonisation of the Member States' criminal law and improved mutual assistance in combating racism and xenophobia.

With this initiative, Parliament has presented its recommendations and adopted its positions on an issue on which – let us not forget – it has been much more consistent than the Council.

Danutė Budreikaitė (ALDE). – *(LT)* Mr President, ladies and gentlemen, Nazism and communism are two banks of one river. Nazism has been studied in detail by academics and politicians; it is well known and condemned by the international community. Germany itself has contributed to this process, understanding and acknowledging its historical mistakes.

We know little about the other bank of the worst crimes of the past century – communism. It is hardly discussed; therefore, its crimes against humanity have not yet been acknowledged on a global scale. About 20 million people died during the Nazi period and the Holocaust; but 100 million people of various nationalities became the victims of communism.

I support the Council's basic resolution and the declaration adopted with the basic resolution, in which the Council condemns the crimes committed by totalitarian régimes.

I invite Member States to continue the work of exposing the crimes committed by communist régimes, assessing them appropriately and supplementing the basic resolution. I invite the European Parliament to initiate discussions about the crimes of communism and to make its own input by acknowledging communism to be a crime against humanity.

Marios Matsakis (ALDE). – Mr President, I should like to congratulate the rapporteur, Mrs Roure, for her excellent report on this important but, it seems, highly controversial subject. It is important since it is estimated that millions of people fall victim to racist crime each year. It is controversial since it

involves striking a balance between effective action to combat racism and xenophobia on one hand and respect for freedom of expression on the other.

In fact, the subject apparently seems to be so controversial that the text currently under discussion has been the product of several years of negotiations. This of course begs the question, was it strictly necessary that so much time was and still is spent before arriving at a suitable solution? Let us think of the millions of people who have suffered as a result of this serious time lag. Is the reason for this extreme delay purely technical politics, or even negligent indifference? Or is there some underlying attempt not to proceed speedily as some influential political forces are not so favourable to such action and are themselves bordering on being racist and xenophobic?

Perhaps the Commissioner can reassure that the latter is not the case at all and that my fears are utterly unfounded.

President. The debate is closed.

The vote will take place tomorrow.

Written statements (Rule 142 of the Rules of Procedure)

David Martin (PSE), in writing. – I have become increasingly concerned by the rise of racism and xenophobia across the EU, both in new Member States and established Member States. In a Union which has the free movement of people as a central pillar, this is doubtless an issue which requires Community action. Indeed, initiatives like the European Year of Equal Opportunities, which we are currently in, are key to spreading best practise in eradicating discrimination. It is important that these efforts are redoubled in order to counter the rise in Islamophobia, Anti-Semitism and discrimination against other minority groups, especially those from new Member States. We, as a House, and all of the European Union institutions and Member States must do our utmost to rid Europe of the scourge of racism and xenophobia, and make clear that it will not be tolerated.

19. Decision-making in the common European asylum system (debate)

President. The next item is the report by Hubert Pirker, on behalf of the Committee on Civil Liberties, Justice and Home Affairs, on asylum: practical cooperation: quality of decision-making in the common European asylum system (2006/2184(INI)) (A6-0182/2007).

Hubert Pirker (PPE-DE), rapporteur. – (DE) Mr President, Mr Vice-President of the Commission, the proposals we have drawn up in this report take us one step closer to a common European asylum system.

The report, which – I assume – will receive broad support from Parliament, represents a clear declaration of commitment by the European Parliament to a functioning European asylum system that aims to take speedy, fair, sure decisions in the interests of those concerned. It is based on closer cooperation between authorities, cooperation that should have the objectives of building and increasing trust between Member States, of speeding up decisions and thereby providing help more quickly than before to those with a genuine claim to asylum, and of enabling us to combat abuses of the system accordingly.

I have been able to highlight 10 core demands, and I should like to express my particular thanks to the shadow rapporteurs for their support and to the Commission for its excellent proposal, on which this discussion has been based. These 10 core demands are as follows.

The first concerns the establishment of uniform procedures so that speedy, sure decisions can be taken.

The second demand is for the introduction of a list of safe countries of origin, to enable a very clear decision, depending on the individual case, as to whether or not a claim is justified.

The third is the drawing-up of a joint database on the situation in countries of origin, so that all the competent civil servants in the various Member States have the same information at their disposal regarding this situation and thus are all in a position to take sure decisions on the basis of the same information source.

The fourth is that we need highly skilled civil servants to take the decisions. This is the rationale behind the proposal for the development of a European curriculum, so that qualifications are acquired according to the same standards in all Member States.

The fifth demand is that we help Member States who are under particular pressure from migration flows by temporarily – for as long as necessary – providing teams of experts comprising members from the various Member States, to enable the speedy completion of asylum procedures.

The sixth point is that we need to improve measures for the repatriation of persons, more particularly those who have not been granted refugee status or whose refugee status has been revoked.

The seventh point concerns prevention, and I have already mentioned it many times. We have to launch intensive information campaigns to inform potential migrants in countries of origin and transit of the risks inherent in illegal immigration and the consequences of denial of refugee status, and also inform them of legal means of entry into the European Union.

The eighth point concerns the European Support Office. The committee disagreed with the Commission proposal on this. I think it would be better to provide the Commission with more staff and funds than to set up yet another agency, as I believe this would be more efficient and economical.

The ninth point is that we must demand that Member States do indeed transpose the directives or regulations adopted at European level. In this regard, a ‘table of equivalences’ has been proposed – namely one in which Member States set out the measures with which they believe they have transposed the corresponding Community requirements.

The tenth and final point concerns the sharing out of the burden that is afforded by, for example, teams of experts providing support to enable faster completion of procedures in exceptional situations. Indirectly, the fact of having uniform procedures would also share out the burden to a certain degree, as it would avoid people heading in larger numbers for countries where procedures are lax or based on incorrect information. This should not be the case.

We have endeavoured to present a catalogue of points highlighting in specific terms how we believe that, in future, help can be provided quickly to genuine refugees to whom refugee status has been granted and, equally, it can be made clear to others that they cannot attain this status.

I should like to express my thanks for the cooperation and support I have received.

Franco Frattini, *Vice-President of the Commission*. Mr President, I should especially like to thank the rapporteur, Mr Pirker, for the report, which contains a series of very useful recommendations.

Many of these recommendations address the level of ambition that a truly comprehensive common European asylum system should have. Many of the concerns expressed by the European Parliament in this report are addressed in our Green Paper on the future of asylum policy, which I proposed on 6 June and which the Commission has adopted, and on which I intend to launch a broad European debate.

The ultimate objective pursued at European level is thus to establish a level playing field. Asylum seekers should have access to protection under equivalent conditions in all Member States – that is the first precondition. The goal pursued in the first stage was to harmonise Member States’ legal frameworks on the basis of common minimum standards, but the goal in the second stage should be to achieve both a higher standard and greater equality of protection across the EU, as well as greater solidarity between Member States.

It will be necessary to identify existing gaps and deficits and to pursue further legislative harmonisation while guaranteeing high standards. For example, models need to be explored for the design of a single procedure for assessing applications for refugee status and for subsidiary protection. It is also necessary to reflect on the need for fuller harmonisation and clarification of the European rules regarding the reception conditions granted to asylum seekers.

Reflection is also needed on whether the criteria for allocating responsibility currently applicable under the Dublin system should be complemented in order to take other factors into account, such as more equitable distribution between Member States on the basis of their capacity to process asylum applications and to offer long-term prospects to recognised refugees. This is a very important point, raised by a number of Member States, particularly by our Maltese friends, who stressed the importance of integrating the current Dublin regulation. I am studying this point. Based on the results of this wide debate and after

a public hearing to be held on 18 October with the full involvement of Parliament, I will issue a policy plan at the beginning of 2008. The policy plan will set out further measures to construct the comprehensive asylum system along with a timeframe for adoption. I am confident that with the due institutional framework which will fully involve the European Parliament in the legislative process – I refer to the codecision procedure – we will be able to match this high level of ambition.

On the specific issues addressed in Mr Pirker's report concerning practical cooperation, there is a need to enhance convergence of practice between Member States. Training is certainly one of the areas where practical cooperation is taking place. At the moment, the development of a common curriculum is under way. We will establish a first pilot European-wide portal on the exchange of country of origin information by the end of this year, in a few months' time. For the time being, this will only connect some of the existing databases and will be accessible to selected national authorities, but my services also intend to carry out a feasibility study on how to provide a better structural support to practical cooperation activities; the idea is to have a European support office.

It should be remembered that the European Refugee Fund can provide, through Community actions, financial support to Member States to implement projects, in cooperation with the United Nations, to improve the quality of their asylum systems. In the new World Programme for 2007, specific mention is made of this point.

The Commission has also proposed to amend the European Refugee Fund, precisely to provide rapid financial support to those Member States that face particular pressure because of sudden arrivals of migrants at their borders, some of whom are in need of international protection. In addition, the new budget line 'Preparatory action: Migration management – Solidarity in action', which is the name of the project, will be used to assist Member States faced with particular difficulties. We will fund it with a supplementary amount of money of about EUR 7 million.

Finally, of course, as the rapporteur has just said, one of our main political objectives is to make a clear distinction between economic migrants on the one hand and true refugees on the other. Thus, there will be credible European policies for the return of third-country nationals who are staying illegally, in full respect of their human rights and fundamental freedoms.

Bernadette Vergnaud (PSE), *rapporteur on behalf of the opinion of the Committee on Women's Rights and Gender Equality*. – (FR) Mr President, Commissioner, ladies and gentlemen, the European Parliament has always been committed to setting up a common asylum system by 2010. The report by Mr Pirker, whom I congratulate for his excellent work, points out the necessity of maintaining this objective.

The purpose of creating a common asylum policy must be the protection of the individual and not the reduction or externalisation of asylum applications. European policy must be based on the obligation to admit asylum seekers and the principle of non-refoulement, in accordance with the Geneva Convention. Working out a uniform status, improving the quality of decision-making, single European procedures on compilation and examination, common use of information on countries of origin, and improving cooperation between Member States will, I hope, allow people whose situation requires urgent protection to enter European territory in complete safety and to see their application examined as it should be.

Nonetheless, the need to improve cooperation in relation to information on countries of origin should not be limited to keeping a generalised list of third countries, as the reliability of such a list would be uncertain. On the contrary, assessment case by case on the basis of the rights of the individual needs to be introduced.

Europe must also share between the different Member States the burdens and responsibilities of its asylum and immigration policy by helping countries such as Malta, which are no longer capable of absorbing further influxes.

Furthermore, I pointed out with concern, as draftsman of the opinion of the Committee on Women's Rights and Gender Equality, the total absence of gender issues in the European Commission's communication. Aspects relating to women's rights as well as protection of minors are completely ignored. The same goes for the rights of homosexuals and transsexuals. I consider also that gender-based persecutions, that is marital and domestic violence, female genital mutilations, sexual abuse, crimes of honour, rape, forced marriages and crimes resulting from enforcement of Sharia law, must be legally considered as sufficient reason for granting asylum. The Commission must establish practical criteria for granting asylum or a special humanitarian status for women suffering violence of this kind.

I also highlighted the need to put in place special training for people authorised to admit asylum seekers, in particular women, children and older people, and to provide reception centres suitable for these people. I am delighted that the rapporteur has taken note of this, although I regret that his report devotes only one paragraph to these concerns relating to gender, which seem to me to be of vital importance – the more so because we can no longer ignore the lack of respect by most reception centres for the basic human rights of the individual. I realise, however, after listening to the Commissioner, that this is a subject he feels strongly about, for which I thank him, and so I have high hopes.

Carlos Coelho, on behalf of the PPE-DE Group. – (PT) Mr President, I should like to congratulate Mr Pirker and to say to him – although I am sure Mr Weber will do so with greater authority – that the Group of the European People's Party (Christian Democrats) and European Democrats will of course support his report, which is aimed at improving cooperation and the decision-making process in asylum policy. I wish to congratulate Mr Frattini on his speech and I must tell him that this is an issue that very much reflects the difficulty we are having in making decisions.

In an area without borders, an area of free movement, asylum is perhaps the clearest example of an area in which there needs to be harmonisation between the Member States and the creation of a common system. The point is that we are working towards 2010 and, if all goes according to plan, we should have a common asylum system up and running by then. I am aware that this is a tricky issue on which a lowest common denominator, 'race to the bottom', strategy has been adopted, which leaves the way open for differences between Member States and for the continuation of so-called 'asylum shopping'.

I should like to raise three brief points on issues that I feel are essential. Firstly, I feel it is necessary to create a single EU-wide procedure to ensure that decisions are taken quickly and are duly substantiated and fair. Secondly, I wish to echo the view expressed by Mr Frattini, that the quality of decisions depends on the quality of information. It is therefore necessary to deliver the best possible procedure in terms of gathering and exchanging information. Lastly, I feel it is necessary to strengthen cooperation between the Member States, which also means addressing the issue of solidarity and burden-sharing.

Claude Moraes, on behalf of the PSE Group. – Mr President, I would like to welcome this report because over recent months we have clearly seen a fall in the overall number of asylum-seekers coming to the European Union from the key asylum-producing countries. But that number is of course now increasing, partly as a result of Iraq, and the number of people coming to the European Union because of extreme poverty – the people that we see coming to Malta, Lampedusa and so on – is a huge issue for this House and for the European Union.

Because of this, any report which moves towards a better procedure and a better common policy on asylum is welcome. The compromises which we have had in this report are very welcome and the cooperation from the rapporteur, Mr Pirker, is very welcome also.

What are we trying to achieve in this report? In referring directly to what Mr Pirker has listed, and to Mr Frattini's speech, we believe that the single procedure is extremely important. Decision-making with one operation for the assessment of applications granting refugee status and granting access to subsidiary protection is extremely important. This kind of efficiency in asylum decision-making is vital.

We also believe that the quality of asylum decision-making is extremely poor across the European Union. To increase the quality of asylum decisions – and I speak from my own experience as a lawyer having dealt with asylum applications – is vital. We know that, in creating this quality of asylum decision-making, we need open systems with information that can be genuinely assessed: sophisticated information, information which can be cross-referenced. What we probably do not want to see are databases which are, perhaps, for officials only, but ones that can be examined by outside experts. Many Member States currently have this quality of decision-making, and it is extremely important.

In terms of the role of the Commission, we also want to see the door kept open to a European agency, because we want to see the Commission's role being full and resourced. We cannot have it both ways; we cannot have a role for the Commission in the issue of asylum for the European Union and, on the other hand, not pay for it and resource it.

Finally, there will be differences between our parties on the common safe list, but the compromises we have sought to create, I think, are worthy of support in this House. On Dublin II, we know that there are imperfections in burden sharing, one of the most vital issues in this report, and on the issue of asylum in the European Union. We need to strive towards making Dublin II and burden sharing a reality. If this

report can move us towards a better common asylum system, then it is worthy of support in this House, and we in the Socialist Group will be supporting this report fully.

Mario Borghezio, on behalf of the UEN Group. – (IT) Mr President, ladies and gentlemen, I believe that the rapporteur's intent is commendable; he has put together an excellent report aimed at rationalising asylum practices and making them more efficient.

Nonetheless, we must continue to work along these lines, not least to correct the legal and practical interpretation of this institution, which, precisely because it is so crucial from a humanitarian point of view, must not be subject to abuse or be confused with other areas and other concerns such as economic migration, which have nothing to do with the inalienable principle of the right of asylum.

Furthermore, for reasons of decency, we cannot allow an institution of such importance to be used by criminal organisations, as was shown recently by the highly significant findings of an investigation carried out by our police in Italy, which routed an extremely dangerous gang active in various criminal sectors and using the very asylum system itself to recruit people to carry out crime. I am sure that the Commission is deeply concerned about these problems, which we must never tire of highlighting, in order to protect this institution that is so important.

I would also like to point out the need to create reception areas for asylum seekers in safe third countries outside of the European Union, since *Dum Bruxelles o Strasburgo consulitur, Saguntum expugnatur* [while Brussels or Strasbourg talk, Saguntum falls], in the sense that the landings continue, the assault by criminal organisations continues and, above all, this tragedy of trafficking in human flesh continues, the consequences of which we are all aware of.

We must also be on full alert to ensure that asylum is not granted to members of fundamentalist Islamist organisations. This does in fact happen and it is often in this way that the threat of Al Qaeda and its presence in Europe increases.

I do not agree, however, that the European Court of Justice should be given greater powers on asylum, thus taking jurisdiction away from Member States. In particular, I would like to invite the Council to restore to the Court of Justice all of its powers on preliminary rulings.

Jean Lambert, on behalf of the Verts/ALE Group. – Mr President, I am not quite sure how we got from the subject of the need for high standards of protection to al-Qa'ida; I will try to concentrate on the report rather than what is not in it.

My group would also like to thank the rapporteur for his work on this report, even though, on some compromises, I think all of us could feel the eggshells cracking as we moved towards agreement.

As has already been said, the report covers a number of important points: the high standards we expect, the primacy of protection, the issue of raising the quality of decision-making, the availability of sound country information to all those involved in the process, effective staff training, the use of the quality initiative (recently seen in the UK, which certainly needed some help) and the involvement of the UNHCR. All these points are necessary, because the people making decisions are deciding on what are matters of life and death for many of the people they see.

We welcome the recognition of the need for a single procedure in all Member States and find it very interesting that we are talking about reviewing the role of the Court of Justice this week. This might be a good time to pass that point on to the Council.

We are also looking forward to the debate on Dublin II, although our group will support Amendment 17 on that. We agree that the Commission lacks sufficient resources to monitor effectively the implementation and quality of the common asylum policy. We hope that our political groups will take up that message when looking at the budget and decisions in that area.

We know that there is disagreement on the Support Office, but, like the Socialists, we would welcome the opportunity to hear the Commission to spell out its intentions in that regard in order to see whether we want to move ahead with that proposal.

We have tabled no amendments to this report, but we shall support the constructive amendments relating to the issue of safe third countries. However, there is no way that we can support some of the amendments.

Giusto Catania, *on behalf of the GUE/NGL Group*. – (IT) Mr President, ladies and gentlemen, today, 20 June, is World Refugee Day, which makes this debate particularly fitting.

There is however great hypocrisy in our debate, as just two days ago this Parliament decided to remove the issue of Iraqi refugees from the list of urgent matters. This is an extremely important issue, given that we are talking about over four million people fleeing an infamous and illegal war. We should in fact be discussing this matter and the difficulties that the European Union has in receiving these refugees, the majority of whom are received outside of the European Union, and considering how these refugees are often received in our territory. A European Parliament delegation recently visited Samo and noted that within the detention centre on that island – a horrifying place – there were Iraqi, Palestinian, Lebanese and Afghan asylum seekers, all people from war zones.

I therefore believe that we must think long and hard about the need to guarantee respect for the right of asylum, in order to prevent that which has unfortunately occurred frequently in Europe in recent years, namely mass expulsions and failure to honour the right of *non-refoulement*. We have witnessed too many symbolic cases; the fact is that over the last few years migratory pressure has increased and successful applications for asylum in Europe have decreased. I believe that this is indicative of a problem that we have within the European Union.

Johannes Blokland, *on behalf of the IND/DEM Group*. – (NL) Mr President, I could not agree more with the 10-point emergency plan by Mr Pirker, whom I should like to warmly congratulate on this. Last week, we were again shocked by the fact that people are drowning on their way to Europe. Eleven people drowned near Lampedusa. Today's Dutch newspaper, *Trouw*, features the harrowing account of Somali refugees who tried to reach Yemen under adverse conditions.

We should therefore try to set up a better asylum procedure and at the same time take measures to distinguish asylum seekers from illegal immigrants as a matter of relevant urgency.

Whilst achieving better asylum policy thanks to practical cooperation may sound like a very good idea, it is unrealistic. Practical cooperation is not enough. We also need the political will to take the necessary steps. When I read the Dutch newspapers about the Justice Ministers' meeting in Luxembourg on Tuesday of last week, I get the impression that this political will is absent, because the ongoing issues in the discussion are the real deployment of people and equipment.

While we cannot agree on the common Frontex deployment, a common admission policy for refugees from Iraq, for example, is unlikely. Without a common position on third country security, European official reports cannot be compiled, which is, after all, a precondition for moving harmonised asylum policy forward.

I anticipate major problems surrounding the implementation of the plan to compile a list of safe countries of origin. Which sources are reliable? Can the sources of information from countries that are unsafe be made public? After all, it is highly dangerous to collect evidence against regimes in the grip of a dictatorship.

This is a double-edged sword though. A list of safe countries includes countries with which we can forge trade relations, but if a country does not feature on the list of safe countries, refugees should be welcome. It is then necessary to suspend trade relations with unsafe countries in order to promote human rights. This is where big problems will arise. It is unlikely that former French or British colonies that are currently in the grip of a brutal regime will be excluded from relations with the European Union. I should like to hear from Commissioner Frattini how he will avert this problem.

In addition, harmonised asylum policy benefits from clarity. Mr Catania has tabled an amendment in which he pleads in favour of open reception centres for asylum seekers and other immigrants. In my country, asylum seekers stay in open asylum seeker centres. Illegals are brought to closed centres, with good reason. It strikes me as unwise to set up open reception camps on the Union's external borders. Support for asylum policy is bound to be undermined if people can move around freely without any valid documents. If the European Union seeks to formulate a charitable and fair asylum policy, there must be a political will to back this up. I call on the Council and Commission to display this will in a bid to prevent new victims.

Irena Belohorská (NI). – (SK) First of all, I too would like to express my thanks to the rapporteur for drafting the report on this serious topic. I welcome the strengthening of practical cooperation between

Member States in view of the need for solidarity in dealing with problems which Member States without internal borders cannot address effectively.

I concur with his view that decisions on granting refugee status should be taken more quickly, more fairly, and more predictably, which in itself is the ultimate objective of introducing a common European asylum system. As a rapporteur expressing an opinion on EU strategy in the area of children's rights, and specifically on the situation of children in developing countries, I deal with the issues of the children of refugees, children of immigrants without nationality and internally displaced children.

Many children of refugees and children seeking asylum are treated like adults, which leaves behind a lasting trauma. Children suffer in refugee camps, where they very often become victims of neglect, violence, abuse, intolerance and inadequate legal protection. Immigrants, refugees and displaced children account for 5% of all asylum seekers. This suggests that on their arrival in the country, such children should be assigned well-trained legal representatives who will be in a position to best represent their interests.

Simon Busuttil (PPE-DE). – Mr President, I want to congratulate Mr Pirker for his excellent report and I am also glad to hear that the Commission supports the call of my country, Malta, for a fairer share of responsibility, even with respect to the Dublin Regulation. In fact, any review of the Dublin Regulation must surely take into account the unintended effects of the current rules, whereby countries such as mine are being obliged to carry a disproportionate responsibility simply because they are border Member States.

To establish a fairer division of responsibility we need to ensure that solidarity is truly rendered meaningful. So far, it has to be said that in EU policymaking 'solidarity' has always meant granting financial assistance. Now this is no longer sufficient. We need to go beyond that. A true meaning of solidarity must also mean something beyond throwing money at the problem; beyond merely writing a cheque. It must also mean sharing the burden, sharing the responsibility. It must also mean opening up our borders to share with border Member States the responsibility of dealing with asylum seekers and others who make it often perilously, but alas illegally, to EU territory. So in reviewing Dublin, I agree with the report that we need a fairer share of the burden.

Finally, one issue regarding timing: we are discussing the establishment of a common asylum system by 2010. However, we all know that a common asylum system is not needed in 2010. It is urgently needed today. So we should ask ourselves, how many lives will be lost before 2010? How many things will go wrong before Member States rise above their national egotism and get there?

Inger Segelström (PSE). – *(SV)* Mr President, Commissioner Frattini, I wish to begin by thanking Mr Pirker for a constructive report. Following the discussions in the committee, the feeling is that we can support it.

Asylum policy is an area that EU citizens expect us to deal with together, because the problem concerned is a cross-border one. Here in plenary and in the committee we have often discussed the current situation in the Mediterranean, which we MEPs have still not succeeded in resolving. It is scandalous that people are still dying there every day. There are both immigrants and asylum seekers in the group I come from.

Since the start of the war in Iraq, my own country of Sweden has welcomed more refugees – approximately 10 000 – than any other country in the whole of the EU, and we are not even one of the larger EU countries. As Mr Pirker said, we must share the burden. I therefore believe that we cannot just make declarations and pledges that we do not fulfil. Instead, we must, as is proposed in the report, not only speed up our procedures for handling cases and make a considerable investment in exchanging and gathering information but also have the courage to say that we believe in an open Europe in the future. Human trafficking must be brought to an end. There must be an end to the trafficking of women and children led into prostitution and the sex industry. It must no longer be possible to provide the EU with cheap labour whenever employers need it, only then to send the workers back home when the jobs concerned have been completed. These are difficult issues, but we have an obligation to solve the problems if we are serious about introducing a common asylum procedure in 2010.

For me - coming as I do from Sweden, which has always been generous in welcoming refugees - it is still absolutely crucial for us to talk in terms of an inventory of third countries, but every refugee's case must still always be examined individually. Otherwise, many refugees will continue to be discriminated

against because they belong to a minority or because of their gender, background or sexual orientation or because they are fleeing a war where they perhaps belonged to the group that is not going to win.

I hope that this report means that we are now taking the next step and that all the EU countries and we MEPs will together assume responsibility not only for solving these urgent problems but also for finding long-term solutions.

Manfred Weber (PPE-DE). – *(DE)* Mr President, Commissioner, ladies and gentlemen, the right to asylum is universal, and that is why we need a European response – which, to some degree, we have already given. The Commission proposals are very good, and I should like to place on the record officially here that we can be very proud of our Commissioner for Justice and Home Affairs, who is doing a very good job. The proposals our rapporteur, my colleague Mr Pirker, has presented are excellent. Anyone managing to achieve support across the group divide for such a difficult issue has clearly done an excellent job, and I should like to thank the rapporteur for this.

Even though none of its representatives is present, I should like to thank the Council. This evening would not have been possible, and we could not have taken all these decisions, if we had not had an active German Council Presidency in recent months.

Therefore, I should simply like to say ‘thank you’. Judging by the lateness of the hour, the politicians working on home-affairs policy are the hard-working ones: we are still at work. Therefore, I should like to express my sincere thanks, and refrain from using up my full speaking time so that we can go home earlier.

Barbara Kudrycka (PPE-DE). – *(PL)* Mr President, it is very important, in terms of cooperation and improving the quality of decision-making process within the framework of the common asylum system, to create greater flexibility in the use of the European Refugee Fund. The rapporteur, whom I would like to thank for his excellent report, refers to this problem in a number of the points he raises.

Last year, we finished work on the legal basis for the forthcoming version of the Refugee Fund for the years 2008-2013. At the time, we already supported the additional proposal put forward by the Commission during the course of this work. The Commission suggested that we should change the existing operating principles of the Fund and aim its activities more at areas such as harmonising practical cooperation between the Member States, providing aid in the event of pressure resulting from a particularly large influx of immigrants, as well as intra-Union migration and regional protection programmes in third countries.

This meant increasing spending on Community action from 7% to 10%, making the procedures for providing financial aid to countries experiencing sudden mass influx of asylum seekers more flexible, and allocating specific amounts within the distribution chain. These sums vary from three to five thousand euros per person for intra-Union transfers and within the framework of regional protection programmes. Special financial incentives have been introduced to provide aid to those particularly affected, namely children, those in need of medical aid or women.

Therefore, the Commission and Member States need to make effective use of the Fund. We are waiting for guidelines, action plans and specific results in relation to the use of the Refugee Fund, which will significantly improve the situation of refugees in Europe. I would like to once again thank the rapporteur for his excellent report.

President. The debate is closed.

The vote will take place tomorrow.

20. Agenda for next sitting: see Minutes

21. Closure of sitting

(The sitting was closed at 11.25 p.m.)