

WEDNESDAY, 11 JULY 2007

IN THE CHAIR: MR POETTERING

President

1. Opening of the sitting

(The sitting was opened at 9.05 a.m.)

2. Texts of agreements forwarded by the Council: see Minutes

3. PNR Agreement with the United States (motions for resolutions tabled): see Minutes

4. Presentation of the programme of the Portuguese presidency (debate)

President. I am delighted to welcome the President-in-Office of the Council, the Portuguese Prime Minister, José Sócrates, to the European Parliament.

(Applause)

As always, it is also a pleasure to have the President of the Commission, José Manuel Durão Barroso, with us.

(Applause)

As you can tell from the names, this is a very special line-up. Portugal is at the centre of the European Union. It is a great pleasure to invite the President-in-Office of the European Council, Prime Minister José Sócrates, to take the floor.

José Sócrates, President-in-Office of the Council. (PT) Mr President – my dear Mr Poettering, my dear Mr Barroso, honourable Members, at the start of the half-year of the Portuguese Presidency, in the presence of the legitimate representatives of the citizens of Europe, I would like to reaffirm the main guiding principle of this Presidency: the construction of a stronger Europe for a better world.

To this end, we make a clear commitment: we will do everything possible to transcend the period of doubts and uncertainties as to the course the European project should follow. We should like to ask all Members here, in the seat of European democracy, to support us in that common objective.

It is well known that Portugal was not a founder Member State of the European Communities. However, when we restored democracy in our country, in 1974, after 48 years under an authoritarian regime, our principal objective was to join the European Communities, as they were known at the time. We achieved that objective in 1986. On assuming the Presidency of the Council of Ministers of the Union for the third time, I would like to reassure you of the Portuguese Government's determination and its commitment towards promoting and strengthening the values of peace, freedom, solidarity and prosperity that inspired the founder Members in 1957; those values which we, now 27 Member States and almost 500 million citizens, reaffirmed last March in Berlin.

I am confident, honourable Members, that this half-year will see us emerge from the deadlocks and obstructions that have been holding up the European project for too long. The example of the European project is motivating many peoples and countries in various parts of the world, who are the first to ask the European Union to play a more active role in world affairs, and they have difficulty in understanding our hesitations.

I have always considered, and continue to consider, the European project as one of the noblest and most vital political projects of our times. The construction of Europe is important for the European economy, for the promotion of European values and for European citizens. Yet the construction of Europe is an equally important factor in meeting global challenges, taking advantage of the opportunities of these

times of change and building a fairer, more stable and more developed world. It is not only the people of Europe who need a strong Europe; the world also needs a Europe with a proactive voice.

Mr President, honourable Members, I think you will agree with me that the success of a Presidency always depends on the clarity of its programme. Our priorities for the next six months are clearly defined: the reform of the Treaties, an agenda for modernising Europe's economies and societies and the strengthening of the role of Europe in the world.

The biggest challenge, of course, lies in pursuing the process of reforming the Treaties, on the basis of the mandate adopted at the last European Council. I have pleasure in commending to you the merits of the strategy and negotiations conducted by the German Chancellor, Angela Merkel, whom we have consistently supported throughout the last six months. I would also like to acknowledge with gratitude the clear positions adopted by Parliament in the Resolution it adopted on the basis of the Barón Crespo-Brok report, which led to an agreement which was reached between the Member States that preserved the core objectives of the Constitutional Treaty and which incorporated the signals given by the French and Dutch referendums.

The progress that was made at the last Europe Council was only possible as a result of the impetus it was given by the European Parliament, which has always maintained a strong, consistent and constructive position in that respect, and never resigned itself to the deadlock at the time.

The agreement reached at the 21 and 22 June European Council took the form of a clear and precise mandate, as Portugal has always considered necessary. We are now in a position to move forward.

I would like to make it clear to Parliament that there is one point on which I have no doubts. The decisive moment was in October 2006 when the Heads of State or Government of the three countries that made up the trio of Presidencies – Germany, Portugal and Slovenia – agreed to prioritise the resolution of the institutional impasse in their programme. At that time, in October 2006, there were few who believed that such an objective was possible. The fact is that that objective is now within our reach.

We therefore approach that task with confidence and should now complete it by transforming the mandate into a new Treaty. I know we are facing a difficult and demanding process of negotiation and reaching agreement. I am naturally prepared for the problems that always arise, especially in the final stages of negotiating processes. I know, however, that we can do it. One thing is clear to me: our mandate is not to change the mandate. Our mandate is to transform that mandate into a Treaty.

The mandate, furthermore, is clear. It is clear as to which parts of the previous Constitutional Treaty must be abandoned, as to what should be retained in the Reforming Treaty and as to what innovative new aspects should be added to the Treaty of Nice.

The best thing we can do, honourable Members, is to take advantage of the political momentum. We have to move quickly. This is why I decided to open the Intergovernmental Conference on 23 July, separately from the General Affairs and External Relations Council. On the same day, we will be distributing a draft Treaty drawn up on the basis of the detailed instructions in the mandate.

In the course of the same week we shall be holding meetings with legal experts to examine the text and identify any potential difficulties. The informal meeting of Foreign Ministers on 7 and 8 September will be used to take stock of how this is progressing. We intend to play an active role in ensuring that agreement on the Treaty can be reached during the informal European Council in Lisbon on 18 and 19 October. That is our objective and I think you will agree with me that this timetable is closest to the spirit and desire of all the European institutions and also the one that will best serve the interests of the Union.

I am relying on the European Parliament to achieve that objective. That, furthermore, is why I have argued that Parliament should have three representatives at the Intergovernmental Conference, and not two as on previous occasions, thus ensuring greater representation for this House.

For the same reason, moreover, I am also going to propose that, whenever the Intergovernmental Conference is attended by Heads of State or Government, Parliament be represented by its President.

I know I can rely on all the institutions to contribute. I am grateful to the European Commission and the Central European Bank for issuing their opinions promptly.

I am grateful to Parliament for its efforts in ensuring that its opinion could also be adopted today, thus fulfilling the necessary conditions to enable the Intergovernmental Conference to begin this month as well.

I know I can rely on the willingness and commitment of all the Member States. This is a moment of convergence when all the institutions come together so that a prompt decision on the Treaty can provide a clear sign of Europe's confidence and determination to make progress in its project.

Madam President, honourable Members, the reform of the Treaties is still only one of the tasks facing the Union in the next six months and I should like, if I may, to take a few minutes to talk to you about some other extremely important issues within the Union. Apart from institutional matters, the citizens of Europe are demanding answers to questions that directly relate to their everyday lives, in which they recognise that Europe must produce practical results that make a difference and help improve their living conditions. I believe no one is in any doubt that Europe must invest further in modernisation.

Just over seven years ago, António Guterres, then Prime Minister of Portugal, came to this House to present the Lisbon Strategy. Up to now, that Strategy has been the road map for the modernisation of the European economy and society.

I therefore have particular pleasure in telling you that the 'Lisbon Strategy' will once again be at the heart of our plans. The strategy defined in 2000 with a view to strengthening competitiveness and social cohesion, by investing in knowledge and innovation, is still the right way forward and still has the support of the main European political forces.

What we shall be doing is actively to contribute to a new round of the Lisbon agenda, which will be adopted in the spring of 2008 during the Slovenian Presidency. We shall prepare for that new round by maintaining the balance between the three components of that agenda, namely the economic, social and environmental components.

The review of the internal market will enable us to place the accent on the business competitiveness, on opening up the markets, on eliminating context costs, and on the role the cultural industries can play in terms of job creation, economic growth and innovation.

The next half-year will also be particularly relevant as regards political, energy and environmental options, and, on those matters, Europe can have only one objective: to continue to take the lead in environmental issues and, in particular, in the fight against climate change.

We shall therefore meet the objectives of promoting the debate on a technological plan of action for energy and the environment, and will emphasise the role of biofuels, particularly in the context of the report that emerged from the first summit meeting between the European Union and Brazil.

We wish to give the social dimension of the 'Lisbon Strategy' the visibility and relevance it deserves. Ten years after the launch of the 'European Employment Strategy', it seems essential to us to encourage a debate on the best ways of coordinating employment policies, with a view to boosting the creation of sustainable jobs in a context of global competition. This line of action pursued by the Portuguese Presidency will be closely linked with the training of human resources, the reconciliation of work and family life and the fight against poverty and exclusion.

The European social model, with its well-known diversity, requires us to reflect together on the sustainability of pension and retirement systems, and also to identify the reforms that are necessary in the labour markets and systems of protection against social risks. In that context, the aim of our debate on so-called 'flexicurity' should be to find integrated and balanced solutions, which should be reflected in general shared principles at European level that take account of the diverse social conditions in the various Member States.

Honourable Members, for the Portuguese Presidency, one of the basic core values of the European project lies in the interface between freedom and security. In that context, one of the Presidency's priorities will be to strengthen police and judicial cooperation in the fight against terrorism and crime.

Terrorism remains one of the greatest threats to international peace and security. Democracies are not afraid of terrorism and know how to stand firm in the face of that threat. If there is a good example of that firmness it was provided last week by the British Government, to which I should like to pass on a message of solidarity from all the countries in the Union.

The fight against terrorism must therefore remain a common objective for all the Member States, because only European cooperation will make it possible to prevent, protect ourselves against and combat terrorism.

The Portuguese Presidency will work to implement ongoing initiatives under the EU strategy against terrorism, the action plan to combat terrorism and the continued implementation of the strategy to prevent the radicalisation and recruitment of terrorists, which will be reviewed during the next six months.

We therefore consider it urgent to find a replacement for Mr De Vries and define the resources and the mandate that will enable his replacement to perform his or her duties effectively.

Honourable Members, history has taught us that there is no freedom without security. This is why the Union's security policy is also essential in order to preserve the open and tolerant nature of European societies.

It is therefore a source of pride for me to say that it was Portugal that suggested, and it was also a Portuguese company that designed SIS-ONE4ALL, the technological solution whereby the new Member States could become full members of the Schengen area and whereby borders with those countries are to disappear at the end of the Portuguese Presidency.

We shall thus fulfil one of the greatest wishes of those citizens: freedom of movement of persons in Union territory.

Honourable Members, I should also like to say a few words about immigration policy. We shall give special attention to this issue during our Presidency. Europe today is an area that welcomes millions of immigrants who live, work and bring up their children here, and whose contribution is essential to European economic growth.

We must therefore draw up a European immigration policy based on prevention of illegal immigration, but also one of including and integrating legal immigrants and of effective cooperation with their countries of origin, one that can regulate migratory flows to our mutual benefit.

Only a policy effective in both the country of origin and the country of destination, one that addresses both the causes and the effects, will be capable of dealing with the scale of the phenomenon in a manner compatible with our values and responsibilities.

Mr President, honourable Members, the current international situation is creating special responsibilities for the European Union and I should now like to speak to you about the European Union foreign policy agenda under the Portuguese Presidency. The citizens of Europe are unequivocal in their demand for us to take an active role on the international stage, based on the values of international law, mutual respect, dialogue and cooperation. Similarly the international community expects the Union to play a committed and consistent role in major international affairs.

In the second half of 2007, there are decisions on delicate world issues that cannot be put off – the future of Kosovo, the nuclear dossier on Iran, the humanitarian crisis in Darfur. There is to be a series of especially important bilateral summits, with India, China, Russia and Ukraine. Relations with the United States, in the context defined by the Washington Summit, which took place under the German Presidency, will be monitored as closely as one would expect of such strategically important relations.

In all cases, we will be equal to our responsibilities as holders of the Presidency, and will work closely with Javier Solana, High Representative for External Policy, and the European Commission.

I should like to draw your attention to three initiatives with which we are closely linked and which deserve special emphasis: the EU-Brazil Summit, which has already taken place, the EU-Africa Summit and Euro-Med meetings.

In this first week of the Presidency, we have already held the Summit with Brazil with the aim of moving relations to a higher level of mutual understanding and close cooperation, at all levels. This initiative is particularly dear to the Portuguese, as we share our language and much of our culture and history with Brazil. We are seeking to create the political conditions whereby, as is happening with other emerging economic powers, a formal relationship of mutual benefit to Europe and Brazil may be created, which will in turn help us achieve the kind of relations we should like to enjoy with Latin America as a whole.

Closer ties with Brazil will also bring practical results in terms of our response to global challenges. Last week's summit with President Lula has also made it possible to keep open a window of opportunity, which we must now make the most of in the Doha Round negotiations, and we shall do everything possible to support the European Commission in that context. I am among those who take the view that the Doha Round negotiations represent an important factor in regulating globalisation and that the conclusion of the negotiations will be highly positive. This should continue to be a priority for the European institutions.

The EUROMED ministerial meetings form part of a series of negotiations, including what are known as the Barcelona Process and the New Neighbourhood Policy. These meetings serve to highlight the importance we attach to reviving the crucial political debate with our partners to the south of the Mediterranean. We share common concerns and are facing challenges relating to development and social cohesion that emphasise the growing interdependence of the two sides of the Mediterranean, and we are convinced that we can help overcome certain obstacles in essential areas such as the management of migratory flows and the potential contribution of diasporas to their countries of origin, with the support and commitment of the European countries and the relevant international institutions.

Finally, we propose to hold a second EU-Africa Summit, having been behind the previous Summit in Cairo in 2000, which, as you will recall, took place under a Portuguese Presidency. Without overlooking certain difficulties that will have to be overcome, we are convinced that there is no justification for the fact that no meeting of this kind has been held at the highest level for more than seven years, when it comes to two continents with such close historical ties and that are so interdependent in today's world.

Portugal is in a particularly good position to take on this responsibility and is very much counting on the African Union and all European and African countries to ensure that this Summit offers a chance to revive dialogue and cooperation on matters of the greatest common interest. We shall therefore take on the task of defining a new strategic partnership between the European Union and Africa aimed at sustainable development, ensuring peace, fighting endemic diseases and maintaining a balanced partnership in the management of migratory flows, to our mutual benefit.

Mr President, honourable Members, this is our agenda, which I have briefly described to you. I am aware that we are holding the Presidency at a time when the international situation is extremely delicate and that we have been ambitious in the definition of our own objectives. We know that Presidencies on their own do not resolve all the problems that arise, but we also know that we can make a difference if we adopt clear objectives, if we are humble in the way we pursue them and if we demonstrate the will to reach the necessary consensus.

Many European philosophers define today's world with the prefix 'post' – post-democratic, post-modern or post-industrial – it is for them a 'post' world. All that this concept really means is that we are living in a world of change, accelerated change, and we do not yet fully understand what we see happening.

Amidst all these uncertainties and unknown factors, however, we believe one thing is certain: in a changing world the worst mistake is to stand still. That is a mistake that Europe must not make. Honourable Members, our firm proposal is to ensure that Europe does not stand still and to advance the European project in the cause of creating a better world.

(Applause)

President. Mr President-in-Office of the Council, thank you for the presentation of your programme. The applause shows how well it has been received here in the European Parliament. Above all, we would like to thank you for making it clear that the European Parliament will be represented at all levels of the Intergovernmental Conference. You personally have always supported that approach, which guarantees that the European Parliament will be able to give its approval to convening an Intergovernmental Conference. We in the European Parliament also have great expectations for our work with the Council General Secretariat.

I would now like to invite the President of the Commission, José Manuel Durão Barroso, to address the House.

José Manuel Barroso, President of the Commission. (PT) Mr President, Prime Minister, honourable Members, I should like first of all to extend a very special greeting to the Prime Minister of Portugal at the start of the Portuguese Presidency. The programme outlined for the Portuguese Presidency is

ambitious and demanding, and the Intergovernmental Conference will naturally occupy a prominent place, particularly until the European Council meeting in October, but the Portuguese Presidency involves more than the very important issue of the Treaty. Other tough assignments include foreign relations, with important summit meetings being held with many of our partners, the relaunched Lisbon Agenda for Growth and Employment, and innovation.

Yesterday the Commission adopted its opinion for the Intergovernmental Conference (IGC). As I have already stated in this House, the IGC about to begin will be of a very different kind from its predecessors. Thanks to the work that has already been done, to the efforts, in particular of the German Presidency, which I would also like to commend, and to the fact that we have been able to make such clear progress, we can say that the degree of detail in this mandate is unprecedented. Never has an IGC begun with such a precise mandate. In certain areas, in fact, that mandate adopts the wording of the 2004 IGC, while in others it uses highly-developed legal and technical language. As a result of that degree of precision, we can now say that the central question is no longer about its political substance, since that was essentially resolved when we met in the European Council, but rather about keeping faithfully to the content of the mandate.

We therefore need to be clear on this. I want to make the position of the Commission clear: we fully support the mandate and consider that the issue does not need to be discussed again. The crux of the matter, as Mr Sócrates has told us, is to transform the mandate into a Treaty. It is not to create a new mandate. That would be very much a backward step, and in my view, it would be inconceivable for us to go back on what has unanimously been agreed. It would be a sign of a serious lack of confidence if we were now to try to renegotiate a mandate to which everyone has agreed. It is impossible to build a strong Europe without confidence in the value of the commitments we have made.

It is also true that, from the Commission's point of view, the mandate is neither ideal nor perfect. On many points we would have been more ambitious. Nobody finds the mandate absolutely ideal, and that is how the European project works and has always worked. Since 1957, our integration project has always moved forward by means of political compromise and not with ideal solutions. That is once again how it will be. Nor should we forget that the agreement we reached at the European Council was hard won, based as it was on a delicate political compromise. Our responsibility is to maintain that compromise at the IGC, all the way to final ratification.

The Commission fully supports the Portuguese Presidency's intention to hold a short, condensed IGC. It will begin on 23 July and, if all goes well, and we shall do everything in our power to ensure that it does, it may be concluded at the informal European Council in October. The Commission does, however, reserve the right to express its opinion on positions and proposals of governments of Member States during the IGC and, in particular, we shall be vigilant to ensure that the mandate is duly fulfilled. We think it is our duty to do so.

Mr President, Prime Minister, honourable Members, as we have already mentioned, the Portuguese Presidency goes beyond this vital matter of the Treaty and I am pleased to note that the Prime Minister and President of the Council intends to give particular attention to the Lisbon Strategy. The Lisbon Strategy for Growth and Employment, which we collectively relaunched in 2005, is now producing some quite encouraging results. Unemployment in the European Union has fallen from 10% in the mid-nineties to 7% last June.

Our analyses prove that structural unemployment is also falling, which is fairly encouraging for Europe in the medium and long term. Our data also show that there has been a 50% increase in women's employment. These figures are most welcome in a Europe we want to make more competitive, fairer and more inclusive.

Economic growth has also reached its highest levels since 2000, in a context of the higher potential and growth of the European economy, which leads us to believe that the recent growth is structural and not merely cyclical. It is fair to say that this progress is largely due to the reforms inspired by the relaunched Lisbon Agenda for Growth and Employment. The fact is that, by giving the various governments of the Member States a common reform framework, Europe is facilitating, supporting and strengthening precisely that movement to reform which, admittedly at varying speeds and with different scopes, all European governments have been implementing in one way or another.

It is therefore appropriate to emphasise here that the much-maligned Lisbon Strategy is a crucial factor in the economic and social modernisation of Europe. The fact is, however, that there is no room for

complacency. There is still a lot to do to make the European economy more competitive and European society fairer. In particular, we must increase the contribution of innovation to economic growth. I know this is one of the priorities of the Portuguese Presidency and this is something I applaud. Innovation is the driving force behind the triumvirate of the Energy Technology Plan, the European Technology Institute and the first Innovation and Technology Community, which we intend to see specifically targeted at energy issues and the fight against climate change, and which we hope will be launched during the Portuguese Presidency. This is the clearest example that the relaunched Lisbon Strategy is seeking to connect the different aspects, such as this key central aspect of the fight against climate change and energy security. To achieve success in that area, we must do more in the field of innovation and that is why I am pleased to note that the Portuguese Presidency intends to include innovation as an essential topic at the December European Council. Education, scientific research and innovation are essential elements of the European society we want to build in response to the most pressing concerns and challenges posed by this new century.

To achieve the objectives we have set in the context of European energy and climate policy, we have prepared an ambitious and consistent strategy to ensure sustainability, security of supply and European competitiveness. It should be emphasised, however, that for the success of that strategy we must warmly applaud the conclusions of the March European Council, which mark a turning point in the history of energy and the fight against climate change.

In order to achieve results now we must step up our efforts in the areas of scientific research, technological development and innovation. The technological plan in the area of clean energy technologies is a cornerstone of that strategy. The creation of the European Institute of Technology, which is now so well received in the European Parliament, also constitutes an essential means of increasing European competitiveness by mobilising efforts on a European scale and better liaison between knowledge and innovation.

Mr President, Prime Minister, ladies and gentlemen, as the Commission states in the opinion we adopted yesterday, the reforming Treaty will reinforce the capacity for action of the Union in external relations, which is highly symbolic: two of the central pillars of the Portuguese Presidency are institutional reform and the Union's external relations. The active cooperation between the Presidency and the Commission in this latter field is obvious. Last week, Mr Sócrates and I myself went to the final session of the African Union Summit in Accra, and on the following day we attended the first EU-Brazil Summit.

With Brazil, our latest strategic partner, we share an ambitious agenda that includes energy, mainly biofuels, which we want to be sustainable, the fight against climate change, and trade relations. In the case of international trade, we have made a very strong appeal to President Lula to reach an agreement at the Doha negotiations. The Commission emphasises the commercial importance of Doha because trade drives economic growth and development. Trade has lifted millions out of poverty in Asia and it can go on doing so, not only in the Asian countries, but also in South America and Africa.

International trade must, however, be based on multilateral rules and institutions and the European Union has a vital role to play in the consolidation of international rules and governance. Doha is therefore an essential issue. It has to do not only with trade, although trade is important in itself; it has to do with our multilateral vision. We cannot actively support multilateralism and then defend unilateralism when it comes to trade. We also need to make progress on this matter because it is not only an agenda for trade, it is an agenda for social development, an agenda that can strengthen our links with developing countries.

In the case of Africa, the strategic partnership between Europe and Africa is also essential for international stability. The EU is the main source of financial, economic and technical aid for Africa. Europe is the major trading partner of the African continent, importing more than all the other G8 countries. From the beginning of its mandate, the Commission I have the honour of chairing has made relations with Africa one of its most urgent priorities. For example, the Commission has opened its first EU history college outside Europe in Addis Ababa, where we held a working meeting with the Commission of the African Union. Yet there is still much to be done in relations between Europeans and Africans. The imminent EU-Africa Summit, to be held under the Portuguese Presidency, is a unique opportunity to set an ambitious agenda, including practical issues such as energy, migration, the fight against climate change and, obviously, democracy and human rights. We have a duty to talk with our African partners about issues of democracy, human rights and governance. We have talked with the rest of the world, it would be incomprehensible for us not to talk with Africa. There are, admittedly, certain political and

diplomatic problems to be resolved, but those problems, the relevance of which we have to acknowledge, cannot and must not become obstacles to an essential strategic partnership for the future of globalisation. Africa and Europe must work together.

I have said more than once that the EU has a mission for the 21st century, namely the promotion of justice, freedom and solidarity throughout the world. The EU cannot and must not be a group of countries dedicated to looking inwards. It can and must be a force for reform and stability in the world, and for the defence of European interests and the promotion of European values. We are a community of values, particularly the values of freedom and solidarity. The African continent is undoubtedly a region that needs our support and commitment. The European Union cannot close its eyes to the drama that is being acted out so close to it.

Before I finish, I should like to wish the Portuguese Government every success and reaffirm the Commission's absolute willingness to work with the Presidency. I may say that I have total confidence in the ability of Portugal – a country that has proved its commitment to Europe – of the Portuguese Government and authorities, and of all the country's political forces to work for Europe. We share with the Portuguese Presidency the excellent slogan it has chosen for this period: a stronger Europe for a better world. Together we shall succeed in working to this end.

(Applause)

Joseph Daul, *on behalf of the PPE-DE Group.* – (FR) Mr President, Mr Sócrates, Mr Barroso, ladies and gentlemen, my group welcomes the Portuguese Presidency's ambitious motto: 'A stronger Union for a better world'. By making its will to build central to its mandate, the Portuguese Presidency is following the German Presidency's lead. And by capitalising on the dynamism of Mrs Merkel's achievements, you will show, Mr Sócrates, that a Presidency's success depends on its having a strong political will and a strategy of convergence on ambitious, but realistic, priorities.

Your success will also depend on your cooperating with this Parliament. Involve us very closely in your work and your decision-making.

As far as the Group of the European People's Party (Christian Democrats) and European Democrats is concerned, institutional reform, the security of our fellow citizens, the pursuit of the internal market and the consolidation of growth are the crucial aspects of your Presidency. The agreement reached on 21 and 22 June takes up the bulk of the advances contained in the previous text. If the Member States ratify it by spring 2009, Europe will finally be able to make effective, transparent and democratic decisions in areas such as security, growth, energy, climate change and demographics.

Going back on the commitments made would be to regard the European Union as a house of cards: one card fewer and the whole house collapses. As far as our group – and in particular Mr Brok who will represent it – are concerned, the Intergovernmental Conference must be devoted to the legal finalisation of the revised treaties and should be concluded, as you wish, Mr Sócrates, in time for the European Council in the autumn.

Mr Sócrates, while a stronger Union for a better world motivates your work, you cannot overlook the security of our fellow citizens, and you have spoken of this matter at length this morning. The terrorist acts in the United Kingdom and elsewhere in Europe and the breaking of the ceasefire by ETA worry us and call for Europe-wide anti-terrorist coordination. Mr Sócrates, I am aware of the Member States' reluctance to cooperate in this area. The 'every man for himself' principle must be eradicated; it is the security of the people of Europe that must prevail. Faced with international crime, terrorist cells, the complexity of the networks and the sophistication of the methods used, not least regarding migration, we are in danger of being caught up and we have a duty to act immediately. The vacancy of the post of EU anti-terrorist coordinator is unacceptable. Thank you for your commitment.

Mr Sócrates, let us show the same determination on the subject of our security as we do on climate change and energy. The victims of the terrorist attacks require us to stand united. Under your leadership, we expect more cohesion and the Member States to be more involved in an effective anti-terror coordination model.

With regard to the other priorities such as the pursuit of the internal market and the consolidation of growth, our fellow citizens will only adhere to the European ideal if they can see that our social model, the free movement not only of persons, goods and capital, but also of services, and the promotion of

education, training and innovation, are reflected in so many tangible improvements in their everyday lives.

Becoming the world's most advanced economic area means having political will and courage. Portugal dared to have the Lisbon Strategy. The opportunity has been given to it to provide the best 'after-sales' service. We value both the social and the economic dimension of European integration.

Mr Sócrates, we hope, like you do, that progress will be made with Africa on migration issues and that our links with Brazil and the emerging countries will be strengthened. Like you, too, we regard transatlantic relations as one of our priorities. Over the last few months our partnership has taken a big step forward in quality terms; it must now make progress. Firm positions in terms of respect for our values and ongoing dialogue must govern our neighbourhood relations with the Balkans, Ukraine, Belarus and, of course, Russia.

Mr Sócrates, the PPE-DE Group wishes you every success with this stronger Union for a better world that you so earnestly desire. We will support you when it comes to defending the values of peace and solidarity, courage and responsibility.

(Applause)

Martin Schulz, *on behalf of the PSE Group.* – (DE) Mr President, President-in-Office of the Council, almost exactly one year ago, on 1 July last year, there was an excellent football match that Portugal won in a penalty shootout after extra time. It was a remarkable game. The Portuguese kept their nerve and every penalty went in. The ball is now in position for our penalty shot. You have said everything there is to say about the Intergovernmental Conference. Now you need to get the ball in the net. From this morning's speech, I suspect that your nerves are as steely as those of the Portuguese football team. If you score this time, in October you will win the trophy.

(Applause)

We are realists, Prime Minister Sócrates: there is not as much in the mandate as we might have hoped, but we accept that no more could have been achieved in the negotiations. However, there is a good deal in the mandate. You need to make it clear to all participants in the Intergovernmental Conference that there can be no going back on what has been agreed.

I have a comment to make to my fellow Member, Joseph Daul, at this point. I have certainly noted that this is the position of the Group of the European People's Party (Christian Democrats) and European Democrats, and I hope that all sections of the PPE-DE Group, right through to the committee chairmen in your group, will take the same view.

(Applause)

The higher the committee, the less I am certain.

Mr President, ladies and gentlemen, what would happen if we went backwards? We would find ourselves in another crisis situation like the one we have just resolved. And if we are in a crisis, President-in-Office, then the laudable objectives you have just described would again be out of our reach. How can we really implement a cohesive Lisbon Strategy with a two-speed Europe? The two are mutually exclusive.

You are quite right: we need to breathe new life into the Lisbon Strategy. Three years ago, a decision was taken to revitalise the Lisbon Strategy. Three years down the line, we have not made much progress. It is good that you are saying as President-in-Office of the Council we are going to get our heads down and get things moving, speed things up. There are two main reasons for speeding things up, though: you are quite right to say that we want to focus on qualifications. If we want to become the most competitive knowledge-based continent, we need to focus on qualifications. What we want from the Lisbon Strategy, above all, is social stability.

If we have greater economic growth – which we do, there are more jobs, and the reforms are taking effect, in fact thanks to Gerhard Schröder's Government, they are already having an impact in my country – if we have more jobs, then there is one thing we need above all: for that growth to be sustainable and to bring sustainable social stability. Otherwise the Lisbon Strategy is worthless.

If, as you quite rightly said, President-in-Office, we are looking for a subject that forces us to act as a Community, and a Community of 27, and where there is massive popular support, then climate protection

is it. The Live Earth concert last weekend clearly showed us how enthusiastically young people will champion a cause. So let us harness that enthusiasm. These young people go to the concert, and when it is over, they ask: and what now?

Bono and Herbert Grönemeyer do not have the solution. They can champion a solution, but it is up to us to provide it through practical actions. If we offer that solution, though, if we actually implement the ambitious targets, then I am certain that the people of Europe will be behind us, and that is exactly what the European project needs.

When I talk about climate protection, Prime Minister, I am very grateful for your strategy on Africa and Latin America, because climate protection will only be feasible if we involve Africa and Latin America. In the case of Africa we need to recognise the bitter truth that the continent is most affected by global warming, despite making the least contribution to that global warming. This is a significant factor in the Africans' plight.

I am very grateful for your position on Latin America too: the European Union's transatlantic relations go far beyond our relationship with the United States of America. Above all, it is incumbent upon us to support Latin America in finding multilateral solutions to international conflicts, in United Nations reform, and in combating financial crises triggered by the financial markets. Which countries were most affected? Argentina, and also Brazil. It is vital that we in Europe work with the Latin Americans. My group will be running with and supporting this initiative in the autumn, and we are very grateful to you for organising the summit.

There are some people in this House who immediately get twitchy if there are two speakers in a row from the same country. Mr President, today we have seen a Portuguese President-in-Office of the Council from the left and a former President-in-Office from the right working together for Europe. I think that is worthy of note. Overcoming issues that divide us at home in order to work together for a Europe for everyone else, this sense of common ground, of setting aside our differences, is what defines the notion of Europe. That is exactly what we need to build a stronger Europe, because as you quite rightly said, not only Europe itself, but the whole world, needs a strong and united Europe. That can only be achieved by resolving our differences, and concentrating on what unites us. So I wish you all the best for your Presidency.

(Applause)

Graham Watson, *on behalf of the ALDE Group*. – Mr President, President-in-Office, the programme that you have presented combines clear goals with ample ambition. Success is not immanent, but Liberals and Democrats have high hopes of a European Union double act under the two Josés. Indeed, you appear to compete for the laurels of economic liberalism. As Britain's newspaper the Daily Mirror might say, 'It's the only way, José!'

Who, if not you two, could convince Europe's governments of the beauty of Lisbon and the importance of its agenda? Put the 'is on' back into 'Lisbon' – the need to consolidate public finances, the commitment to financial discipline and debt management, the drive to complete and strengthen the single market. Yes, even in the face of populist opposition in your own parties. It is not just in Asia that the free market has lifted millions out of poverty – it has done the same for 50 million people in the EU in the last 10 years alone. Most importantly, there is a need for sustainable economic recovery in Europe to be built on job creation rather than on rigging the rate of exchange to ratchet up export-driven growth. Therefore, my group particularly welcomes your initiative to open the discussion on flexicurity. We have to modernise social protection and benefit systems to face the challenges of a global market. Let us protect workers, not uncompetitive jobs. Our social safety net should protect not failing businesses but rather those in them, helping them to find new employment opportunities. The only European social model that matters to me is the one that preserves our prosperity by preparing our people for the future.

And, yes, if we talk about the future, let us not forget the fight against climate change. Let us look at how we can merge the Gothenburg and Lisbon Agendas and use innovation in green technologies to help us be more innovative, create more jobs and lead the world in setting the climate change agenda.

President-in-Office, you are right to place an emphasis on Africa – discovered, exploited and then abandoned by Europeans. The fact that you have called the first EU-Africa summit in seven years says it all. It has been the forgotten continent for far too long. Africa needs Europe, and Europe needs Africa if we are to deal successfully with migration, disease and climate change.

China offers money for natural resources and weapons for money. That is the road of 21st century economic colonialism and it is the wrong way forward for Africa. But Europe must avoid talk of the dimensions of empire. Let us learn from the past and forge a new and generous partnership.

In justice and home affairs, we appreciate the fact that your Presidency will focus on a series of measures strengthening the area of justice in the European Union. After the revealing comments by Germany's Interior Minister, Mr Schäuble, my group will be on the guard against the erosion of civil liberties that underpin our society.

(Applause)

We want to see the framework decision on procedural safeguards agreed in the Council as a necessary accompanying measure to the European arrest warrant. And we caution against a response to terrorism which changes the nature of our society by fettering the freedoms for which you fought in the Carnation Revolution.

Two weeks ago, this House applauded the Council for agreement on a mandate for the IGC, but last week we learned from some of your colleagues in the Council that they were hollow words. Well, that was rather an ephemeral victory. I believe I speak not only for my group but for many colleagues in this House when I urge that the package agreed at the June Summit should not be unravelled.

From a school on the Sagres peninsula, your country gained world repute as a nation of navigators. As President-in-Office, you will need those skills to navigate through the treacherous waters of Council negotiations.

We wish you good luck and fair winds. *Boa sorte!*

(Applause)

IN THE CHAIR: MR DOS SANTOS

Vice-President

Brian Crowley, *thar ceann an Ghrúpa UEN*. – A Uachtaráin, is í an aidhm is mó a bheidh ag an Uachtaránacht seo a chinntiú go sineoidh ceannairí an Aontais Eorpaigh Conradh nua an Aontais Eorpaigh níos déanaí sa bhliain. Tháinig na ceannairí ar shocrú ginearálta polaitíochta ag an gcuinniú mullaigh deireanach ach tá obair mhór fós le déanamh sula mbeidh an conradh cinntithe go hiomlán. Beidh an Phortaingéil i mbun cruinnithe mullaigh go hidirnáisiúnta leis an mBrasaíl, le ceannairí na hAfraice agus le rialtais Mheiriceá, na Síne agus na hIndia.

And in particular when we speak about Africa we have all seen the difficulties and the concerns that have been raised by many colleagues with regard to the attendance of certain people at that conference. Perhaps this could be an opportunity for us, instead of shouting 'no' from the sidelines, to encourage other African countries to cooperate with each other, to use the open method of coordination of what should be proper democratic controls and proper procedures for the rights of individuals and freedoms for individuals when we meet at this African summit.

Darfur is mentioned often but rarely given any real meat, and the African summit provides us with another opportunity to try to bring together the disparate parts and elements in the conflict to ensure we can find a clear way forward.

Concerning the reform treaty – as you rightly mention the mandate has been set for the IGC in very specific terms – in many ways, despite what other people may think, we should expand or change those terms. We are best to deal with what we have before us and what has been agreed by the 27 governments.

If I could sum up what the reform treaty should be about in one single phrase, the reform treaty is about giving us the freedom we seek, which is not the freedom to do whatever we wish, but rather, the freedom to achieve all that we desire. In particular, when we speak about that freedom, we must take into account our climate and in particular climate change. As I said in Lisbon, I welcome the fact that the Brazil Summit gave us an opportunity to bring forward the whole idea of renewable energies and look at ways of creating new world trade organisation and partnership with the developing world and, most importantly of all, to guarantee that our citizens have the rights and freedom to succeed in Europe.

Monica Frassoni, *on behalf of the Verts/ALE Group.* – (PT) Mr President, a stronger Europe for a better world.

(IT) Mr President, ladies and gentlemen, ‘*a stronger Union for a better world*’: my group and I like your slogan very much, and I believe that there are three things the Presidency should do to ensure that over the next six months we remember this stronger Europe.

With regard to the intergovernmental conference, you should not tolerate at all those who wish to back-pedal the agreements reached, but you should, meanwhile, find areas for possible improvements, such as in the field of climate change, and seek to promote and allow the opening up of the intergovernmental conference to the eyes of the European Parliament and to public debate. For us, these are the conditions for a successful reform of the Treaties. This reform will not be the last, because we are committed from now on in this House to reinitiating the battle for the European Constitution.

On the Lisbon Strategy, we believe that no progress will be made unless, over the next six months, you are able, together with the Commission and Parliament, to strengthen the climate change agenda, since this cannot be separated from the Lisbon agenda. Following the decisions taken during the German Presidency, the time has come to act, rejecting the attempts by many Member States to become swept up in wheeling and dealing, where each party has the aim of reducing its commitments to the minimum.

For this reason we would like to relaunch – and I urge you to take this into consideration – the idea of a Pact on climate change and energy security, based on the goal of restricting temperature increases to 2°C above the level of the pre-industrial era and on instruments that include mechanisms for imposing sanctions, exactly as in the Stability Pact. There must be three lines of action, on which we would like concrete results within six months and on which I would ask you to respond, right now, in this debate: the issue of energy saving; transport, which unbelievably remained outside the agreements reached in the spring but which is responsible for 30% of emissions; and renewable energies, on which unfortunately the Barroso Commission has still done nothing, especially with regard to the heating and cooling Directive.

The issue of renewable energies enables me, Mr President, to bring to your attention the issue of biofuel and relations with Brazil. We are worried: we do not like the mystical vision and miraculous significance given by President Lula to biofuel, as a new ‘green gold’; nor do we like at all the fact that the issues of deforestation, illegal importing of timber, food safety and the European contribution to the development of innovative technologies for renewable energies have been excluded from the agenda.

I would briefly like to make a similar observation on the issue of Africa. The fine words of Presidents Sócrates and Barroso have a specific and worrying implication, which I urge you to consider: the pressure exerted by the European Union on various African countries to make them sign the economic partnership agreement by the end of the year. The Commission is using money from the Development Fund to convince these countries, in many of which civil society is opposed to the agreement, because the total opening up of their markets would ultimately achieve nothing but a reduction and restriction in their ability to integrate into the international market.

I would have liked to say many other things to you, Mr President, but I am unable to do so. I hope that I will have other opportunities to do so.

(Applause)

Ilda Figueiredo, *on behalf of the GUE/NGL Group.* – (PT) Mr President, what we have just heard from the current President of the Council proves that this is going to be yet another wasted opportunity to put on the agenda some of the serious economic and social problems that need changes in policy and responses on the part of the Community institutions: for example, the unequal distribution of income, increased job insecurity and the poverty in which nearly 80 million people live, including increasing numbers of workers on low pay and fewer rights, old people with negligible pensions, and women and children being denied fundamental human rights.

Instead of attaching priority to changing the objectives and statutes of the Central European Bank so as to demand that it be subject to democratic control, to curb the rise in interest rates and to stop social injustice from getting any worse, he persists in his obsession with the main proposals contained in the neoliberal and militaristic draft Constitutional Treaty and greater concentration of the power of major EU powers. Instead of fighting for the withdrawal, or at least a radical revision, of the Stability and Growth Pact and the Lisbon Strategy, in order to kick-start investment in the public sector and SMEs,

to curb deregulation and the privatisation of fundamental sectors and public services with a view to creating more jobs with rights and reducing poverty and social exclusion, he places the emphasis on the sacred cow of competition to increase the power of the economic and financial groups. Instead of proposing measures to respect the dignity of working people, and to alleviate the increasingly insecure situation of millions of workers, particularly women and young people – as several thousand people demanded at the demonstration organised by the General Confederation of Portuguese Workers on 5 July in Guimarães – what we are seeing is an emphasis on flexisecurity, which more than anything else means flexi-exploitation of the workers.

That is why we stress the need for a sea change on the part of the EU, and why we say it is time to listen to the people's demands, to extend democracy and to commit ourselves to a fairer social Europe characterised by progress and a fairer distribution of income; it is time to uphold the principle of sovereign States with equal rights, to strengthen international cooperation and solidarity, to commit ourselves firmly to peace, whether in the Middle East, Palestine, Iraq, Afghanistan or Africa.

We reaffirm our objection to a so-called reforming draft Treaty, but which, in practice, is nothing more than a reproduction of the Constitutional Treaty by means of a major smokescreen designed to circumvent referendums and to reduce democracy and the opportunity for people and national institutions to make their voices heard, for fear of pluralistic debate and public opinion in our countries. That is why we want a referendum in every Member State, as public opinion in our States demands.

Patrick Louis, *on behalf of the IND/DEM Group*. – (FR) Mr President, ladies and gentlemen, a Polish newspaper recently published the following story: What was the first European referendum? Answer: when God, having created Eve, said to Adam: 'choose your wife'.

The image is apt. Today, far away from the Garden of Eden, the Portuguese Presidency has taken over from the German Presidency. The latter will have been marked by its trickery, with an attempt to impose on the people of France and of the Netherlands a barely disguised and pruned text that they rejected by referendum. This mini-treaty is nothing but the Constitution in disguise. Some years ago, Mr Padoa-Schioppa, the father of the euro, wrote a piece in a French journal, the gist of which was that European integration stems more from enlightened despotism than from democracy. We have a vivid illustration of this today with this gross manipulation. How can one say that the new text corresponds to the desire expressed by the people of France and of the Netherlands during the referendums if it is not submitted to another such test by referendum?

If I may, Mr President, I shall express a wish in this House at the dawn of the Portuguese Presidency: if we do not want the people of Europe to turn their backs once and for all on the political class, then the Portuguese Presidency must make a total break with its outdated methods and undertake immediately the one genuine European reform that the people expect: less technocracy, more democracy.

Bruno Gollnisch, *on behalf of the ITS Group*. – (FR) Mr President, may I take this opportunity once again to express our gratitude for the magnificent reception that yourself and your government reserved for the chairmen of the parliamentary groups very recently in Lisbon: it testifies to your will to work seriously with this Parliament.

We can only approve a number of your objectives, the ambition of which does not surprise us. They include that of helping to resolve the problems in Africa, problems that we must indeed admit have only worsened since the countries of Europe left, unlike what some people would have us believe. They also include an effort aimed at Latin America, and in particular Brazil, which is dear to your heart and which is close to you – all that is justifiable. As I have already had the opportunity to say to you, I believe that the only way that the European international policy that you hope to develop will have any legitimacy and transparency is if it distinguishes itself from that of the hegemonic superpower that the United States has now become.

I fear, Mr President, that my fellow Member, Mr Watson, and many others like him are confusing two things: on the one hand, the necessary restoration of economic freedoms within a nation or within an area of which the parameters are almost the same in social protection terms and, on the other, a form of unbridled free-marketism that is reflected in downright unfair competition founded on social dumping. The truth is that, in the beginning, an economy develops only within a protective framework, which is true for the major partners of the world market that, today, are Japan and China.

With regard, lastly, to the Intergovernmental Conference, you are going to have to apply a road map that has been proposed to you and that is a veritable manual with which to deceive the electorate. We are, in effect, keeping the substance of a constitution that, as has just been said, has been rejected, and changing the vocabulary. True, we are doing away with the words 'constitution', 'foreign affairs minister' and 'framework law', we are not mentioning the Charter in the text and we are merely publishing it in the Official Journal. However, we are keeping the extension of the Union's powers, majority voting and a single presidency, which would deprive us of your presence today, if it were in force. We are keeping everything to which the people did not subscribe and which they would most probably reject if they were properly informed.

Mr President, you are the representative of a nation that is small in size but so very glorious in terms of its immense history. Such glory was possible only thanks to the constant battle that Portugal has always fought – from its birth and throughout its history – to uphold its independence. I beg you: do not be a party to the disappearance of this most precious of assets of your nation and of all our nations – our national independence.

Gianni De Michelis (NI). – *(IT)* Mr President, ladies and gentlemen, Mr Sócrates, we welcome the presentation of the guidelines that Portugal intends to follow over the coming months: naturally, we agree with the priority placed on the Intergovernmental Conference and can only offer our best wishes for you to achieve the aim of fully and faithfully turning the mandate into a new treaty.

As you yourself said, the Presidency will have more commitments than just this one over the coming months. We welcome the list of priorities that you have set yourselves and understand the reasons why, in relation to some of these priorities – Lisbon, Africa, Brazil – Portugal will be especially committed. At the same time, we would like to emphasise the fact that, in order to turn your slogan into a reality and demonstrate that a stronger Europe can lead to a better world, we need not just good intentions but facts, which are not chosen by us but derive from the actual priorities of the circumstances in which we find ourselves.

On this point, I would like to draw your attention and that of your Presidency to the most urgent priority, which is set by a region close to us in the Mediterranean – the Middle East – on which Europe can and must do more. This region has not had much of a presence in the recent past but now that the dangers are becoming more acute and the opportunities greater as a result, Europe must demonstrate that it knows how to be stronger in order to contribute to a better world.

João de Deus Pinheiro (PPE-DE). – *(PT)* Mr President, Prime Minister, you will certainly have noted, as I have, the enormous groundswell of both expectation and sympathy you have aroused on all sides of this House, and there must be some reason for that. The reason is, of course, the firm and decisive manner in which you have rejected any interference with the decisions taken at the June meeting of the European Council. Continue along that line and you will certainly have even stronger support after the informal meeting of the September European Council.

You also mentioned the Lisbon Strategy and the need for a new cycle. We all agree with that. We must, however, bear in mind that one of the reasons for the breakdown of the first Lisbon Strategy was the cardinal sin of not having given the Commission the responsibility for steering that strategy, a task for which the intergovernmental model has proved inadequate.

In recent years, the President of the Commission – and he deserves great credit for this – has tried to make use of the fine detail to move the strategy forward. Nonetheless, the Council must accept that the Commission must be even more deeply involved with it in order to achieve the ambitious objectives you referred to, Prime Minister, in your speech.

As far as foreign relations are concerned, it has to be said that you have started off on the right foot. The Summit with Brazil was an unqualified success, as I can confirm from President Lula's comments at the Conference of Presidents in Brussels.

I would also like to tell you that neither in Africa nor in Europe should anyone be held to ransom by Robert Mugabe. Let us say so clearly. The summit must be for debate and must not concentrate on that sole or principal topic. There are many other issues to which you have referred, which must be the subject of our discussion and our dialogue and partnership with Africa.

Just one more point, Mr President. In the case of relations with Russia, you have had the courage to visit President Putin in an atmosphere you knew would be unfavourable to you. You should now try to persuade your colleagues that Russia needs to be involved in [addressing] international problems, for Russia needs to be part of the solution and not part of the problem.

Prime Minister, you have the support of this House, you certainly have the support of the Group of the European People's Party (Christian Democrats) and European Democrats for the ambitious programme you have presented. I am on your side, and wish you every success.

Edite Estrela (PSE). – (PT) Mr President, listening to the President of the Council and the President of the Commission I felt immensely proud to be Portuguese. This is a moment that will go down in the history of the European institutions.

It is the first time in this Parliament that European dialogue at the highest level has taken place in Portuguese. In the past, the Portuguese language travelled all round the world. It was, furthermore, the first European language to establish dialogue between East and West. Today Portuguese is spoken by more than 220 million people spread across the five continents. As the Portuguese poet António Ferreira once said, 'Let the Portuguese language flourish: may it be spoken, sung and heard, and long may it live'.

The Portuguese Presidency has just begun and it has already left an indelible mark. The first EU-Brazil Summit was a success. It was a matter of urgency to include the B of Brazil in the EU's strategic partnerships with the BRIC countries (of Brazil, Russia, India and China). This has now been done. Conditions have now been improved for Europe to give fresh impetus to relations with Mercosur and the Doha negotiations. The Portuguese Presidency, therefore, has got off to the best possible start. I would like it to have a similar success with its other priorities, including the adoption of the new Treaty and the second EU–Africa Summit. Dialogue with Africa is essential in the fight against illegal immigration and climate change.

With regard to the Treaty, the Council's mandate was, as the Prime Minister has told us, precise and clear: Nothing is open to debate. The substance has been agreed, all that is needed is the exact wording. My wish is that there should be no obstacles along the way. We do not want Europe to be paralysed by stumbling over a comma or colliding with a word. That would send the worst possible signal to the citizens of Europe and the world in general.

We Europeans need a strong, united Europe, capable of responding to the challenges of globalisation. A stronger Europe and a better world and, as Cardoso Pires might have said: *E agora, José?* (Over to you, José). Now it is time to get down to work. I wish you good luck, because a successful Portuguese Presidency will mean a successful Europe.

Annemie Neyts-Uyttebroeck (ALDE). – (NL) Mr President, Mr President-in-Office of the Council, Mr President of the Commission, I should like to congratulate Portugal on its Presidency and thank it for its pledge to work closely together with this House. You can rest assured, Mr President, that we will take you at your word.

We welcome your intention to organise an EU–Africa Summit and an EU–Brazil Summit. As far as the EU–Africa Summit is concerned, though, we should not leave people in any doubt as to the fact that EU sanctions during your Presidency cannot simply be academic. To put it bluntly: at a summit such as this, there is no room for leaders who have reduced their own people to a state of misery and famine and who persist in this. Whilst a clear-cut position such as this does not make it any easier for you, Mr President, this is the product of a system we introduced ourselves at the time. I wish you much luck for the Brazil Summit. Brazil is an important country, and a reinforcement of the ties between the EU and Latin and Central America is a welcome development.

I should also like to ask you a question. According to a brochure I read about your Presidency, it is the intention to make a contribution to disarmament and non-proliferation. I would appreciate it if you could expand on this a little.

Finally, I should like to mention an issue that has not been raised before. It is clear, Mr President, that, in the next six months, you too will need to face up to all the crises that may develop anywhere in the world. There is one which will undoubtedly be at the top of the agenda and which we will be debating

this afternoon, in fact: the crisis in the Middle East and Palestine. I hope that you too will be able to make a positive contribution in this matter.

Mirosław Mariusz Piotrowski (UEN). – *(PL)* Mr President, the priorities put forward by the President of the Council which started with the Portuguese presidency, are cause for great hope. It is particularly important to strengthen transatlantic relations, not only in the war on international terrorism, but also in the fields of economic relations and research.

The presidency has also made equally valuable declarations about helping to stabilise the Western Balkans, and about drawing up a strategy, in conjunction with African partners, for the continent's development. We would also happily adopt an outline for the EU membership prospects of Ukraine during the European Union – Ukraine summit.

Unfortunately the Portuguese presidency has also inherited the so-called 'new constitutional treaty'. Let us hope that this troublesome legacy will not obscure the ambitious aims the presidency has set for itself, which are of real importance for the future of Europe and the world.

IN THE CHAIR:MR POETTERING

President

Alyn Smith (Verts/ALE). – Mr President, coming from Scotland, a smaller Atlantic maritime nation, I warmly congratulate our Portuguese colleagues and thank Mr Sócrates for his enthusiasm, his realism and his ambition today. I only wish my own country, Scotland, could take its natural place as a constructive and enthusiastic partner Member State, but we are on our way, for we do have much in common. We want to see realism; we want to see dynamism; we want to see reform; we want to see progress; and, in the reform treaty, you have an opportunity to deliver for all of us.

My party decided, on balance, that we could not recommend the previous draft of the Constitution to our voters, but that is in the past, and we view your efforts with a fair heart and an open and constructive attitude. We wish you all the best. The EU is far from perfect but what is right with it is to be saved and is to be promoted. If you can build on the successes and sweep away what does not work – like this building, perhaps! – I hope to congratulate you in December also.

Miguel Portas (GUE/NGL). – *(PT)* Prime Minister Sócrates says he has received a clear and precise mandate. I agree. He knows that the governments of Spain or Luxembourg Governments will argue that the new Treaty is the same as the previous one and will require parliamentary ratification. He also knows that the governments of France and the Netherlands will say exactly the opposite ultimately to support the same idea, namely that there will be no referendum for anyone. I wonder why he says nothing. Are we to have six months of doublespeak, or will we see the political vision to include the people in the decision?

I am also puzzled as to why he says nothing about certain other things. Europe has no policy on Iraq; does Washington have to decide to call its boys home before we can have such a policy? Europe has two policies on the Iranian nuclear programme; will bombs have to fall in Iran before we see that such an escalation ought to have been prevented? Europe has an irresponsible policy in Palestine and Lebanon; in the one case, it has always supported its President without recognising governments, and in the other it supports the government and opposes the President. Does it all have to go wrong before we see that our role ought to be to encourage internal agreement? Last summer there was an unscheduled war. A year later, it is looming again. Mr Sócrates, we shall only prevent it if we want to do so.

Nigel Farage (IND/DEM). – Mr Sócrates, you are part of this great deception: the attempt to hoodwink the British, the French and the Dutch into accepting a treaty without a referendum. The other day you said that this treaty was less federalist. I ask you: less federalist than what? You really could not make some of this stuff up.

Fortunately, there are some voices in the EU who are honest and say that we have the substance of the Constitution and all we have done is to change the terminology. Others say that we have 90%, or 99%, of what was there in the first place.

Whether we are playing the game that you are playing or whether we are being honest, we all know the truth, which is that if the British had a referendum on this, 70% or perhaps more would say 'no'. I wonder whether it would not be better for everybody if the British just were not part of this European

Union. Why do we not just get a quickie divorce? We can do it very quickly; let us keep the lawyers out; let us have a free trade agreement; let us have a Swiss-style relationship. I think everybody would be a lot happier, most certainly we would be.

While we are at it, I simply cannot bear listening to you and Mr Barroso blathering on about Africa and what we have to do to help people there. A very good start would be for you to stop Mr Mugabe attending the summit in December: that would send a good message.

However, I will give you a real challenge, a positive thing that you could do. Yesterday Mr Barroso talked about the EU being an empire and, when it comes to Africa, my goodness me it is! I urge you to stop the fisheries deals with West Africa. Stop your own fleet. Stop the Spanish fleet plundering western African resources, killing African fishermen. If you do that in your six-month Presidency then you will have done something positive for Africa. Please act!

Irena Belohorská (NI). – (SK) Despite the fact that the Portuguese presidency is facing many challenges, the most serious one being the staging of an intergovernmental conference to negotiate the draft Constitutional Treaty, I am pleased to see that the Portuguese Presidency will also be dealing with other issues.

The main issue here concerns the strategies in sectors that are within the purview of national states, for example the health sector. This week, namely on 12 and 13 July, the minister of health will be holding a Round Table devoted to healthcare strategies in Europe, and I have the honour to be taking part in these round table discussions. The meeting will be addressing issues such as discrepancies between the healthcare systems of Member States, legislation in the area of healthcare services, the problem of the rising incidence of cancer in the European Union and the mobility of patients and health professionals. I appreciate the fact that the talks will also include the participation of representatives from Slovenia, which announced some time ago that the fight against cancer would be one of the major priorities of its presidency.

Prime Minister, I would like to wish you every success.

Timothy Kirkhope (PPE-DE). – Mr President, President-in-Office, President of the Commission, this Presidency is embarked upon at an important time for the European Union. I am delighted that my country and your country share the same patron saint, St George, who was well known for fighting dragons and dealing with difficult problems. I hope that this will be the case with this Presidency also. I am delighted that you are giving such emphasis to the issues of Africa. The plight of the continent and the fight against global poverty are matters which the British Conservative Party feels very strongly about.

However, I must also press you, I think, to ensure that the EU-Africa summit later this year takes place without the presence of Robert Mugabe. I and my colleagues, including Geoffrey Van Orden, have been underlining this matter for some time because I think it would be intolerable for our Union to welcome such a tyrant to Europe at a time when the suffering of his people is clear and should be uppermost in our minds.

As to the draft mandate for the IGC, it may be very precise but it is not necessarily right. We believe very strongly that, whatever form this constitution is shown to be in, there ought to be a referendum, certainly in the United Kingdom. And indeed we believe that the promise made by our outgoing – now former – Prime Minister, Mr Blair, to give the British people a referendum on this issue should be followed and taken on board by his successor, Gordon Brown.

We have other serious concerns. There are serious concerns about our continuing commitment to free competition, about the legal position of the so-called British opt-out of the Charter of Fundamental Rights and about the collapse of the third pillar, but I look forward to a positive debate during the IGC on these matters.

Finally, I want to refer to the resolution on the IGC today, which calls for the issue of Parliament's two seats to be included in the mandate. I believe this is the perfect opportunity to demonstrate that Europe is listening to the people. The continuing vast expense of shuffling between Brussels and Strasbourg undermines the standing of our Parliament and the matter must be resolved soon.

Enrique Barón Crespo (PSE). – *(PT)* Mr President, Mr Barroso, Mr President-in-Office of the Council, I support the programme of the Portuguese Presidency because, Mr President, if there is one thing worse than standing still, it is to go backwards.

(ES) We are currently undergoing a process of political realism. We are not entirely pleased with the mandate, but we feel that it shows political realism.

We in the European Parliament, and many citizens – the majority of them – wanted the Constitutional Treaty, but we accepted the idea of seeking a solution through a mandate that is very clear, but I do not believe there has ever been a mandate with so many footnotes. We must not forget that.

We are all aware of the skill that legal experts have when it comes to resolving problems. Certain issues are striking. For example, we are meeting here under the European flag. What are we going to do, Mr President. Are we going to take the flag down or is this meeting going to be considered illegal? This is an important point and there is something rather humiliating about it.

There is another significant problem, and that is how we are going to explain this to the citizens. We are going to have Treaties 1 500 pages long, like telephone directories. In other words, we must find a way to explain the things we are doing and in doing so we must defend the progress, the legal personality, the extension of qualified majority voting and codecision, the advances in foreign policy ...

We must explain all of this, but it is not going to be at all easy and – since the devil is in the detail – we must study the way the mandate is drawn up very carefully. I believe that the European Parliament and the national Parliaments and civil society are going to be watching closely.

Having said that, Mr President, I want to see a Lisbon Treaty emerge from the Portuguese Presidency. I want it to be a Treaty of reform and not of counter-reform.

Bronisław Geremek (ALDE). – *(PL)* Mr President, Mr President-in-Office of the Council, I have carefully listened to your speech today and carefully read the speech you made at the Assembly of the Republic in Lisbon. I see that you have set out a wide-ranging programme for the Portuguese presidency and I wish you every success. I would, however, like to give my personal interpretation of your programme, and ask three fundamental questions.

The first and most obvious one is the new constitutional treaty. The German presidency made some progress and managed to put together a difficult compromise. Each Member State may now feel that it has lost something in the negotiating process – that is the nature of compromise. But Europe has gained the chance to strengthen its unity. The mandate, which was unanimously approved, must be implemented, and no country, including my own, should be allowed to back away from its undertakings. The Portuguese presidency now has the difficult task of creating the consensus required to get the treaty approved. I would also appeal, as Barón Crespo has done, to try and put it in a form that would make it as clear as possible to the ordinary European citizen.

The second point is establishing a policy of European solidarity, such as the common European energy policy, which will prove that Europe has profoundly and irreversibly united since the historic year of 1989. Another example of solidarity policy is the historic idea of free movement of people within the European Union, meaning the full opening of the Schengen area to new Member States. Only a Europe without internal borders can be a truly united community.

And the third task is fulfilling Europe's undertakings towards the rest of the world. Portugal has pointed out the significance of Brazil, which has traditional ties with Europe as well as a vast development potential. However, the presidency's programme has also ensured renewed dialogue with Africa. This is an extremely important task, arising as it does from Europe's historical responsibility towards the continent with its unexploited natural resources, but which is currently racked by poverty, disease and ethnic violence.

These are the challenges of our times, which can and must galvanise the process of European integration.

Mario Borghezio (UEN). – *(IT)* Mr President, ladies and gentlemen, the Portuguese Presidency does well to devote itself to the dialogue with Africa, in which what is perhaps needed more is the presence, for instance, of an army of small and medium-sized European businesses, to give birth to and shape a healthy economy in those regions, rather than an invasion of Chinese or multinationals that are not always inspired by humanitarian aims. It is equally crucial, however, to exclude from that Summit a

leader such as Mr Mugabe, whom Europe should condemn not only for his initiatives and anti-humanitarian acts but also for his anti-white and anti-European racism, since racism should be condemned everywhere, not just in some places.

We are worried, though, by the attitude of Mr Manuel Lobo Antunes towards an extremely swift opening up with regard to the Turkey issue: it is not absolutely necessary to step up the pace, for many reasons, the main one being that there is still a risk of admitting to Europe a country in which sharia law is in force. These are very worrying questions, and include geopolitical issues: for example, Mr President, we do not want Europe to end up bordering Iraq, Iran and other countries of that type.

Jana Bobošíková (NI). – (CS) Mr President, the Portuguese presidency wishes to bring the European Treaty to completion and at the same time to address the challenges of global competition. I must point out that these are entirely incompatible and contradictory processes. It is clear from the new text that the Treaty seeks to preserve excessively costly and inefficient social systems. It is also clear from the text that the leaders of the EU Member States believe in a Bolshevik fantasy of stable prices and full employment. More to the point, the Union has again distanced itself somewhat from its founding principle of free economic competition without barriers, which has simply been expunged from the new Treaty.

Mr President, I must again point out that the rejection of free economic competition as the driving force of the European economy constitutes a serious warning for all democratically aware citizens. It is only a small step from trampling down freedoms in the area of business to trampling down fundamental human rights and freedoms. The main thrust of democratic politicians should now be to incorporate free economic competition back into the Treaty with immediate effect.

Elmar Brok (PPE-DE). – (DE) Mr President, President-in-Office of the Council, President of the Commission, ladies and gentlemen, let me make a few comments. Only a few, because I agree with what both the Commission President and the President-in-Office of the Council have said regarding the Intergovernmental Conference. The Intergovernmental Conference is tasked with doing as little as possible. Its role is to keep to the IGC mandate, not to develop new ideas. I can think of many things that should also be included in a Treaty of this type. I know that some elements that were in the Constitution are missing, but this is a historical moment in which what has been agreed has to be transformed into a legally-binding document. For this reason, we feel that we should support the Presidency in their clear commitment to the mandate in order to get the job done as soon as possible.

Whilst I think that symbols and many other elements – particularly transparency – have been lost, since the Convention, which also had input from national parliamentary representatives, we have had more democracy and greater efficiency. Efficiency has been improved through more majority voting, through the rules on foreign and security policy and a few other areas. There is still room for improvement, but this is better than the current situation.

Wherever majority voting applies, the European Parliament has the power of codecision. If this Treaty becomes reality, the European Parliament will have equal powers of codecision in 90-95% of cases.

Some things have been forgotten: in future, the European Council, on the basis of a qualified majority, will propose a candidate for election as Commission President to the European Parliament in the light of the results of the European election and after consultations with the European Parliament. This will increase citizens' rights, because, through the Parliament, citizens will have a direct line to the Commission thereby generating considerable legitimacy. This marks a significant step forward, and ties in with the Charter of Fundamental Rights. If we speak out for certain values worldwide, we also have to apply those values ourselves and make them legally binding. This is why a binding Charter of Fundamental Rights is so vital for citizens' rights. The only ones who have been cheated are the British citizens.

Klaus Hänsch (PSE). – (DE) Mr President, occasionally one hears that this Intergovernmental Conference will just be dealing with the technicalities of the Treaty. That is not true! You, President-in-Office, have shown that the political significance of the Intergovernmental Conference is that it will keep to the whole mandate and nothing but the mandate. The political significance lies in the clear determination to conclude the negotiations in October, and in seeking to convince all 27 Member States that this is the right way forward for Europe at this historic moment. I have no doubt that you will succeed, given the clarity of your programme and your firm political will.

The chairman of my group has said that you just need to get the ball in the net from the penalty spot. Martin, let us not forget, this is not a penalty shootout, but a penalty awarded mid-game! The game will

continue. There is still the whole second half, or the ratification process. Past experience has shown that a few problems may yet emerge. So I feel it would be good, President-in-Office, if you were to seek to convince your colleagues in the Council informally of the need for speedy ratification within the next twelve months. It would be good if the Netherlands and France, who voted 'no', could be the first to ratify. It would also be good, President-in-Office, if you could persuade the new British Prime Minister, Gordon Brown, not to bring up the rear in the ratification process, but rather to lead the way. That would send a clear message to the whole of Europe.

Simon Busuttil (PPE-DE). – *(MT)* Thank you, Mr President. Last week I had the opportunity to visit one of the four detention centres in Malta in the company of the Chairman of our group, Mr Daul. Currently, these detention centres are together providing shelter to more than 1 400 people, all of whom are immigrants who took great risks to cross the Mediterranean. In fact these people were saved from drowning by our Maltese maritime patrol team. I talked with one of the immigrants from Nigeria, supposedly a country with abundant natural resources. With tears in his eyes, this young 17 year-old kept insisting that he wanted to go to Europe. However, he claimed that even being held in detention was better than having to return to Nigeria. This illustrates the fact that our policy designed to promote development in the African continent has so far failed. It is this policy that can, in the long term, lead to a reduction in the influx of immigrants to Europe. However, this policy must also go hand in hand with other policies that require urgent and immediate attention if we are to step up the fight against illegal immigration, and, in particular, against the network of organised crime that is behind it and that is exploiting the misfortune of these people. We saw some of the boats used by immigrants to cross the Mediterranean. They are all the same size, have the same type of engine and are in a shocking and disgraceful state. They generally accommodate around 30 people, which is enough for these vessels to start taking in amounts of water large enough to sink them at the first sign of wind or sea swell. It is little wonder that, before departing from Libya, the immigrants are informed that their journey will take them to either Italy or Malta or lead to death by drowning. Each person pays \$1 000 for the crossing – a total of \$30 000, almost all of which is profit. Who knows, maybe this money is going towards the financing of terrorism. Thank you.

Martine Roure (PSE). – *(FR)* Mr President, Mr Sócrates, I welcome the fact that justice and internal affairs constitute one of the priorities of your Presidency. We do in fact share an overall and common view of immigration. True, we need to implement a genuine policy of cooperation with the countries of origin, which must be based on respect for fundamental rights, but it is also crucial that we open up legal immigration channels at European level, and we await a constructive debate with the Presidency on the definition of the common rights of non-EU nationals working legally in Europe.

It goes without saying that the statements of good intentions made by the European Councils on the subject of European solidarity in terms of border management and migratory flows must be followed up with concrete measures. That is why the Council must, as a matter of urgency, look into the necessary revision – and I would emphasise this point – of the Dublin II regulation. Furthermore, we are relying on the Portuguese Presidency to encourage the Council to reach an agreement on the 'return' Directive that respects the right of asylum and the principle of non-refoulement.

(Applause)

Luís Queiró (PPE-DE). – *(PT)* Mr President, the European Presidency that began a few days ago is facing challenges that call for negotiating ability, political will and strategic vision.

Firstly, there is the institutional issue. Now that the Intergovernmental Conference mandate – a precise one, as requested – has been adopted, we hope it will be possible for the Portuguese Government to negotiate a reform of the Treaties with the scope required to overcome the institutional deadlock. Among other amendments that stand out, the European Union is no longer rotating presidencies, such as yours, and one Commissioner per Member State. Once these national elements have been eliminated, in the name of efficiency, the greatest responsibility is to reduce the distance that has been created between citizens and the EU, and the best way of doing that is to build a Europe that produces results when it comes to its citizens' concerns, such as the economy and employment.

In this regard, we have recently been talking about 'flexicurity'. We believe that, without employment, there is no social model to support and that employment is protected by means of nimble, competitive firms that are constantly adjusting to the market. Making the employment system more flexible is not the only answer, nor is it the only way to achieve the economic sustainability that we advocate.

Europe will be successful if we have the political will to invest in the areas in which it has particular potential and, at the same time, in research, innovation and long-term vision. One such area is the new European Maritime Strategy to which the European Parliament will make a major contribution in today's vote. When it comes to the exploitation of resources, transport, trade, the environment, scientific research, in the section on protection against environmental disasters, and also against illegal practices and crime, what are needed are fresh, global responses. We expect the Portuguese Presidency to give that strategy a decisive boost at the appropriate moment.

On that subject, I would like to say one final thing. Concerns such as peace, security, the fight against terrorism, economic development in our neighbouring countries, the prevention of illegal immigration and energy supplies are all issues that will benefit from an approach that creates allies and includes partners in the South. There is, moreover, an increasing need for a new partnership for the Mediterranean and the Portuguese Presidency is in a good position to promote a revival of that strategic dialogue for the European Union.

Prime Minister, we wish you good luck and the greatest success in the next six months. We know that if it goes well for you, it will certainly go well for Europe.

Jan Marinus Wiersma (PSE). – Mr President, I wish to begin with an urgent matter. I have just received the news that in Libya the death penalty has just been confirmed on the Bulgarian nurses. I should like to make a direct appeal to Mr Sócrates to act on behalf of the European Union to ensure that there is a kind of grace or there is direct contact with Mr Gaddafi that this verdict should not be implemented.

(Applause)

We are very shocked that the courts in Libya have reconfirmed the death penalties for Europeans, who should be freed and allowed to go to their homes in Bulgaria. Prime Minister, I urge you to do whatever you can to make clear to the Libyan authorities the view of the European Parliament and the European Union in general.

I should like to hear your views on foreign issues: how you see further developments in relations with Russia; the preparation of a partnership and cooperation agreement; what steps you will be able to take to ensure that, in this second half of 2007, we will be able to develop a mandate to restart and start negotiations on the new partnership and cooperation agreement. It is very important to have these talks with the Russians on more transparent energy relations, on the problems in our shared neighbourhood, but also to be able to restart the human rights dialogue, the democracy debate between Russia and the European Union, but also to be able to further develop our multilateral agenda, whether it concerns Iran, the future of the United Nations system, Kyoto and so on.

Secondly, I should like to hear your comments on how you see the further developments concerning Kosovo, which is also related to our relations with Russia. We are pleased that there is now a period of three or four months that will allow for further talks, especially with the new government, which we support very much, given the important role of the democratic party in that government. What can you do to ensure that, in the end, there is a result that is acceptable – maybe not completely acceptable, but more acceptable – to Serbia, and which will have the support of Russia in the Security Council and will also keep the European Union united? Mr Ahtisaari's proposals should be a basis, but we should also have a situation in which there is a UN resolution as a basis for the operation of European Union in the future. We expect that Kosovo will define its status in the end.

(Applause)

President. Thank you, Jan Marinus Wiersma. With your consent, I will comment on the question of nurses later, once the plenary is full and before the vote.

Othmar Karas (PPE-DE). – *(DE)* Mr President, President-in-Office of the Council, ladies and gentlemen, we have been given our homework, and plan to send the right messages to Africa and Latin America. The Intergovernmental Conference needs to discuss the technical details and implementing the substance of the Treaty and the decisions made at the summit, not to negotiate a new Treaty.

Today you will have noticed that the problem is not the European Parliament, not the Commission, and not Europe's citizens. The only problem you may encounter is the vanity of some Heads of State or Government and Member States in the Council. So I say to you: make sure that under your Presidency everyone keeps to what has been agreed, that everyone keeps their promises, that they make good on

their financial commitments – I am thinking of Frontex – and that they take responsibility for doing at home what they promised at the European level: that they implement real projects and respect the rules, rather than presenting clever interpretations – particularly France. If you ensure that what has been agreed becomes reality, you will generate new momentum in the European Union and have fewer problems.

Bogusław Sonik (PPE-DE). – (PL) Mr President, each EU presidency brings with it new challenges, new aims, and new opportunities, but also new potential mistakes and setbacks. I carefully read the interviews the Portuguese premier gave to the press on the European Union's eastern policy, and what I read worried me deeply.

You said, and I quote, '*...when negotiating with Russia we should not just emphasise our differences, but also our similarities...*'. This is a surprising statement which may be interpreted as heralding a change in tone of the EU's eastern policy to a very acquiescent, and, I am not afraid to say it, appeasing tone.

The European Union must continue to steer the course of the German presidency, which is one of solidarity and unity. Only solidarity will allow us to act effectively in our relations with Russia. Any lack of consistency will only be interpreted as weakness by our eastern partner.

There are many issues that need to be addressed: the unresolved dispute about Polish food exports to Russia, and the need to conduct a policy of energy solidarity to prevent Moscow from putting pressure on individual Member States.

José Sócrates, President-in-Office of the Council. (PT) Madam President, honourable Members, I would like to begin by thanking you for all your comments in this debate, and your criticisms of my speech and of the Presidency's plans. I would like everyone to know that those comments and criticisms are very helpful to me in the tasks I have to perform as President of the Council. I think it is also fair to say that, from what I have heard overall, the MEPs' comments regarding the Union's tasks for the next six months largely coincide with the programme I have presented to you here. I am delighted to see that there is broad political consensus on what we have to do in the next six months. This is extremely important for Europe.

It has not been difficult, furthermore, to identify those priorities, because we are all aware of one very simple fact: what Europe expects – what the European economy, European society and the world expect – is that this time Europe will resolve its institutional crisis once and for all, because for the last two years the idea on which we have been reflecting was one that everyone has seen as an institutional crisis that Europe has been incapable of overcoming. The clear signal that we must send to the world and to Europeans is that we are going to succeed in overcoming that crisis and breaking that deadlock. That is why I am pleased to hear in all the Members' speeches the idea that concluding a Treaty at the earliest opportunity should naturally be our priority.

I do not know whether it will be a penalty, but the fact is that we need to score that goal, and as quickly as possible. I am also pleased that the Members support the Presidency's view that, to obtain a Treaty, it is also necessary to take advantage of the current political situation, the current political climate, the current political convergence, so as to transform the mandate into a Treaty as quickly as possible. I am therefore pleased to see that the timetable I have presented here, the idea that we must move quickly, also corresponds to a political consensus. There is no reason, furthermore, why we should not do so. That, as I say, is what the European economy expects, what the other European institutions expect and what the world expects: in other words, that we should move quickly.

The final consensus, the agreement, the mutual commitment we are reaching is such a clear and precise commitment that nobody expects us to get bogged down in interminable discussions, especially given that discussions are conducted behind closed doors. I am therefore pleased to see that there is general agreement on the idea that priority should be given to converting the mandate into a Treaty. I have naturally addressed the issue of the mandate and have stated that, if there is one thing the Presidency does not have, it is a mandate to reopen or alter the mandate it has received. This is of the greatest importance and also seems to me to be the core issue. No one expects that and I am sure all the Member States in attendance that night and that made a commitment to a firm agreement are fully aware of what that would mean in terms of discrediting the institutions and Europe itself. I am therefore certain that none of the Member States and no political leader advocate such a possibility, and that you will support

me when I say that our whole duty is to keep the mandate as it is and transform that mandate into a Treaty.

I would also like to state the obvious: that this Union depends on everyone, and everyone is necessary. I am well aware of the task facing the Presidency, which is to make it possible to reach an agreement between the 27; not the 26, the 25 or the 24, but the 27. That, furthermore, is what distinguishes a union from an alliance. We are not an alliance, we are a Union, and because we are a union we are all indispensable and must all be 'on board'. That is why I say that we will do our best to move as quickly as possible to obtain what we all desire, which is that in October, at the first opportunity, not the final opportunity, but the first opportunity, Europe should be capable of giving a clear signal to Europeans and the world that it has overcome its institutional crisis.

I would also like to say a few words on the ratification of the Treaty. Ratification at national level is a problem for the Member States, it is not a European problem. At this moment, having heard what I have heard, I would like to point out that nowhere in the world, in liberal democracies, is Parliamentary ratification considered illegitimate or incompatible with the best values of modern democracies. I believe that the attempt to devalue parliamentary ratification does no credit to representative democracy. I fully understand that there are those who advocate referendums and argue for direct democracy at certain times. I find that very positive and believe that referendums and more participative democracy make democracy richer. But never, never, in any circumstances, have I argued that such a more direct and participative democracy can be used against representative democracy. I consider that a bogus argument and would like to make that clear. Parliaments are legitimately empowered to approve treaties and to do so on behalf of the people. That is what the theory of democracy teaches us, and I have lived with those values for so long that I am not willing to relinquish them, particularly at this time.

A second point I would like to speak to you about, honourable Members, is external policy, which is set to be one of our priorities under this Presidency. It will be one of our priorities because it cannot be otherwise. If we look at EU foreign policy, it is easy to see that there are some gaps in it. We naturally want to fill those gaps. We have already filled one, namely that of Brazil.

The fact is that the EU has held summits with China, India and Russia but not with Brazil, the other BRIC country. This has not happened, but ought to happen, because such a summit lends consistency to our policies towards the emerging economic powers and attaches greater importance to relations between Europe and Latin America. Those strategic relations are also vitally important when dealing with questions of world governance. I feel that Europe is now in a better position to influence global political issues having entered into a strategic partnership with Brazil.

There is one thing of which I have no doubt. European foreign policy has become richer as a result of the agreement reached at the summit with Brazil. It remains to be seen, but I have high hopes that that summit may have helped create a better climate for dialogue between Europe and Brazil, which will in turn help the Doha Round and the negotiations for an agreement on world trade to continue. I have high hopes of that and I am among those who believe in the benefits of a successful Doha Round, and an agreement in that framework, for the whole world, for the regulation of globalisation and also for the promotion of greater freedom of trade and more development, particularly in the least developed countries.

A word about Africa as well, and what I want to say is that we need a specific policy on Africa, too. Europe has to decide whether it wants to move forward or stay as it is, and we have already been in the latter position for seven years. Something has to be done, and I would like to remind you all that we have already made that choice, at least nine months ago. The European Council has already decided to hold a Summit, and at the last three meetings it was declared that the summit should be held this year, during the Portuguese Presidency. The time for thinking about a summit, therefore, is over. Let us hold the summit.

I should like to say this about the EU-Africa Summit. For a start, I consider that Europe cannot go on paying the price for not having a structured, institutional and strategic dialogue with Africa. I think that is a mistake that is already costing us dear. We in Europe are paying the price, but the Africans are also paying the price, and there are people whose lives are the worse because we do not have that dialogue with Africa. If we in this Chamber think of human rights and hunger, we must also think that a great deal would be contributed by holding a summit with Africa, not only to resolve development problems and to provide a better response to the problems of hunger in Africa, but also to provide a better response to the problems of governance and human rights in African countries.

That is how I see this issue. Now, the surest way of contributing nothing towards resolving problems is to stay as we are: doing nothing. I consider that the wrong option. On the subject of Africa I would also like to tell you, honourable Members, of my sadness on hearing the news about the Bulgarian nurses, as previous speakers have mentioned. I should also like you to know that we have been monitoring that case for a long time. As you know, Portugal is one of the countries that has the best relations with the North African countries, including Libya, and we have been keeping a close eye on the matter. We have for a long time been talking to the Libyan authorities about it. We now have more responsibility during these six months and are well aware of the importance of the case. We are working on it, and indeed, I did so recently, in conjunction with the President of the Commission, when we were in Accra. We shall do everything possible to ensure that the case has a happy ending. There is still leave to appeal the decision. As I say, we are monitoring the case and hope you all appreciate the diplomatic delicacy of the matter. Our objective is to see that the case be brought to a satisfactory conclusion. As you will appreciate, political rhetoric is not always helpful, but you all know how committed we are to securing a satisfactory outcome to the case.

Two more comments. Firstly, with regard to climate change, I should just like to say that I have been Minister for the Environment, I have spent a term of office as Minister for the Environment, and I remember the difficulty we had at the time, in 2000, talking about climate change. That difficulty belongs to a different era. The situation is now totally different and I believe we have all realised that the operational synthesis between innovation and energy is climate change. There is a great desire in various sectors for action to be taken quickly, but I think, as you must all agree, that the decisions we took at the last spring European Council were absolutely essential to give Europe credibility in that field and to put Europe in a political position to lead, to be in the front line, to provide a political response to this global problem.

We are going to monitor this subject very closely. I myself – if I can fit it into my timetable, although I intend to do so – shall be in Bali, representing the EU, to give a speech expressing the Union's willingness to provide leadership for the post-Kyoto framework and for the world's response to climate change. I should like to make it clear, however, that we have an internal agenda to which we must adhere and that agenda includes the Technological Energy Plan, which we shall deal with in conjunction with the Commission, and the creation of the European Institute of Technology, which we firmly support and which will be launching its first Knowledge and Innovation Community (KIC) and that first initiative is rightly, and indeed symbolically, targeted at climate change.

Finally, a word on biofuels: there are no magic solutions, but biofuels are the most efficient way at the present time of reducing CO₂ in the field of transport. I have no doubts about this and if there is a way forward, an appropriate solution that contributes towards such reduction, I consider that we have no right to overlook it, if only because it naturally has a less than favourable impact on other areas. I consider that the balance-sheet on biofuels is highly positive and one that should encourage us to continue with them.

Finally, I turn to immigration. I want to make it clear that the subject of immigration will be one of the most important during our Presidency. We shall attach great importance to this issue. Europe needs to set out a clear way of thinking on immigration. I think the only way we can have an immigration policy commensurate with the problem and also compatible with our values is to define a policy constructed on three pillars. The first is to prevent illegal immigration, to strengthen border security, and fight this crime against human dignity. The second is to fight for an inclusive, human policy. Europe today is a continent that provides shelter for many millions of immigrants, who are also waiting for a definition of immigration. Thirdly, as a third pillar, we must have a policy that has been agreed with the countries of origin, to make it possible to regulate migratory flows to our mutual benefit. These are the three pillars that should form European policy, but they should be formulated in documentary form, and therefore, during the next six months, we shall be organising conferences and shall continue to work in conjunction with the Commission and Mr Frattini to make it possible to structure and publicise a consistent and comprehensive European Union immigration policy compatible with the response the problem demands.

Madam President, honourable Members, I should like to thank you once again for all your comments and wish to conclude as follows. We have our plan, we are embarking on these six months with confidence, with the energy and willingness of those political leaders who, throughout their political lives, have always believed in the European project. I have said several times before that I was born in 1957, the Year of Europe, and elected to Parliament a year after we came into Europe. I am a European

politician and, therefore, when I come here, I do so with the greatest honour as one who has this opportunity to serve Europe in such a place. We therefore start out with confidence, the confidence of someone who is thoroughly familiar with the European project. We have a plan, but a plan is only a plan. Naturally there will be unforeseen events, situations that were not in the plan, events that will take us by surprise, and it is just as well that politics is like that, because if it were not so it would not be a matter for politicians, inasmuch as politicians are there to deal with unforeseen situations. The plan guides us in our actions and, if unforeseen and unexpected events occur, we shall be here, armed with what is important for a politician: the set of values, principles and guidelines that have always guided us in the construction of a stronger Europe in the service of a better world.

President. – Thank you, Mr President.

President President-in-Office, we have confidence in you. The European Parliament will be at your side making sure you succeed. If you succeed, the European Union will succeed. We wish you all the best for the Presidency.

José Manuel Barroso, *President of the Commission.* (PT) Mr President, Prime Minister, honourable Members, I also should first of all like to take this opportunity to express our solidarity with the Bulgarian nurses and their families, and also with the Palestinian doctor, following the disturbing news we have received. We are extremely disappointed by these decisions, but I would also like to say that I am confident that a solution will be found. In particular, I would like to assure the Bulgarian nurses and their families that the European Commission, in conjunction with the President of the Council and the Member States, will do everything possible to safeguard their right to life and freedom.

Prime Minister, the debate has clearly demonstrated that Parliament supports the priorities of the Portuguese Presidency of the Council. As Mr Schulz said, a message of support for the European project has come from the various political and ideological areas. The European project cannot be seen as merely the property of one political or ideological sector or another. It should unite political forces that have that common objective of making a stronger Europe, a Europe that responds to the aspirations of its citizens. That is what we have seen here today. We very much agree with your analysis regarding the need to resolve the institutional issue. The fact is that the non-resolution of the institutional issue has cast a shadow of doubt, of scepticism, of negativity and at times even of cynicism, over everything Europe has done.

Europe has not been deadlocked. In recent years, and the cooperation between the various institutions has been important in this, we have succeeded in dealing with difficult issues, we have approved a budget for the next seven years, we have achieved a hard-won consensus on an issue as divisive as the service directive, at the March European Council, we succeeded in adopting the most ambitious package of measures so far presented concerning the fight against climate change, the relaunched Lisbon Strategy has borne fruit, thanks to a new system of governance. The fact is that at present Europe is, broadly speaking, enjoying a successful period; we have economic growth that gives us fresh cause for hope, we are creating more jobs now than our US partners and Eurobarometer results confirm that we have the highest level of confidence in Europe for eight years. Times are, therefore, better.

The fact is, however, that until the institutional issue is resolved, this doubt is always present and, particularly when we are outside Europe, we are confronted with questions to which we have to attach due prominence. We are asked how Europeans can want to lead the world in the fight against climate change, how Europeans can ensure energy security, how Europeans can want to transform their economy into one of the fairest, most inclusive and most competitive in the world, when they are incapable of deciding how their own institutions should function and how decisions should be taken.

This, therefore, is a matter of credibility. That is why it is absolutely essential that we resolve the institutional issue and the Prime Minister, the President-in-office of the Council, will leave here today, with, in my view, the very clear support of both Parliament and certainly the Commission, to find a solution in full compliance with the mandate and if possible a solution as early as the October European Council. That should be our objective and in that, Prime Minister, you have our total support.

Lastly, I would like to say that we have taken careful note of the priorities established at the December European Council: immigration and matters related to the new Agenda for Security, Justice and Freedom in Europe. One of the improvements we have made to the Treaty is to increase our capacity to take action on matters of justice, freedom and security. As previous speakers have mentioned, immigration issues are crucial from a human point of view – they are human dramas that we have to deal with. As

regards the Agenda for Innovation, the Prime Minister has just now taken the opportunity to lend his clear and unequivocal support to the creation of a European Institute of Technology, to the launch of the first Knowledge and Innovation Community, innovation precisely targeted at the issue of climate change, and anything we can do to give fresh impetus to the Agenda for Innovation. This is one of the issues in which Europe cannot afford to lag behind, or to give ground, not only in relation to our US partners but also in relation to other, emerging powers; Europe needs to make more determined efforts in this area. I feel that if we achieve these objectives we shall be entitled to be proud of ourselves.

Finally, with regard to Africa, a problem that has been discussed here, honourable Members, we cannot accept that our relations with a continent like the African continent should be dependent on one dictator or another, whoever it might be. The fact is that Europe has partnership relations at the highest level with Asia, where there are dictators, and with Latin America, where some countries are also not democracies. What is more, the red carpet is laid out for some of those dictators in certain European capitals. I therefore cannot understand why we are prevented from having high-level relations with Africa, whilst we keep the door open for those who are sometimes actually hampering Africa's democratic development, because we are in some way being held hostage by one dictator or another.

We therefore resolutely support this priority of the Portuguese Presidency, and it is certain that the objectives, or one of the objectives, of the summit should be to discuss democracy, freedom, human rights and the need to develop our relations for the benefit of good governance in Africa, and all areas of relations between our respective continents. If so, I think we can be happy with this Presidency because we are sure that, during these six months, we shall continue to advance towards a stronger Europe for a better world; a Europe where it is demonstrated in practice that only by working together can we produce results that are really in the interests of European citizens.

(Applause)

President. The debate on the Portuguese Presidency is closed.

Written statements (Article 142)

Alessandro Battilocchio (NI), in writing. – (IT) As well as the reform of the institutions, without which the European Union will not have the role that it should within the world, and the challenge to achieve competitiveness within the framework of the Lisbon Strategy, I hope that the Portuguese Presidency will be able to tackle vigorously that which, as I have already emphasised on various occasions, is the main stalemate that we need to overcome, namely energy independence and the fight against climate change.

Energy will represent at the same time the business and the problem of the future, as we can see also from the alarm over the imminent total consumption of non-renewable energy sources and the Kyoto protocol commitments. Only with proper independence from external suppliers will we be able to ensure that Europe has a leading role in the world economy in the long term, as well as a stronger position on the geopolitical stage, and is not subject to external threats. This is an essential condition when it comes to promoting stability, democracy and respect for human rights throughout the world. Let us therefore try to focus our attention, energies and resources on what we already have, which is nuclear power, and on what we can have, which is renewable energy sources, promoting research, cofinancing by the Member States and the private sector, action on tax, reform of the transport sector, and a call to European experts who have gone abroad through lack of opportunities.

Margie Sudre (PPE-DE), in writing. – (FR) The Portuguese Presidency must focus on the priority objective of the signing by the 27 of a new institutional treaty, in October, in Lisbon, all the more so because the mandate entrusted to the Intergovernmental Conference by the last European Council is clear and precise.

The launch of a new round of the Lisbon Strategy for growth and employment is an opportunity to give the social dimension the importance and visibility that it deserves, not least through the improved coordination of employment policies and through the development of 'flexicurity', with the aim of reconciling our fellow citizens with Europe and its reformed economic model.

I am sure that the Portuguese Presidency will pay special attention to the EU's outermost regions – the specific circumstances of which it is well aware – together with Madeira and the Azores, in order to

give fresh impetus to the Community measures benefiting them, not least those concerning the neighbourhood policy and the additional costs generated by the outermost regions.

It is imperative that the last Brussels summit has beneficial consequences and bears witness to the fact that Europe's renewed spirit is stronger than the national self-interests. I sincerely hope that the Portuguese Presidency succeeds in making the most of the major political boost observed at the end of the German Presidency.

5. Convening of the Intergovernmental Conference: opinion of the European Parliament (debate)

President. The next item is the report (A6-0279/2007) on behalf of the Committee on Constitutional Affairs by Jo Leinen on the convening of the Intergovernmental Conference: the European Parliament's opinion (Article 48 of the TEU)

(11222/2007 – C6-0206/2007 – 2007/0808(CNS)).

Manuel Lobo Antunes, *President-in-Office of the Council.* (PT) Mr President, honourable Members, two years have passed since the rejection of the Constitution in two Member States cast a shadow over the Union's activities. After a year of reflection, the German Presidency was given a mandate, in June 2006, to find a solution that would enable us to emerge from this deadlock and, on behalf of my colleagues, I should like to congratulate the German Presidency on obtaining a broad agreement at the European Council. I consider that we all have reason to be very particularly grateful to Chancellor Merkel for her personal commitment to getting that agreement voted through.

As previous speakers have said, the agreement reached at the European Council means that a new reforming Treaty will be drawn up, opening the way to a rapid Intergovernmental Conference with a view to enabling the new Treaty to enter into force in time for the elections to Parliament in 2009. I warmly commend it to all of you.

It is obvious that many of you will find parts of the agreement which you consider less than satisfactory. None of us can pretend that this is exactly the mandate we would have formulated if we had had total freedom to do so. From the outset, the German Presidency was confronted with the difficult task of reconciling very different opinions on how we should move forward. Those who had already ratified the Constitutions wished, understandably enough, to keep the existing text as close to its original form as possible, while others called for a fresh text as different as possible from the draft Constitutional Treaty. The text is, therefore, a compromise between these two positions. Everyone has now had a chance to assess the outcome and I therefore will not linger over the details. I am convinced that this is a balanced text and that it would not have been possible to reach a better agreement than this.

The agreement reached at the European Council confers on the Portuguese Presidency a mandate which, because it is all-encompassing and exhaustive in its detail, will enable the Intergovernmental Conference (IGC), charged with fully transforming the mandate into the text of a Treaty, to complete its work in as short a time as possible. Parliament will be fully involved in the work of the IGC and the Council has accepted a Portuguese proposal that Parliament should have three representatives at the Conference.

Knowing the commitment of this Chamber to ensuring that the Union will in future be able to act with the greatest efficiency and democratic legitimacy, I am delighted with that increased representation. Parliament has obviously been consulted throughout the process leading to the IGC. I know the MEPs' contribution was very much appreciated by the German Presidency, which took it fully into consideration when drawing up the mandate.

Mr President, honourable Members, the Council has invited Parliament to submit its opinion on the holding of an IGC and its debates in this House today are geared towards this opinion. I would encourage you to submit your opinion as quickly as possible so that work of the IGC can begin before the summer holidays. We are absolutely determined that it should do so. I hope you will agree with me when I say that this objective is in all our interests.

You will undoubtedly have some detailed observations to make and would like them to be taken into consideration at the IGC, but I hope that collectively you can give ample support to the mandate inherited

by this Presidency. This is the only way of ensuring that the work of the IGC is a success and the only way of helping the Union out of its current deadlock.

Margot Wallström, Vice-President of the Commission. Mr President, only a few months ago, not many observers were fully convinced that the European Council could successfully relaunch the treaty review process. Opinion across Europe was fragile and there were wide divergences of views but, thanks to the admirable determination of Chancellor Merkel and the German Presidency and through a real collective effort by Member States and our institutions, the European Council last month reached agreement on a clear and stringent mandate for a new IGC, and it is important that we today recognise this success.

Yesterday, the Commission adopted its opinion on the IGC and, today, you are discussing Parliament's opinion. This process will allow the Portuguese Presidency to launch the Intergovernmental Conference later this month, but it is not only on timing that our institutions walk side by side. We also do so more importantly on the substance.

The Commission shares the globally positive assessment of the IGC mandate which Mr Leinen's report provides. The mandate contains many positive elements which are to be welcomed. Like any compromise text, it is also a carefully crafted balance between different interests, between ambition and political realism, and this means that some of the changes agreed in the 2004 IGC were not retained. It is also the reason why a number of derogations were granted to individual Member States.

I shall set out four reasons why the Commission believes that this mandate will allow us in the IGC to provide the European Union with the sound institutional and political basis which we need to meet the expectations of our citizens and the challenges of our societies.

Firstly, the mandate will lay the ground for modern and more accountable institutions for the enlarged Union. We warmly welcome the provisions which will refresh and reinforce the European Union's democratic legitimacy, a stronger and wider role for the European Parliament, transparency of Council deliberations, more codecision, more decisions taken by qualified majority, a clearer division of competences.

National parliaments will have greater opportunity to be involved in the work of the European Union, while the role of the European institutions will be fully respected. We are also very pleased to see that the innovations of the constitutions on democratic participation, including the citizens' initiative, have been safeguarded.

Secondly, the Union will have a Charter of Fundamental Rights to protect the citizens, not just a declaratory text but one which will have legal force. Citizens will be able to claim before the courts the rights enshrined in the Charter. The Charter will be binding for the European institutions and for Member States when they implement EU law, even if this does not apply to all of them.

Thirdly, the Union will be able to speak with one single voice on the global scene and be better able to protect the European interest. If we really want to tackle globalisation and address common concerns on sustainable development, climate change, competitiveness and human rights in the world, the Union should use to the fullest its great potential to act collectively.

My fourth remark concerns the policy areas, because the mandate develops the Union's capacity to deliver swifter and more consistent decisions in the area of freedom, security and justice. Furthermore, it reinforces the legal basis to deal with the challenges of energy policy and climate change.

How can we assess these changes? In our view, the overall balance is positive: the disappearance of some elements, including some of a symbolic nature, as well as the changes that reduced the readability of the text, were necessary parts of a package agreement which could be subscribed to by all Member States. Without an effort to compromise from all those involved, success would not have been possible.

The European train is back on track, but we are not yet at the end of the journey and the citizens must be on board. The mandate is not yet the final product. To steer this new consensus to a successful IGC will require intensive efforts from the Portuguese Presidency, the Member States and our institutions. We particularly welcome the decision of the European Council to strengthen the involvement of the European Parliament in the IGC.

However, our collective negotiating efforts on their own will not be enough. We all – the Commission, the Member States and Parliament – should draw some lessons from the previous ratification process and from the listening phase of Plan D. I am glad to see that the European Council has recognised the importance of communicating with citizens, providing full and comprehensive information on the EU and involving them in a permanent dialogue. This should be even more important in view of the changes that have reduced the readability of the treaty text.

In the coming months, the Commission will present some ideas on how a debate around the reformed Treaty could be organised during the ratification period. We want to work closely with you in the European Parliament, all the Member States and other institutions. Together, we should use this window of opportunity; together, we should engage in this new process without any delay and with all our energy.

(Applause)

Jo Leinen (PSE), rapporteur. – *(DE)* Mr President, Prime Minister, Madam Vice-President, ladies and gentlemen, this debate in plenary began at 9 a.m. and is still going on. Perhaps it would have been better to link the debate on the Portuguese Presidency to comments on our opinion on the Intergovernmental Conference, since that Intergovernmental Conference is the centrepiece of the Portuguese Presidency and its success or failure will be determined by whether or not Lisbon produces a Treaty.

The message that we wish to convey in our opinion is that the European Parliament gives the green light for convening an Intergovernmental Conference. There was an extremely tight deadline for consultations on this opinion and many fellow MEPs criticised the timing, but we pulled out all the stops and do not want to put any obstacles in your way. We do not want to put spokes in anyone's wheel, because we ourselves have an interest in both convening and concluding this Intergovernmental Conference speedily. We hope that the October summit will produce results. That is feasible because the mandate is very specific and we have a textual proposal. So there should be lots of work for the legal experts but not much for the politicians, if everyone keeps to the agreement achieved in the Brussels Council.

Which brings me to my first appeal to the Portuguese Presidency: stand firm, be consistent, do not let the Member States step out of line, do not allow new points to be added to the agenda, or additional requests because people claim not to understand something that they fully understood the day before. Be strict, stick to the precise terms of the mandate, and then you will succeed.

We realise that there have been some losses. There is a price to pay, and not only in the loss of symbolic elements. The Reform Treaty is conceptually different to the original Constitution. To a large extent, the idea of a Europe of citizens and states, not simply a Europe of states, has been lost. Article 1 has disappeared, and the Treaty simply says: 'The High Contracting Parties have agreed' and there is no longer any reference to 'reflecting the will of the citizens and States of Europe'. This may seem minor, but it is a sign of erosion that may well prove harmful. We would like to highlight this point.

We are also very concerned by the growing number of opt-out clauses. It raises the question of whether everyone wants one Europe. Is there still the political will for further integration or are we already dealing with two groups of countries who only want to remain in the EU on paper. The question needs to be asked. Parliament is extremely critical of the United Kingdom's opt-out clause for the Charter on Fundamental Rights.

The EU wants to become a Community of values. We speak out throughout the world in favour of human rights, fundamental rights. I can already hear Mr Putin or the Chinese Prime Minister saying but you cannot even agree on fundamental rights amongst yourselves! This is a blow to the credibility of the EU as a whole, and it also constitutes discrimination against citizens resident in the United Kingdom, including EU citizens who live and work there. In our opinion, we call on the institutions and governments to again do everything in their power to create equal protection for fundamental rights – it could work! The Court of Justice has a vital role to play here.

The Constitution was drafted by a Convention. Now we have an Intergovernmental Conference that uses different methods, but, President-in-Office, you can still go for maximum transparency. Publish the documents that are put forward for discussion; work with us and the Commission to pursue a strategy of dialogue with the public and the citizens.

The so-called simplified Treaty will unfortunately be a complicated treaty. We do also need a consolidated version before the close of the Intergovernmental Conference, and not, as was the case in Amsterdam,

one year later. We need a readable text when the IGC closes. Perhaps it would also be useful to supply an explanation with the text, setting out the key elements and main messages for the citizens.

Of course, we welcome all the progress made. We do want to make another major step forward, preferably before the European election, so that we can focus on other issues during the 2009 election campaign. So there is a lot of hard work to be done, but with determination and commitment we should succeed. Parliament supports the Portuguese Presidency.

(Applause)

Íñigo Méndez de Vigo, *on behalf of the PPE-DE Group.* – (ES) Mr President, the Group of the European People's Party (Christian Democrats) and European Democrats is pleased that the European Council should have reached an agreement, and in a few minutes time, therefore, my group is going to vote in favour of the resolution so that the Intergovernmental Conference can meet in accordance with Rule 48.

The important thing now, however, is for this agreement, the agreement resulting from the Intergovernmental Conference, to be a good one. Let me make myself very clear. What we are saying is that the Conference should go ahead, but we will judge the Intergovernmental Conference on its results.

I would also like to say that for my group, which will be represented by Mr Brok in that Intergovernmental Conference, it will be an important political issue to act as guardian of the Constitution. We want the content and the substance of the agreement of the European Council to be present in the final agreement on the Treaty resulting from the Intergovernmental Conference.

One issue which has been mentioned by Mr Sócrates is that of the referendums. Let me tell you something, while nobody is listening: Do not trust parties that are in opposition and call for referendums. Do not trust those that call for referendums so that they can vote 'no' either, because they want to destroy Europe. Some want to destroy the government in office and others want to destroy Europe.

I therefore believe that Mr Sócrates' words this morning sum it up. No country can create a mess for all the other countries and at this point we must all aim in the same direction in order to get Europe out of its impasse.

The first agreement by the European Council is an initial step and I now believe that we must all set about, on the one hand, reaching a good agreement and, on the other, beginning, once we have rid ourselves of that burden of the constitutional impasse, to work.

Because what has really worried me, Mr President, is the climate of suspicion and distrust in Europe, which I saw at the last European Council. That is something that must be of concern to all of us and something we must all resist together.

(Applause)

Richard Corbett, *on behalf of the PSE Group.* – Mr President, the Socialist Group welcomes the convening of the IGC, accepts the mandate and supports the timetable.

Many people have commented that this mandate salvages some 90% of the content of the Constitutional Treaty, and this has given rise to much comment. But colleagues will also know that recent scientific research demonstrates that human beings and mice are genetically 90% identical. However, the 10% difference is rather important. And so here with this mandate, the 10% difference is rather important.

The loss of the constitutional designation of the Treaty, the failure to change the name of the high representative to foreign minister, the failure to mention in the Treaty the supremacy of Community law, the loss of the symbols and the numerous derogations and opt outs for particular Member States mean that for those Member States the percentage – be it 90 or whatever – is even lower. All these make it a very different treaty that is envisaged than the Constitutional Treaty.

That will be a matter of regret for this House and for a large majority of the Member States. Nonetheless, those changes will make it possible, will make it easier to ratify the Treaty in all 27 Member States, and that is the crucial point that we have to recognise.

Andrew Duff, *on behalf of the ALDE Group*. – Mr President, my group welcomes the prospect of a quick and efficient IGC that clears up the ambiguity following the period of reflection, secures legal certainty and builds a strong consensus behind the reform treaty. Of course, it is especially appropriate for Parliament to seek, inside the IGC, to protect what it stood to profit from in the 2004 treaty. But we should also be certain that the growing number and crowd of opt-outs and minimalistic footnotes do not contaminate the integrity of the corpus of European law and the jurisdiction of the courts. We will fight to prevent a political spillover from the UK protocol on the Charter; a multi-tier Council is one thing, but Parliament cannot tolerate first- and second-class citizenship.

We should fight the popular suspicion that the IGC is nothing more than a grand exercise in the obscurantism designed to extricate certain states from pledges to have referenda, and I was very pleased that Prime Minister Sócrates is determined that plebiscites should not be pitched to oppose parliaments. Maximum transparency is desirable and Parliament's greater role, superior strength and more pluralistic presence inside the IGC will assist to secure such transparency.

Konrad Szymański, *on behalf of the UEN Group*. – (PL) Mr President, it seems to me, that at least as regards the Treaty, this House either does not know or does not like words of compromise. The criticism of the mandates in the report is in my view extremely unfair. My country, Poland, has shown great flexibility and willingness to compromise on this, which is why it is with concern that I read the stern terms of the report, which does not want to acknowledge the obvious success of the mandate.

Contrary to what the report says, a new onomatology, the symbols of Europe in the treaty would only result in incomprehension, and would suggest that the European Union is entering a phase of pseudo-statehood. The mandate's flexibility regarding the opt-out is an expression of wisdom and realism, and not of weakness. The same applies to the Charter of Fundamental Rights.

One thing that we can definitely agree on – over the next ten years there are many things, the voting system included, that need to be reconsidered. The intergovernmental conference also faces some considered, detailed decisions on this issue. Without them we risk an impasse in ratification.

Johannes Voggenhuber, *on behalf of Verts/ALE Group*. – (DE) Mr President, since the European Council in Brussels, there seems to be a sense of melancholic satisfaction. Perhaps it is just because the holidays are nearly here. In fact, when one looks at the mandate for this Intergovernmental Conference, it is tempting to say that Europe has got off lightly, but I fear that it is not that simple. It is not the Member States who have been hit. Everyone is eyeballing everyone else, people are looking jealously to their sovereignty. The question is whether Europe has just had its eye blacked, or whether it is blind in one eye, because the citizens can no longer see the real nature of this Union.

Of course, the mandate safeguards the Constitution's central achievements, but the mandate also clouds Europe's true nature, it hides Europe, and obscures the idea of European integration. Mr Barón Crespo, I do not think that we are dealing with an exercise in political realism. What we have here is open and intense nationalism, with parochial governments going their own sweet way.

Is it really just a cosmetic change when there is no longer any reference to the Union of the citizens, and we go back to a Union of states? Was that what people wanted when they voted 'no' in France and the Netherlands? What happened to their demands for a social Europe and greater democracy? Is that unrealistic? Is it not necessary? Surely this is Europe's role? Where have we sought to use clear language that is easy to understand in this Constitution, to produce an intelligible document? The governments have had just one aim over the last few months: to produce an obscure, enigmatic, incomprehensible, unreadable Treaty that citizens are not supposed to read.

The opt-out for the Charter on Fundamental Rights is not just one in the eye for Europe – it is an assault on our self-image as a Community of values. It is unacceptable that the Union should describe itself as a Community of values whilst allowing some of the citizens to be excluded from those values!

(Applause)

Francis Wurtz, *on behalf of the GUE/NGL Group*. – (FR) Mr President, I can understand that the EU leaders are enthusiastic about the idea of seeing their old Constitution revived, even if it has been deprived of some of its assets. In this regard, I agree with what Mr Voggenhuber just said. What I find more difficult to understand is why, at a time when these very leaders appear so set on fulfilling our fellow

citizens' most earnest desires, they put so much effort into preventing them from getting too close to this institutional UFO.

How else can we interpret the very specific form of democracy that characterises the process under way? There is a negotiation mandate that is totally unreadable for the uninitiated, a suspicious speeding up of the timetable and, above all, panic at the idea of any referendums. Deep down, our leaders are no doubt saying to themselves that the act of changing the words – constitution, ministers, law – and of deleting the references to the anthem and the flag would be unlikely to carry much weight faced with the people's concerns about the current European model if, by any chance, a fundamental public debate of the level and force of that which rocked one part of the Union two years ago – and for good reason – were to resurface.

In the future treaty, liberal economic structures, whether they affect the European Central Bank, competition, free trade or the movement of capital, will remain for the most part unchanged. Not only will the Charter of Fundamental Rights, of which mention was just made, still have serious gaps, but it is required to endorse a situation that totally contradicts everything that it stands for, to endorse an exception, which, in this instance, is a British exception, or, if you prefer, the right to discrimination, the right to privileges. Finally, the new provisions on security and defence policy, which in many areas had fuelled numerous doubts and fears, have all been replicated. We need look no further for the obvious difficulties faced by our respective governments.

In Spain and in Luxembourg, they are going to explain that a new municipal referendum is unnecessary given that the substance of the already ratified treaty has been preserved in its entirety. In France and in Sweden, on the other hand, the government will suggest that a referendum is no longer relevant since the nature of the text has profoundly changed. As for Denmark and Portugal, where a citizens' vote was planned, the cosmetic tidy-up operation performed on the 2004 treaty may well justify a cowardly renouncement of this test of truth. It is only in Ireland that the referendum is, today, as it was yesterday, crucial.

That is why, by fully respecting the differences of opinion and the specific national situations, my group is going to show the same determination as it has in the recent past and make a huge effort to provide information, to clarify the issues at stake and to compare ideas about the content of the future treaty with the same, EU-wide, democratic demand: that the people of Europe be consulted in practice. In a few days' time, the Intergovernmental Conference will begin its work but, with the benefit of experience, I am convinced that the die has not been cast: it will be soon.

(Applause from the left)

Bernard Wojciechowski, *on behalf of the IND/DEM Group*. – Mr President, the new Treaty is a decoy for the implementation of the former constitutional Treaty. The report stresses that the mandate safeguards the substance of the constitutional Treaty. Two nations said 'no'. It is therefore little more than a sloppy attempt at federalising the Union at any price. It also suggests that Parliament reaffirm its intention to maintain an open dialogue.

This Parliament has become so arrogant that if it were not so pathetic it would be funny. To say that we maintain an open dialogue with anyone is a mere joke. Support for the constitutional Treaty has not increased. Scholars and politicians declare it a complete failure. Any new Treaty ought to consider the following aspects.

Firstly, the final product will have to be ratified in all Member States pursuant to the constitutional provisions, and referendums should be repeated. The attempt to solve the issues of integration over the heads of civil society is unacceptable.

Secondly, the constitutional Treaty embodied a compromise between the Member States and the political systems. The revised Treaty will not go further than the arrangements contained in that Treaty. It will become a dwarfed constitutional Treaty.

Thirdly, the attempt to make another treaty causes a significant delay at this stage of the political reform of the EU. Reform is possible, yet for some reason, it is not pursued. The changes within the first pillar are feasible in the areas provided for by the TEC. The implemented reforms within this procedure may include the intergovernmental area, basically the second and third pillars.

There is a possibility to regulate many issues based on international agreements concluded by the Member States. As far as the third pillar is concerned, the strengthening of the structures of judicial and police cooperation can also be achieved. It is possible to secure the EU's democratic legitimisation through the holding of public Council meetings, the strengthening of the national parliaments, consultative position and giving this Parliament the power to designate the President of the Commission.

The rush for a new Treaty makes no sense at all. A new document may not be implemented through some back channel. This is against the will of the people. Demands for a legal personality, the single currency or the rotating system in the Commission are extreme, although over the last two years no European nation has expressed such a will.

President. Mr Wojciechowski, if you wish to criticise others, please make sure you keep to the speaking times yourself.

Philip Claeys, on behalf of the ITS Group. – (NL) Mr President, I can only conclude that, in an official report, this House too now quite clearly admits what everyone has been able to establish following the European Summit of Brussels, namely that the European Constitution, which was rejected by the Dutch and French voters and which, as a result, from a strictly legal perspective, could never enter into force again, is being retained and introduced almost in its entirety via legal-political tricks.

The tactics of surreptitiously pushing through sections of this Constitution, which was a pursuit that caught on even after the French and Dutch referendums in all manner of ways – just think of the Charter of Fundamental Rights that was made binding even though the document is non-binding – are now also being adopted in official European policy. This Parliament would not be this Parliament if it did not, according to age-old traditions, draw a distinction between the so-called 'good' Member States, those who glorify the federal creed and walk the federal path unquestioningly, and the so-called 'bad' Member States.

The height of cynicism, however, is of course the call of this House – and I quote verbatim – 'to get the European citizen involved again in the continuation of the constitutional process'. In reality, what this House has done in many reports, starting with the infamous Duff–Voggenhuber report, is sweep the result of the French and Dutch referendums off the table. This House could not care less about what the public wants, the very people it claims to represent. This House is slowly but surely turning into the very opposite of anything related to real democracy.

(Applause from the right)

Jim Allister (NI). – Mr President, we pretend we are on the side of the people but produce a report which conspicuously avoids support for popular ratification of this recast constitution. Indeed, such is the determination to rush this report through that we abandon due process in this House to a degree that would make a despot blush!

We demand of Member States that they abide by the IGC mandate but declare our unilateral intent to go beyond it by using the European flag and the anthem. We declare our determination immediately we get these constitutional changes through to demand more. This is the elephant trap of this agreement, because it permits self-amendment, which for most will mean never again having to consult the people about whose constitutional status we would make changes.

(Applause from the right)

Maria da Assunção Esteves (PPE-DE). – (PT) Europe took a step forward at the last Summit in June. It did not lose heart during the crisis, and left no one out of this shared quest for a cosmopolitan society based on the rule of law. It is true that consensus is not so easy to achieve in an enlarged Europe, but Europe is a moral project, one of reason, a conquering project. There is no way but unity and no destination but global justice.

Europe is being constructed on layers of structural adjustment: the Treaty of Rome and the shattering of the myth of borders, the Treaty of Maastricht and European citizenship, the Treaty of Nice and enlargement, and now the reforming Treaty and political integration in a large-scale democracy. The reforming Treaty does not yet open the doors to a constitutional Europe – it still leaves us largely in a Europe of the Governments – but it puts an end to the fallacy of reasoning based purely on opposition, and to the mistake of seeing a Europe of results as conflicting with an institutional reform of Europe.

The Intergovernmental Conference will require good faith on the part of governments, the involvement of parliaments and a policy of genuine communication. Let us be under no illusions: a referendum will not make that communication work, nor legitimise the new Treaty of the Union. In many cases, referendums are associated with a populist tendency that has nothing to do with the rational foundations of democracies. Europe's legitimacy can only be constructed on a political process of constant communication, one that places politics above bureaucracy, values the scrutiny of the national parliaments, encourages the involvement of civil society, strengthens leadership, publicises the work of the institutions and bases its day-to-day policies on a culture of rights and humanity. That is the legitimate Europe.

Harlem Désir (PSE). – *(FR)* Mr President, Europe is about more than just its treaties; its difficulties are not solely – and not even principally – of an institutional nature, and the revival of Europe will have to hinge on policies, European projects and the EU budget. However, it is a fact that the deadlock on the reform of the institutions, the failure to ratify the Constitution in several countries and the non-ratification procedures in others have bogged Europe down, plunged it into crisis and tested its unity.

In fact, the compromise reached to convene the Intergovernmental Conference and the mandate in view of the future modifying treaty do not arouse enthusiasm. Everything is complicated in this agreement, which contains many footnotes, so much so that the future treaty will not be simplified at all and will be difficult for Europeans to understand.

The opt-out that has been granted concerning the Charter of Fundamental Rights is truly appalling on the part of those who requested it. At least this Charter will apply to the 26 other EU countries, and that does them great credit. However, at least this agreement is an agreement, and came at a time when Europe needed to affirm its unity.

I believe that we have to give every opportunity to the Intergovernmental Conference and, above all – and, on this particular point, I would like to react to the remarks made by my fellow Member, Mr Wurtz – the mandate for convening the Intergovernmental Conference has at least one virtue: that of basing its work on the institutional innovations that were, for the most part, contained in the first part of the draft European Constitution. That is a key point since the first part of the Constitution was scarcely challenged, even by the 'No' camp, those who claim to adhere to European integration in any case, in the countries in which referendums were held.

The future treaty should therefore take up the elements on which there is a consensus among all sincere Europeans, whether they voted 'Yes' or 'No' to the Constitution: there should be enhanced powers for the European Parliament and the national parliaments, a stable Council Presidency, double majority voting, fewer blocking minorities, fewer unanimous decisions taken, not least regarding judicial and police cooperation, an enhanced common foreign and security policy, enhanced and structured cooperation in the area of defence policy, which will be easier to implement, and new powers in the areas of energy and climate change.

Furthermore, there are also two points that were in the third part but that, I believe, all the progressives will want to protect: the horizontal social clause and an article making it possible to protect services of general economic interest and, therefore, to adopt a directive in favour of public services. I hope that, if the Intergovernmental Conference takes up all these points, all the advocates of Europe, whether they voted 'Yes' or 'No' to the draft Constitution, will support the future draft treaty.

(Applause)

Anneli Jäätteenmäki (ALDE). – *(FI)* Mr President, I wish to raise one very important issue. I would ask the Members of Parliament to support Amendment 1, which calls for extending the mandate of the Intergovernmental Conference to include transferring the European Parliament's seat from Strasbourg to Brussels. My group backs this decision.

This is a small but very important matter. One seat would strengthen the EU's legitimacy. A year ago more than a million people signed a petition in favour of one seat, and the IGC is the place where this should be discussed and decided. Parliament will decide today whether it wants to debate the issue of having one seat or continuing as before. If we are in favour of having one seat we will vote for Amendment 1.

Inese Vaidere (UEN). – *(LV)* Ladies and gentlemen, as the only European Union institution which is elected by the citizens, the European Parliament has a duty to make its decisions comprehensible. I would like to stress that the reasons why the Constitutional Treaty was rejected in two Member States and was unpopular in others have not been analysed in sufficient depth. In my view, the scepticism was largely due to the fact that citizens observe a concentration of decision-making, arrogance on the part of the authorities and remoteness from the people, as well as excessive red tape. These are sufficient reasons to make citizens oppose further integration. Our task is to involve citizens in decision-making, instead of taking the decisions in their stead. We need to speak to citizens in language that can be understood, not in the specialised jargon of civil servants. The Intergovernmental Conference must take this into account. At the same time it is important to develop further the principle of solidarity in decision-making, for example in the highly important sphere of energy. We must speak to non-EU countries with a single voice, to prevent individual countries being blackmailed. I would like to stress the fact that, leaving aside its mistakes and deficiencies, the European Union is a successful project.

Gérard Onesta (Verts/ALE). – *(FR)* Mr President, I call on the Commission, first of all, and the Council, in particular, to show a bit of decency and modesty in this matter, for the magnificent success that they are trying to sell to us in this House does a bad job of disguising a declining state of affairs.

I shall pass over the disgraceful conduct of certain Heads of State or Government, who have gone back on their official and solemn word, on the Charter, as Mr Blair has done, and on the votes in the Council, as the Kaczynski brothers have done. We are going from having a Constitution, which we are losing – the words have meaning – a constitution that is a sign of confidence in our common values and prospects, to having a so-called simplified treaty. Simplified, what a huge joke! The footnotes are longer than the treaty itself. It is therefore a sign of mutual and widespread mistrust that we are up against, and the standstills are many: the opt-out on the Charter, which is going to create second-class citizens; standstills regarding the votes in the Council until 2017 and beyond with the Ioannina compromise; and diplomacy, which is certainly included, but just as soon hampered.

Quite clearly, a mandate must be given to this Intergovernmental Conference. Anything rather than the Treaty of Nice, because the Treaty of Nice spells the end. However, I would say to those who are ashamed of Europe: nothing solid is built on mistrust, especially when it is directed at the people, for we do not even take the time to work together, to codecide in Parliament – this debate is a shambles – to gain the citizens' approval or even to educate. It is true that swift action must be taken to hide the fact that the policies are no longer on the table, but are now under the carpet. A price will, unfortunately, have to be paid for all that one day.

To conclude, Mr President, and because governing means anticipating, faced with the Commission's and the Council's inability to think up the next move, I call on Parliament to jump to action by confirming through its vote its firm intention to use its future power to modify the treaty in an effort to at last genuinely relaunch the driving force of Europe.

(Applause from the Group of the Greens/European Free Alliance)

Maciej Marian Giertych (NI) – *(PL)* Mr President, today is a black day for the European Union, and a black day for democracy. The political elites of the European Union, including this House, the European Commission and the Governments of the Member States, are trying to deceive their electorates and their peoples. We are expected to support a European constitution which has already been rejected by the electorate.

The slogan for today is Angela Merkel's words: use different wording while preserving the legal essence, such as the name of the treaty, the names of legal acts of the European Union, or of the EU foreign minister. That is exactly what has been done.

We are discussing a document with a different name and formulated in different terms, but which is essentially the same. Ostensibly, it is a lower-level document, so as only to prevent it being subjected to a referendum. It is an attempt to deceive our own electorates, our own people. Today is truly a black day – a day of utter disgrace.

Alexander Stubb (PPE-DE). – Mr President, I should like to say to Mr Giertych that I have heard a lot of crap spoken in this House, but that was probably the biggest piece of crap I have ever heard.

I would like to inject a little positivism into this House. It sounds as if we are at some kind of a funeral with the new Treaty. As a matter of fact, I do not think we are entering a new phase.

I should like to make three points. Firstly, I fully trust the Portuguese Presidency. I remember doing the pre-Nice Treaty with the Portuguese Presidency, with Mr da Costa and Mr Lourtie. They always do a fantastic job. However, I should like to give them one piece of advice: be a little careful with the Council Secretariat, because the devil lies in the detail and Jean-Claude Piris is very good with detail.

My second point is that I think politics and economics go hand in hand. We have heard today and very often in this House that we want only an economic Union or we want only a political Union. I belong to the category of people who thinks that we need both: we need free and undistorted competition and we also need a political Union, and this Treaty really gives us both. I am not too worried about the opt-outs, because history shows us that any time there has been an opt-out, at the end of the day wisdom wins and people join in.

My final point is that we should look on the bright side. We have to turn the page. We have a Treaty or a draft Treaty on the table. Be positive: use the legal personality that we have, use the qualified majority voting that we have, use the codecision that we have, use the Charter, use the President, use the Foreign Minister. All I am saying today is that this is a new beginning, we have a fantastic Treaty, let us live with it and move on.

(Applause from the right)

Genowefa Grabowska (PSE). – *(PL)* Mr President, the report we are discussing is a good and balanced one, which I will be happy to vote for. It sends the governments of the Member States, the national parliaments, and EU citizens a clear message: the European Union will be reformed, and the reform is on the right track.

It is also an attempt to restore public confidence in the European Union and its institutions. And it is in this context, in the context of trust, that the voices of some Member States which have reservations regarding the binding nature of the Charter of Fundamental Rights, that are a great cause for concern. I wonder how those governments will tell their citizens that they are not allowed to use one of the fundamental achievements of European democracy, and that they do not want to give them rights that their EU neighbours enjoy.

Will opposition to the Charter of Fundamental Rights lead to a new division of Europe into better and worse citizens, with the better citizens enjoying the whole spectrum of rights enshrined in the charter, rights which will be denied the worse citizens? Should we be accepting such divisions at the start of the 21st century? I say definitely not, particularly if we want, as the Portuguese presidency proposes, a stronger Europe in a stronger world.

(Applause)

Bogdan Pęk (UEN). – *(PL)* Mr President, this treaty reforms nothing, it simply plasters over the cracks. It is a treaty whose aim is to conceal the truth about itself.

On every possible occasion the European Union and the august persons sitting in this House talk about fairness and the values on which the European Union is based. In the modern world, in the history of humanity, is there any greater virtue than the truth? No, there is not.

This treaty is a corruption of the truth, because underneath the cloak of the reformed treaty, there is a grossly deceptive attempt to force through the constitutional treaty, which the public rejected. It is a road that leads nowhere.

Mr President, in this House today you have again shown that you are able to cut off speakers who do not agree with the treaty, whilst giving almost a minute's extra time to those who agree with you. That is your particular brand of fairness.

(Applause)

President. Mr Pęk, you had one minute speaking time. You spoke for one minute and 23 seconds. You exceeded your time, and the President was very tolerant. Perhaps you could be reasonable and accept that.

Manuel Lobo Antunes, *President-in-Office of the Council*. (PT) We have already been debating this issue of the Treaty for a considerable length of time this morning – since 9 a.m., as one speaker has pointed out – and I therefore think that the most important observations and comments have been made, many of which have certainly been interesting, and from which the Portuguese Presidency will naturally draw its own conclusions.

I was a member of the European Convention, along with several of the MEPs present in this Chamber, and also took part in the Intergovernmental Conference in 2004. I am not saying that between 2004 and now I have not had cause to be apprehensive, and even to lack belief, but I have always known that Europe's driving force is compromise and the willingness to move forward. Today I can tell you clearly that this willingness to move forward, this willingness to compromise, to reach agreement, has, in my view, returned.

We could not afford to fail and did not fail at the European Council, so let us give an unequivocal signal to Europe, its citizens and the world that this is a project for the future, a project that serves Europeans, a project that serves the world. Naturally, we may not all be satisfied with the mandate adopted by the European Council, but let no one be in any doubt that this mandate will give us a Treaty with more efficient institutions, more democratic decision-making and more appropriate responses both to the Union's internal problems, and to the external problems the Union has to address.

This is and will be the mandate we needed. We shall certainly have the Treaty the citizens of Europe have long desired. As the Prime Minister of Portugal has said here, 'we have the mandate, we do not have the Treaty', and the mandate we received is not to change that document but to create the new Treaty. That is our objective and we shall do so with all our strength and all our conviction.

Our target for finishing that task is October and I hope in October to be able to announce here the good news of a new Treaty for our Union. We shall therefore not permit any lack of discipline, as one of the MEPs suggested. I would also like to assure you that all Portuguese Presidencies are characterised by transparency, communication with citizens and communication with institutions. We shall of course continue in that vein and I can assure you that this is one of the Portuguese Presidency's commitments.

As I say, I hope to have some good news for you in October.

(Applause)

Margot Wallström, *Vice-President of the Commission*. Mr President, honourable Members, there must be a position between Pangloss and his over-optimism and Eyegore the Donkey thinking that everything is hopeless. It is a very rare thing in politics to get a second life and I am not referring to internet role-playing. Remember that, less than a year ago, the Constitutional Treaty or the idea of having a new treaty was declared dead, on life support or in a coma. And now we are discussing a ratification procedure coming up very soon.

I think that engaging now in a blame game will not help us a bit, and, as a final comment on this debate, I have two things to say. First of all, on the Charter of Fundamental Rights, the European Commission does not like opt-outs. We would have preferred not to have any opt-outs. But what was the real political choice here? It was a weakened charter without legal force or a charter that is legally binding for the EU institutions with an opt-out, or preserving the full text of the charter. Then, I prefer to have a charter which is legally binding, and an opt-out is also an opt-in so this is not cast in stone.

My second comment is that I would like to say that I assume that Members of Parliament do not consider parliamentary ratification less democratically legitimate than referenda.

(Applause)

Some Eurosceptics of course hope that the challenge of informing citizens and engaging citizens about and in such a complex issue as a treaty can be turned into a weapon that can kill further European integration. But I do not think we should allow that.

(Applause)

Also, regardless of what ratification method is chosen by Member States, we are all obliged to inform, to engage, to debate, to discuss with citizens all over Europe and this is what we now have to commit to, to do together, in full cooperation and in a planned manner. This is also how we will contribute from

the Commission side. So, I will come back to you very soon with that kind of planning for a proper and democratic and open and transparent ratification procedure.

With that I also wish the Portuguese Presidency all the best with opening the IGC.

(Applause)

President. The debate is closed.

We shall proceed to the vote.

Written statements (Article 142)

John Attard-Montalto (PSE), in writing. – The last two years relating to the Treaty reform process have not been wasted. The following five steps have been identified and implementation initiated:

1. Following the mandate in June 2006, the German Presidency drew up a report.
2. The European Council agreed to convene an Intergovernmental Conference.
3. As the baton of the Council Presidency is passed to the Portuguese it has now become their priority to draw up a draft Treaty.
4. The IGC is expected to complete its work before the end of this year.
5. Ratification is expected to take place before the European elections in 2009.

In reality, what is happening is a more cautious approach: the constitutional aspect of the treaty has been restructured so as to appease the anti-constitutionality. On the other hand, substantial innovations originally proposed in the Constitutional Treaty have survived; the fact that the EU will have a legal personality being the most important of all.

Jean-Pierre Audy (PPE-DE), – (FR) During the last European Council of June 2007, the Heads of State or Government reached a good agreement aimed at moving towards a political Europe. I regret that our friends from the United Kingdom should have distinguished themselves once again by their refusal to apply the Charter of Fundamental Rights and to cooperate fully in judicial and police matters. Although they have been preserved in material terms, I regret that the EU symbols (the flag, anthem and motto) have disappeared from the official text. While I am opposed to a federal European Union due to my firm conviction that the Nations are very useful when it comes to the well-being of the Peoples, I believe that the citizens need some reference points with which to identify the political Union. I hope that we return to this point. Finally, the deletion of the reference to the concept of ‘free and undistorted competition within the internal market’ will enable us, in the context of what has become complex worldwide competition, to make better use of the strength of our European Union for the sake of manufacturers, and not just consumers. I welcome the action taken by the President of the French Republic, Mr Sarkozy, who has been able to make full use of his talent to promote a strong and united Europe.

Pedro Guerreiro (GUE/NGL), in writing. – (PT) In 200 words:

1. The mandate for the IGC retains the thrust of the content of the Treaty rejected in 2005.
2. What the forces behind the creation of the capitalist integration of Europe are seeking to do is to reinstate, via the back door, the federalist, neo-liberal and militaristic qualitative step enshrined in the rejected ‘European Constitution’;
3. This conveys a serious lack of respect for the wishes of the French and Dutch people as expressed in their referendums.
4. If Portugal only takes the mandate as a basis, in relation to the institutional issues, while at the same time the major powers are increasing their weight in the decision-making process in the EU, it will lose:
 - In the weighting of votes in the Council;
 - The right to exercise the veto;
 - Sovereignty;

- Members of the European Parliament;
- A permanent Commissioner.

5. The mandate reaffirms the basis of neo-liberal policies of the EU, which are at the root of the serious social and economic problems facing Portugal.

6. The mandate institutionalises the militarisation of the EU.

7. This means that the content of the mandate alone would be sufficient to justify holding binding national referendums on the pseudo-new draft Treaty, and that requirement is all the more legitimate given that the issue is the unacceptable imposition of the essential thrust of a Treaty that has already been rejected.

Monica Maria Iacob-Ridzi (PPE-DE), în scris. – Mandatul Consiliului European depășește impasul constituțional în care Uniunea Europeană se află de mai bine de doi ani, dar în același timp sacrifică unele prevederi esențiale.

Consiliul European a decis ca simbolurile europene să fie excluse din viitorul tratat; consider acest lucru ca fiind regretabil și susțin modificarea Regulamentului de procedură al Parlamentului pentru a adopta în mod oficial steagul și imnul Uniunii Europene. Cetățenii europeni respectă aceste simboluri, pe care le consideră familiare și apropiate, după cum indică cel mai recent Eurobarometru. În România, 76% dintre cetățeni asociază simbolurile UE cu un sentiment de încredere; de aceea, sunt convinsă că steagul Uniunii Europene va fi și în continuare arborat cu mândrie în țara mea.

Mandatul definește, de asemenea, stabilirea unei noi componente a Parlamentului European. Ca singurul organ ales al Uniunii și cel care este menit să reprezinte cel mai fidel cetățenii, consider că Parlamentul European trebuie să respecte întru totul principiul proporționalității în desemnarea numărului de europarlamentari din fiecare stat. Reprezentarea fiecărei țări nu trebuie să fie stabilită prin negocieri politice, ci trebuie să reflecte mărimea populațiilor statelor membre.

Nu în cele din urmă, consider esențială includerea clauzei de solidaritate în domeniul energetic. Aceasta va asigura cadrul legislativ pe baza căruia Uniunea Europeană își va putea proteja mai bine interesele și întări independența energetică.

6. Statement by the President

President. Today the Libyan Supreme Court confirmed the death sentence passed on the five Bulgarian nurses and the Palestinian doctor detained in Libya since February 1999. They are accused of deliberately infecting hundreds of Libyan children with HIV. I am greatly disturbed by this news, which is distressing for everybody, especially, of course, for the nurses and the doctor, and for their relatives and friends.

I met members of their families in April, and I should like to pass on to them our solidarity and support at this difficult time. I should also like to send them a message of hope. This is not the end of the procedure. The matter will now be referred to the Libyan High Judicial Council. We believe that the Libyan authorities will take the necessary steps to review and quash the death sentence, paving the way for an early resolution to this situation.

Once again, we reiterate our fundamental opposition to the death penalty, which is against human dignity. We express our solidarity with the victims of the HIV/AIDS infection in Benghazi hospital. We appeal to the Libyan authorities to show clemency and to release the five Bulgarian nurses and the Palestinian doctor.

(Sustained applause)

7. Voting time

President. The next item is voting time.

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

Robert Atkins (PPE-DE). – Mr President, it is a ludicrous state of affairs to commence voting at 12.40 on 48 pages of votes. You, Sir, have been doing remarkably well in organising Parliament so that we vote at proper times in order to deal with these large voting lists. We should have started at 11.00, not at 12.40. I urge you to revert to type and ensure we do not do this again.

(Applause)

7.1. Calendar of part-sessions for 2008 (vote)

7.2. Convening of the Intergovernmental Conference: opinion of the European Parliament (vote)

– Report: Leinen (A6-0279/2007)

– Before the vote

Jo Leinen (PSE), rapporteur. – *(DE)* Mr President, in this opinion we have given the green light to convene the Intergovernmental Conference. We had a very tight deadline for producing the report and holding consultations. There was no alternative, although there has been criticism from some members. There are two minority opinions appended to the opinion: one from Marco Cappato and the other from Bernard Wojciechowski, but as I said, time was limited.

Exceptional circumstances require an extra degree of flexibility, and I would like to take this opportunity to thank the members of my committee for their willingness to make constructive contributions, for the discussions on the proposal and for giving their approval on Monday evening. We have respected the rules of procedure and so can vote today.

Marco Cappato (ALDE). – *(IT)* Mr President, ladies and gentlemen, I am grateful to Mr Leinen for having emphasised the presence of the minority opinions. Rule 2 of our Rules of Procedure states that we shall not be bound by any instructions and shall not receive a binding mandate. This applies with regard to issues and, in my view, also to methods. A system whereby, in connection with a decision that will have consequences for the next few years or decades, we have had one and a half hours in which to table amendments to the original versions, and not even that amount of time in committee, is a sort of binding mandate not to be debated, which Parliament has received on this highly important issue.

This is not just a formality: since this Parliament's opinion is mandatory, we could have used such an obligation to have a positive influence on decisions during the opening of this intergovernmental conference. Instead, we ourselves abdicated from doing so, and also abdicated from being a Parliament and exercising the powers available to us. This is the reason for the minority opinion.

– Before the vote on Amendment 1

Alexander Alvaro (ALDE). – *(DE)* Mr President, since several Members addressed me before the vote, I would like to use this opportunity to stress once again that the proposal to include the question of representation for the European Parliament in the Intergovernmental Conference mandate was supported by many Members of this House. So, if this is a signal you want to send, here is an opportunity to do so.

– Before the vote on Amendment 9

Monica Frassoni (Verts/ALE). – Mr President, I would like to propose an oral amendment to this amendment to add the word 'European' before 'referendum', so it would then read 'European referendum'.

(The oral amendment was not accepted.)

IN THE CHAIR: MR VIDAL-QUADRAS*Vice-President.***7.3. Mergers and division of public limited companies (vote)****- Report: Kauppi (A6-0252/2007)****7.4. Specific Programme 'Civil justice' (2007-2013) (vote)****- Report: Segelström (A6-0262/2007)***- Before the vote*

Charlie McCreevy, *Member of the Commission*. Mr President, the Commission would like to make the following declaration before the vote.

'The Commission hopes that it will be possible today to find an acceptable compromise in all the institutions on account of the importance of adopting a civil justice financial programme as soon as possible. We are already late. If an acceptable solution is not found today, it is clear that the civil justice programme will not be adopted in time to be executed in 2007, with very negative consequences.

Without this financial programme, the Commission will not be able to support associations or other actors from civil society, or the studies and projects that are fundamental to the development of the civil justice policies.

The Commission could support the compromise set out in amendment 2, which adds a recital to the Council's common position specifying the right of Parliament to be informed in accordance with Article 7(3) of Decision 1999/468/EC and, more particularly, to receive the draft annual programme relating to the civil justice financial programme when it is submitted to the management committee. Parliament should also receive the results of voting and a summary record of the meeting of the management committee.

The Commission, moreover, confirms its commitment to transmit directly to the chair of the competent parliamentary committee – the Committee on Civil Liberties, Justice and Home Affairs – the draft annual programme, and to inform Parliament without delay about any modification being made to it.

Finally, the Commission confirms, as firmly stated in the letters addressed by Vice-President Frattini to the Committee on Civil Liberties, Justice and Home Affairs, its availability to attend the competent parliamentary committee upon its request, in order to provide its members with all necessary information on the draft annual programme'.

7.5. Community action in the field of water policy (vote)**- Report: Lienemann (A6-0174/2007)****7.6. End-of life vehicles (vote)****- Report: Florenz (A6-0186/2007)****7.7. Waste electrical and electronic equipment (vote)****- Report: Florenz (A6-0188/2007)****7.8. Hazardous substances in electrical and electronic equipment (vote)****- Report: Florenz (A6-0187/2007)**

7.9. Ecodesign requirements for energy-using products (vote)

- Report: Ries (A6-0222/2007)

7.10. Community postal services (vote)

- Report: Ferber (A6-0246/2007)

- Before the vote on Amendment 64:

Brian Simpson (PSE). – Mr President, I should like you to check that the corresponding part of Amendment 64 is compatible with Amendment 62, which was adopted.

President. That is exactly what we are going to do!

7.11. Common rules for air transport services (vote)

- Report: Degutis (A6-0178/2007)

- Following the approval of the Commission's proposal.

Pervenche Berès (PSE). – (FR) Mr President, I should simply like to draw the translation services' attention to the quality of the French translation. The French word for supervision is *supervision*, and not *contrôle* or *surveillance*, hedge funds are *fonds alternatifs* and parliamentary committee is *commission parlementaire*.

President. We take good note of those corrections for the sake of the purity of the French language.

7.12. Financial services policy (2005-2010) - White Paper (vote)

- Report: van den Burg (A6-0248/2007)

- Before the vote on paragraph 26

Ieke van den Burg (PSE), rapporteur. – On this paragraph, I propose withdrawing the oral amendments but asking the PPE-DE Group if they can agree that both amendment 5 from their side and amendment 17 from the ALDE Group are compatible and that we can vote on both of them. If that is the case, we will vote in favour of your amendment as well. If not, we will vote against it and I can then withdraw my amendment 23.

- Before the vote on paragraph 34

Ieke van den Burg (PSE), rapporteur. – I should simply like to add 'group' to paragraph 34, so that it is the 'European Investment Bank Group' instead of just the bank.

(Parliament accepted the oral amendment)

7.13. Modernising labour law to meet the challenges of the 21st century (vote)

- Report: Protasiewicz (A6-0247/2007)

- Before the vote on Amendment 11

Jacek Protasiewicz, (PPE-DE), rapporteur. – (PL) Mr President, I would just like to explain to my fellow Members that Amendments 11 and 12 are not new texts being added, but existing paragraphs being moved from elsewhere. As one of the groups has requested a roll call vote, I would like to inform them that voting against it will not change the fact that this text remains in the report, but that it will be in a different, less suitable place. For this reason I ask you to vote in favour of Amendment 12.

- Before the vote on paragraph 3

Jacek Protasiewicz, (PPE-DE), rapporteur. – (PL) Mr President, One further clarification: just because we are now voting separately on paragraphs 3 and 4, that does not mean the amendments announced by the Committee on Women's Rights and Gender Equality will be excluded. That text will be inserted elsewhere, in the form of Amendments 20 and 21. They are therefore not being deleted from the report, but simply changing position.

- Before the vote on paragraph 4

Luigi Cocilovo (ALDE). – (IT) Mr President, ladies and gentlemen, although I have heard the explanation given by the rapporteur, I would like to say that if we adopt paragraph 4, on which we are about to vote, we ought to bear in mind that the text of Amendment 21 is exactly the same as that of paragraph 4. So if we act in this way, we will have the same text twice in the report. If we wish to change the text, we ought to reject the first paragraph and then approve the amendment.

President. (ES) Mr Protasiewicz, please clear up Mr Cocilovo's doubts.

Jacek Protasiewicz, (PPE-DE), rapporteur. – (PL) Mr President, Mr Cocilovo is right. Voting against the deletion of paragraph 3 and paragraph 4 means that if a vote is held on Amendments 20 and 21, we will simply be covering the same ground. For this reason I would ask this House that now we vote against, and then vote in favour of Amendments 20 and 21, which means that the text itself will remain the same, but it will only be moved to a more suitable place in the report.

- Before the vote on Amendment 37

Astrid Lulling (PPE-DE). – (FR) Mr President, please could you tell the French booth that we are talking about paragraphs, not recitals.

President. – It would appear that people are closing ranks in defence of the French language in this House. That is very good.

- Before the vote on Amendment 21

Jacek Protasiewicz, (PPE-DE), rapporteur – (PL) Mr President, may I point out that as a result of the vote on paragraph 3, which was not deleted, and Amendment 20, which we adopted, in the report we now have two paragraphs which say the same thing. I therefore ask you to vote against Amendment 20, as we previously left that text in its old place.

Nikolaos Sifunakis (PSE). – (EL) We do not recognise you today, you are somewhat slow.

President. Thank you for that morale boost, Mr Sifunakis.

7.14. Motion for a resolution (vote)

- Resolution: B6-0266/2007

- Before the vote on Amendment 10

Philip Bushill-Matthews (PPE-DE). – Mr President I have a brief comment concerning amendment 10. The initial amendment was apparently mistranslated into German to mean exactly the opposite of what the English said because the English text was ambiguous. So the purpose of this is to remove the ambiguity. I am sorry that there was not time to clear this with all political groups, but I hope that they will support it because it is not trying to change the text. It is merely trying to clarify and remove the ambiguity.

Pervenche Berès (PSE). – (FR) Mr President, I believe that it is humanly reasonable to stop this vote, even if it means restarting it tomorrow, at 11.30 a.m.

(Applause)

Hannes Swoboda (PSE). – (DE) Mr President, I would like to endorse that comment. We need to stop the vote now. It would be unreasonable to continue voting now, especially given the length of the reports. If necessary, we will have to curtail the speaking times tomorrow or keep strictly to them, so as to be able to start voting at 11.30 a.m.

President. In response to your request, we shall now suspend the vote.

8. Explanations of vote

- Calendar of part-sessions of the European Parliament - 2008

Jan Andersson, Göran Färm, Anna Hedh, Inger Segelström and Åsa Westlund (PSE), in writing. *(SV)* Even though we are opposed to Parliament having part-sessions in Strasbourg, we have chosen to vote against the proposal to remove the Thursday sittings from the Strasbourg part-sessions. We want Parliament's activities to be moved to Brussels, but a change limited to removing the Thursday sittings would have the effect only of making Parliament's work less effective. The savings to be made from such a change would be marginal and the environmental benefits non-existent, since the same loads would be transported and the same premises needed in the future too.

We wish to see a genuine change, involving a single seat and workplace for Parliament in Brussels - something we also proposed in the Leinen report on the Intergovernmental Conference.

Glyn Ford (PSE), in writing. I voted for all the amendments to the calendar that reduced the amount of time that the European Parliament spends in Strasbourg. The City is a lovely one and its people wonderful. But we have to end this travelling circus that costs up to GBP 400 million a year for the people of Europe and which simultaneously impedes the efficiency of the work of the Union. This Parliament needs a single working place on grounds of politics and economy. We must do whatever is necessary to achieve this.

Timothy Kirkhope (PPE-DE), in writing. I and my British Conservative colleagues believe that the European Parliament must have one permanent seat – in Brussels. We have campaigned for many years to end the existence of two seats and the EUR 200 million per year this costs the taxpayer and the millions of pounds it costs the British taxpayer. In addition, we are seriously concerned at the environmental impact the existence of two seats has in terms of carbon emissions.

We have supported an amendment to the calendar for 2008 which sought to delete Thursday sittings in Strasbourg. This is not in any way an alternative to the principled position we hold which is to end Strasbourg sessions, but recognition of the fact that the Treaties currently demand that 12 sessions must be held in Strasbourg. We call on the European Council to include this issue in the mandate for the IGC, the only forum where this matter can be resolved.

- Report: Jo Leinen (A6-0279/2007)

Hannu Takkula (ALDE). – *(FI)* Mr President, it is obvious that decision-making in the Union needs to be clarified. That does not have to mean, however, that the Union should move towards becoming a federation with concentrated power. I voted in favour of power remaining primarily with the Member States and the Union only being able to exercise that power which the independent Member States are ready and willing to hand over to it.

As regards this vote on whether the Intergovernmental Conference should address the issue of Parliament's seat, I do not think that it is appropriate to put it on the IGC's agenda. If, however, it does address the matter, and if we decide to have just one seat, which would be a reasonable solution, I think that Strasbourg is the best place, because Strasbourg is the real European capital. I do not believe, however, that it would be realistic.

Jan Andersson, Göran Färm, Inger Segelström and Åsa Westlund (PSE), in writing. *(SV)* We have voted in favour of the report, although we do not share the view that it is regrettable that symbols such as the flag and the anthem have been removed from the new draft Treaty. Nor do we believe that the draft Treaty gives an impression of distrust vis-à-vis the Union and sends the wrong signals to the public.

It is good that the primary content of the original draft Constitution is being retained. It is particularly important that enlargement is being made easier, that collective agreements and the right to take industrial action in accordance with national practice are being bolstered and that transparency in the EU is to increase.

Johannes Blokland (IND/DEM), in writing. (NL) A moment ago, I voted against Mr Leinen's resolution on the convening of the Intergovernmental Conference (IGC) for the reason that I am opposed to this IGC being convened, since I support the introduction of a fresh treaty.

The reason for my 'no' vote lies in the fact that, in too many instances, the resolution continues to refer to certain elements of the Constitutional Treaty, such as the use of the word 'constitution' and the Union's symbols. I am, on the other hand, relieved, if nothing else, that a new treaty has been stripped of this constitutional symbolism – a position, in fact, that is also shared by the Dutch Government. As a result, the EU is partly stripped of its stately aspirations.

Neither can I identify with the harsh words that have been addressed to those Member States that have managed to secure an opt-out for the Charter. Even without explicit mention in a new treaty, the Charter remains legally binding. As such, this is mainly a case of symbolism.

I have voted against this resolution precisely because it treasures these constitutional aspirations of the Union. The European Parliament would do well to follow the Council in adopting a certain level of common sense and realism surrounding the coming into being of a new treaty.

Jens-Peter Bonde (IND/DEM), in writing. (DA) The report is quick to approve the convening of an Intergovernmental Conference, which will work in secret during the summer recess in order to avoid publicity and debate with the electorate.

Instead, the June Movement proposes an open and democratically elected convention with the task of drawing up a new document to be put to referendums in all the EU countries.

On 23 June 2007, the Brussels summit adopted a form of wording in which the legal obligations for citizens and Member States are identical to the obligations under the rejected Constitution.

The word 'Constitution' goes out of the window, only then to be legally reintroduced through an express acknowledgement of the European Court of Justice's interpretation of the EU's legal system as being, specifically, a constitutional system.

There is no longer any mention of a flag, anthem or national day, but they are still there, unchanged.

The foreign minister gets a new title, but one that is so lengthy that the press will call him a foreign minister. His powers remain unchanged. The only real change is the seven to ten-year postponement of double majority voting, which gives much more power to the largest countries, especially Germany and – perhaps – Turkey.

The legal obligations are unchanged, and referendums should, as a minimum, be held in those countries that had decided to hold them.

What would be easiest is for a referendum to be held on the same day in all the EU countries. In that way we should have the judgment of the people, and it is the people that we are in this House to serve. Seventy-seven per cent of EU citizens want a referendum, with only 20% opposed to one.

The June Movement therefore supports the signature campaign.

Edite Estrela (PSE), in writing. (PT) I voted in favour of the Leinen report on the convening of the Intergovernmental Conference, because I am convinced that the combined work of the European Parliament, the European Commission and the European Council, under the Portuguese Presidency, will enable us to find a solution to the deadlocks and obstacles that remain present in the European project and to build 'a stronger Europe for a better world'.

Ilda Figueiredo (GUE/NGL), in writing. (PT) In voting in favour of the report and point 8 thereof, the majority in Parliament has just recognised and welcomed the mandate from the European Council to the IGC and the fact that it 'safeguards much of the substance of the Constitutional Treaty'.

Despite a massive campaign to conceal the true scope and objectives of the mandate, it is becoming increasingly clear that in 'this big change' everything has remained the same, that is to say, the aim is to circumvent the legitimate rejection of the so-called Constitutional Treaty by the people of France and the Netherlands, and to prevent the people of every Member State from freely expressing their views on a 'new' Treaty.

The majority in Parliament would like to go even further. It regrets the loss of certain important points that had been agreed during the 2004 IGC, and states its 'firm resolve to put forward, after the 2009 elections, new proposals on a further constitutional settlement for the Union'.

We wish to state once again that it is time to listen to the demands of the people, to strengthen democracy, to commit ourselves to a fairer Europe, to social progress and to a better distribution of income. It is time to respect the principle of sovereign States with equal rights, to strengthen cooperation and solidarity at international level and to make a firm commitment to peace.

Glyn Ford (PSE), in writing. I am disappointed that this House rejected Amendment 1 by Mr Alvaro and others that would have added to the mandate of the later Governmental Conference on the Treaty revision the issue of a single seat in Brussels for the European Parliament. It is quite beyond me that 380 of my colleagues support the continuation of this ongoing farce we all endure.

There are other issues with this report that would make it difficult for me to vote in favour. Nevertheless, this failure alone to deal with the single seat makes it impossible for me to even consider voting in favour.

Robert Goebbels (PSE), in writing. – (FR) I abstained from voting on the forthcoming Intergovernmental Conference because I believe that the last European summit failed in its objective to revive Europe. At best, we will have a minimalist treaty, which will, of course, enable some progress to be made, but which will leave the United Kingdom new opportunities to opt-out. That is particularly true where the Charter of Fundamental Rights is concerned. How can the Court of Justice of the European Communities apply this Charter when it will not be valid in the United Kingdom?

Hélène Goudin (IND/DEM), in writing. (SV) I have voted against this report because I believe it is completely divorced from reality. The fact is that the populations of France and the Netherlands rejected the draft EU Constitution in referendums. If referendums had also taken place in, for example, Sweden, Denmark and the United Kingdom, a majority of the voters in these countries too would certainly have rejected it. Now, the summit has removed the symbols and rejected the proposals for an EU anthem and an EU flag. When it comes, however, to the EU's future legislative powers over the Member States, there is no distinction between the rejected draft Constitution and what is now being proposed.

It is also interesting to note how, in the draft report, the European Parliament's federalist majority is now trying to get round the rejection of the anthem and flag.

I have voted in favour of extending the mandate of the Intergovernmental Conference so that it is possible to move the seat of the European Parliament from Strasbourg to Brussels.

When it comes to the issue of referendums on the new Treaty, I believe that each country must decide for itself whether or not to organise a referendum. I believe that they should do so, but the European Parliament as an institution must not interfere in the matter.

Pedro Guerreiro (GUE/NGL), in writing. (PT) The real scope of the ongoing machinations surrounding the so-called 'new' Treaty is mirrored in the resolution adopted by the majority in Parliament today.

Two aspects should be emphasised:

- It confirms that the contemptible (and false) 'period of reflection' has merely been used to reach the conclusion that the content of the rejected Treaty must be preserved. That confirmation is now enshrined in the mandate for the 'new' reform of the treaties;

- The incredible display of cynicism and hypocrisy by the majority in Parliament, which, it should be emphasised, includes the political forces that dominate the various governments of the EU countries, and which, having rejected the proposals for amendment calling referendums to be held on the so-called 'new' Treaty, 'calls on the IGC and the Commission to put forward specific proposals to involve European citizens once again (...) in a dialogue in the continuation of the constitutional process'.

It is vital to condemn an operation aimed at imposing the essential thrust of a Treaty that has already been rejected, by dressing it up in order to try to prevent binding national referendums from being held. That is why we voted to reject the mandate to the IGC and this decision by Parliament.

Marian Harkin (ALDE), in writing. I disagree with this amendment in that it insists on the need to hold referenda in all Member States where that is possible. This is a direct interference with the principle of subsidiarity and it is within the competence of Member States only to make the decision as to whether or not they should hold a referendum.

Anna Hedh (PSE), in writing. (SV) I do not believe that the new draft Treaty is very much different to the previous one and I cannot therefore support the report. Amendments requiring that referendums be held before any change to the treaties was implemented were presented for voting on. Even though I personally am in favour of a referendum in Sweden on the new Treaty, I think that it would be a mistake for such a referendum to be demanded at EU level. It is not the European Parliament's job to decide whether or not the Member States should hold referendums.

Timothy Kirkhope (PPE-DE), in writing. I and my British Conservative colleagues have voted against this report as we fundamentally disagree with the draft mandate for the proposed Intergovernmental Conference. We believe that the text of the draft mandate for the IGC as agreed at the European Council in June 2007 is, in all but name, the European Constitution which was rejected by the people of France and the Netherlands in their referendums in 2005.

Further, we wish to make clear that since the United Kingdom government firmly promised the British people a referendum on that European Constitution, it has both a moral obligation and a democratic duty to submit any new treaty arising from the IGC that transfers powers from Britain to the European Union.

Marie-Noëlle Lienemann (PSE), in writing. – (FR) I consider it unacceptable that the European Parliament should have rejected the request for a referendum on the new institutional treaty.

Indeed, the 'No' vote cast by the people of France and of the Netherlands on the old draft Constitution highlighted a huge gap between the expression of the people and that of the leaders and elected representatives, whether national or European. It is therefore only by consulting the citizens once again that we can legitimise this new treaty. It would be best if this referendum were European.

The European Parliament should not be surprised that it has discredited itself in the eyes of the citizens with these kinds of reports!

David Martin (PSE), in writing. I very much support the convening of the IGC, however there were many elements contained within this report that go beyond the mandate agreed by the council and I could therefore not support it. I sincerely hope however the IGC succeeds in agreeing a reform treaty.

Andreas Mölzer (ITS), in writing. (DE) In order to give EU citizens as few opportunities as possible to criticise or even object to the new version of the EU Constitution, it is being pushed through with a fast-track procedure. The citizens, though, will rumble us straight away if we try to convince them that this is a new document, even though most of the substance remains the same and only the packaging has changed. At the same time as we talk about a new Treaty, we are also assured that no new referenda will be needed. Quite the opposite is true.

This approach will not bring the EU of the citizens any closer, nor will the fact that more competences have been handed over to Brussels, that we have wasted another chance to define our borders and that we have failed to apply the brakes in our negotiations with Turkey. We need a federal Europe, in which the sovereign population can again exercise more of its participation rights. Only then will we really be on a viable route forward; everything else is just the pipe dreams of an isolated EU elite. This is why I voted against the report.

Cristiana Muscardini (UEN), in writing. (IT) I would like to state my agreement with the convening of the Conference, which, within the framework of the conclusions of the European Council of 21-22 June this year, is due to draft amendments to the treaties in force. This will mark an end to the long transition phase during which the Union has experienced, in addition to lost illusions, ideals reaffirmed and hopes renewed. One thing is certain: the attempt to break the monopoly on political legitimacy possessed by the nation states – a legacy of the 17th-century Treaty of Westphalia – has failed. The Europe that can be glimpsed – that of the Euro-realists – must be able to prove that a Union of sovereign states is capable of acting effectively through the expression of a common will. If this is not the case, Europe will have to give up for a long time its hopes of playing an important role in international relations and in the balance between the major powers.

I welcome the strengthening of the ways in which our Assembly participates in the work of the Conference and I hope that, for transparency's sake, the results of that work are published, including in the form of a provisional consolidated version of the treaties. The Europe of the peoples and nations is taking shape. My firm wish is that, with this future in prospect, the conference does not disappoint us.

Athanasios Pafilis (GUE/NGL), in writing. – (EL) The report on the opinion of the European Parliament on convergence and the content of the Intergovernmental Conference exceeds even the reactionary agreement of the EU Council on the 'reform treaty', as the resuscitated but worse version of the 'European Constitution' has been christened. The conservatives and social democrats – including the entire body of MEPs from PASOK and New Democracy – and the liberals and Greens have enthusiastically welcomed the agreement to codify and amend for the worse the reactionary EU Treaty. Surpassing even the Council, they are calling for even more advanced reactionary changes, such as the introduction of a Community constitutional order which will establish the precedence of Community law over the national laws of the Member States and further reinforce the sovereignty of the supranational construct of the EU, to which almost all the sovereign rights of the Member States will be ceded.

At the same time, these forces rejected *en masse* the proposal for the new Treaty to be put to the peoples of Europe for approval in referenda in the Member States. Thus they are demonstrating their complete disregard for the will of the European peoples, especially those that rejected the 'European Constitution' in their referenda, their real fear of the people and the use of the European Parliament as a body for the pseudo-democratic legitimisation of all the anti-working class and reactionary policies of the EU.

Marco Pannella (ALDE), in writing. (IT) Mr President, members of the Council and of the Commission, unfortunately and prophetically, as far back in 1942, the Ventotene Manifesto denounced your Europe of the nations as the main danger opposing the United States of Europe, or the European motherland. On 14 February 1984 the European Parliament overcame this lethal policy. Now, in revenge, the European Council has launched a real blitzkrieg, in the style of General Erwin Rommel, to impose obedience on us – obedience that has suddenly now shamefully been given – as 'parliaments' from the 1930s, fascists or communists or as continental cowards.

You are afraid of words; of our hymn, our symbol, our name, of 'laws' – but this is a forbidden term, you prefer to call them 'directives'. Those days are past: now, suddenly, it is the time of Great France, Strong Germany, the clerical and authoritarian, if not racist, party in Poland, an Italy that is good for nothing, that is, for everything. You are afraid just as the powerful and the over-bearing are afraid. We will fight against this disgrace: as European federalists, in the names of those whom you are betraying: Spinelli, Adenauer, Schuman, De Gasperi, Monnet. As radical federalists, of the Transnational and Transparty Non-violent Radical Party, and as members of the Group of the Alliance of Liberals and Democrats for Europe, which we fear is today making a mistake. I hope that the error is ours, but I am unfortunately convinced that it is not. Long live the European motherland! I vote 'No'!

Tobias Pflüger (GUE/NGL), in writing. (DE) Why am I voting against the EU Reform Treaty and the Intergovernmental Conference mandate?

Ireland's Prime Minister, Mr Ahern, has said that round 90% of the core European Constitution package remains unchanged. Mathematically that is true, but the people of France and the Netherlands have been cheated.

'The second Chapter contains the provisions of Title V of the existing TEU, as amended in the 2004 IGC (including the European External Action Service and the permanent structured cooperation in the field of defence).' (IGC mandate)

Thus all the rules in the Constitution relating to defence will be included in the new EU Reform Treaty. In practice, that means the Treaty will contain the following:

1. EU commitment to increasing military capacities;
2. EU Armaments Agency (now in the Treaty);
3. New military intervention options such as 'disarmament measures', for which read disarmament by force;
4. Military support for third countries 'in combating terrorism in their territory';

5. Close cooperation between the EU and NATO;
6. No European Parliament powers of scrutiny for common foreign and security policy;
7. The ECJ has no power to rule on matters of foreign and security policy;
8. Military solidarity clause on combating terrorism;
9. EU battle groups for EU rapid military interventions around the world (now included in the Treaty);
10. Structured military cooperation. Individual Member States can press ahead with defence policy;
11. Provision for an independent EU defence budget in addition to individual national defence budgets.

EU armament and EU militarisation have been speeded up. The defence sector was the backbone of the Constitution. The planned Reform Treaty is also a military treaty.

Konrad Szymański (UEN), *in writing*. – (PL) Contrary to what the report says, a new onomatology, the symbols of Europe in the treaty would only result in incomprehension, and would suggest that the European Union is entering a phase of pseudo-statehood.

The mandate's flexibility as regards the opt-out is an expression of wisdom, and not of weakness. The same applies to the Charter of Fundamental Rights. The strong reaction to the charter only confirms the suspicion that its supporters merely view it as a means of extending the legal competence of the European Union through the back door.

The criticism of the mandate in the Leinen report is excessive, and makes compromise on the reform difficult. That is why I will vote against the report.

- Report: Kauppi (A6-0252/2007)

Jean-Pierre Audy (PPE-DE), *in writing*. – (FR) I voted in favour of the report by Mrs Kauppi on the proposal for a Directive of the European Parliament and of the Council amending Council Directive 78/855/EEC concerning mergers of public limited liability companies and Council Directive 82/891/EEC concerning the division of public limited companies as regards the requirement for an independent expert's report on the occasion of a merger or a division.

It is usual to examine regularly the usefulness of obligations to be met by corporate bodies, particularly with regard to administrative fees arising from these obligations. It is, nevertheless, advisable to examine carefully, in addition to the interests of the legal entity, the interests of third parties, whether they be share-holders, employees, suppliers, bankers, tax and social authorities, etc. Moreover, it would have been worth supplementing the items put forward by the Commission with an analysis of international practices in this area.

- Report: Inger Segelström (A6-0262/2007)

Zuzana Roithová (PPE-DE). – (CS) I too have voted today in favour of giving the Commission the power to make flexible amendments to annexes in order to set out a number of technical requirements and rules for vehicle checks in the European Union. These involve measures which are not related to the fundamental elements of the directive, but I would nevertheless like to say that the removal of older vehicles should be speeded up, not only in view of the safety issues but also because of the amount of air pollution they cause. On the one hand, we are making the production of new vehicles increasingly costly through ever more stringent emission standards, so that vehicles become harder to buy for the less well-off among our fellow citizens, and, on the other hand, this results in increasing numbers of older vehicles on the roads emitting harmful waste products. I call on the Commission to adopt a plan that will support the more rapid replacement of vehicles in the European Union.

Carlos Coelho (PPE-DE), *in writing*. (PT) This initiative forms part of the new financial instruments in the area of justice, freedom and security for the period 2007-2013, on which we have already reached agreement on the majority of our programmes. As regards the specific programmes 'Civil Justice' and 'Drug prevention and information', however, there is still some disagreement between Parliament, on the one hand, and the Council and the Commission, on the other hand, in terms of the comitology procedure that should apply.

I am pleased that we have finally succeeded in reaching an agreement between the three institutions, thereby providing a response to the need for continuous implementation of the new financial programmes, which are intended to cofinance projects and undertake actions of general interest in those areas.

Any further delays would undoubtedly have a highly detrimental impact in this area, and for its beneficiaries; delays would jeopardise the preparation of a reference framework on areas such as European contract law and would affect the continued work of the European judicial network.

Certain of those activities ought already to have had the benefit of financial support since the beginning of 2007, but have not obtained it because this programme has not been adopted, as in the case of the civil and commercial judicial network.

- Report: Lienemann (A6-0174/2007)

Jean-Pierre Audy (PPE-DE), in writing. – (FR) I voted in favour of the report by Mrs Lienemann on the proposal for a directive of the European Parliament and of the Council amending Directive 2000/60/CE establishing a framework for Community action in the field of water policy, as regards the implementing powers conferred on the Commission. I also voted in favour of the series of technical amendments by six political groups, including the Group of the European People's Party (Christian Democrats) and European Democrats, with the aim of specifying that the amendment of this Directive lies within the framework of the Joint Declaration of the European Parliament, Commission and Council relating to Decision 2006/512/CE on the introduction of regulatory procedure with scrutiny for a series of basic legal instruments, of which this proposal for a directive is one. It is nevertheless regrettable that the Commission does not make more strenuous efforts when editing its texts to take into account the comitology agreement, forcing Parliament to be vigilant as regards the division of powers. The Commission should be careful of the image it projects of wanting to regularly increase its powers. This behaviour by the Commission exasperates the citizens.

- Report: Florenz (A6-0186/2007)

Jean-Pierre Audy (PPE-DE), in writing. – (FR) I voted in favour of the report by Mr Florenz on the proposal for a directive of the European Parliament and of the Council amending Directive 2000/53/CE on end-of-life vehicles, as regards the implementing powers conferred to the Commission. I also voted in favour of the series of technical amendments by six political groups, including the Group of the European People's Party (Christian Democrats) and European Democrats (PPE-DE), with the aim of specifying that the amendment of this Directive lies within the framework of the Joint Declaration of the European Parliament, Commission and Council relating to Decision 2006/512/CE on the introduction of regulatory procedure with scrutiny for a series of basic legal instruments, of which this proposal for a directive is one. It is nevertheless regrettable that the Commission, which has the monopoly on legislative initiative, does not make more strenuous efforts when editing its texts to take into account the comitology agreement (implementation of texts by the Commission), forcing Parliament to be vigilant as regards the division of powers. The Commission should be careful of the image it projects of wanting to regularly increase its powers. This behaviour by the Commission exasperates the citizens.

- Report: Markus Ferber (A6-0246/2007)

Richard Seeber (PPE-DE). – (DE) Mr President, I consider liberalisation of the postal services vital. However, it is also important that we have postponed the whole process by two years and market liberalisation will only take place in 2011.

It is right to introduce more competition in postal services. It will benefit the economy and consumers, but only if the underlying conditions are right. There has to be a guarantee that postal deliveries will maintain quality at a reasonable price. This needs to be feasible even in remote areas such as mountain regions and islands. Nor should the full burden of the liberalisation package be borne by postal services workers. This is why I have voted for the package.

Sylwester Chruszcz (NI). – (PL) Mr President, as a Polish MEP I support all the solutions for a free market and the free provision of services. But I would like to point out that the rapid liberalisation of the postal sector that has been forced through today may do more harm than good, as in the long term it will lead to the liquidation of national postal corporations, such as the Polish Post Office, and deliver them up to European fat cats like DHL, aka Deutsche Post. That is why I voted against the Ferber report.

Consumers have the right to free competition, but opening up the postal market must not be carried out hastily, at the cost of weaker enterprises that are not necessarily prepared for radical competition, and at the cost of thousands of jobs in Poland and other European Union countries.

Zsolt László Becsey (PPE-DE). – (HU) I myself support the direction of the compromise reached in the matter of liberalisation of postal services. In one section, though, I abstained, and I will tell you why. Point 7/a mentions those states that have received a transitional period until 2013. I abstained because I find it unacceptable to state about certain groups of states, en bloc, without case-by-case scrutiny, why they are receiving this transitional period. Among them are the new Member States, and this is what I find offensive, as it relegates my country and the other new Member States to the status of the Third World. We did not, after all, individually examine who would receive this and on what grounds.

I find it similarly unacceptable to say, in a slapdash fashion, that small states should receive transitional periods in certain matters, for which are these small states? We should therefore proceed with more precision, define more precisely who are we talking about. I hope that this will indeed be done at the second reading.

Zuzana Roithová (PPE-DE). – (CS) Mr President, this compromise is a total contradiction in terms. We are liberalising postal services so that competition will bring a wider range of services to consumers, as well as better quality and lower prices, but at the same time we are afraid that universal services may collapse in a market environment and therefore the liberalisation will be regulated. As an advocate of fair competition, I have voted for Amendment 2, so that the same obligations that apply to universal services will be binding on all players in the single market. This is of course disliked by the cherry-pickers, who have lobbied so vehemently against the proposal. Amendment 6 was essential for transparent accounting, so that the costs of the profitable products of companies are not bundled up into the costs of universal services. New technologies are competing against postal services but are not forcing them out of the market. Even if letter deliveries are in decline, parcel deliveries are essential to the development of Internet shopping. It is therefore not in the interests of consumers or businesses to leave postal services to their fate with nothing to fall back on.

Miroslav Mikolášik (PPE-DE). – (SK) We have just approved a directive of the European Parliament and of the Council amending Directive 97/67/EC concerning the full establishment of an internal market for postal services in the Community.

The new directive sends many positive signals about the quality of services within the European Union, such as availability and, not least, the loss of the monopoly enjoyed by national operators on postal items weighing less than 50 g. I was in favour of a solution which would not terminate the monopoly until December 2010, that is, two years later than the date proposed by the Commission. The idea is, and here I agree with some of the Members of the lead Parliamentary Committee on Transport and Tourism, that some parts of the European Union which need more time to deliver postal items to destinations across the entire EU should have affordable prices.

For the new Member States, including Slovakia, the date of liberalisation should be 31 December 2012, in order to ensure that the most appropriate method of providing universal postal services can be found. I believe that we have resolved the disputes regarding dates and financing in a balanced manner and to the benefit of citizens in all Member States.

Zita Pleštinská (PPE-DE). – (SK) The liberalisation of postal services which is currently under way means that this sector is opening up to many interested parties.

I am convinced that the positive changes will also be enjoyed by ordinary citizens, as stronger competition brings better services, and the development of innovative products for consumers, who will be able to pick and choose from a variety of products and prices according to their own needs. For these reasons, I have voted in favour of Mr Markus Ferber's report, through which the European Parliament took the final step in dismantling the monopoly on the delivery of postal items weighing less than 50 g. Admittedly, change in the postal sector cannot be implemented overnight. For this reason, the European Parliament has drafted the directive on the liberalisation of postal services in an insightful and responsible manner, so as not to jeopardise these services in any part of the EU.

Thanks to amendments put forward by MEPs from the new Member States, it will be possible, subject to specific conditions, for the new EU-12 and states with a large number of islands to continue exempting

these services and their providers up until 31 December 2012, to the extent that is necessary for preserving a universal service. The European Parliament did not leave out handicapped persons in its report. Amendment 47 instructs the Member States to ensure the provision of free-of-charge postal services to blind and visually impaired persons.

Czesław Adam Siekierski (PPE-DE). – *(PL)* Mr President, we have adopted Mr Ferber's report on the full implementation of the internal Postal Services market. I believe that every citizen of the European Union must have the freedom to choose whose services he or she will use to send a letter, postcard or parcel.

Opening up the market will bring benefits to consumers and postal services users, and for the postal sector, particularly in the new Member States, it will mean further restructuring, cost cutting, innovation, the introduction of new services, including electronic services, and the ability to compete and stay afloat on the postal market.

Let us hope that opening up the postal services market will lead to an increase in the level of services offered, and greater customer care. More operators on the postal market means greater competition, lower prices and a greater choice of services.

Saïd El Khadraoui (PSE). – *(NL)* Mr President, along with the Flemish Socialists, we voted in favour of all amendments, including the compromise amendments, which represent progress compared to the original Commission proposal.

Eventually, however, we decided to reject the proposal with a view to sending out a strong message of continuing concern. Actually, a great deal of homework was given to the Member States to ensure that liberalisation would be accomplished successfully. They will need to ensure that their social laws apply to all operators and that, by 2010, they can demonstrate how they will finance the universal provision of service in a competitive market. As we see it, it would have been preferable to wait and see before taking a final decision.

Kader Arif (PSE), in writing. – *(FR)* The new Postal Directive against which I voted is a textbook case when it comes to studying the ideological stubbornness of the Commission. Abolishing the reserved area for mail weighing less than 50 grams is as good as signing the death warrant of the public postal service.

The Commission and certain Members of this Parliament would have us believe that the 'universal postal service' is safeguarded by this Directive. By rejecting the reserved area as a funding method, we are faced with an impossible equation: the Member States – which already have limited budgets – should fund the universal service. There is no economic or rational reason why the 'reserved area' should be excluded from the possible funding methods, except to undermine the universal postal service.

Job insecurity, a reduction in the number of post offices, an increase in tariffs for private individuals, the end of standardised tariffs and thus of equality of access to the postal service – that is what has just been voted for. I remain convinced that public services can function in an EU-wide network. This is possible and desirable if we want to create a real European Community.

This Directive makes us renounce the very function of politics: that of regulating and managing economic activity and the market, in order to achieve objectives relating to land management, solidarity, development and so on.

Jean-Pierre Audy (PPE-DE), in writing. – *(FR)* I voted in favour of the excellent report by Mr Ferber concerning the full accomplishment of the internal market in postal services. First, I am delighted that the gradual and controlled market opening is being carried out in accordance with the 1994 European Council Resolution, whilst assuring the lasting provision of the universal postal service. There is a good, balanced political compromise between the Group of the European People's Party (Christian Democrats) and European Democrats, the Socialist Group in the European Parliament and the Group of the Alliance of Liberals and Democrats for Europe. The date of 31 December 2010 put forward by Parliament is more realistic than 1 January 2009, as put forward by the Commission.

I voted in favour of various amendments, aimed at ensuring that the financing of the universal service is monitored at all times in a completely liberalised postal market, and with regard to the definition of this universal service, which must ensure collection and delivery to homes or to the premises of any natural or legal person every working day, including in isolated or sparsely populated areas. Moreover,

the Member States should ensure that an adequate number of points of access are established in rural and sparsely populated areas.

Bernadette Bourzai (PSE), *in writing*. – (FR) I voted against the draft Postal Directive because the amendments tabled by Parliament, on the proposal of the Commission, in favour of the total liberalisation of the postal sector on 1 January 2009, and in particular the two-year postponement, are unsatisfactory to me.

Paradoxically, this new stage of liberalisation is going to result in additional public spending because, at the same time, the Commission is forcing the Member States to choose a method of funding universal service obligations.

The fact is, the three proposed funding options have already been tested out in some Member States and have caused major disputes. Furthermore, the idea of maintaining the reserved area (or residual monopoly for mail weighing less than 50 grams) has not been taken up even though the reserved area is one of the most effective and transparent funding options. Maintaining the reserved area is a political choice that I support but that the Commission and, today, most MEPs, reject.

I do not believe that the Commission's objectives to improve service – quality, price and choice – and to release the sector's growth potential can be achieved in this way. On the contrary, I fear the worst when it comes to the future of the rural areas, mountain regions and islands.

Françoise Castex (PSE), *in writing*. – (FR) I voted against the liberalisation of postal services. Furthermore, I supported the request to reject this directive on the grounds that the motivations for this proposal are contradictory and unachievable in terms of guaranteeing the universality of the service, the funding methods of which do not safeguard the right for all European citizens to have their post collected and dispatched on a daily basis.

What is more, I believe that setting, in principle, a deadline for the expiry of Directive 97/67 does not fit in with the results of the consultation of the social actors concerned and of the Member States. They have indicated the need to maintain the guarantees of the universal service in a uniform, proportional and fair way.

As far as I am concerned, this proposal offers no guarantees when it comes to dealing seriously with the social aspects of this liberalisation in order to prevent competition on the job market and social dumping.

Charlotte Cederschiöld, Christofer Fjellner, Gunnar Hökmark and Anna Ibrisagic (PPE-DE), *in writing*. (SV) In the final vote on the Ferber report on the liberalisation of postal services, we have chosen to support the compromise adopted.

We are thus supporting the quickest possible way of achieving the full liberalisation of postal services in Europe. At the same time, we regret that there is strong opposition to fulfilling earlier objectives of accomplishing the liberalisation by no later than 2009. Today's decision is a step in the right direction, even though we had hoped to have managed completely to deregulate postal services within the ten-year period set aside for using the Lisbon process to make the EU into the world's most competitive economy.

Robert Goebbels (PSE), *in writing*. – (FR) The abolition of the final postal monopoly was by no means necessary to safeguard an internal market benefiting consumers. The Commission drew up such proposals on purely ideological grounds, urged on by countries such as the United Kingdom, the Netherlands and the Scandinavian countries, that is, by the champions of the unbridled free market. It is no coincidence that these same countries are opposed to a more political integration of Europe. Even in the United States, the US Postal Service, for obvious reasons of protecting jobs, maintains final distribution in the public system. Although the European Parliament has given a bit of breathing space to some countries, including mine, this liberalisation will not benefit the common citizen.

Bruno Gollnisch (ITS), *in writing*. – (FR) The report by Mr Ferber on the liberalisation of the postal sector does not solve any of the problems posed by the Commission text: the funding of universal service obligations – not least those that are not mentioned in the Directive and that exist in France in particular, such as low-cost newspaper distribution, land management, deliveries six days out of seven, banking for all – the implicit calling into question of the single tariff and of standardised tariffs by the obligation

to reflect costs, the involvement (practical or financial involvement) of private operators in terms of meeting public service obligations, and so on.

Based as it is on an incomplete study, which is mistaken on certain points and which neglects to mention the real results of 10 years of partially liberalised postal services, this text could only be bad and the compromise shaky. It is a source of legal uncertainty and social threat. As a result, the Commission's real objective appears clear as day. As is usually the case in these kinds of matters, this is much less about making the services provided to the public and to the authorities more effective and less costly than about breaking public monopolies and permitting private operators – multinationals, preferably – to cream off profitable markets.

Hélène Goudin (IND/DEM), in writing. (SV) I am generally sceptical about the consequences that the deregulation of postal services has had for the average consumer, particularly in sparsely populated districts.

I have voted in favour of all of the European Parliament's draft amendments. However, I have also supported important amendments stating, for example, that post must be collected from, and distributed to, every physical or legal person's residence or premises every weekday and that, in a deregulated market exposed to competition, there must be an obligation to make cost-free services available to blind and visually impaired people. I have also voted in favour of a number of proposals giving the Member States greater freedom to choose how to strike a balance between deregulation of the postal market and services benefiting the whole of society.

Pedro Guerreiro (GUE/NGL), in writing. (PT) Once again the majority in Parliament is encouraging the total liberalisation of a public service, in this case postal services, thereby endangering the rights and interests of the people and of the workers in that sector.

We much regret the non-adoption of our proposal to reject this Commission initiative, which is intended to complete the liberalisation of postal services throughout the EU and to promote competition in this supranational internal market.

We also regret the rejection of the amendments in which we argued that the Member States should retain the exclusive rights in a reserved area, and safeguard the social and employment rights of the sector, including adherence to terms and conditions of employment and the social security systems established by law or collective agreement.

Although certain aspects have been improved in relation to the Commission's original proposal, the report confirms the total liberalisation of the postal service, only deferring it until 31 December 2010, thus achieving the objective originally laid down by the first directive of 1997, namely the dismantling of a profitable public sector – the postal sector – and its subsequent hand-over to private interests.

This, in stark relief, is EU policy, to which the workers and the people of the various EU Member States must respond appropriately.

Marian Harkin (ALDE), in writing. I fully support amendment 63 which ensures that sufficient access and contact points are established to take account of the needs of users of rural and sparsely populated areas. It is appropriate that Member States should determine the minimum number of access and contact points so that the universal service can be guaranteed. Economic and social cohesion is one of the objectives of EU policy and this amendment will help to ensure this particular objective. It is crucial that, when we open up the market in postal services, we maintain an adequate service for all users.

Stanisław Jalowiecki (PPE-DE), in writing. – (PL) Unfortunately, I cannot support Mr Ferber's report. It sometimes happens that in an entirely decent proposal of the European Commission, following work in the Parliamentary Committee, there is something that one cannot come to terms with. That is the case here.

In the first place, the amendments voted in the Committee on Transport and Tourism are essentially not a compromise at all. This is a decisive victory for the state monopolies fighting change. You can be certain that the extra years that they are allowed will not result in the necessary reforms, and that in a few years we will again have demonstrations outside Parliament.

Secondly, I am concerned by the fact that the arguments of representatives of the 'old' Member States keep on inferring that the 'new' Member States are not ready for liberalisation. Those 'defenders' of

the Polish, Hungarian or Czech post offices are in reality defending the industry interests of the French, Belgian or Luxembourg monopolies. This is not fair play.

And finally the dates, giving the 31st of December of the previous year, rather than the 1st of January of the following year. This is a marketing ploy, in the same way it is easier to sell something that costs EUR 9.99, rather than 10. Is this what we have been reduced to for gaining public confidence in our policy?

Thank you for your attention.

Fernand Le Rachinel (ITS), in writing. – (FR) In France, *La Poste* is not an ordinary company; it is a State enterprise, run by revolutionary trade unionists. It is a public service that is totally under the thumb of corporatist, private-sector, interests.

Why strive to protect the public service provided by *La Poste* when, in reality, it is not one? The customer has nothing to say and the trade unions claim to act in his interests. The boss (the State) and the shareholders (every person in France) are petrified at the idea of seeing the system held up by certain workers who are represented by omnipotent and totalitarian trade unions.

No opposition force is taking action to balance the rights and powers that these workers have granted themselves, and it is the general interest that is being scorned.

Must *La Poste* be liberalised? Must damage be done to this totally corrupted system, which is aimed not at satisfying customers, but simply at becoming part of the private sector, demonstrating so-called 'acquired' benefits and demanding the preservation of those benefits?

The answer is categorically: yes, and quickly. *La Poste* must now make huge efforts to make up for its major handicaps, which are: its huge wage bill, its pension burden and its complex, cumbersome, costly and failing organisation.

Jörg Leichtfried (PSE), in writing. (DE) I am voting in favour of the joint compromise on full competition in EU postal services on 1 January 2011.

However, I should say that I am only doing so because otherwise misguided legislation would have resulted in full liberalisation in 2009 in line with the Commission's wishes.

It is vital that the directive guarantees and ensures full service coverage. This means that all users should have access to a minimum of high-quality services at affordable prices. This so-called universal service also has to ensure one collection or delivery every working day even in remote or sparsely-populated areas. The Member States must establish and apply appropriate penalties for service providers who fail to comply with this requirement.

It is also worth stressing that the provisions of the directives on working conditions and working time, annual leave for young workers, minimum wages, and health, safety and hygiene at work still all apply. Nor does the directive affect relationships between the social partners (such as the right to collective bargaining, the right to strike and take industrial action).

Last of all, I would like to explain that I am voting against extending the deadline for the so-called new EU Member States by two years because I believe that we live in a single Europe, not a divided Europe.

Marie-Noëlle Lienemann (PSE), in writing. – (FR) I cannot accept this total deregulation or the abolition of the Member States' 'reserved area' for postal missions.

This across-the-board opening up to competition harms the single piece tariff, equality of treatment for the regions and the presence of postal services in disadvantaged sectors. Even in the United States, competition is not obligatory for standard mail – weighing less than 50 g – and it is distributed by a federal agency.

Clearly, the methods of funding compensation for the universal service, reduced as it is to a minimum, will in no way safeguard the public service, and extending the deadline for the implementation of this liberalisation does not really solve a thing.

The Council of European Ministers has just decided to create a 'protocol on public services in support of the Treaty'.

It would be quite normal to suspend any new opening up to competition of these services.

Dimitrios Papadimoulis (GUE/NGL), in writing. – (EL) I voted against the Ferber report because it strengthens the dogmatic neo-liberal approach to the crucial sector of public interest of postal services. The European Commission has insisted intransigently on its initial proposals, despite the acute reactions of ten traditional universal service providers, including the Hellenic Post Offices, petitions by thousands of citizens and the warnings of the European Trade Union Confederation and the Federation of Postal Workers. At the same time, the necessary studies on the impact of the liberalisation of the market on the 27 Member States have not yet been completed.

With the hasty opening up of the market and, to all intents and purposes, the abolition of the ‘principle of universal service’, it is a foregone conclusion that thousands of jobs will be lost and, at the same time, citizens’ access to cheap, high-quality postal services will be restricted. The consequences will be even more serious for residents of remote and inaccessible mountain or island areas, which will not be profitable to the undertakings.

The postponement of the entry into force of the new directive is only of minor importance, because it simply postpones the negative consequences for two years.

Furthermore, experience to date in the countries in which the market has already been fully liberalised has been anything but positive.

The demand for the liberalisation of postal services ‘because we want to’ is probably creating problems rather than solutions.

Luís Queiró (PPE-DE), in writing. (PT) A Europe that can provide solutions to its citizens’ everyday problems must be armed with only the best documents and examples. Thus, with regard to the legislation on the completion of the postal services market we see no reason to destroy systems that have worked efficiently, on a sound economic basis, along with the beneficial development of the market and safeguards for the maintenance of the universal service.

While I do not oppose the liberalisation of postal services in principle, I consider this the appropriate place to reiterate my view that there is no economic or rational argument for setting aside the ‘reserved area’ of possible ways of financing the general postal service. Financing via the reserved area is transparent and neutral, does not entail state aid, involves low transaction costs and few disputes and is validated by economic theory.

Proof of this can be found in Portugal, where all services are liberalised or ready for liberalisation, but that does not conflict with the financing of the universal public service out of resources from the reserved area. We cannot ignore the importance of the reserved area for territorial and social cohesion and for the prevention of desertification in more remote and inaccessible areas.

Frédérique Ries (ALDE), in writing. – (FR) Like the great majority of my fellow Members, I voted in favour of the Ferber report, that is, in favour of the total, controlled, liberalisation of postal services on 1 January 2011.

Indeed, the compromise adopted today responds to two dynamics that are dear to me as a liberal: that of an open market economy that is incompatible with *de facto* and *de jure* built monopolies, and that of the specific interests of consumers, who must benefit from genuine and fair competition, chiefly in terms of price, but not just price!

For there is another major element: the human dimension. I welcome the fact that the vote, this lunchtime, has taken account of the human dimension through the introduction of a social regulation clause, the reaffirmation of the crucial role played by postal services in terms of social and territorial cohesion and the last word being given to the Member States where the funding of the universal service is concerned.

These are so many positive signals that should reassure European post office workers, and also make it possible to dispel the confusion skilfully maintained by certain Members on the left: liberalising a sector does not mean privatising it; this European directive does not mean closing post offices!

Martine Roure (PSE), in writing. – (FR) The aim of this Commission proposal is to totally open up to competition the EU’s postal services markets by 2009, in accordance with the deadline set in the current Postal Directive. In this context, the European Commission has submitted a text that is aimed

at guaranteeing funding for the universal service by putting an end to the 'reserved area' and replacing it with new funding tools.

I am against the total liberalisation of postal services. Indeed, the post office fulfils a public service mission that we must preserve. That is why I co-tabled and voted for an amendment calling for the reintroduction of the 'reserved area' as one of the methods of funding the universal service. Indeed, at the present time, no economic reason justifies the abolition of the 'reserved area'. This funding method, which works very well at the moment, should be one of the options offered to the Member States.

In view of the fact that this option has not been taken up by the plenary of the European Parliament, I voted against the final text in order to indicate my opposition to this unjustifiable liberalisation.

Peter Skinner (PSE), in writing. I can support the general approach born out of compromises brought about by PES colleagues and others in the House. In particular, I am concerned that there are guarantees about universal service provision and its financing. In measuring the way that this will have impact in our communities it is vital that two things are addressed directly. Firstly, that working conditions are maintained and, secondly, that rural and peripheral areas are successfully provided for as they are now. These are some of the challenging issues that must be taken into account for the report to be taken seriously as something that benefits all European citizens.

Bart Staes (Verts/ALE), in writing. (NL) The Ferber report is yet another report on the liberalisation of universal services which is missing out on the huge opportunity to guarantee, in addition to the freedom ideal, the principle of equality in a social Europe.

Postal services are welcome to compete with each other, but whether the quality will improve as a result and prices will fall remains to be seen. It is irresponsible, as I see it, for the new Directive not to offer any clear guarantees in respect of the quality of the so-called 'reserved area', that the funding of such service remains ambiguous and that the social arrangements that have been included in collective labour agreements do not have to be respected as a compulsory measure. When the market opens up fully in 2009, it is uncertain whether more remote areas will receive the same level of service at the same price compared to densely populated areas. The ability to send and receive letters at a reasonable price is a fundamental right.

Moreover, postal service providers will do their utmost to keep the costs to a minimum in order to compete with each other. Permanent jobs will be replaced by uncertain, part-time jobs. Postmen will be underpaid, many will be dismissed, even more post offices will be at risk of closing down and soon we will have blue, yellow and green post boxes in addition to the red ones. I do not support the report.

Konrad Szymański (UEN), in writing. – (PL) The red tape facing firms posting workers within the European market is nothing more than a modern form of protectionism, aimed mainly at the new Member States, as shown by the examples of the *Vaxholm* and *Viking Line* cases.

This resolution only reinforces this trend, which threatens the principles of a common market, competition and equal rights. That is why I voted against this opinion.

Marc Tarabella (PSE), in writing. – (FR) The vote on the liberalisation of postal services that was held today is the fruit of a compromise between the Group of the European People's Party (Christian Democrats) and European Democrats and the Socialist Group in the European Parliament. However, this compromise clearly implies the definitive liberalisation of the last sector of postal activities that is managed by the public authorities, and this without any guarantees regarding the funding of the universal service and the continued employment of Europe's 1.6 million post office workers. As a member of the PSE Group, and as shadow rapporteur of the Committee on the Internal Market and Consumer Protection, I can only vote against this green light given to liberalisation, despite the improvement that has been made with regard to the Commission's initial proposal.

Georgios Toussas (GUE/NGL), in writing. – (EL) Today's decision by the European Parliament on the liberalisation of postal services by the MEPs of the Group of the European People's Party (Christian Democrats) and European Democrats, the social democrats, the liberals and other political forces is a heavy blow for workers in the sector and more generally.

The proposal paves the way for transferring the infrastructures and the public postal services sector as a whole to business groups in order to increase their profits.

The argument about falling prices due to competition is a myth because, with the proposed arrangements for abolishing uniform pricing and the terms on which the universal postal service is to be maintained, we shall have increases in prices and a deterioration in the postal services provided.

The labour and social rights of the workers will be put to a Procrustean bed, with the extension of flexible forms of employment, the blow to collective agreements and so forth.

There is doubt as to the confidentiality of communications, which is safeguarded constitutionally, as correspondence will be moved by private individuals, without any guarantee and with minimum facilities for checking if the confidentiality of correspondence and the protection of personal data are being safeguarded.

Postal services are a social commodity.

The Greek Communist Party voted against the proposal on the liberalisation of postal services.

Bernadette Vergnaud (PSE), in writing. – (FR) By abolishing the reserved area, which made it possible to fund the universal service – that guarantee of a quality public service for all – and by creating disharmony with funding methods that each Member State is left to decide on, the total liberalisation of postal services will result in the loss of solidarity between urban and rural regions, the enrichment of shareholders and an increase in local authorities' public debt. I therefore voted in favour of the amendment aimed at reintroducing the reserved area, which satisfies more than 70% of Europeans. As a member of the Socialist Group in the European Union, I am in favour of a 'postal' Europe that consists of modern public services, but not at the cost of the loss of jobs and of human and regional solidarity.

The paradox of this proposal is that, without a new directive, liberalisation will take effect on 1 January 2009. An amendment rejecting the text proposed by the Confederal Group of the European United Left/Nordic Green Left makes this liberalisation effective on 1 January 2009, because, at this point in time, it is the 2002 directive that applies, and that alone, and that is why I did not endorse this amendment. I did, however, vote in favour of the amendment rejecting the text that, moreover, abolished the date of 1 January 2009. I did, of course, vote against the final text.

Dominique Vlasto (PPE-DE), in writing. – (FR) I wished to vote in favour of the compromise drawn up by Mr Ferber because it improves on certain points of the European Commission's initial proposal.

It gives Europe's post offices extra time in which to prepare to open up to competition, an event that has been pushed back to 1 January 2011 instead of 2009, as the Commission initially planned.

I also supported the compromise because it will protect the terms and conditions under which post office employees work. Market liberalisation cannot take place at the expense of workers, even if liberalisation benefits consumers.

Our vote also provides guarantees in relation to territorial cohesion. All users are in fact guaranteed to be able to have their post collected and distributed throughout the European Union at least five days a week.

Nevertheless, there remains a major difficulty, which will be the issue at stake at second reading. I am referring to the funding of the universal service. We need to have funding mechanisms that are legally secure and permanent. That is an essential precondition for the economic operators of the sector, a precondition without which I will be unable to commit myself to the total liberalisation of the sector.

- Report: Arūnas Degutis (A6-0178/2007)

Colm Burke, Avril Doyle, Jim Higgins, Mairead McGuinness and Gay Mitchell (PPE-DE), in writing. We voted against amendments 58 (Article 14a (new)), 59 (Article 15 (new)) and 61 (Paragraph 2a (new)).

We believe the social aspects of air transport employment deserve examination but that this should be carried out following the principles of 'Better Regulation', including proper research and appropriate consultation. The European Commission has embarked on such a study. It is, therefore, appropriate to wait for the conclusions of said study to see what actions, if any, the Commission says are required at Community level.

Christine De Veyrac (PPE-DE), in writing. – (FR) This report is important because it updates the law of the single market in air transport, and does so in particular with the aim of guaranteeing the uniform application of Community law in all of the Member States and of creating equal conditions for all airlines.

I am particularly pleased that Amendments 35 and 61, of which I voted in favour, have been endorsed by a large majority. The first amendment requests that the provisions concerning the law applicable to workers who are employed in a country other than that of the airline for which they work be made clearer.

The second amendment requests that the Commission present clear legislation in this area.

I think it important, in fact, that, in the current context, in which air transport is continually developing and airlines are opening establishments in various EU countries, the law applicable to the employees of these establishments be laid down in a clear manner.

Pedro Guerreiro (GUE/NGL), in writing. (PT) We regret the rejection of our amendments, which:

- emphasised ‘that deregulation has had a negative impact on the quality of employment and working conditions, and that its true effects on matters of security and the maintenance of a high-quality fleet should be assessed’;

- safeguard respect for workers' rights and collective bargaining:

‘Contracts and conditions of employment of air crews shall be governed by the legislation, collective agreements and all correlated rights of the country in which the worker normally carries out his duties and to which he returns on the conclusion of his activity, even if the worker in question is temporarily posted in another country’;

‘Member States shall ensure the correct implementation of Community and national social law and collective agreements as regards employees of a Community airline that carries out air transport services from an operational base situated outside the territory of the Member State in which the said Community airline has its principal establishment’;

Another of our amendments guaranteed the involvement of workers' representative organisations in decisions relating to the air transport sector.

Jörg Leichtfried (PSE), in writing. (DE) I am voting in favour of greater transparency for air tickets.

Up to now, flight prices have mostly been published without any information about the various cost factors. In future, passengers should now be given information about the actual ticket price and all additional costs such as taxes, airport taxes and booking fees when they make their booking, whether online or in a travel agency. This is an important measure to prevent consumers being tempted by misleading advertising and confusing price information to purchase ostensibly cheap tickets that subsequently turn out to cost much more than the figure quoted.

Consumers must be informed of the exact level and intended use of security information. Security taxes and fees must be transparent and may only be used to cover costs incurred by airports and during the flight.

David Martin (PSE), in writing. I voted in favour of this report which addresses misleading advertising and information of passengers. In particular, I welcome the fact that all air fares must now be published including all taxes, fees and charges added to the ticket price and known at the time of publication of the air fare. I believe that this report will greatly increase consumer rights.

Marianne Thyssen (PPE-DE), in writing. (NL) Mr President, ladies and gentlemen, from the advertising campaigns for airline tickets, one gains the impression that it is possible to fly around Europe for just a handful of euros. The moment of disillusionment arrives when the time has come to settle up. All of a sudden, all kinds of additional costs are added to the price of the ticket in the form of levies, surcharges and taxes. Today, Parliament is putting a check on these evil practices. This is a welcome development, and this is why the report by the Committee on Transport and Tourism receives my unqualified support. The aviation consumer is entitled to a fair and transparent price without any nasty surprises. Following the introduction of additional protective rights for passengers in the case of overbooking, cancellation or delay of their flights, the European Parliament is once again taking the lead in protecting airline

passengers. What is important is that Member States provide for effective sanctions quickly if these new provisions are not applied. Trust is good, but control is better.

Silvia-Adriana Țicău (PSE), *în scris*. Am votat pentru raportul DeGutis privind „Regulile comune în domeniul aviației civile” deoarece textul asigură reprezentarea tuturor punctelor de vedere exprimate. Consider pozitiv faptul că va fi asigurată nediscriminarea bazată pe locul de rezidență a operatorului de turism sau a pasagerului, deși regret că nu s-a aprobat nediscriminarea pe baza canalelor de distribuție. Astăzi, este posibil ca un bilet de avion București-Bruxelles pentru același zbor operat de aceeași companie aeriană să coste diferit dacă biletul este cumpărat la București, față de prețul biletului cumpărat la Bruxelles.

De asemenea, un pas important este protecția ce va fi asigurată pasagerilor, prin noul text, în caz de faliment al operatorului aerian, situație care devine din ce în ce mai posibilă într-o epocă a operatorilor mici.

În altă ordine de idei, din păcate, chiar dacă există reguli privind protecția pasagerilor în situații de întârzieri sau chiar anulări de zboruri, aceștia nu își cunosc drepturile și implicit nu și le pot apăra. Noi, deputații europeni, reprezentăm cetățenii Europei și iată că prin acest regulament se asigură condiții mai bune pentru pasagerii ce utilizează transportul aerian. Avem datoria să ne asigurăm că pasagerii își cunosc drepturile și implicit și le pot apăra.

- Report: Ieke van den Burg (A6-0248/2007)

Jean-Pierre Audy (PPE-DE), *in writing*. – (FR) I voted in favour of the own-initiative report by Mrs van den Burg, in response to the Commission's White Paper on Financial Services Policy 2005-2010. I am pleased that this report congratulates the Commission on its priorities of consolidating the European financial market, removing obstacles to the free movement of capital and improving control of financial services. Concentration risks, attention to new alternative financial instruments, access to finance, particularly to microcredit, analysis of the systemic risk of serious financial crisis, etc. are all areas where European citizens expect improved security, through the regulation and control of these activities. The citizens' inadequate financial culture is also a concern.

I would like to congratulate my colleague, Mr Gauzès, draftsman of the opinion of the Committee on Legal Affairs, on his work. He is right to highlight the importance of impact analyses for completely new European legislation or significant legislative amendment, which are carried out in a highly unsatisfactory manner by the Commission.

Ilda Figueiredo (GUE/NGL), *in writing*. (PT) The two main trends in the financial markets have been the concentration of the biggest financial operators and the exponential growth of so-called 'alternative investment activities', or in other words the derivative and hedge fund markets.

Nearly thirty major international players currently control all business and dominate the market throughout the world. The concentration of financial operations at national level continues apace, with the dominance of the peripheral and small-scale markets by big foreign operators, in the new Member States and the southern countries such as Portugal.

The use of financial instruments that are geared towards mere speculative gambling and that concentrate large sums of money, of which tax havens are an example, the deregulation of the main markets and the utter lawlessness of the world's capital transactions, involve systemic and operational risks that lead to economic and financial crises.

The only beneficiaries of this process are the big multinational corporations, with the assistance, in Europe, of the financial services action plan.

We still have not been told why tax havens are not abolished and why movements of capital are not taxed.

Marian Harkin (ALDE), *in writing*. I support the deletion of the word, 'taxation', from paragraph 22 as I do not believe the Commission should undertake the preparation of an appropriate and feasible framework of regulation and supervision in terms of taxation.

Eoin Ryan (UEN), *in writing*. I broadly support the Commission's White Paper on Financial Services.

I support measures which seek to tackle obstacles to the development of the EU's financial services market. However, I find it difficult to support the notion that a legislative framework for pensions needs to be supported by a harmonised tax base. It would be unwise of the Parliament to support such an assertion without the findings of the detailed technical analysis, as agreed at the last Ecofin Council. There is no evidence to suggest that linking pensions to a harmonised tax base would be good for the pensions sector.

It is not within the competence of the Commission to consider the feasibility of a legislative framework for taxation. Taxation is a matter for individual Member States.

Finally, the EU's financial stability is not under threat from alternative investment vehicles - hedge funds and private equity. I do not believe that legislation is needed in this sector. I do believe attention needs to be given to the enforcement of existing rules, market discipline and the continuous monitoring by banking regulators of this sector. I welcome the move by industry to introduce a voluntary code of conduct at the recent G8 meeting.

Andrzej Jan Szejna (PSE), *in writing*. – (PL) I am voting in favour of Ieke van den Burg's report on Financial Services Policy (2005 – 2010) – White Paper.

The rapporteur addresses important issues relating to the proper provision of financial services on the European capital market. She points out the lack of integration of the retail financial services markets, the need to emphasise the cross-border requirements of mobile users, and pilot projects for Europe-wide financial services such as pensions, mortgages or particular insurance products.

As the rapporteur so rightly says, it is important to make basic services accessible to all citizens. We should also not forget about increasing financial education and involving users in the policy-making process, and promoting financial knowledge and education for consumers.

The report dedicates a great deal of attention to regulatory and supervisory structures, stressing that current oversight of some new complex products and their interactions and effects at macro level may prove inadequate.

- Report: Jacek Protasiewicz (A6-0247/2007)

Hubert Pirker (PPE-DE), – (DE) Mr President, in his report, the rapporteur has made proposals that combine greater flexibility and the maximum degree of safety, and which are in the interests of workers and employers. His proposal is designed to provide job security for workers and guarantee a future for business and competitiveness in Europe.

However, I should point out that job security no longer means a job for life, but rather always being able to find work. That entails creating the right conditions, from life-long learning to creating positive working conditions that allow a healthy work-life balance.

The social partnership is vital to the effective implementation of these strategies. Although nationally that is fine and works well, there is a certain amount of catching up to be done at European level.

I think the report as a whole is excellent, and have therefore voted in favour.

Lena Ek (ALDE), – (SV) I support the report, but I wish to address three points of principle that it was not possible to vote on in plenary.

The first is the view of small companies. It is quite clear that we can move towards both increased security for workers and increased flexibility and still have simpler rules for small companies. The report has taken no account of this fact, and that is something I deeply regret.

The second point I wish to address is the Scandinavian approach or, as it is formulated in the report, the Scandinavian situation. There are, however, very big differences between the Scandinavian countries. The former Swedish Social Democratic Government did not do enough work on either flexibility or security, which has led to our situation in Sweden being radically different from that in Denmark. That particularly applies to youth unemployment, which is more than three times higher in Sweden than it is in Denmark.

The last point I wish to address is the view of women's position in life and in working life, with the report expressing an incredibly old-fashioned view of gender equality.

Avril Doyle (PPE-DE). – Mr President, sustainable growth with more and better jobs is at the heart of the Lisbon Strategy. The modernisation of labour law constitutes a key element for the success and adaptability of workers and enterprises, and underlines the need to promote labour market flexibility while respecting job security.

While I supported this report, I did so with the caveat that modernising labour law does not lend itself to a ‘one size fits all’ approach, and particular attention must be given to reviewing the impact of regulation on SMEs, including unnecessary administrative burdens. I also feel that the Green Paper places undue focus on ‘normal’ contracts of employment and underestimates both the variety of atypical working arrangements agreed between workers and employers and their consequent values to the parties concerned. The paper also fails to suggest how this flexibility has not already been provided by the Fixed Term Directive, the Part-Time Work Directive and the Posted Workers Directive, in which there is a base of EU protection provided across all Member States who have fully transposed these directives.

Above all, any labour law reform must focus on the impact both on employment and productivity.

Koenraad Dillen (ITS). – *(NL)* Mr President, whilst my group shares the view that flexibility should not be at the expense of the best possible protection of employees in a labour-law context, wherever they are employed, it is totally opposed to the idea that this social protection should be developed at European level. References in the report to the principle of subsidiarity and the method of open coordination are mere pretence. This is why we state quite clearly on this platform that any onset of social protection at European level is at odds with the subsidiarity principle, and that this will push the European Union further on the wrong track towards a centralistic superstate. The subsidiarity principle means that the European Union can only act to promote cross-border labour mobility.

Interference by this House is further illustrated by its appeal to the Member States no longer to protect their labour markets but rather to open them up fully to employees from the new Member States. We therefore say ‘yes’ to flexibility and ‘yes’ to social protection, but ‘no’ to a European superstate which is once again trying to muscle in on the act.

Carlo Fatuzzo (PPE-DE). – *(IT)* Mr President, ladies and gentlemen, did you see how all our colleagues fled at lunchtime? Rather, they asked for a suspension, they demanded it and they all hurried off to lunch. Why do not we do without lunch? One meal a day is enough ... If we did do without it, the MEPs who hurried off would know how pensioners live in Europe. They cannot eat more than once a day since pensions, which are also derived from the work of which Mr Protasiewicz spoke, are so low that they do not permit more than one meal a day.

In Italy, now, all the newspapers are talking about increases in pensions, increases that are just crumbs. I therefore hope that, in the future, one meal will be abolished for MEPs and pensions will increase throughout Europe, even though it is not Europe’s job to increase pensions.

Jean-Pierre Audy (PPE-DE), in writing. – *(FR)* I voted in favour of the excellent report by Mr Protasiewicz on the Commission’s Green Paper on the modernisation of labour law, which is essential to meeting the objective of the Lisbon Strategy, namely that of achieving sustainable growth with more and better jobs. It is imperative that we reconcile flexibility – which is a vital prerequisite to adapting to the volatility of the markets, the latter a mere consequence of the consumers’ volatility – with security, which is a core value of the European social model.

It is surprising that the Commission can consider the open-ended employment contract to be outmoded. I am pleased that Parliament has reaffirmed that the full-time, open-ended contract constitutes the usual type of employment relationship and is considered the reference point.

Finally, it is necessary continually to highlight the role played by social partner organisations in reforming the labour markets and the indisputable usefulness of collective agreements in reforming labour law. From this perspective, social partner organisations must make more use of the legal possibilities offered by the current treaty.

Ilda Figueiredo (GUE/NGL), in writing. *(PT)* In this vote, as we expected, the Group of the European People’s Party (Christian Democrats) and European Democrats has managed to push through some of its proposals aimed at greater flexibility and fewer rights for workers. For that reason, and in accordance with our position in the Committee on Employment and Social Affairs, we voted against this report.

We are extremely concerned that Parliament is once again taking a neo-liberal approach and, in response to the demands of big business, recommending further deregulation of labour law.

The premises set out in the Commission's Green Paper, as this report does not deny, represent a serious attack on the rights won by workers after centuries of struggle. Despite a few contradictions, it encourages the use and extension of flexible contracts of employment, with reduced pay and social rights, longer working hours, and a deterioration in social security and workers' pension conditions.

We are also extremely concerned at the clear attempt to mislead workers by using everything that is not currently enforced presenting labour law as justification for this attack. This is an attempt to legalise something that is unlawful at present.

The people and the workers know all about this situation, as evidenced by the various demonstrations against these policies that have been held, such as the recent one by thousands of workers in Guimarães.

Hélène Goudin (IND/DEM), in writing. (SV) The draft report contains quite a few interesting points of view. Firstly, recital N states that: 'hundreds of thousands of women have no choice but to accept irregular conditions of employment, because they are domestic workers outside their own household or have caring responsibilities for elderly family members'.

The Scandinavian countries are twice held up as models, demonstrating how a high level of dismissal protection and employment standards is fully compatible with high employment growth (paragraph 13) and how the right, exercised by certain Nordic countries, to take collective action is compatible with the EC Treaty – a right that needs to be respected by the Commission (paragraph 18).

I just want to point out that the situation in the labour market for women is very different in each of the different Member States. The ways in which child care and care for the elderly are to be organised in the various Member States is something to be determined on the basis of the debates and of the results of general elections in each and every one of the Member States. I personally believe that Sweden has made good progress on the road towards an equal society and to devising a model for giving women the opportunity to enter the labour market. It is up to the voters in each Member State, however, to decide which model they wish to support in their own countries.

Marie-Noëlle Lienemann (PSE), in writing. – (FR) I did not endorse the report which, in the name of modernity, aims to embark on a new stage of flexibility in the workplace, painting in glowing colours a form of flexicurity of which the security dimension, I am afraid to say, is virtually non-existent.

It is across-the-board flexibility that is immediate and definite, and security that is rare, indefinite and postponed until a later date. Nothing escapes the report – working time, pay, guarantees, working conditions. We are light years away from protecting a European social model. If we are to move in the direction of flexicurity, let us begin with more security, because too much flexibility is imposed on workers!

David Martin (PSE), in writing. I voted in favour of this report which focusses on employment security throughout a worker's life rather than protecting particular jobs. I believe it is important that, within the EU, it is easier to find a job and to move from one job to another.

Dimitrios Papadimoulis (GUE/NGL), in writing. – (EL) I refused to vote in favour of the Protasiewicz report on flexicurity, as did the entire body of the European left, because the protection of stable employment and the security of the workers are being watered down in the name of flexibility in employment relations. The neologism of flexicurity is being used to try and hide a neo-liberal ambition. In the name of competitiveness and the profit of undertakings, redundancies will now be easier and 'free' for undertakings and the cost of protecting young unemployed persons will be passed on in full to society as a whole.

The responsibility of undertakings towards workers is being refashioned as the responsibility of society towards the unemployed. Collective negotiations and the role of the trades union are being drastically watered down within the framework of the new model. Individual contracts are tending to become the norm, giving employers the power to dismiss more easily, without giving their reasons, and the facility to organise in trades union is being radically watered down. The European left, in collaboration with the trades union, with its proposals both in the Committee on Employment and Social Affairs and in plenary, is seeking cover for all workers, regardless of the contract under which they are employed.

It maintains that the right to take collective action forms an important part of labour law. The Member States are called on to promote stable, regular employment and to safeguard and improve the workers' rights, the standard of employment and a high level of social protection.

Carl Schlyter (Verts/ALE), in writing. (SV) The political content of the report is, in general, constructive, but unfortunately too much of labour law is taken up to EU level. In the long term, this is in danger of undermining national labour law and the Swedish model, because the focus is on the market and because the Right dominates. I cannot, therefore, vote in favour of the report and am instead abstaining from voting.

Olle Schmidt (ALDE), in writing. – (SV) I support the report, but I wish to address three points of principle that it was not possible to vote on.

The first is the view of small companies. It is quite obvious that we can move towards both increased security for workers and increased flexibility and still have simpler rules for small companies. The report has taken no account of this fact, and that is something I deeply regret.

The second point I wish to address is the Scandinavian approach or, as it is formulated in the report, the Scandinavian situation. There are, however, very big differences between the Scandinavian countries. The former Swedish Social Democratic Government did not do enough work on either flexibility or security, which has led to our having a situation in Sweden that is radically different from that in Denmark. That particularly applies to youth unemployment, which is more than three times higher in Sweden than it is in Denmark.

The last point I wish to address is the view of women's position in life and in working life, with the report expressing an incredibly old-fashioned view of gender equality.

Bart Staes (Verts/ALE), in writing. (NL) Europe is not a social Europe unless it manages to lay down a system of minimum social standards that applies to every type of employee in a unified market with free movement. This is, in fact, also the gist of the Commission Green Paper on modernising labour law. The Protasiewicz report states that every reform of labour law should take due account of principles such as gender equality and non-discrimination, decent work, the protection of all employees (irrespective of their type of contract) and the necessary role of the social partners and other representative organisations from civil society when labour legislation is laid down.

Improved labour law is able to adapt to change, protect employees and limit uncertainty. If labour law wants to face up to the challenges of the 21st century, then we will also need strong instruments that are able to curb the growing informal economy and exploitation. The report also presses for more convergence between the Member States, so that legal certainty increases, for example with regard to cross-border employment.

I will support the report, even though I regret the absence of any reference to equal pay for equal work, and some paragraphs lack the necessary punch, for example in terms of working hours, training (access to, instead of entitlement to) and the relationship between labour law and lifelong learning and education.

Konrad Szymański (UEN), in writing. – (PL) The report on implementing the changes by the Committee on Employment and Social Affairs which were not rejected by the European Parliament aim to extend excessively rigid labour law solutions. These will make it difficult to create new work places and will condemn a large section of people to unemployment.

It also transposes this negative experience to countries with a more competitive labour market.

That is why I was unable to support it in the plenary voting.

Georgios Toussas (GUE/NGL), in writing. – (EL) The report is the product of yet another political compromise of the now familiar coalition of the political representatives of the European plutocracy: the Group of the European People's Party (Christian Democrats) and European Democrats, the social democrats and the liberals, and moves in a totally reactionary, anti-labour direction. The report:

Considers the reactionary reforms in labour law to be necessary, in order to help achieve the objectives of the Lisbon Strategy.

Announces that it is more important to the workers to have security during their working life than job protection.

Accepts and acknowledges the need for flexible working time arrangements, in order to meet the 'needs of employers and employees'.

Promotes the perception of class cooperation between the 'social partners' in the name of improving the competitiveness of undertakings.

Seeks to convert collective agreements from a tool for defending the interests of the working class into a 'tool for promoting social partnership'.

The report supports the core philosophy of 'flexicurity', the basic logic and the ambitions of the Green Paper.

The Greek Communist Party voted against the report and condemns the dangerous endeavour by the political spokesmen of the monopolies, which is being promoted to the detriment of the working class and workers in general.

- Resolution: B6-0266/2007

Hubert Pirker (PPE-DE), – (DE) Mr President, European integration means creating economic cooperation, which in turn leads to increasing and genuine free movement of workers. The Posted Workers Directive under discussion is the right instrument to prevent wage dumping on the one hand and distortions of competition on the other. Unfortunately, the Commission review of the Directive's implementation has revealed problems with controls in the Member States. Yet the directive is only good and effective if the requisite control mechanisms really work at Member State level and penalties exist.

If, in the wake of its review, the Commission decides to reduce or simplify the controls, that would definitely be wrong, and we should reject any such proposal. Instead, I urge the Commission to ensure that the controls verify that collective bargaining agreements and national wage rules are really respected.

Françoise Castex (PSE), *in writing*. – (FR) I voted in favour of the motion for a resolution on the posting of workers in the framework of the provision of services.

I am convinced that the full implementation of Directive 96/71/EC is crucial in order to achieve a fair balance between the free provision of services and the protection of workers, not least against social dumping.

I believe that it would be a good idea if, in the Member States in which the Directive is implemented by means of collective agreements, the social partners could directly access information on companies posting workers so as to be able to monitor the situation effectively.

Finally, I call on the Member States to think about a future review of their legislation on definitions and instruments, so that they can combat 'PO Box' companies and bogus self-employment.

Ilda Figueiredo (GUE/NGL), *in writing*. (PT) As the number increases of cases in which workers, especially temporary workers, are being exploited in various EU countries, it is disappointing that Parliament has not sent a clear signal to the Commission, which is currently not demanding an end to this phenomenon, nor is it clearly demanding compliance with basic minimum standards for worker protection and with the conditions of employment of posted workers.

On some points, the adopted text does not go as far as the text we recently managed to adopt – the Schröder report – on the posting of workers. We are therefore voting against it.

We are extremely disappointed that our proposals have been rejected, particularly the following proposals: that the contracting company should have a legal representative in the host country; that the necessary documentation should be kept at the place of work; that in the event of unlawful acts an investigation should be carried out to determine liability; and that the recruitment of workers under false pretences should be combated.

We vehemently condemn the fact that the Commission Communication is not even-handed inasmuch as it considers measures for worker protection disproportionate, but does not consider disproportionate,

or even examine, the insufficient implementation of the directive as a result of inadequate monitoring in certain Member States.

Marian Harkin (ALDE), in writing. The posting of Workers Directive when properly implemented has provided a level of protection for posted workers, however, reports from the Commission have indicated that in many cases there have been poor compliance with the Directive and workers do not receive the protection of the Directive to which they are entitled. This has led to social dumping and a race to the bottom. In this context Member States should be able to require a prior declaration by the Service provider to enable it to verify compliance with the employment conditions.

José Albino Silva Peneda (PPE-DE), in writing. (PT) I support the motion because I agree that there is a need to promote worker mobility in the European Union. Greater mobility will help to boost the single market, which in turn will lead to greater economic growth and more jobs.

The EU internal market still has great potential for development in a number of areas, particularly that of freedom of movement for workers. Bearing in mind the very different social and economic situations of the various Member States, I strongly believe that it is neither possible nor desirable to harmonise employment legislation.

I nevertheless consider that efforts should be made throughout the Union to reach agreement on the definition of the status of 'worker' and 'self-employed'. It is also necessary to ensure the proper implementation of the various European directives already in force, particularly as regards the posting of workers.

It is important in particular to improve coordination and information-sharing between Member States on the basis of transparent criteria.

Georgios Toussas (GUE/NGL), in writing. – (EL) Directive 96/71/EC concerning the posting of workers in the framework of the provision of services and the communications by the European Commission (COM(2006)0159 of 4 April 2006 and COM(2007)0304 of 13 June 2007) are being used by the monopolies within the framework of the anti-labour policy of the EU and the governments of the Member States in order to undermine collective agreements and the wage and social rights of workers in general, in a bid to maximum the profits of capital.

We consider that the proposals contained in the motion for a resolution in question on the posting of workers not only fails to stop this anti-grassroots policy, but is being used by the monopolies to extend 'unequal pay for equal work' by posting workers. That is why the group of the Greek Communist Party in the European Parliament voted against the motion for a resolution on the posting of workers.

President. That concludes the explanations of vote.

9. Corrections to votes and voting intentions: see Minutes

(The sitting was suspended at 2.25 p.m. and resumed at 3.05 p.m.)

IN THE CHAIR: MR POETTERING

President

10. Approval of Minutes of previous sitting: see Minutes

11. Eurozone (2007) - European Central Bank (2006) (debate)

President. The next item is the joint debate on

the report by Dariusz Rosati (A6-0264/2007) on behalf of the Committee for Economic and Monetary Affairs on the Eurozone annual report 2007 (2007/2143(INI)) and

the report by Gay Mitchell (A6-0266/2007) on behalf of the Committee for Economic and Monetary Affairs on the European Central Bank's annual report for 2006 (2007/2142(INI)).

I am very pleased to welcome the President of the Euro Group, the Luxembourg Prime Minister and Finance Minister Jean-Claude Juncker. I am also delighted to welcome the President of the European Central Bank, Jean-Claude Trichet to the European Parliament. Let me also extend a warm welcome to Commissioner Joaquín Almunia.

Dariusz Rosati (PSE), rapporteur. – Mr President, I am pleased to present the second ever report of the European Parliament in response to the Annual Report of the European Commission on the Eurozone. The Commission's report presents the economic situation in the Eurozone in 2007.

The results of the report are cause for satisfaction. The economic growth rate in the Eurozone rose to 2.7%, which is the best result since 2000, whilst unemployment fell to 7.6%, the lowest in 15 years. At the same time the Eurozone has become an increasing factor in stabilising the world economy.

This generally optimistic picture, however, should not conceal some negatives, and these are what we focus on in our report. Firstly, the rate of fiscal adaptation, particularly in countries with large budget deficits, is too slow, bearing in mind that the stability and growth pact obliges Member States to maintain as balanced a budget as possible in the medium term. That involves building up a budget surplus in good times to have a financial reserve for times of recession. In this context we are critical of the behaviour of some Member States who are not making use of the current period of growth to implement the necessary cuts in public spending.

Secondly, Parliament points out that the good average results for the whole of the Eurozone cover up substantial differences in the economic situation from one Member State to another. Of particular concern is the declining international competitiveness of some countries' economies, most frequently due to wage rises in excess of the increase in productivity.

Thirdly, we call for a continuation of the structural reforms required by the guidelines of the new Lisbon Strategy. We have to increase the speed at which the remaining barriers in the markets for goods and services are removed, and help further integration of the labour and financial markets, which will become an important element in the proper functioning of the Eurozone. We would like in particular to draw attention to the speedy implementation of the services directive, which has brought accelerated growth in labour productivity and cut inflation in the services sector. This is particularly important, as services make up 70% of the GDP in the Eurozone.

Fourthly, Parliament stresses the importance of further extending the Eurozone to strengthen economic and monetary union and the common currency. We are pleased at the decision to accept Cyprus and Malta into the Eurozone, and look forward to other states joining it in the not too distant future. We would like to point out that the process for ascertaining the readiness of countries applying for the Eurozone should be transparent and based on uniform criteria, whose economic rationale and political importance should be in no doubt.

In this regard we call upon the Commission and the Council to start a serious debate on the nominal convergence criteria.

Finally, I would like to emphasise the importance of good governance and intensified policy coordination in the Eurozone. We need this if we are to make full use of the opportunities provided by the common currency. I am pleased at the decision taken by the Euro group in April this year to adopt benchmarks for the fiscal policies of Member States. We expect the implementation of these decisions to be closely monitored. I would like to take this opportunity to assure Mr Juncker that in this matter he has the full support of Parliament.

I would also like to congratulate Commissioner Almunia on preparing the Commission's second report on the economic situation in the Eurozone and express the wish that the reports prepared in coming years bring just as good news as this one.

Gay Mitchell (PPE-DE), rapporteur. – Mr President, I am happy for this report to be debated jointly with the report on the eurozone. I would add that the report I am presenting was adopted unanimously by the Committee on Economic and Monetary Affairs.

Starting with the economic situation, in 2006 the economic recovery in the eurozone became a self-sustaining process with domestic demand acting as the main driver. Two million jobs were created in 2006 and unemployment fell from 8.4% to 7.6%. In the context of this recovery, I would like to stress the main points of the report. Against the background of the recent recovery, any further raising of

interest rates should be undertaken with caution in order not to endanger economic growth. It is crucial that wages increase in line with productivity in order to preserve competitiveness in Member States and to allow for job creation in a non-inflationary environment. Fiscal consolidation is key and all the more necessary in good times in order to achieve long-term growth.

The report observes that small economies have performed better than large economies since the creation of the eurozone in terms of growth, with notably Ireland, Finland, Greece, Luxembourg and Spain achieving a higher average growth rate than the eurozone average and we say that lessons might be drawn from such developments. The report expresses concern about the ongoing appreciation of the euro against most major European currencies. Article 111 of the Treaty assigns responsibility for exchange rate policy to the Council but without specifying how this responsibility should be exercised.

The report calls on the Eurogroup, the Council and the ECB to exercise their respective powers and responsibilities in full coordination. The report also calls on the ECB to monitor closely developments in the use of the euro as a reserve currency for central banks and, in the context of its annual report on the international role of the euro, to quantify and analyse the effects of this, particularly as regards exchange rates. Mr Trichet will be aware that every time he has appeared at Parliament's Economic and Monetary Affairs Committee during the last two years I have raised with him the issue of house prices. This remains a concern of mine. Therefore, the report calls for the ECB to monitor closely these developments, which have the potential to have consequences for the real economy. The report contains a request that the ECB present ways forward with their respective advantages, such as including real estate in the harmonised index of consumer prices or devising a specific type of indicator or suggesting specific measures to be taken at national level due to heterogeneities among the national markets.

I refer later on to the Fed formula. Perhaps it is time to develop an ECB formula to help forecast the likely effect of interest rate increases on house prices. My report also raises the issue of sub-prime lending and suggests that lessons can be learned in the EU from the potential difficulties for the US economy of sub-prime lending.

I would like to take a moment to address an issue of particular concern to Ireland but which has potential interest for other eurozone members. Last year in Ireland house prices were forecast to increase by 9% by estate agents Hook and McDonald, by between 8% and 10% by Sherry Fitzgerald and by 7% by Friends First and IIB, while Allied Irish Banks forecast an increase of between 3% and 6%. The recent Irish Permanent tsb/ESRI index shows in fact that house prices fell by 2.1% between January and May 2007 and a further decline in Ireland is expected. Sub-prime lending – that is lending to poorer people, those with an irregular income stream or difficult history of meeting loans – is projected to grow to EUR 4 billion in Ireland this year. If the average loan was between EUR 200 000 and EUR 400 000, then between 10 000 and 20 000 such loans exist in Ireland alone. Sub-prime lenders are relatively new to the Irish market and generally charge about twice the going mortgage rate to 'compensate' – as they put it – lenders for higher risk. In one case a mortgage company operating in Ireland since 2005 has already repossessed 30 homes.

There are also signs of concern in Britain about sub-prime lending. It has been known for some time that there is a Fed formula in the United States. The Fed formula devised by the US Federal Reserve, according to one of its former economists, shows that typically, when house prices have been driven up for several years by low interest rates, when interest rates increase, prices begin to decline roughly 18 months to 2 years later. I believe that the ECB should follow this formula and develop an ECB formula because, at present, we are leaving it to people who are involved in the industry to make the forecasts, and they are the people – the financial institutions and others – who have most to gain.

The report urges the Commission to assess the quality of supervision and offshore location of hedge funds. It reiterates points made in the past about democratic scrutiny and the need to publish summary minutes. It draws attention to the fact that overdraft rates in the euro area vary from 7% to 13.5% and asks that the ECB evaluate this.

It ends by saying that the number of banknotes in circulation stood at 11.3 billion with a value of EUR 628.2 billion last year, but that it is concerned about the growth in the number of 50 euro, 100 euro and 500 euro banknotes. 500 euro banknotes alone have increased by 13.2%. My report, with the support of the Economic and Monetary Affairs Committee, raises the possibility of criminal activities in the use of these large banknotes and says that it requires further examination by the ECB. I hope Mr Trichet will be in a position to respond to this report and, in particular – not today, but perhaps over a certain period – to consider my suggestion about an ECB formula to equate with the Fed formula so that there

can be a true and accurate measure of the likely knock-on effect of interest rate increases on house prices in the Member States of the eurozone.

Jean-Claude Juncker, *President of Eurogroup*. – (FR) Mr President, Commissioner, Mr President of the European Central Bank, Madam President of the committee, rapporteurs, ladies and gentlemen,

We, in Europe, have replaced the fundamental debate with simple words. We are invited to Parliament – I hardly ever see it – to the plenary, as it is called, and we talk, I note, of the everyday living conditions of Europeans, something that undoubtedly enhances the credibility of our institutions.

European newspapers, especially this week's, report the words that were supposedly exchanged, during a recent Eurogroup, with an evening visitor whom we had the pleasure of hosting. I have read a summary of these long debates in editorials that take up scarcely 25 lines, and we complain that Europeans are poorly informed of what is really going on in Europe! So be it.

On the other hand, I am pleased to note that, one or two nuances aside, there is very little difference between the substance of the report by our friend, Mr Rosati, and our, the Eurogroup's, joint consideration, since our joint finding is that growth in Europe is on the up again, is expanding, is continuing, and everything rests on our knowing whether, in a few months' time, we will be able to see whether or not this prolonged recovery, this renewed growth in Europe, will enable us to say that the growth potential of the European Union, and of the eurozone in particular, has substantially increased. We are agreed in our finding that the levels of underemployment, of unemployment, are going down. We have had the lowest unemployment level for a very long time now. There is no doubt about that. The fact remains, however, that it must be stressed that the European Union, which is meant to be a model for the world but which still has an employment rate that is structurally higher than 7%, has no reason to seek plaudits from others or to proclaim itself victorious over the phenomenon of unemployment on our continent.

The deficits are decreasing. We saw a distinct upturn in the situation of Europe's public finances during the period 2005-2006. That is true above all where the deficit is concerned. Its level of 2.5 in 2005 decreased to 1.6 in 2006, which clearly proves that the corrective arm of the reformed Stability and Growth Pact has proven itself, and this, despite all the generally poor warnings that were given to us when we amended the Pact.

It is true that, where the preventive arm of the Pact is concerned, we struggle to produce the same successes that we have been able to produce with the recovery of public finances in its corrective part. We, the members of the Eurogroup – there are 13 of us now and there will be 15 of us as from 1 January – remain committed to the effectiveness of the policies that must be implemented in order to make the preventive arm of the Pact really develop, really take off.

When the economy is going well, when growth rates provide so many grounds for satisfaction, when economic growth gets back on track, it is clear that those times – which, in Franglais, we call good times – must be turned to good account, so that the structural deficits in our public finances can be brought down. Hence the huge importance that we accord to achieving the medium-term objective quickly, something that requires Member States of the eurozone to redouble their efforts in order to achieve their medium-term objective in time.

It will not have escaped you that, on this point, the informal Eurogroup that was held in Berlin on 20 April took a decision that involves a commitment being made, since we said that all the Member States should meet the medium-term objective in 2008 and 2009. Some of them managed to delay this until 2010, without having their cases clarified. There was never a question of not meeting the objective until 2012. This was, of course, the main topic of discussion when, recently, at the start of the week, we met the French President, who came – and we ought to welcome this – to explain to us, at Eurogroup, the new headings and the new aims of France's economic and budgetary policy. We approve heartily of the set of reforms under way, because they are structural reforms sought by the French Government and by the French President, but we would emphasise that which we expect and demand from France: like the other Member States of the eurozone, it must meet the medium-term objective that we have set ourselves on 1 January 2010. This is a remark that applies to France; it may easily apply to countries farther south and, in an ecumenical way, to all the Member States of the eurozone. However, we have been given reassurances regarding a reduction in the deficit in 2008, as compared with 2007, regarding the principle, which has been accepted by the French authorities, of allocating all the profits from revenue made in relation to budget estimates, in so far as the revenue is short-term revenue, and regarding the reduction in the deficit and the debt.

We all believe, since this is a subject that is brought up by the press, both in France and across the border into Germany – we are, after all, in Strasbourg – that no countries tried, in any working language of the European Union, last Monday, in the setting of Eurogroup, to call into question the independence of the European Central Bank. Moreover, if someone were to take the liberty of doing so, it would not be enough for them to be expressive in voicing a misguided thought, for respect must still be shown for the Treaties. We wanted an independent Central Bank; we have an independent Central Bank. It will, of course, remain an independent central monetary authority.

(Applause)

The strength of the euro is another subject that gives rise to debate. However, we do not see the ministers of Eurogroup, under the present circumstances – today, even – claim that a strong euro is liable to jeopardise economic growth in the eurozone. Rather, we believe that the Member States that are uneasy about this strength of the European currency in relation to the outside – strength that reflects the robustness of Europe's economic recovery – should ensure, within their countries, by introducing the necessary structural reforms, that their national economic systems, that is to say, their systems under the eurozone, become more competitive.

I was sensitive to the remarks made by your rapporteur in his report on the derailing of certain elements of wage policy. A large number of company managers are being granted allowances that in no way correspond to the appeals made again and again, both by the Bank and by Eurogroup, for a wage moderation policy that is understood properly, that is, for wage moderation that keeps up with the pace of the increase in productivity. We ought not to be surprised that European workers can no longer get to grips with a Europe in which some people earn a fortune without working, when one sees the volume of work that that requires, and the others have to resign themselves to accepting this, to being subjected to the appeals that we launch to them to encourage them to support wage moderation. *(Applause)* It is economic and social injustice that is now taking hold. We must react to it.

I agree with your rapporteur that, when viewed from the outside, the economic zone must be represented as being more solid, more of a single entity, but I cannot say that I understood the full scope of his ambition, when he advocates a single representation of the eurozone internationally.

In spite of his qualities, Mr Trichet will not succeed in making me withdraw from the European scene. I am here, and here to stay. And, as far as I am concerned, I have no ambition, no vague desire, that is driving me to force the other Jean-Claude to step down. Which one of us, moreover, could have the idea of eliminating the Commission from the external representation of the eurozone? The eurozone may be represented externally by one party, even if there are three of us, provided that there is an agreement among the three partners representing the eurozone externally. That agreement exists. It will have escaped no one that, on the key points of monetary policy, be it internal or external policy, we share exactly the same ideas and convictions.

I have restricted my remarks to the key points, Mr President, because that is what is asked of us by your Rules of Procedure, which I find particularly strict when the aim is to talk more vividly about the crucial and, as Parliament often says, everyday, problems of Europeans.

Jean-Claude Trichet, ECB. (FR) Mr President, ladies and gentlemen, I have the honour of presenting to you today the annual report of the European Central Bank for 2006. This is an important tool for giving an account to the people of Europe, to their elected representatives, to Parliament, of monetary policy and of our activities in our areas of responsibility.

ECB. – (DE) I would like to start by giving a short review of economic and monetary developments in 2006 and explaining the monetary policy decisions taken by the ECB. I would then like to say a few words on financial stability and on the issue of payment systems.

I will start with the economic and monetary issues. In 2006, the ECB's monetary policy continued to anchor medium- and long-term inflation expectations at levels consistent with price stability, reflecting the credibility of the ECB in conducting its monetary policy. As has been said by the rapporteur very eloquently, in 2006 the euro area economy expanded at the highest growth rate since 2000. Notwithstanding the impact of high and volatile oil prices, real GDP rose by 2.9% compared with 1.5% in 2005. The economic recovery gradually broadened in the course of 2006, and the nature of economic expansion became increasingly self-sustaining, with domestic demand acting as the main driver. The latest data and survey releases have remained broadly positive, supporting the view that economic

activity in the euro area in the second quarter of 2007 continued to expand at solid rates. Looking ahead, the medium-term outlook for economic activity remains favourable and the conditions are in place for the euro area economy to continue to grow at a sustained rate.

Regarding price developments, average annual HICP inflation in 2006 was 2.2%, unchanged compared with the previous year. This was above the ECB's aim to keep inflation over the medium term below, but close to, 2%. Although this outcome mainly reflects the increases in oil and commodity prices and although inflation has been slightly below 2% in the first half of 2007, there is no room for complacency.

The outlook for price stability over the medium term remains subject to upside risks. As capacity utilisation in the euro area economy is high and labour markets are gradually improving, constraints are emerging which could lead in particular to stronger than expected wage developments. In addition, pricing power in market segments with low competition may increase in such an environment. Our assessment that upside risks to price stability prevailed has been confirmed throughout the period from the start of 2006 to mid-2007 by cross-checking with the monetary analysis. The marked dynamism of monetary and credit growth in 2006 and 2007 reflected a continued persistent upward trend in the underlying rate of monetary expansion, adding further to liquidity accumulation.

To address the upside risks to price stability identified by the ECB's economic and monetary analyses, the Governing Council has, as you know, adjusted the monetary policy stance gradually in eight steps since the end of 2005. As I said last Thursday in explaining the assessment of the Governing Council, after the adjustments in the key interest rates, the ECB's monetary policy remains still on the accommodative side, with overall financing conditions favourable, money and credit growth vigorous, and liquidity in the euro area ample. Firm and timely action continues to be warranted to ensure price stability over the medium term. The Governing Council will continue to monitor closely all developments in order to ensure that risks over the medium term do not materialise.

As regards fiscal policies, the ECB shares the view expressed in the draft resolution that fiscal consolidation is key and all the more necessary in good times in order to achieve long-term growth. For the Governing Council as was very eloquently said I have to say by both the rapporteur and by the President of the Eurogroup, it is important that all governments comply with the provisions of the Stability and Growth Pact on fiscal consolidation and that all the countries concerned honour the commitments made at the Eurogroup meeting in Berlin on 20 April 2007. As agreed in Berlin, taking advantage of the favourable cyclical conditions would enable most euro area countries to achieve their medium-term objectives in 2008 or 2009, and all of them should aim for 2010 at the latest.

I have to say that we also very much welcome the emphasis which has been placed by the ECOFIN Council on measures to improve the quality and efficiency of public finances.

Turning to structural policies, the motion for a resolution adopted by the ECON Committee refers several times to economic divergences in the euro area. Let me stress first that, overall, inflation differences among euro area countries have fallen and are currently relatively limited by historical standards. The magnitude of current inflation and output differentials at the moment I am speaking is similar to those that are observed across regions or states within the United States of America, a vast continental economy which has an order of magnitude, a dimension, which is of the order of magnitude of ours. That being said, a single currency means a single monetary policy and a single exchange rate vis-à-vis other currencies. It is therefore all the more important to ensure that all the national shock adjustment mechanisms function perfectly. The efficient and smooth functioning of economic adjustments within the euro area requires the removal of institutional barriers to flexible wage- and price-setting mechanisms as well as the completion of the Single Market and thus greater cross-border competition. Indeed, well-designed structural reforms implemented by national governments are crucial to improve the functioning of product, labour and financial markets and to reinforce competitiveness.

We also consider that free and undistorted competition fosters long-term economic growth and job creation and facilitates the maintenance of price stability in the euro area.

Let me say a word now on financial stability, which I know is a very important issue for Parliament. We would acknowledge the positive role that hedge funds play by contributing to enhancing the efficiency and liquidity of financial markets. We should also be aware, however, that hedge funds can represent also a source of risk to the stability of the financial system. Against this background, the report which was issued in May 2007 by the Financial Stability Forum at the request of the G8 on highly-leveraged institutions is welcome. The report contains a number of recommendations addressed to supervisors,

hedge-fund counterparties and investors, and the hedge-fund industry itself, which I fully share. As for the role to be played by the industry, more than ever we will support the proposal that the hedge-fund sector would strive for best practices and that industry-led benchmarks would be a suitable tool to pursue this objective. In this vein, the recent initiative that has been undertaken by the industry to set up a working group to review best practices is a very welcome development and I look forward to the result of such work.

My final remarks perhaps concern the integration of payment systems in Europe. I have noted with satisfaction that the approach of the Single Euro Payments Area and the Target 2 project is very positive and we will continue in the Eurosystem to play our role in this regard.

As far as T2S is concerned, we have put into place a governance model for the development phase which seeks to involve all stakeholders through the creation of an Advisory Group on T2S where market players are well represented. In April 2007 we launched an official public consultation on the principles and proposals underlying the T2S Project. The first preliminary assessment of these comments shows that their feedback is generally positive. Out of 67 proposals, we have obtained a total of 3200 remarks from 56 institutions and we have noted that 60% of these 3200 remarks indicated full agreement to the proposals, while only 6% indicated full disagreement. All the feedback received has been published and is being very carefully considered.

Thank you very much for your attention.

Joaquín Almunia, *Member of the Commission.* (ES) Mr President, Mr President-in-Office of the Council, Mr President of the European Central Bank, ladies and gentlemen, I believe that it is very positive that, for the first time, we are holding this debate on the situation of the eurozone, which is the second we have held, following the first resulting from the first Commission report on the eurozone, and the report on the European Central Bank simultaneously, leading to an overall reflection on the situation of the eurozone, on the functioning of the Economic and Monetary Union and on the prospects for the future.

I must thank both Mr Rosati and Mr Mitchell for the wonderful reports they have presented to us and the Committee on Economic and Monetary Affairs for the work it has done in the debate on the proposals that we are currently discussing.

The proper functioning of the eurozone is a matter of crucial importance to our citizens. I must tell you from the outset, however, that I am worried that many European citizens, who carry and pay in euros every day, are not showing any great satisfaction with the single currency, at a time when the eurozone's economy is clearly recovering, when economic growth is above our potential - and above that of the United States - when the eurozone is enjoying a recovery, as Mr Trichet has said, based on internal demand, which was not the case a few years ago.

It is a recovery with investment that is growing in a very satisfactory manner and which heralds future improvements in our economy and with an economy that is helping to generate - in the case of last year - two million jobs in the countries of the eurozone. And all of this with a practically even trade balance, with an inflation rate currently below 2% and a stability that any of the world's economic areas would want.

I believe that everybody, the Commission, of course, but also the Council, and in particular the Eurogroup, the European Central Bank and the European Parliament, have the responsibility to explain to our citizens that this European project, eight years after its creation, is currently yielding very good results. I believe that this debate must serve to do that.

But it must also help us to learn from experience, to establish which elements of the Economic and Monetary Union are not functioning as we had imagined eight years ago, and to implement the adaptations and political decisions required in order to make the future better than the present, however positive the present may be. Following the Ecofin meeting yesterday, more Europeans are going to share in this positive present. Yesterday, Ecofin formally adopted the latest decisions required in order to confirm that the eurozone would be enlarged to include Malta and Cyprus on January 2008. On 1 January of this year it was enlarged to include Slovenia. Next year three new Member States will also have joined the Economic and Monetary Union, sharing the single currency with 318 million other Europeans.

I believe that that is a very positive element which was debated yesterday and agreed to everybody's satisfaction, not just by the 15 members of the eurozone, but also by the other 12 States that do not yet share the single currency, and I believe that that is worth stressing at this point.

With regard to the economic situation, I am not going to refer to it in detail, since both Mr Juncker and Mr Trichet have already done that.

With regard to the application of the Stability and Growth Pact, which I believe relates to this improvement in the economic situation and this economic stability that we are enjoying in the eurozone, I must say, as Mr Juncker has already said, that the application of the corrective part of the revised Stability Pact, the application of the excessive deficit procedures, is having a very positive effect. This year, we have abrogated three excessive deficit procedures relating to three members of the eurozone, including the zone's two leading economies, France and Germany, which are no longer in a situation of excessive deficit.

We have also abrogated the excessive deficit procedure relating to Greece. Excessive deficit procedures are currently still in place for two countries of the zone, Italy and Portugal. If things carry on as they are, by the end of the year Italy will have corrected its excessive deficit and it will be well below 3%, and, if things carry on as they are, then Portugal, if not this year, then next year, will have corrected its excessive deficit by the end of 2008, as requested by the Council.

With regard to the eurozone, therefore, the application of that element of the Pact, which is the best-known element, and most striking element and the element with the strongest and most powerful instruments in the hands of the Commission and the Council, is being carried out satisfactorily.

It is the preventive part that we are concerned with now. The Eurogroup debated it on Monday and Ecofin debated it yesterday. This is the most topical and most difficult debate during economic good times, because during economic good times, it is more difficult, not in economic terms but in political terms, to carry on consolidating public finances and the instruments in the hands of the Commission and the Council to assist in that correction of public finances beyond the 3% limits and towards the mid-term objective of balance in structural terms. They are weaker instruments from a legal point of view and they must be based on political consensus, on peer pressure and on the conviction that that is a necessary condition for sustained growth.

We have recently debated once again – this very week – the situation in Italy, which is one of excessive deficit, but we should now be considering how to move its consolidation process forward, and it is being considered with great difficulty. We are lucky enough not to have to debate the situation in Germany so much, because a lot of progress has been made on fiscal consolidation in Germany. And we have begun to debate the situation in France.

I am going to tell you my opinion on Monday's debate in the Eurogroup, expanding on what Mr Juncker has said. There is one very positive fact. The French President has promised the Finance Ministers of the eurozone and the President of the European Central Bank and of the Commission that he is going to promote a very serious programme of reforms which he will set out in detail between now and September.

There is also a second very positive fact. He has promised to allocate all of the budget surplus to fiscal consolidation and debt reduction. And something new, at the meeting of the Eurogroup he said, 'if I can adjust the deficit in 2010, I want to adjust the deficit in 2010', something that was not clear before the meeting of the Eurogroup. Though it is also true that he added, 'if I cannot do so, I shall have to do so in 2012'.

That explanation, however, did not end on Monday, because another element of that meeting that I believe to be very important is that the debate on the French budgetary strategy, and the debate on the budgetary strategy of any other country, will take place, just as it has been until now, within the framework of the Stability and Growth Pact, with France presenting a revised stability programme, which will be analysed by the Commission and by the Council and it will be the ministers, meeting within the Council, in the Eurogroup and also within Ecofin, who will give their opinion on the programme of fiscal consolidation and adjustment presented by France.

I believe that this should be stressed because some people have interpreted what has happened over recent days as the second death of the Pact – which some people had claimed was dead in 2003. I believe that it is alive and kicking. The problem is that it is difficult to apply it during good times in the cycle,

in certain countries in particular. That is what the pact's instruments are for, however: to help overcome those difficulties.

I would like to make a final brief comment, Mr President, relating to the importance that the new Treaty will have when it enters into force in terms of giving the Eurogroup more institutional capacity, in terms of improving the governance of the Economic and Monetary Union, which still has a long way to go, both internally and externally. I hope that, in the next debate, the Commission can present you with a full analysis of how the Economic and Monetary Union is functioning and how it should function, on the tenth anniversary of the decision to launch the euro, in May 2008.

Andreas Schwab, *on behalf of the PPE-DE Group.* – (DE) Mr President, Commissioner, let me start by thanking the rapporteurs, Mr Mitchell and Mr Rosati, for their work. With single monetary policy set by the ECB and the euro as a single currency, the Member States in the Eurozone have achieved the highest conceivable level of integration in the area of monetary policy. Unlike the common monetary policy, economic policy is not set at Community level, and so economic policy decisions remain in the hands of the national governments and parliaments.

A high level of long-term economic convergence within the Eurozone countries is a prerequisite for a strong, stable European currency. So I am delighted by what Mr Juncker and Mr Trichet have said today. A lot has been published in the press over recent weeks, and even at the start of this week. It can be summarised in just one line: the mountain laboured and gave birth to a mouse.

I am pleased that you have been so clear and firm in your statements, but I think that discussions will continue on how the euro and the criteria that shape it will develop in future. This discussion will require all participants to stick firmly to their guns.

As a representative of the younger generation, I would urge all Member States in the Eurozone not to give up on their efforts to consolidate and to apply budgetary discipline in their national budgets. In this context, I would like to quote Montesquieu, who said that what counts is applying 'the spirit of the law'. The terms of the Treaty on economic and monetary union must be respected, even if the governments have changed. Here Montesquieu's excellent advice should definitely be applied lock, stock and barrel. For example, if one Member State that has produced a lot of inflammatory material in the last few weeks were to change tack, then other, more northerly Member States would follow suit, with disastrous results for consolidation and budgetary policy in the European Union.

For that reason, Mr Juncker and Mr Trichet, I urge you to be tough, to stand firm – do not allow anyone to alter your course in the coming years.

President. Mr Schwab, it is of course particularly appropriate to quote Montesquieu in this case.

Benoît Hamon, *on behalf of the PSE Group.* – (FR) Mr President, Commissioner, ladies and gentlemen, I cannot resist the urge to react to the remarks made by Mr Juncker and his evening visitor, by first recommending that he ought not to let himself be taken advantage of by this evening visitor, especially with regard to the nature of the deficits that he is in the process of examining closely in France. That said in passing, these deficits have nothing to do with new investment in research, development and innovation, as the Lisbon Strategy suggests, but are basically due to a EUR 14 billion tax reduction, targeted at the most well-off people in France, a reduction that prompts most economists to wonder about its supposed positive knock-on effect on EU growth. I shall digress no longer.

At present, I should like to thank Mr Mitchell for his report and the work he has done in this regard within the Committee on Economic and Monetary Affairs. This report makes some important progress and advances, not least in terms of transparency in the work and decisions of the European Central Bank and of the democratisation of appointment procedures. This text also calls for more caution regarding a possible rise in interest rates in order not to jeopardise growth; it calls for caution, too, regarding hedge funds, so as to enhance surveillance and regulation in the interests of financial stability and transparency. Finally, we can be pleased with the consensus that the Committee on Economic and Monetary Affairs has been able to reach on the need to invest huge sums in research, education and training.

That being said, I would return to the issue of exchange rates because, contrary to the fatalism and to the prevailing ultra-conservatism, we would like to point out that the instruments with which we can take action do exist. Article 111 of the Treaty merely stipulates that, I quote, 'in the absence of an exchange-rate system in relation to one or more non-Community currencies (...) the Council, acting by

a qualified majority either on a recommendation from the Commission and after consulting the ECB or on a recommendation from the ECB, may formulate general orientations for exchange-rate policy in relation to these currencies'. That is what we are asking you for, Mr Juncker, Mr Trichet and Mr Almunia: general orientations for exchange-rate policy in relation to the currencies of our major partners and competitors, rather than a general laissez-faire policy and not very credible declarations on the lack of economic impact of a largely over-valued euro.

Finally, I should like to say a few words about an issue on which there is major disagreement between the two sides of this House: wage policy. Like you, Mr Juncker, we note that the share of wages in the GDP of the Eurozone keeps on falling and that, at the same time, the wages, golden parachutes and other stock options of the directors and managers of large companies are a real provocation for European workers, whose purchasing power is weakening.

Like you, Mr Almunia, we are calling for a legal minimum wage in every EU country or at least in the Eurozone. Encouraging the social partners to agree on significant wage increases, as the social partners of Germany's metallurgical industry have done, means not only aiming for a better distribution of the fruits of growth, but also, in our view, helping to perpetuate growth by giving households more confidence and by increasing consumption.

12. Agenda

President. In view of the heavy workload this week, and given that we were unable to complete today's votes, I declare that tomorrow morning's sitting will begin at 9.30 a.m. with voting time from 11.30 a.m.

(Parliament gave its assent.)

13. Eurozone (2007) - European Central Bank (2006) (continuation of debate)

President. The next item is the continuation of the debate on the Eurozone 2007 and European Central Bank report 2006.

Andrea Losco, on behalf of the ALDE Group. – *(IT)* Mr President, Commissioner, President Trichet, President Juncker, ladies and gentlemen, the European Parliament can state with satisfaction that the Eurozone is a fundamental factor for stability within the global economy.

As has already been brilliantly explained by the rapporteurs, Mr Rosati and Mr Mitchell, in this second report, Parliament can compare the unquestionable improvement in the economy in 2006, which led to a positive change in terms of economic growth and particularly employment, with the creation of two million new jobs, as has already been pointed out. This is a positive trend that the Member States of the Eurozone have been able to achieve thanks to a healthy and cautious fiscal policy and to the efforts made to carry out the requisite structural reforms, which are also the fruit of a greater degree of interdependence required of the Member States by the Eurozone.

Nonetheless, we need to ask some questions, the main one having already been raised in the report by Commissioner Almunia: how do Europeans perceive this favourable economic situation? What are the benefits for individual citizens? Unfortunately, over and above the official data, the tangible effects have still not really been recognised by the public. We must note that the repeated requests for wage moderation, under certain conditions that have a solid basis from an economic point of view, are in fact far from the daily lives of individual citizens, and it is therefore clear that, at the moment, some Member States, including Italy, which is experiencing severe social tensions, are having real difficulties in channelling all additional revenue towards debt reduction.

I therefore believe that, while fulfilling the commitments made in the medium term, we must respond to a challenge: how can we make the rigid rules of the economy compatible with the demands of social justice?

Zbigniew Krzysztof Kuźmiuk, on behalf of the UEN Group. – *(PL)* Mr President, in taking the floor in this debate, I would like to raise two points.

Firstly, we should note with satisfaction that 2006 was unusually good for the Eurozone countries. GDP increased by 2.7%, compared with 1.4% in 2005, unemployment stood at 7.6%, which was the lowest in fifteen years. These results were achieved against an inflation rate that has remained at a steady 2.2% since 2005, and a reduced fiscal deficit. It is puzzling, however, that these figures are consistently worse than the growth, unemployment, inflation and budget deficit figures in three countries outside the Eurozone, i.e. the United Kingdom, Sweden and Denmark. They also fall behind the annual figures achieved by the US economy.

Secondly, both reports are full of figures, and we have concentrated on these. However, it would seem that not everybody regards figures as having the greatest importance. The newly-elected French president said in an interview that economic growth and full employment are so important that the heads of state should deal with them directly, and also that the excessive strength of the euro, brought about by the latest increases in interest rates by the European Central Bank, harms European exporters. In addition to this diagnosis, the French president also wants to reduce taxation and increase the budget deficit in order to increase economic growth and reduce unemployment in the future.

I am nearly done. But I have not heard any words of criticism, either from the President of the Europe...

(The President cut off the speaker.)

Alain Lipietz, *on behalf of the Verts/ALE Group.* – (FR) Mr President, I should like to begin by saying to Mr Juncker that he should not take offence at the small number of us in this House. I myself would have willingly stayed in my office to have the pleasure of seeing him close-up on my television screen. The debating conditions in this room are rather difficult.

I should like, first and foremost, to express my emotion at seeing just how in line the Mitchell report is with the debates that the entire Committee on Economic and Monetary Affairs has been holding for several years now. For the first time we have a relatively unanimous report, which will enable us to reach agreements on points that used to divide us.

Firstly, there is the idea that structural reforms can be implemented and can increase the potential growth rate compared with that which we had in the 1990s, and that they may perhaps have already increased it.

Secondly, there is what is, in short, the explicit affirmation that the labour market reforms do not relate to an unconditional wage moderation, but rather, as Mr Juncker said, to a moderation qualified by means of proportionality with productivity growth and that this growth is being created by means of improved human capital, training and research, and not by means of a reduction in social guarantees.

The third major advance of Mr Mitchell's report is that the issue of paragraph 111 of the Treaty has at last been properly addressed. It is the responsibility of the Council to set exchange-rate policy. I would say to Mr Juncker that he should also listen to what Mr Gallois says about the competitiveness of Airbus. One cannot say that there is one country in particular that has difficulty in adapting to the current exchange rates.

In paragraph 10 of the resolution by Mr Mitchell, we call on Mr Juncker to agree with Mr Almunia, and this should be welcomed.

IN THE CHAIR: MRS KRATSA-TSAGAROPOULOU

Vice-President

Jacky Henin, *on behalf of the GUE/NGL Group.* – (FR) Madam President, it is not governance that the Union needs, but political action on its economies in order to promote a form of growth that creates stable and, above all, well-paid, jobs. The European Central Bank is harmful because its sole aim is to have the lowest inflation rate possible, when it should include structural policy elements such as growth, as the US Federal Reserve does.

Creating the euro without implementing, at the same time, a federal budget at the level of the Member States concerned has resulted in the demise of the instrument of devaluation, without any other protection methods having been provided. The undervaluation of the dollar is, from this point of view, a weapon for the mass destruction of Europe's industrial capacities, and your self-satisfied speeches cannot disguise

this reality of the exorbitant and unbearable cost of the overvaluation of the euro. Europe's workers and citizens are paying a very high price for this mistake.

The Eurozone can no longer function in its current state; we must, as a matter of urgency, resort to a change in the statute of the European Central Bank and in the organisation itself of the euro. We must, as a matter of urgency, have recourse to customs protections. It is time to implement industrial policies that ensure that the vital interests of the people of Europe are protected and that enable jobs to be created and the common interests of European workers to be protected.

John Whittaker, on behalf of the IND/DEM Group. – Madam President, economic growth is higher, unemployment is down, government deficits are falling a little, but concerns are now being expressed that this growth may be threatened by the strong foreign value of the euro. While Mr Juncker does not share these concerns, Mr Sarkozy and others have been calling for active management of the exchange rate. Mr Mitchell's report draws our attention to the rules that give Member States the responsibility for exchange rate policy, and calls on Eurozone finance ministers to coordinate their influence on the exchange rate with the European Central Bank.

The report then says that this action should not undermine the ECB's independence to use its interest rates to control inflation. We do not seem to understand how it works. The way to bring down the value of the euro is for the ECB to reduce interest rates. But then it would have to abandon its inflation target. In these days of free capital flows it is not possible simultaneously to control inflation and the exchange rate.

There is another way, of course, and that is to impose exchange controls. Maybe this is really what they are thinking. It would not be out of keeping with Mr Sarkozy's remarks about defending French protectionism and it would also be disastrous for the market economies of the Eurozone.

Sergej Kozlík (NI). – (SK) I would like to emphasise that variations in the rate of inflation are largely the result of structural factors, not unsound policies.

There has been a two-fold increase in salaries in the new Member States of the European Union and the share of energy- and raw materials-intensive output in these countries is greater than in the more developed states of the Eurozone. At the same time, a major portion of the energy- and raw materials-intensive output is destined for the Eurozone. Because of such reasons, the new Member States are more susceptible to fluctuations in prices of energy and raw materials; by the same token, they serve as a buffer, absorbing price impacts on the states of the Eurozone. However, inflationary pressures in the new Member States may also result from high growth, rising productivity and catching up with the standards of more developed countries.

After all, this is one of the goals of EU membership.

I therefore support the demand to review the convergence criteria, notably with regard to inflation, so that they do not become instruments for creating new divisions in Europe.

Cristóbal Montoro Romero (PPE-DE). – (ES) Madam President, Commissioner, Mr Trichet, Mr Juncker, I should first like to congratulate Mr Rosati and, in particular, Mr Mitchell, on the quality of their reports.

I believe that, economically speaking, these are promising times for Europe. Our objective is to increase production and economic activity. This is being reflected in new employment opportunities, and with inflation kept under control.

The challenge right now is to consolidate this economic growth, a goal we will not achieve unless our institutional problems are resolved. The issue in the reports is whether what we are witnessing is a cyclical recovery or a more substantial economic movement.

In this context, we do not have to resign ourselves to the idea that Europe has potential growth of 2%. The Member States must from now on synchronise their growth rates. In short, more jobs and more SMEs need to be created.

On this issue, the European Central Bank must also pursue the recommendations contained in Mr Mitchell's report, namely prudence when it comes to raising interest rates, because decisions that should rest with governments, decisions on reform and much more far-reaching decisions in the fight

against protectionism should not be pre-empted. The major problem we face in Europe is the rhetoric of protectionism, which goes against the spirit of European integration.

To sum up, this is a positive economic time, which, among other things, must be used to ensure that this growth continues and that European citizens are encouraged to identify the euro as one of their sources of well-being, prosperity and, most importantly, fresh job opportunities.

Ieke van den Burg (PSE). – Madam President, I want to use my short speaking time to express, on behalf of the PSE Group, our full support for the Stability and Growth Pact – it is necessary to repeat that several times – and in particular for the reform of the pact. We have made it more intelligent to take into account the economic cycle and developments. This is something that has to be applied properly and not deliberately as is now the case. Therefore, I appreciate what Mr Juncker and Mr Almunia have said, and it is good that we also express this on behalf of my political group.

I wish to draw attention to two specific issues and I should like to hear the reactions from the three of you, whom I am very happy to see together here for this debate. One is the wage moderation issue. We support the principle that wage moderation should remain within the productivity growth, and this has been the case for more than ten years. However, it is now time to look at the rebalancing of the fruits of growth and, where we see that wages lag behind and are a smaller part of GDP, it is also time to look at rebalancing this. I should like to hear some comments on this. I know that Mr Juncker and Mr Almunia have also expressed them in this way. I should like to invite the President of the ECB in particular to comment on this issue.

The other issue I want to raise is not only hedge funds but also paragraph 19 of the Mitchell report on corporate debt restructuring. This is a major concern for financial stability, and I should also like to ask you how to assess this and how to deal with this issue.

Olle Schmidt (ALDE). – *(SV)* I wish to begin by thanking both rapporteurs for their constructive work. The European Central Bank is doing a good job of fulfilling its tasks. Even if the debate gets a bit heated sometimes, Mr Trichet always succeeds in calming people down with a use of language worthy of a diplomat. The ECB has become significantly more open and more transparent than it has been, but Parliament's demands for minutes to be published remain. That system works well for other central banks and would strengthen the ECB and increase its reputation. We also again express our desire for a more open procedure for elections to the Executive Board of the ECB.

It is extremely important to safeguard the ECB's independence and to support the goal of price stability. The Group of the Alliance of Liberals and Democrats for Europe gives the ECB, Jean-Claude Trichet and Jean-Claude Juncker its full support where this crucial issue is concerned. We know that a firm stability policy is a basic condition for a growing Europe.

Unfortunately, there are quite a few of us who are concerned that the strident tones of the French presidential election campaign will now continue. Monday's meeting in Brussels does nothing to reduce this concern. That concern is also present in the committee, even if Mr Juncker is trying to reassure us, and it can be heard in the wide-ranging debate in this House today. There are wordings in the report that could be taken as a pretext for calling the into question independence of the ECB and allowing it to interfere politically to a greater extent. Those are developments that we reject. I would point to the wording of paragraph 10 which, in turn, refers specifically, as did Mr Hamon, to Article 111 of the Treaty. It would be extremely unfortunate if our report could in any respect be seen as calling the ECB into question.

Wiesław Stefan Kuc (UEN). – *(PL)* Madam President, the good macroeconomic results in the Eurozone countries confirm the huge impact economic and monetary union has on the results, which was in fact the aim of introducing a common currency in the European Union. Higher levels of integration in various areas make it possible to increase development and progress. However, the problems with the European Constitution, voting, and the strength of certain Member States, are currently preventing further integration.

The two-speed Europe predicted by President Prodi has unfortunately become a reality. It is also evident in the introduction of the euro in Member States. Introducing the euro in one, or even two, states over a three-year period cannot be regarded as a resounding success. We must reinforce and accelerate these activities, as they will allow faster development and further integration. Let us seize this opportunity.

In conclusion, let me extend my heartfelt congratulations to both rapporteurs.

Hélène Goudin (IND/DEM). – *(SV)* Not quite four years have gone by since Sweden held a referendum on the euro and, by a very large majority, rejected introducing the euro as a currency. There were, and are, many arguments against becoming a part of the Eurozone. For one thing, it is a very unstable political project; for another, it is extremely problematic for a country not to be able to control its own interest rates in order to respond to trade cycles. These fears have proved to be justified, and we now see how all this is affecting countries that have exchanged their currencies for the euro.

Has Sweden lost out by keeping the krona? Recent studies show that trade has been affected, but to a negligible degree. What Sweden has gained by not introducing the euro is much more valuable. We are quite differently placed to control our development because interest rates can be adapted to prevailing conditions in Sweden without the Bank of Sweden needing to take account of the trade outlook in other countries. I therefore think that, contrary to what Commissioner Almunia has said in this House, the Swedish ‘no’ vote must be respected and that Sweden too should be given a formal exemption from having to join the Eurozone, just as Denmark and the United Kingdom have. Anything else would be extremely undemocratic.

Zsolt László Becsey (PPE-DE). – *(HU)* I am glad this debate is taking place now, so that in relation to some commonalities between the two topics, I may call attention to some consequences for enlargement. In the first place, I am pleased that not only representatives from candidate countries for the Eurozone and the rapporteur, but also my German fellow Member, Mr Schwab, noticed the problem that the understanding of the reference country with regard to the inflation criterion for admission to the Eurozone – that is, all Member States – is different to the one we use in setting the ECB target, which implicitly applies to the 13 Member States.

In spite of Mr Almunia’s letter sent to us yesterday in reply, Parliament must continue to insist that the reform Treaty should contain a correction that follows logically from the creation of the Eurozone. Besides, is this not a double standard, not having measures against excessive inflation for Member States of the Eurozone but setting up more stringent anti-inflationary expectations for those who want to join?

I would like to point out that, while the reference benchmark for the euro is based on 27 Member States, in the ECB board of directors the same definition applies only to 13 States, since I am not aware of any role played in that body by citizens of States outside the Eurozone. Thus, I see a double meaning of the Treaty expression “European Union’s Member States”.

We hear a great deal of rhetoric about solidarity, but this is not apparent with regard to the use of euro banknotes. As a matter of fact, the smallest denomination, the 5 euro note, will be worth many times the value of the smallest banknotes of new Member States’ national currencies, forcing the residents of the latter to run around with bagfuls of coins on the streets. At the same time, we have the largest, the 500 euro bill, which will often be worth half a year’s pension in those countries. But I myself have been unable to use this bill for weeks, even here in Strasbourg or in Brussels, to pay for anything. If anyone could change it, I would be much obliged. What then could one do with it in Riga?

May I add that Mr Rosati made a very thoughtful remark about extending the four fundamental freedoms to the internal market. But I have a question in this regard as well: how is it possible that those participating in monetary integration today can block the free movement of manpower, fearful of Slovakian labour dumping? How is it possible that EU regulations indirectly exclude labour-intensive activity from the provision of services?

Thank you, Madam President, and I hope the expansion of the Eurozone towards the East, towards the former Soviet sphere of influence, will also begin shortly.

Pervenche Berès (PSE). – *(FR)* Madam President, Mr Juncker, Mr Trichet, Mr Almunia, I believe that this is a good week for the euro. Firstly, because this is the first time that this macro-economic dialogue on the Eurozone has been held here, in the European Parliament. I hope that this is the start of a good routine; the euro has visibility in Parliament in this debate, and I welcome that.

And then, this is also the week that a newly elected President of the Republic felt that he himself ought to justify within Eurogroup what he was going to propose to his country. It seems to me that, a few years ago, that would not have happened in this country in which it was felt that budgetary strategy came under national sovereignty. The collective debate on what the management of the euro consists

of has moved on, and I welcome that. You have requested the right to judge the effectiveness of the EUR 13 billion in tax gifts that have been proposed, and I can only back your proposal.

However, as far as the future is concerned, I should like to invite you to go even further. Firstly, because I believe that making use of the preventive arm of the Stability and Growth Pact does not make it possible to implement that which we need, that is to say, ex-ante coordination in order to organise future strategic investment in a coordinated way and to anticipate, together, the effects of the structural reforms, because what happens in a country in terms of structural reforms has an impact on all the other countries.

And then, I should like to invite you to open the debate on the issue of the exchange rate. This is an issue that Article 111 of the Treaty permits you to address, including at Council level. It must also be considered as an issue of common interest, as Article 99 of the Treaty calls on you to consider it.

Vladimír Železný (IND/DEM). – (CS) Madam President, the introduction of the single currency was supposed to create a single internal market. The European Union, however, is today in thrall to the concept of rigid political integration and the creation of an over-regulated superstate, rather than creating the economic freedoms which in 1957 helped form the foundations of the common market and which remain unfulfilled to this day. The failure to adopt the original Bolkestein Directive, the existence of obstacles to the free transfer of production to more efficient areas of the Union, and restrictions on the free movement of labour from the new Member States, as well as other protectionist and regulatory restrictions on the freedom of the common market are turning the euro into an artificial currency. As a result, we have a single currency in a non-single market. A typical example of this is that there is on the one hand the brutal forcing through of concessions in the Stability Pact, which some of the large EU states decided they could not do without, and on the other hand the new Member States have nonsensical and long out-dated conditions imposed on them for entry to the Eurozone, which do not take due account of necessary inflation levels and other indicators that are no more than peripheral and incidental manifestations of very dynamic economies that are growing at a faster rate than the EU average. The narrow-mindedness of the Eurozone and the failure to fulfil economic freedoms in an unfair and non-single market are turning the euro into an unsafe and half-hearted currency.

Madam President, please allow me to make a technical remark. On the panel above you and on the display, my name has regularly been incorrectly displayed for several months now. The ‘ý’ at the end of my name is missing. Please take note of this.

Othmar Karas (PPE-DE). – (DE) Madam President, I welcome the three-leaved euro clover too.

The euro has been a success: the euro is the EU's best response to global challenges. The euro and the four freedoms are the cornerstones of a strong internal market. To my mind, the Maastricht criteria and the Stability and Growth Pact are the greatest regulatory principles to have been achieved by the European Union. From 1 January 2008, the Euro Group will have an absolute majority among the EU members. That is good news, and we would like to extend a warm welcome to Malta and Cyprus.

I am struck by the fact that we are getting excited because a Head of Government has promised to do their homework. Homework has to be done. We need to respect the rules, rather than interpreting them in a protectionist manner.

We are glad that there are economic benefits, and we call for those benefits to be used to reduce trade deficits and public debt, whilst at the same time allowing the workers to share in the benefits.

We are not questioning the European Central Bank's independence. The Bank stands guarantor for the euro's good performance. But an independent ECB and unified external relations for the Eurozone are not mutually exclusive. A single voice for the Eurozone in external relations has nothing to do with the fact that these three gentlemen influence foreign exchange rates. The foreign exchange rate is determined by the market, and the European Central Bank decides interest rates. I want to make that clear to the left.

Nowadays we all sing the praises of the euro and the economic data, but we have forgotten that the euro should also be seen and presented as beneficial for Europe's citizens. Let us emphasise how much we are saving in exchange rate costs. Let us emphasise the euro's effect on stability in the Eurozone and the internal market. Let us not forget that we are currently doing better than the dollar: that is a real sign of success. When we introduced the euro, that is what citizens wanted.

Robert Goebbels (PSE). – (FR) Madam President, I feel as though I am taking part in a debate of deceptions: the deception of our guests, who are faced with an empty Chamber, and deception on the right, where Members are getting worked up about the ECB's losing its independence, when the European Central Bank is and will remain independent. France changed its Constitution so that the ECB could be independent. For the statute of the ECB to be changed, it would take an agreement among 27 governments and 28 parliaments, including ours. That is a mission impossible!

Furthermore, the ECB is doing some rather good work; the euro is the second currency of the international reserve and, since 2000, it has appreciated by some 25% against the dollar. It costs us less to buy raw materials, petrol and gas. Inflation is lower in the Eurozone than in the United States and the United Kingdom. If I have one criticism to make about the ECB, it is that it is too obsessed with combating inflation. Inflation is harmful, especially for the economically weak, but, as inflationary pressure is currently limited, the Bank could do more to support EU economic policy.

The purchasing power of many Europeans has decreased, which is not stopping the ECB from advocating wage moderation. I hope that Mr Trichet will also recommend moderation to President Sarkozy, who is renouncing the commitments made by France in order to give tax gifts to the rich.

The final deception is this: what is the point of a European Charter of Fundamental Rights if it is not applied throughout the Union? How can the European Court of Justice apply this Charter when it will not be applied in the United Kingdom? This final question is obviously addressed to the great European that is my fellow countryman, Mr Juncker.

Jean-Paul Gauzès (PPE-DE). – (FR) Madam President, Mr Juncker, Mr Trichet, ladies and gentlemen, it is neither paradoxical nor contradictory to endorse the conclusions of the excellent reports that have been submitted to us and to support the courageous and determined action of the French Government to carry out the necessary reforms and to promote growth. It is neither paradoxical nor contradictory because France has made a comeback in Europe. By solemnly declaring his commitment to European integration, the President of the French Republic has made a powerful contribution to reviving Europe and to breaking the deadlock that it was in. The agreement that was reached during the Brussels Summit, thanks to the efforts of Chancellor Merkel, is the first practical example of this.

One of the aims is to improve the way in which the Eurozone operates. The Stability and Growth Pact, which since 1999 has provided a framework for the budgets of the Eurozone countries and which defines the budgetary discipline that the Member States must apply in order to prevent any excessive deficits from emerging, must be applied systematically, because it helps to establish monetary stability. Quite clearly, France, despite what may have been said, is not calling into question the rules of the Stability and Growth Pact, which remain fundamental. However, we need to adhere to its criteria without losing sight of the objective of growth. It must be applied intelligently and dynamically.

It is in this spirit that the President of the French Republic was anxious to provide the necessary explanations regarding the ambitious structural reform programme that he is going to implement. The fruitful dialogue that has begun has made it possible to clarify the positions. Mr Sarkozy has confirmed his commitment to do everything possible to meet the objective in 2010, if the boost to growth that he expects from these measures produces the results that he anticipates in terms of tax revenue. France has already committed itself to bringing its government deficit down to 2.4% as from 2007. There will be no let up in the efforts to consolidate the budget in order to reduce the public debt.

I am among those who believe that Eurogroup's role must be strengthened. Equipped with a stable and high-quality president, it must pursue its quest for consistent and coordinated national economic policies. Finally, in this way, with respect shown for the independence of the European Central Bank, Eurogroup will be able usefully to counterbalance the implementation of growth- and employment-oriented economic policy.

Vladimír Maňka (PSE). – (SK) Last week I attended talks at the Ministry of Finance in Dublin.

The Irish economy has been growing at the remarkable rate of 6% on average over the last 10 years. Per capita GDP is 40% above the EU average. Unemployment is at 4.2%, and the Irish will clearly manage to attain the Lisbon Strategy goal as regards unemployment. Their concern, however, is that inflation will reach 5% this year. Had Ireland not already been part of the Eurozone, it would not have been able to join today under the current regulations. In this context I would like to recall that in fast

growing economies structural inflation is higher. Such a situation is part and parcel of the monetary union.

Inflation is a part of the process, particularly for the new Member States that are seeking to catch up with the more developed countries. The Council and Commission should therefore develop a new analysis and review the convergence criteria. It is essential to continue with political discussions concerning the application of these criteria to the future members of the Eurozone.

Jean-Claude Juncker, *President of Eurogroup*. (FR) Madam President, I am taking the floor at the end of the debate in order to make a few remarks further to what was said, or not said.

I shall begin by mentioning wage policy, since this is a subject that I am dealing with and that concerns me. I remain convinced that, if the current policies are pursued, that is, the policies that consist in further widening the gap that exists between those who work and those who say that they provide work, we are heading for disaster. Europeans, especially simple and modest Europeans, who are no less intelligent than the others, do not understand this gap that is getting bigger every day between those who have and those who aspire to have.

(Applause)

I believe that several of us have said this, including the President of the European Central Bank, who recently opposed these ever-widening gaps. I believe that we must stick with the principle of wage moderation. I believe that wage moderation can be explained simply: so long as wages evolve in line with advances in productivity, wage moderation will result in neither a loss of competitiveness nor surplus inflation. If, on the other hand, wages were to deviate from the path mapped out for them by a development in productivity, we could – and certainly would – have a problem. I believe that we need to look into a modern way of allowing as many people as possible to share in the fruits of growth. Not everything depends on nominal wage increases. We must look into the possible forms of worker participation; we must look into forms of profit-sharing; we must look into other forms of employee training that could enable as many people as possible to share in the fruits of economic growth, which, I might add, should not be vilified or criticised in principle, as it tends to be by some quarters. Rather, it must be perceived as an instrument enabling the Eurozone and the European Union to increase their rate of participation on the labour markets and, by extension, to reduce their unemployment rate in relation to what we are experiencing at present. We want growth because we want jobs; we do not want growth to be an objective in itself.

As regards the free movement of workers within the Eurozone, I will say – together, I might add, with the President of the European Central Bank, which goes to show you just how completely aligned our positions are – that, yes, there is a contradiction between the fact of being part of the same monetary area and of not sharing fully in the four freedoms. I therefore agree with those who say that Slovenian workers, for example, should be able to move freely within the Eurozone. However, you will not find, either in the Treaty, or in the accession arrangements, provisions enabling us to say that, yes, Slovenian workers must be able to move within the territory of the 12 members of the Eurozone but not within the territory of the others, any more than you will find provisions enabling us to say that, no, Czech workers, Slovakian workers and Polish workers cannot move, only those who are members of the Eurozone are permitted to do so. I did not write all the passages of the Treaty, or even the smallest part of it, but you will not escape the cumbersomeness that at times characterises all of these texts. It follows, then, that this is a debate that we must have, but we need to realise that we cannot resolve the issue at the level of the Eurozone alone; we really must resolve it at the level of the European Union as a whole.

Much has been said about the person whom I called ‘our evening visitor’, last Monday in the Eurogroup. This is, moreover, Mr Hamon, an expression that I have taken from a period in the history of the Elysée Palace that does not entirely correspond to that of today, since others, before the President of the Eurogroup, used to be in the habit of receiving evening visitors. This was more a phenomenon of the 1980s, in France. In Europe, this phenomenon is rather new, and we will see whether this is the start of a great tradition or whether it will amount to the epiphenomenon that was.

That being said, I should like briefly to point out some commitments made by France. Firstly, France has not put an end to budget consolidation, France has not started to put its financial consolidation effort on hold. Secondly, the 2008 deficit ...

(Addressing Mr Goebbels, who had heckled him)

... Yes indeed, Mr Goebbels, we shall see. I am not responsible for French budgetary policy, so we shall see ... Finally, I should like to say to you, my dear friend, Mr Goebbels, that, if France's public finances were in the same health as the finances of the country for which I am responsible, we would not be having this debate, and we would not have had our visitor on Monday evening.

(Laughter)

That being said, France is fully committed; France will do everything it can to meet the objective in 2010, just as we all made a commitment to do in April this year. France is not the only country to have problems in meeting the objective by the deadline set. We will be as strict and tenacious in analysing the results of the other countries, which may not perhaps manage, under the conditions set, to meet the objective at the desired time, but Eurogroup expects all the Member States of Eurogroup to meet their medium-term objective in 2010, at the latest. As for France, it will submit an updated stability programme to us in September so that, together, the Commission and Eurogroup can see whether the structural reforms begun by the French Government will be likely to lead to the desired result, that is to say, the return of buoyant French growth and the guarantee of the viability of French public finances in the longer term. I am quoting the Stability and Growth Pact in its amended version.

With regard to the enlargement of the zone, and independently of the debate that we could have on the accession criteria, I should like to repeat before Parliament that, of course, the Eurozone and the Eurogroup are neither a zone nor an exclusive club. All Member States that meet the accession criteria not only can join the Eurozone, but must join it. No member of the Eurozone, State or politician can turn down a request to join the Eurozone. On this point, the Treaties are crystal-clear.

We can of course, and will no doubt, discuss this, but we must discuss it in depth, and not avoid the fundamental questions, such as: should we base the criteria more on a nominal reading, as the Treaties call on us to do, or should we think instead about real convergence? I have already guarded the new Member States – an expression that I still detest – against the notion of real convergence. The Member States, those that are referred to as the new Member States, in fact have nothing to gain by our having recourse to analyses that are based more on real convergence than on a nominal reading, but this is a debate that we can have over the next few months.

I did not understand very well the question that my friend, Mr Goebbels, put to me at the end of his speech, when he questioned me about the Charter of Fundamental Rights in Europe. I do not really see the connection with the debate that we are currently having, unless it is to suggest that there is no more reason for the United Kingdom to request an opt-out concerning the Charter of Fundamental Rights, and that there is no reason for it to persist in wanting to opt-out at any price on monetary matters. I am, moreover, of the opinion that the United Kingdom will one day apply the declaration of fundamental rights on its territory – because the time will come when it wants it, for one cannot forever defy common sense – before applying the single currency there.

The virtuous union of the declaration of fundamental rights and that of the Council of Europe, which relates to the same subject, will therefore create a solution that, by combining these two sources of law, will enable the European Court of Justice to ensure that, on this point as on others, praetorian law will have demonstrated that it is sometimes ahead of the reality that is shaped by those who want more Europe and those who, unfortunately, want less. The great contribution that the European Parliament makes to our debates is, as a general rule, to find itself on the side of those who want more Europe. We have nothing to gain from wanting less Europe each day or from selling off the Europe that we have in sections that we make available to those who would like to dismantle a project that has not stopped expanding or impressing the world ever since we started work on it.

(Applause)

Jean-Claude Trichet, ECB Chairman. Madam President, I have five points to make in response to the question. First of all, I should like to say again that the reports by Mr Rosati and Mr Mitchell were very impressive and full of very important ideas and recommendations.

First, on Mr Schwab's remarks: it is clear that there is a question of institutional philosophy. There are 13 exemplary political democracies in the euro area, and next January there will be 15. In the future, there may be 25 or even more. It is inconceivable that changes would occur three or four times a year because of changes brought about by the normal functioning of our democracy. Clearly, commitments made within the Eurogroup are either kept or they are not. If they are not kept, then it is impossible to

have a Eurogroup which has authority – which, I am sure, is the wish and the will of all the countries concerned.

My second point concerns jobs. Figures are figures. I regularly hear that the euro is not designed to create jobs, that we have a problem with growth and jobs and so forth. The euro was created on the basis of a philosophy that is shared the world over: that price stability, and credibility in ensuring price stability, are prerequisites for sustainable growth and job creation. That is the decision that Europeans have taken, but they are in good company, because it is a consensus. What are the figures? More than 12 million jobs have been created since the euro was set up – more than 12 million; two million, as the rapporteur said very eloquently a moment ago, were created in 2006. Since the euro was launched, we have created more jobs even than the US. We have the lowest unemployment rate for 25 years. We are not satisfied, and we are right not to be satisfied, because we have to do much better. However, let it not be said that the euro is playing against job creation – it is not true, and we can prove it.

As regards the obsession we might have with price stability, I have already said that price stability is a prerequisite for sustainable growth and sustainable job creation. Let me also say that this sentiment is fully shared by our fellow citizens. All the surveys show that they are fully in favour, by an incredible margin, of price stability, and that they are not necessarily fully satisfied with the present situation; they are encouraging us to be as credible as possible. If, today, we have a 50-year rate of 4.67% and a 30-year rate of 4.65% (the 50-year rate applies to France, where bonds are issued for 50 years, and the 30-year rate to Germany), these figures are still much lower than the 10-year rate in the United States. Why are they so low? Because we are credible – on ensuring price stability over 30 years and, even, over 50 years. That is the contribution our credibility makes in Europe.

Let me mention the exchange issue, which is very important. Firstly, the rules are clear – they are set out in the Treaty. They are exactly the same as the rules in operation in Germany since the foundation of the Bundesbank after the Second World War. They are exactly the same as those used under the French system introduced in January 1994, when the Banque de France became independent, as called for by the Treaty of Maastricht and agreed unanimously by the French Left and Right, who decided, as Mr Goebbels said, to change the Constitution of the Fifth Republic to make the central bank independent.

So, the rules are clear. They are the same as in a number of countries. In practice, as has been said here very eloquently by an honourable Member, this means that we are in a floating exchange rate system, and we have a forum to discuss those matters: the G7. To my knowledge, Jean-Claude Juncker and I signed the G7 statement, together with our US partners – the Federal Reserve as well as the Secretary of the Treasury – with our Japanese partners and with our other partners, the UK and Canada.

This is how we have discussed matters since the establishment of the floating exchange rate system. That is not to say that the situation is easy or very nice, but let us be as responsible as possible in the present circumstances and let us be sure that we have this dialogue – between ourselves, certainly, and with our partners. It is inconceivable that we could do things that would be contradictory to our partners' wishes. It will not work.

Madam President, I do not want to bore you by restating what we have said, but together we are saying to China that we are not satisfied with the present situation. We are, certainly, echoing what has been said by our Japanese friend, that the markets are not fully recognising their present fundamentals, and, as regards the United States, we said together that we noted that the Secretary of the Treasury and the monetary authority had said that a strong dollar vis-à-vis the euro was in their interests. I shall not say anything else on that point, but we have to know exactly what the situation is.

I come now to the last point, which is also an important one: independence. I noted with great attention the fact that all governments in Europe have said that they would fully respect the independence of the Central Bank. Jean-Claude Juncker, on behalf of the Eurogroup, said that a moment ago. Independence is in the Treaty and is the absolute key for credibility. How could we be credible over the next 50 years if we were not deemed independent by all those who are taking decisions – here in Europe, in New York, in Tokyo, in Singapore, in Hong Kong and elsewhere? They trust us because we are independent, but independence is not only based upon full respect of the Treaty by our partners, the executive branches, it also depends on us. I wanted to say, on behalf of the Governing Council – if I could I would say it in several languages to make sure I was well understood! –

(FR) I will preserve most firmly the independence of the ECB in all circumstances. My 18 colleagues and I intend to adhere strictly to the Treaty on this point, as on all the others. It will be about the Treaty, the whole Treaty, and nothing but the Treaty.

(DE) As President, I am firmly committed to maintaining the ECB's independence in all circumstances. My 18 colleagues and I intend to adhere strictly to the Treaty, the whole Treaty and nothing but the Treaty.

Joaquín Almunia, *Member of the Commission*. (ES) Madam President, I would like to end this very interesting debate by making a very brief comment on the application of the Stability and Growth Pact, because in this debate — as in many other debates that we have held inside and outside of this Parliament — some people are calling upon the Commission and the Council — upon the Commission in particular, and quite rightly — to apply the Pact firmly. And I entirely agree.

The Commission and myself intend to propose to the Council that the Pact be applied as it stands, as it has been agreed. So a firm application, without exceptions, without breaking any rules, which does not mean a rigid application. We have had bad experiences when firmness has been confused with rigidity. Firmness does not mean rigidity. Firmness means rigour, and rigour, in the face of different and difficult situations, requires a combination of firmness and flexibility if the aim is to achieve the results of budgetary discipline, which is a necessary condition for economic growth.

I now come to my second consideration. Some of the honourable Members have referred to other efforts that we need to make in order to sustain growth and prolong growth and employment. We must carry on developing the internal market, and there will be a debate on that before the end of this year.

The Commission has promised the Council that it will present an analysis on the functioning of the internal market and how we believe it should continue to develop. This is an important debate which is going to follow on from debates such as those that have been held in this Parliament and in the Council on the Services Directive - and we will now have to see how it is applied - a debate that is linked to the increasing integration of financial services, which is crucial in terms of improving the functioning of the Eurozone in particular.

We must carry on talking about the Lisbon Strategy and over the coming months we are going to discuss the review of the integrated guidelines, of the broad economic policy guidelines and the employment guidelines.

The structural reforms within the context of the Lisbon Strategy are beginning to bear fruit. The good results, the wonderful results in employment terms, that the President of the European Central Bank has just mentioned, would not have been possible without the labour market reforms that have been included within the framework of the Lisbon Strategy, and neither do I think — although we do not yet have all of the analytical elements in our hands — that it is going to be possible to explain some of the productivity improvements over recent quarters without relating them not just to the economic cycle but also to certain reforms in the product markets, in the services markets, to certain processes, or without the, once again, firm and rigorous but not blind application of the competition rules that the Commission has to oversee in particular.

My final comment, which has been mentioned on several occasions and to which Mr Juncker has already replied, relates to the issue of wages. I have mentioned it here in Parliament on several occasions, and in discussions outside of it.

I entirely agree with the position laid out by Mr Juncker. Wages must develop in line with productivity. While there are improvements in productivity, those improvements must be reflected in the development of wages. We cannot recommend the negotiation of wages in line with productivity when productivity is not growing and then forget that recommendation when productivity increases.

My feeling is, however, that at the same time we cannot forget the need to moderate the development of wages, not to lose competitiveness and, in the case of the Eurozone, to analyse very thoroughly the reasons for, and alternatives to, the divergent development of unit labour costs between Member States of the Eurozone that can create significant problems in terms of the functioning of countries that are losing competitiveness by this means. I therefore suggest that we expand this debate a little further. We must not just focus on wages but also talk about the development of inequalities, because – and I shall link this to the final idea I wish to mention in this debate – the citizens' perception of the euro is a significant element of their perception of Europe and the idea of Europe.

Perceptions of the euro are undoubtedly affected by the citizens' perception of economic development, and we must tell them the truth. When the economy is going badly, we must say so, but when the economy improves, we must also let that be known. We must not forget that now that the economy is improving, we must also communicate those improvements to the citizens, whose individual economic situations do not perhaps provide them with a view of the overall development of our economies.

However, that perception of the economic situation, of the effect of European integration, of economic and monetary integration, on individual economies, is also affected by uncertainty about the future, uncertainty about the future of social protection systems, uncertainty about the consequences of globalisation and ageing of the population, and we must respond to those uncertainties without jeopardising the foundations of the Economic and Monetary Union that we have been analysing today.

President. – The debate is closed.

The vote will take place tomorrow, Thursday 12 July.

14. Palestine (debate)

President. – The next item is the Council and Commission statements on Palestine.

Manuel Lobo Antunes, *President-in-Office of the Council. (PT)* Madam President, honourable Members, I should like to tell you that the Council sincerely wishes to debate with Parliament the dramatic events that took place in Gaza last month, as requested at the plenary session of 19 June.

The Council and the Commission reacted promptly, as was made clear in the Council's conclusions of 18 June, which stated that we will not abandon the ordinary people of Gaza. Every effort is being made to ensure that humanitarian support reaches Gaza, namely our efforts to provide finance and to ensure by political means that Israel allows humanitarian convoys to enter that territory. We are also keeping our border assistance mission at Rafah on standby. If all parties can reach agreement on the reopening of the mission and if conditions on the ground permit, the EU will once again continue to support the proper operation of this crossing-point between Gaza and Egypt.

We support the emergency Government of Prime Minister Salam Fayad. Relations between that Palestinian Authority Government and the EU were immediately normalised. Israel also has specific obligations. It must act in the same way and finally make available all Palestinian tax and customs revenue, and facilitate access to, and movement around, the West Bank and Gaza, to enable the Palestinians to trade. Above all, Israel must contribute to the credible peace process which Palestinian leaders such as President Abbas and Prime Minister Fayad are working to develop. That would be an enormous help.

The appointment of Tony Blair as the new envoy of the Quartet leaves no doubt that the international community continues to be actively involved with this issue. We are delighted that the former British Prime Minister has made himself available for the task and we sincerely hope that his work will help to strengthen the EU's role in the peace process.

IN THE CHAIR: MR COCILOVO

Vice-President

Benita Ferrero-Waldner, *Member of the Commission.* Mr President, since the last debate in this House, the situation in the Occupied Palestinian Territory has profoundly changed.

There are several developments that we should welcome. Israel has finally resumed the transfer of tax and customs revenue, the European Union has decided to normalise its relations with the Palestinian Authority and there is now a new Palestinian Government headed by Prime Minister Salam Fayyad. After a three-month interruption, the bilateral meetings between Abbas and Olmert have resumed. Finally, like many others, I was delighted to hear that the BBC correspondent Alan Johnston had been released after more than three months in captivity.

On the other hand, after the Gaza takeover by Hamas, there is now a high risk of separation between parts of the Palestinian Territory. The people of Gaza are being isolated from the world, and the tensions

between the Palestinian factions have never been so high. The creation of a viable Palestinian State is, at least, at risk.

We must continue to work on the development of a political perspective in order to provide peace and prosperity for the region. I hope that the upcoming bilateral meeting between President Abbas and Prime Minister Olmert, which, it is to be hoped, will take place on 16 July, will help to frame a credible political perspective for the Palestinian people and that it will pave the way for their joint meeting with the Quartet later on.

I hope that the Quartet can continue its cooperation with the Arab partners, and I look forward to the upcoming meeting of the Quartet, which will most probably take place next week, when all these issues can be discussed. I welcome the appointment of Tony Blair as Quartet envoy, which will certainly further dynamise our role in the Middle East peace process. He can become a new vector of progress along with the Arab Peace Initiative. I will, of course, provide him with every possible assistance, as we did for Jim Wolfensohn, including the staff for his team in Jerusalem.

With regard to assistance, the Commission has been quick in reacting to the new situation. I received a letter from Prime Minister Fayyad, which describes his priority needs. We are ready and are, of course, already mobilising our assistance to provide support to the new Government. The Quartet and the General Affairs and Foreign Affairs Councils have endorsed the extension of the Temporary International Mechanism (TIM) until the end of September. In order to fund TIM operations in the third quarter, we have sent a request to the budgetary authority for a transfer of EUR 80 million. I am delighted, and I thank you that the Committee on Budgets has this week agreed to this transfer. We are now able to provide support, through the TIM, until the end of its extension. Direct financial assistance to the Palestinian Authority is already being prepared in the form of a scheme to reimburse private sector arrears, as Salam Fayyad has asked us to do. This would have a doubly beneficial effect on the financial situation of the Palestinian Authority and of the Palestinian private sector. We are identifying some funds for this.

The Commission has resumed its long-standing efforts to build the institutions of the future Palestinian State. We are also providing technical assistance to the Ministry of Finance. A project to assist the Ministry of Finance in the area of internal control and audit has just been launched, and we will launch two more shortly. One is the management of customs, and the other the management of tax revenue.

Finally, a few words on Gaza. We will not, of course, abandon the people of Gaza or the goal of a viable Palestinian State. We are providing humanitarian and emergency assistance to the people of Gaza, and ECHO partners are working on the ground. The TIM is delivering social allowances and fuel. However, the situation may deteriorate further because access to the Gaza Strip is still a problem. Therefore, we have to work even more with the Egyptians and the Israelis in order to open the Rafah and Karni border crossings. Their continued closure impedes the effective passage of humanitarian personnel and goods and it is to be hoped that this will not have devastating consequences for the economy of the Strip.

Finally, border crossings have to be open both for humanitarian access and commerce. If the economy collapses, there will be serious implications for the security of the whole region, for the future of the Palestinian State and, indeed, for the Commission budget. We should not let the population of Gaza become 100% dependent on external aid.

José Ignacio Salafranca Sánchez-Neyra, *on behalf of the PPE-DE Group*. – (ES) Mr President, tomorrow Parliament is set to adopt a new resolution, which has achieved consensus on the basis of the usual procedures, on the Middle East situation.

In addition, however, Mr President, there are two points that I should like to raise in this speech. The first is the appointment of ex-Prime Minister Tony Blair as special envoy for the Quartet. Apparently, and this is a question I should like to address to the Presidency-in-Office of the Council, one of the tasks of this post will be to ensure that funds from the international community for the region are used properly.

The second point I should like to raise, Mr President, is the letter signed by 10 foreign ministers, including the Portuguese foreign minister, who is also the President-in-Office of the Council. This letter has been roundly criticised by the High Representative for the Common Foreign and Security Policy.

This letter says that the Union suffers from a lack of conviction in its Middle East policy; it makes the damning assertion that the roadmap is finished and that we all share responsibility for this state of affairs;

and it suggests that the conditions imposed by the EU and the international community as a whole have served to exacerbate the situation.

I should like to ask the Presidency-in-Office of the Council if, as I believe to be the case, it agrees with these statements. I should also like to know if they were just personal remarks from the Portuguese minister, or if they were made on behalf of the EU.

Lastly, Mr President, I should also like to ask about the letter's proposals, namely an international conference on the Middle East situation and the mobilisation of an international force such as NATO, or under Chapter VII of the UN Charter, charged with upholding a cease-fire and keeping the peace.

Hannes Swoboda, on behalf of the PSE Group. – (DE) Mr President, Mr President-in-Office, Commissioner, many crocodile tears are being wept over the situation in the Middle East. Yet we should have known that it could very easily reach this point. Of course, it was impossible to predict just how far the political forces in Palestine would go down the road of self-destruction, but how much support has Israel shown for President Abbas over the past few years? When did we raise an outcry because of the lack of support for Mr Abbas? Where was the European Union's visionary and independent strategy? And why, President-in-Office, Commissioner, are we simply ignoring Mr De Soto's criticisms of the Quartet's policy? Is it because we have a bad conscience? Is it the fact that something has gone badly wrong here? Because, Mr Salafranca, we have to admit that something has gone very wrong.

I do not want to stir up past history however, because we need to look to the future. What needs to be done? Recently my group held a conference on the Middle East, chaired by Pasqualina Napoletano, and our findings were similar to those of the ten foreign ministers who recently stated their position in an article. I would have liked to see all the foreign ministers involved. We need to support the Abbas/Fayad Government actively, at least for now. But we should not believe that any such support would mean that the problems with Hamas had been solved nor that the Hamas problems can be resolved by military means – namely by arming President Abbas' troops, as some people believe. That is most definitely not the way to win the hearts and minds of Hamas voters.

As a starting point for the negotiations, Israel must at last recognise the 1967 borders – admittedly, that will delay some things. We need a comprehensive discussion of all the issues, from allowing exiles to return through to the wall. These matters will not be resolved easily, but they need to be discussed openly and honestly. We also need to incorporate the Arab Peace Initiative if we are to achieve genuine peace between Israel and her Arab neighbours.

Our objective must be to prevent violence, but we have to be fair. If we require one side to renounce violence, then we should demand the same from the other side, which has not been the case in recent months.

Let me say a few words about Tony Blair and his mission: we would have been happier if Tony Blair had pursued an active, progressive and successful Middle East policy during his ten years in government. There was no evidence of any such policy. Perhaps Tony Blair will now break loose from some of the ties that bound him – cross-Atlantic ties and others – and will be able to take on a different role. If that is the case, it will be very welcome. We wish him all the very best in his efforts for the region, but he will have to work hard to pursue a new and different policy.

Annemie Neyts-Uyttebroeck, on behalf of the ALDE Group. – (NL) Mr President, Mr President-in-Office of the Council, Commissioner, the previous interventions have already clearly demonstrated that our attitudes have changed considerably towards the situation in the Middle East in general, and the Israel–Palestine issue in particular.

I too will bear witness to this, but what I will not do – unlike some – is to distance myself, as it were, from these attitudes, because I, also on behalf of my group, actually feel partly responsible for everything that has so far come to pass – or not, as the case may be. It would be too easy to say: it is they or them and we are the good ones, because we know what should be done from now on. I think we are all partly responsible for the course of events, for some countries failing to act or others acting too late.

Whichever way, what happened in Gaza looked like a total deadlock, but has, at the same time, led to a number of developments that represent windows of opportunity, as it were. These include the courageous stance by the President of the Palestinian Authority and the Prime Minister, the fact that talks have been

resumed with Israel, the freeing of Alan Johnston, which is, of course, a cause for delight, and the release of a number of Palestinian prisoners. We would want to see more people released, though.

Equally hopeful signs include the renewed initiative of the Arab League, which is crucial, and the evidence of willingness on the part of Egypt, Jordan and other Arab countries to step up their commitment considerably, to get much more involved in further talks. This does not mean, of course, that the situation in Gaza is not wretched for those involved. This is why I welcome the Commission's renewed initiatives, as I do the fact that Israel, even though it has waited for far too long, has actually made a start on transferring taxpayers' money to the Palestinian Authority.

I should like to conclude – because I want to respect your request to keep to my speaking time, Mr President – with an appeal to us all, namely for us now jointly to muster the political courage to show determination in working towards the solution with which we are all familiar: two viable states that live peacefully alongside each other within internationally recognised borders. If we can muster this political courage, all of us, and put our minor and sometimes major differences to one side, then the sun may yet dawn in the east.

Liam Aylward, *thar ceann an Ghrúpa UEN*. – A Uachtaráin, cuirim fáilte mór roimh an sceál gur scaoileadh an t-iriseoir, Alan Johnson, ón BBC saor ó Gaza tar éis dó a bheith gafa le ceithre mhí anuas. Tá áthas ó chroí orm go bhfuil sé saor agus go bhfuil sé sa bhaile anois lena mhuintir agus lena chairde. Cuirim fáilte freisin roimh shocrú rialtas Iosrael an deireadh seachtaine seo caite 250 príosúnach a scaoileadh saor. Ach tá cúrsaí daonnachta in Gaza dona go fóill. Caithfear ord agus eagar a chur ar an soláthar bia atá ag dul isteach go muintir na Palaistíne. Níor cheart cead a thabhairt d'údaráis Iosrael cosc a chur ar an mbia ag teorainn Gaza agus Iosrael.

The biggest problem facing the people of Gaza is a humanitarian one. The fact that Hamas now controls Gaza and Fatah controls the West Bank does not help the Palestinian cause one iota. This means in essence that the Palestinians can be accused of speaking in two different directions at the same time. In other words, Israel can hide behind the fact that the Palestinians are divided and that they are not now speaking with one voice. I also believe that the European Union is in a very strong position to act as an honest broker on many political issues in the Middle East. In fact, Europe must engage politically to a greater extent so as to ensure that civil war is avoided.

Hélène Flautre, *on behalf of the Verts/ALE Group*. – (FR) Mr President, you have appealed, Mr Antunes, together with nine of your colleagues, for a new approach in Palestine. That is a good starting point. The report by Mr de Soto, the United Nations Special Coordinator, roundly criticises the strategy of the Quartet, and does little for the reputation of the Union itself. The Union's strategy has not been able to encourage the normalisation of Hamas in the political arena, or Israel's compliance with its international obligations, or the Palestinians' efforts towards unity. The disaster, today, is human; it is economic and social; it is political. What new approach should be developed, then?

The European Union, Commissioner, is not a charity. It must commit itself politically and, in the first place, offer a credible prospect of the conflict's being resolved once and for all. The potential of the peace plan presented by the Arab League must be totally exploited to this end. The Union must commit itself to an international peace conference involving all the parties. It must do so resolutely, even if it means taking the Quartet firmly by the hand. Every channel must be used by the Union in order to put the Israeli authorities in a position to meet their international obligations and to obtain tangible results in the field of law, for the benefit of Palestine's civilian population. The Union should assume its responsibilities at the Rafah border crossing and denounce, if need be publicly, the obstacles preventing it from carrying out its control mission. The blockade on the Gaza Strip, which creates conditions conducive to an explosion in violence and which has been followed by a show of strength by Hamas, must be lifted. The movement of persons and goods, between Gaza and the West Bank, and between Gaza and Israel, must be re-established.

I will conclude, Mr President, by saying that, in a case such as this, the Union should propose to its partners that they examine the appropriateness of having an international force, so that peace is given every chance.

Luisa Morgantini, *on behalf of the GUE/NGL Group*. – (IT) Mr President, ladies and gentlemen, I really hope that Tony Blair is in a phase of redemption after his sins concerning the Iraq war and that he can help to bring peace and justice to the Palestinians and peace to the Israelis. I am therefore truly

grateful for the input provided by the ten European Foreign Affairs ministers who gave Mr Blair four fundamental points on which to work. These are urgent and truly tragic points.

In order to help Mahmoud Abbas, the Palestinian people and Israel, I believe that it is truly vital to negotiate an agreement of resolution and to end a brutal military occupation that has lasted over 40 years. This is fundamental, but the crisis is equally fundamental.

As the European Union we have responsibilities: to reopen the Rafah crossing, where there are 6000 persons without shelter, without anything, unable to return home. We must ensure that the EU BAM works. With regard to political prisoners, it is absolutely vital to free Gilad Shalit but also the Palestinian political prisoners, including Marwan Barghouti, who could act as an element of unity both in political terms and for peace in the Middle East.

Jana Hybášková (PPE-DE). – Please allow me to express my and our group's satisfaction with the motion for a resolution we are going to vote for tomorrow.

To our satisfaction it does not criticise the Quartet as was perceived by some political groups. On the contrary, it expresses support for its future intensified action. The motion for a resolution clearly expresses full support and understanding for the extraordinary decisions taken by Mahmoud Abbas. The resolution will take note of confidence-building talks between Salam Fayyad's government and the Israeli Government, as well as the renewal of security cooperation.

We welcome the decision on taxes and revenues as well as the start of the release of political prisoners by Israel. Nevertheless, Mahmoud Abbas must go for real democracy, for political party congress and for work with young Fatah.

Israel should seriously consider the lifting of roadblocks as was the state before December 2000 and stop the extension of settlements. Egypt should be part of the solution to the Gaza problem.

Sending international forces to Gaza would be an incredible risk to all of us, and for the European Union the composition of the proposed international conference should be a matter of great concern. Syria should be held responsible for its external action. Only then can it be part of the dialogue and the solution.

We try to help those in the West Bank, Palestinians, as much as we can via financial help and in every other way. Nevertheless, 90% of those in the West Bank are peasants, the Felaheen. They depend on agricultural exports. We urge Israel to open the flow of goods, and my question is, how does our agriculture hypocrisy work? Are we ready to open our markets to Palestinian West Bank agricultural products?

Alyn Smith (Verts/ALE). – I thank the Commissioner and colleagues across the House for the support they have expressed for Alan Johnston, whom we are all glad to see released and safe at home in my constituency in Scotland. However, that is one bright spot amid a sea of pain, and we must recognise our own part in that failure.

I agree with the Commissioner that, at long last, there may be some scope for optimism. However, when I, Mrs Morgantini and others were in the West Bank and Gaza last year it was clear then that EU policy is a sticking plaster, not a cure.

The Quartet is discredited in the eyes of much of the Arab world. It is certainly discredited in the eyes of many of the Palestinians. The EU should step up to the plate and provide real leadership and clean hands.

I echo the scepticism of colleagues on the appointment of Tony Blair as envoy. Speaking for once as a British Member, the idea that that deeply compromised individual can credibly represent peace to the Middle East fills me with dread. This is important, because we only need to look at the bomb attempts in Glasgow and London to see that the consequences – direct or indirect – of our continued failure in Palestine will haunt all of us.

Kyriacos Triantaphyllides (GUE/NGL). – *(EL)* Mr President, unfortunately we do not have time to analyse the situation in Palestine. We are in the European Parliament and we are being called upon to give immediate replies to a extremely urgent and complicated issue.

I shall therefore only comment on four important points:

Firstly, the European Union is responsible for the present situation, because it did not support the national unity government.

Secondly, the solutions and acts we have seen recently on the part of the Quartet and Israel may appear on the surface to support President Abbas, but they place before him more obstacles to a viable solution to the problem of the de facto partition of Palestine.

Thirdly, I call on all parties to work hard for unity, because it is the only way we will get out of the crisis.

Fourthly and lastly, there is the question of the humanitarian situation, which is tragic both in Gaza and on the West Bank. In Gaza especially, measures must be taken immediately for the economic and social viability of its inhabitants.

To close, I should like to put a request to the Council and the Commission: at some point, even if unity is found between Hamas and Fatah, you must decide on the Union's future policy in this sector, where the mistakes of the past must not be repeated, with the European Union negotiating selectively with half the government and pointedly ignoring the other half, regardless of whether the entire government was the outcome of free and democratic elections.

Eugen Mihăescu (ITS). – (FR) Mr President, ladies and gentlemen, we, in the world's village, Europe, are expressing dismay today because, in the square, close to our borders, human beings are slitting their throats. Instead of taking action, we are crying and shouting like old women. That is called failure to assist a person in danger, a crime that is punishable by law. A great wise man once said that saints and prophets are worth more than artists, men of letters, statesmen, soldiers and tradesmen. But where are the wise men and the prophets today?

We need a new Saint Francis of Assisi. He also lived during an era of crusades, but he was interested in others, in those against whom the crusaders were fighting. He did everything he could to go and see them. Finally, during the fifth crusade – during the siege of Damietta in Egypt – saddened as he was by the behaviour of the crusaders, he said 'I have seen evil and sin'. Deeply distressed as he was by the sight of the dead on the battle fields, Saint Francis crossed the frontlines. He was captured, chained up and taken to Sultan Saladin, who was born in Tikrit. The meeting must have been very special because, after a conversation that continued long into the night, the Sultan let Saint Francis return the next morning, safe and sound, to the crusaders' camp.

I hope that each one explained his reasons to the other, that Saint Francis spoke of Christ, that the Sultan read some passages from the Koran and that, in the end, they came to an agreement on the message that poor Saint Francis of Assisi used to repeat everywhere: 'Thou shalt love thy neighbour as thyself'.

Tony Blair was one of the crusaders in Iraq. Can he become the Saint Francis that Europe needs in the Middle East?

Edward McMillan-Scott (PPE-DE). – Mr President, the Palestinian question, and Palestine's relations with Israel, not only split families, but political groups in this House and in other assemblies around the world – and, indeed, institutions. One of the dilemmas for today is those very institutions that we represent here, and our part in the Quartet in recent years. Some hope that the appointment of Tony Blair, with his very specific role in relation to the Palestinian people, might revivify that process. I do not know. I think what is important is that the values that gave rise to the European Union itself should continue to inspire people across the Middle East, but especially in Palestine and in Israel.

Like others, I rejoice at the release of Alan Johnston. I am a patron of the BBC World Service Trust. He was reporting from Gaza when elections were held that led to the election of Abu Mazen in January 2005, followed in January 2006 by the election of a Hamas-led Government in Palestine. The dilemma for the democratic nations – what used to be called 'the West' – was whether or not to recognise that Hamas Government. Well, we know what happened, and the consequences still face us today. I wonder whether the European Union can genuinely feel satisfied that it has played an adequate role in this period.

I am pleased that the European Parliament is now discussing the setting-up of a working group in the Committee on Foreign Affairs, something I first proposed two and a half years ago. I am pleased that we are hosting a United Nations Conference at the end of August, but I still think that there is work to be done, intensive work by the parliamentarians of Europe, working together with the elected

parliamentarians of the Arab world – which includes some we might not normally want to do business with. We have to face things in a different way in the future.

Geoffrey Van Orden (PPE-DE). – Mr President, it has been said that there are five intertwined crises in the Middle East. We can see that Iran has a hand in all of them. Gaza may be controlled by Hamas, but Hamas is not its own master: there is a veto in Tehran. Perhaps, therefore, it is more accurate to say that there is just one conflict in the Middle East, and that is between extremists and moderates. We have an obligation to encourage and support the moderates.

There is a danger that some regard Hamas as some sort of social service with attitude. This would be a profound error: Hamas is essentially a terrorist organisation. Its power comes from intimidation and murder and it wants to impose its own distorted view of Islam on a frightened population. I remember only too well the plea made by the internationally renowned Palestinian, Dr Hannan Ashrawi, at the time of the legislative elections 18 months ago. She said: ‘We must defeat the forces of darkness’.

The people of Gaza cannot really express themselves freely. Meanwhile, Israel is under constant attack and, yesterday, mortar bombs were fired from Gaza at the Kerem Shalom crossing, a route for humanitarian aid from Egypt to Gaza.

Let us not forget that, while we are delighted and relieved at the release of Alan Johnston, Corporal Shalit was abducted a year ago, and we know nothing of his situation. Members of his family were in Parliament yesterday.

So what is to be retrieved from this confusing and dangerous mixture? For its part Israel has acted with restraint: it has recognised the government of Salam Fayyad, it has released hundreds of Palestinian prisoners, it is transferring some USD 400 million in tax receipts paid by Palestinians, and it is actively engaged in talks with the leadership of the PA. However, it will take a third party – Arab or possibly European – to make real progress. The Arab Peace Initiative of 2002 still offers the most promising way ahead and I am sure Israel recognises this. Just as we must support the forces of moderation and oppose the terrorists, so moderate Arab governments must be willing to engage more actively and flexibly in the peace process: politically, economically and financially. It is in our interests – and theirs – that they do so.

Philip Claeys, on behalf of the ITS Group. – (NL) Mr President, thank you for your understanding. The European Union must support the pragmatic forces within the Palestinian camp, which means that aid and resources should be shipped to the Palestinian Authority on the West Bank, but not to Hamastan in Gaza.

We must also insist on the Israeli authorities transferring any customs revenue to the Palestinian Authority on the West Bank and on the restrictions with regard to the movement of people between the West Bank and Israel being relaxed as much as possible. It is indeed of huge importance that the influence of Iran be restricted.

Manuel Lobo Antunes, President-in-Office of the Council. (PT) Mr President, allow me firstly to greet Mrs Ferrero-Waldner, and also to draw your attention to her first speech, which was very clear and illuminating on the action the EU is taking in Palestine, under the authority of the Commission, a speech for which I am most grateful.

I should like to mention briefly two questions raised here by Mr Salafranca, the first regarding the appointment of Tony Blair as envoy of the Quartet, and the second regarding the letter signed by ten EU Foreign Ministers.

I think we should be delighted with Mr Blair’s appointment, firstly because he is a European, secondly, because he has been President of the European Council, and thirdly because he is a politician of extraordinary experience in international affairs, and partly also because he is a man of conviction. I therefore consider that the Quartet, the EU and all of us as Europeans stand to gain from this appointment, and we should give him all the assistance we can. His mandate is defined and well-documented, and Mr Blair will naturally act within the limits of the mandate conferred on him. Obviously, we hope that his work will benefit the peace process in the Middle East and we wish him well in his mission.

With regard to the aforementioned letter, I have to say that it was drawn up and signed in the context of a specific informal group of ministers, and the Portuguese Foreign Minister signed it precisely in that capacity. If you look at the letter, it does not say Luis Amado, Foreign Minister to the President of the

Council of the Union, it says Luis Amado, Portuguese Foreign Minister, and it was exclusively on that basis that the letter was signed.

We may or may not agree with its contents or its wording, but there is one thing I think is important. In spirit at least, the letter draws attention to the urgency, the complexity, the need for the EU as a whole to play a central role in resolving this conflict, in resolving a conflict that began 40 years ago, and thus to respond to the call made by many Members in this Chamber for the EU to endeavour as far as possible to play a decisive role in the matter. I have to say, honourable Members, that in our Presidency we shall seek, in cooperation with the Commission of course, to work as hard as possible to ensure results, and to ensure that the peace process in the Middle East moves forward, that it makes positive progress.

Benita Ferrero-Waldner, *Member of the Commission*. Mr President, I will be really brief. We must take from this discussion the positive elements in this very difficult peace process and try to put the puzzle together in such a way that there is a step forward.

I hope that the next meeting of the Quartet, where, I think, the political horizon and the political settlement will at least start to be mentioned, will be such a step forward.

Secondly, I would mention all the daily improvements for the Palestinians: the mobilisation of international assistance, the institutional and governmental needs of the Palestinian State and the plans to promote Palestinian economic development. In this respect, we are also ready to revive our interim Association Agreement with the Palestinian Authority, which, among other things, provides for the importation of agricultural products from Palestine – although, of course, on the basis of a quota system.

We all try to do our best, but it also depends on the political will of both sides, which, unfortunately, we cannot substitute for.

President. I have received six motions for resolutions⁽¹⁾ tabled in accordance with Rule 103(2) of the Rules of Procedure.

The debate is closed.

The vote will take place on Thursday 12 July 2007.

15. Situation in Pakistan (debate)

President. The next item is the Council and Commission statements on the situation in Pakistan.

Manuel Lobo Antunes, *President-in-Office of the Council*. (PT) Mr President, honourable Members, I welcome the opportunity to speak here about Pakistan, undoubtedly a very important country which, as it happens, does not always receive the attention it deserves. I know that some of the honourable Members consider relations with Pakistan to be of particular interest, so I am delighted to be able to set out the Council's position on the country and hear your opinions.

The situation in Pakistan is developing rapidly in the run up to the elections and we hope that cooperation with the European Parliament will remain good over the coming months. The EU has a long history of relations with Pakistan, dating back to 1976 when our first cooperation agreement was set up.

Unfortunately, for a number of reasons lasting recent years, relations have not been as close as either side would have liked. It was for this reason that in 2005 the EU embarked upon a review of its policy towards Pakistan, since the Council recognised that certain issues in the country were posing challenges. It was also firmly agreed that the only effective policy would be resolutely to maintain regular contact with the Pakistani government. From this decision came the joint EU-Pakistan declaration, adopted in Berlin on 8 February. Thus, our political dialogue was formalised and the way was open to implement the 2004 cooperation agreement, also known as a third generation agreement, in full.

As a result, relations between the EU and Pakistan have been operating on a new footing since the beginning of this year. It is our hope that this will contribute towards better understanding between the two sides. This is a step forward in a long-term process to establish cooperation that we hope will be

(1) See Minutes.

fruitful. It is also an acknowledgment of the importance that the EU ascribes to Pakistan as a partner country.

At the same time, although we have defined our long-term direction, there are some matters that must be dealt with in the short term. We know that Parliament has certain concerns regarding recent events and we share some of these. All our attention over the last week has been focused on the fighting around the Red Mosque in Islamabad. I do not want to get into a discussion as to what gave rise to the current situation. Rather, I would like to commend the government on its decision to face up to those who preach intolerance. Naturally, we would all have liked to see a peaceful outcome to the impasse but the fact that the government took a stance against radical extremism is important. A distinction must be made between those who preach violence and those who demonstrate peacefully.

The Council was extremely concerned about the violence that broke out in Karachi in May. It is essential that everything possible is done to prevent the same thing from happening again. The Council is monitoring the situation in Pakistan closely through its permanent contacts with EU embassies in Islamabad. We hope that all sides will show restraint and, in particular, that the force of law and order will act proportionately and use as little force as possible when dealing with civilians.

The Council is also following the case of Supreme Court Chief Justice Iftikhar Chaudhry very closely. It is important that the legal proceedings against Mr Chaudhry are handled fairly with no undue interference. The media must also be free to carry out its mission of informing without suffering intimidation. In general, it is the EU's desire to see Pakistan continue along its path towards informed moderation, respecting international norms where democratic principles and the rule of law are concerned. This is the understanding upon which our relations are based. As Article 1 of the 2004 cooperation agreement states, respect for human rights and democratic principles constitutes an essential element of the agreement. We intend to work on this basis.

The general election means that Pakistan is faced with a choice in 2007. The EU fully supports all steps taken towards a sustainable democracy in Pakistan, the strengthening of its democratic institutions and good government of the country. The EU considers it important, therefore, that Pakistan's next elections be free and fair. We consider it equally important that the next President of Pakistan be elected in accordance with the law. The salient point is that the government must be given strength arising from democratic legitimacy. This will be needed if it is to rise to Pakistan's many challenges.

Benita Ferrero-Waldner, *Member of the Commission*. Mr President, we have all witnessed, as the Council President has just mentioned, the events around the Red Mosque in Islamabad and the latest reports say that most of the compound has now been cleared and that the operation has entered its final stage. I sincerely hope that no more lives will be lost. It has come as a shock to me to see these scenes take place in the very heart of the Pakistani capital with hundreds of men and women involved. It is very regrettable that those who continue to resist did not, as Mr Lobo Antunes said, accept the peaceful solution.

I very much appreciate the patience shown by the government in trying to reach a negotiated solution in order to avoid bloodshed, especially as children have been forced to stay behind in the mosque against their own will and that of their parents. What this episode has clearly demonstrated to the people of Pakistan and to the wider world is what dangers religious fundamentalism and intolerance can pose for us and for what is essentially a moderate and peaceful society.

Over the last couple of months the students and clerics of the Red Mosque have in effect tried to take the law into their own hands. I firmly believe this is not the direction in which the people of Pakistan would like their country to move. The government is right to address this phenomenon in a decisive manner. Other events, including several recent bombings in North-West Frontier Province and last Friday's alleged attack against President Musharraf's plane, clearly show that Pakistan needs to remain vigilant and determined to ensure that terrorism and extremism will not succeed.

EU policy is to stay constructively engaged with Pakistan. Key objectives of our engagement are to promote regional and internal stability, to encourage democratisation and to support Pakistan in consolidating its position as a moderate Muslim state. I am pleased to inform Parliament that, on 24 May, we held the first Joint Commission under the third generation Cooperation Agreement in Islamabad. The meeting was a useful opportunity to open new ways for cooperation with Pakistan, for instance, by setting up a sub-group on governance and human rights as a forum for a more intense dialogue in this area.

We have also significantly increased the volume of our cooperation with Pakistan to EUR 200 million over the next four years, notably in the areas of rural development and education. In so doing, our aim is to contribute towards a more prosperous and stable Pakistan.

Pakistan's political environment is currently characterised by uncertainty. The country is rife with speculation on possible electoral scenarios. One such scenario is based on President Musharraf's announced plan to get himself re-elected by the sitting assemblies in advance of the parliamentary elections. Another is a possible arrangement between the President and the opposition parties which could result in early parliamentary elections and Musharraf's possible re-election by the new assemblies.

As Pakistan approaches crucial parliamentary elections later this year, I believe it is necessary to continue to place emphasis on the importance of strengthening democratic institutions and building a more inclusive political process. As you are aware, Pakistan is a priority country for a possible EU Election Observation Mission. I will carefully assess the findings of the exploratory mission sent last month and will then take a decision on whether to deploy a mission in due course.

I think there are serious concerns about the way the electoral rolls have been prepared. Several million voters appear to be missing from the list and serious action should be taken urgently to rectify this.

In conclusion, we need to assess carefully whether it would be advisable to deploy an Election Observation Mission in a context in which there are some serious concerns, which I highlighted, about the conditions for democratic elections, and we need to keep developments under review in the coming weeks and months.

Charles Tannock, on behalf of the PPE-DE Group. – Mr President, I have been a critic of Pakistan's government for some time. From the toleration of nuclear proliferation by A. Q. Kahn, to the appalling treatment of religious minorities. I have also been sceptical at times as to the real determination of President Musharraf, ostensibly our ally in the war on terrorism, to really stamp out radical Islamist Jahadis and stop youngsters, including EU citizens, being educated in the hardline Deobandi madrassas.

We now witness the bloody storming of the Red Mosque, where armed Islamists were holed up with women and children. Musharraf stated the militants were linked to al-Qa'ida. So why was this matter allowed to fester since January as the security forces ignored the illegal occupation of land, the stockpiling of weapons and the abduction of women into the mosque complex? Was this in order to engineer a bloody showdown? Or to demonstrate the risk posed by extremists and prove the President's anti-terrorist stance to the West, which has been more critical recently, with claims now that the all-powerful Pakistani Military Interservices Intelligence Agency has been secretly helping Taliban forces regroup in the border areas with Afghanistan?

It is also alleged that Abdul Aziz, the cleric leading the Red Mosque militants, had family links to the ISI. For sure this crisis is a welcome distraction for President Musharraf, under pressure now for dismissing his Chief Justice, attempting to justify five more years in power and keen, of course, to retain the pervasive influence of the Pakistani army.

The EU should rightly fear instability in an Islamic state with nuclear weapons, and I now call on President Musharraf to allow two former civilian secular Prime Ministers to return from exile and campaign in democratic elections against dangerous extremists and help build a tolerant and democratic country that can survive President Musharraf.

Robert Evans, on behalf of the Group PSE. – This is an important and timely debate. It is interesting that there will be three UK speakers, but that reflects the communities we represent. We know that across Europe many people are concerned about the situation in Pakistan and the uncertainty that surrounds President Musharraf at the moment – his future – and we recognise that is linked very much to the future of his country.

I do not intend to be as critical as Dr Tannock, but the motion for a resolution we have put down is expressed in a spirit of concern, because many of us have visited the country – we have met the President both here and in Pakistan – and we wish Pakistan well. We recognise the very real challenges that Pakistan faces, not least in the very hard task of facing terrorism on its own territory. We respect the international role they have played in the fight against global terrorism. We give them credit for what they have done already and we pledge support for future efforts.

However, the fight against terrorism cannot be used as a smokescreen to cover malpractice or wrongdoing. The Commissioner spoke about the serious incident at the Red Mosque, as indeed did Dr Tannock, who also referred to the suspension of Chief Justice Chaudhry and what followed on from that.

I want to pick up on the elections, which the Commissioner and Mr Lobo Antunes both spoke about. The Council representative said that we support steps to sustainable democracy – and of course we do. I recognise and welcome the Commissioner's commitment to a subgroup on governance and human rights for Pakistan.

I want today to urge President Musharraf to ensure that these forthcoming elections not only take place but that they do so in an environment that will be conducive to ensuring that a clean bill of health can be given to them by any international observer mission, whether it is one sent by the European Union or anyone else. This is vital for the credibility of any president of Pakistan, or any government or, indeed, any government anywhere.

Specifically, I hope that the preparations for those elections ensure that they are conducted properly, and that includes allowing more women to stand for election. As the Commissioner said, the electoral roll must not just be above scrutiny, it must be so that people do not feel that they have been left out.

We need a free and open press in an election, where journalists feel safe to say and write what they want. I hope that in the interim period, whilst the election is taking place, the interim government will be genuinely neutral.

Pakistan is a large country with a proud people and a far too troubled history. I am sure I speak for all in this Parliament when I say that the European Parliament stands ready to do all it can to support Pakistan in difficult times to allow it to grow and support it as fully functioning and peaceful democracy.

Sajjad Karim, on behalf of the ALDE Group. – The unfolding and tragic events at the Red Mosque in Islamabad show that Pakistan faces a clear and present threat from extremist ideology. They are a danger to the majority of moderate Pakistani people and to NATO forces stationed in Afghanistan. The knock-on effect that these events have had in Peshawar, Balochistan, Waziristan and Bajor illustrates the footholds that the extremists now have across many parts of the country.

Yet the popular condemnation by the majority of Pakistanis of the violence of the militants shows that extremism remains a fringe minority activity in Pakistan. It is this majority moderate core that the Government must embrace if it is to develop a broad-based political consensus.

The EU's relationship with Pakistan is based on a commitment to democracy, peace and stability, trade and development and respect for human rights. This year, the Council and Commission have taken significant steps towards strengthening that relationship and we must continue to exert our influence as a key donor in the region to improve the lives of the Pakistani people.

The EU must continue to support health and education projects in Pakistan so that the poorest people will have a genuine alternative to the madrassas. We must insist that the Government respect the independence of the judiciary, the rule of law and the human rights of the Pakistani people as the country moves forward to democratic elections. We must condemn all attempts to stamp out free speech and media freedom and we must stand in solidarity with the entire legal profession of Pakistan when we deplore the suspension of Chief Justice Chaudhry.

Ultimately, the European Union must send a clear message to the President that the transition to civilian rule through free and fair elections is ...

(The President cut the speaker off)

IN THE CHAIR: MR MAREK SIWIEC

Vice-President

President. – I have received six motions for resolutions

(2)

(2) See Minutes.

submitted in accordance with Article 103(2) of the Rules of Procedure.

The debate is closed.

The vote will take place on Thursday 12 July 2007.

Written statement (Rule 142)

Neena Gill (PSE), *in writing*. – I am deeply concerned that Pakistan's fragile democracy is in peril. The dismissal of the Chief Justice of Pakistan and resulting media clampdown does not bode well for having free and fair elections. There are many reports of official and unofficial acts of intimidation against members of the legal community and abuse of the Anti-Terrorist Act to persecute political opponents.

I have been informed by Pakistanis that moderate political parties, journalists and civil society are being marginalised, whilst the extremist groups are being empowered to have a greater influence over its society.

I very much regret that recent unrest has seen the loss of civilian lives and would urge President Musharraf to ensure that the Pakistani authorities fully respect human rights. Furthermore, I would request the President to abide by the assurances that he gave to the EP Delegation during the December 2006 visit to Pakistan, about the transition to civilian rule and to agreement on building up democratic institutions and most importantly the assurances he gave us on media freedom. I would like to call on the Council and the Commission to make a strong representation to Pakistan on restoration of democracy and respect of human rights.

16. Future agreement on Kosovo (debate)

President. The next item is the statement by the Council and the Commission on the future agreement on Kosovo.

Manuel Lobo Antunes, *President-in-Office of the Council. (PT)* Mr President, honourable Members, a brief statement about Kosovo. Significant progress has undoubtedly been made over the last years with regard to stabilisation in the Western Balkan area. However, a key challenge still remains for this progress to be consolidated: the conclusion of the process to determine Kosovo's future status and the implementation of the result with a strategic objective.

What is needed is a timely and sustainable resolution that lays the foundation for a democratic and multiethnic Kosovo, committed to establishing the rule of law and promoting regional stability and the region's European perspective. The determination of Kosovo's status is a crucial prerequisite to consolidating stability in the region. The EU has invested a great deal in the Balkans in both economic and political terms, so we have no wish to see the region destabilised once more.

As it is a European region, the European Union should be at the forefront of attempts to resolve matters relating to Kosovo. Consequently, a solution must rapidly be found via the United Nations Security Council. The status quo is not sustainable.

In accordance with the declaration of EU Foreign Ministers in Luxemburg on 18 June, the Council confirmed its support for special envoy Martti Ahtisaari and reiterated its position that his Comprehensive Proposal constitutes the basis for settling the status issue by means of a new resolution by the United Nations Security Council.

The European Union remains entirely committed to ensuring the timely adoption of such a resolution by the United Nations Security Council, which will also serve as a basis for the international and EU presence. A continued united stance by the Member States, in addition to a firm and coherent approach to Kosovo, will be decisive in achieving this objective. The Council also reasserted its conviction that the resolution of this question is entirely unique and does not establish a precedent.

The EU continues to be available to play an important role in implementing the resolution of Kosovo's future status. Our planning on the ground is well underway and has been undertaken based on the global approach adopted by the Council in December 2006, and on the assumption that a new resolution conferring a clear mandate on the EU will be adopted by the United Nations Security Council.

We are determined to guarantee a successful transition and to this end have been working in close collaboration with the United Nations Mission in Kosovo, which has given assurances that it will fully maintain its operational force until its mandate expires.

Olli Rehn, Member of the Commission. Kosovo's future status is the last remaining status issue that resulted from the break-up of Yugoslavia. It is vital to get movement in the UN Security Council at this stage. The Security Council members need to carry their responsibility for resolving Kosovo's status and set up a multilateral framework giving the whole region a sustainable outcome.

I call on Serbia to play a constructive role in the next phase of the process. I call on all those involved not to pursue unilateral actions, whether declarations or veto threats, which would only harm the interests of us all in a stable region that can fully become part of the European Union.

In March you adopted a resolution on Kosovo here in Parliament. In my view our institutions share much common ground. You took the view that the only sustainable settlement is one that respects all communities, helps Kosovo's economic recovery and provides an international presence to safeguard the interests of all ethnic communities.

In June, the Council confirmed the EU support for UN Special Envoy Martti Ahtisaari and his comprehensive proposal as the basis for the settlement of Kosovo's status and a new UN Security Council resolution.

We support the proposal as the best possible available compromise that can ensure that all communities have a future in Kosovo where democracy and the rule of law can take a firm hold.

The key elements of this proposal are the building blocks of any modern society. They include the protection of the rights of communities, protection of cultural and religious heritage and basic constitutional and security provisions. All these are vital for a democratic and multiethnic Kosovo.

In a nutshell, we must do three things now. Firstly, we must settle Kosovo's status without unnecessary delay. Secondly, we must preserve the essence of the current settlement proposal and thirdly we must further support Kosovo's European aspirations and progress towards the European Union.

As Commissioner, I have already opened up several instruments under the stabilisation and association process. The Commission engages in a regular dialogue on reforms. We provide generous assistance. We monitor progress on the basis of European partnership, and we have opened up regional cooperation activities with Kosovo.

Delaying the process for delay's sake is a potentially dangerous exercise. It can hardly merge the diametrically opposed positions on status, but it could increase the risk of instability on the ground.

Hence, we must show the Kosovars that there is movement and that there will be a solution. We must not allow the hardliners to gain the upper hand. The Balkans and Europe would suffer the consequences of such a development.

Kosovo is indeed a profoundly European matter. We have much at stake to achieve a sustainable settlement. As you said in your March resolution, finding a solution on the basis of Mr Ahtisaari's proposal is of the greatest importance for the stability and further development of the entire region. Both Serbia and Kosovo are due to become part of the EU, like their neighbours, since the future of the Western Balkans lies in the EU.

Indeed, neither Russia nor the United States is as directly affected by what happens in the Balkans as Europeans are. It is Europe that would pay the price if the status process failed, and therefore Kosovo's status should not be settled by unilateral declarations or unilateral veto threats, but by effective and responsible multilateralism. A sustainable settlement is indeed best achieved by a managed and multilateral process.

Let me close by reiterating that delaying the status process for delay's sake will get us nowhere. It would only risk instability in Kosovo, prolong the agony in Serbia and delay the region's movement towards the European Union.

This is the time, therefore, when Europe, the EU and its Member States, must show leadership and help bring a sustainable solution to Kosovo. We owe it to Kosovo. We owe it to the Balkans and we owe it to Europe.

Bernd Posselt, *on behalf of the PPE-DE Group*. – (DE) Mr President, I would like to thank the Commissioner for being so clear. Yesterday, the new UN General Secretary also stressed that the continued failure to resolve the status issue constitutes a serious threat to peace. If Kosovo, where 90% of the population is Albanian, does not finally get what it deserves, namely independence under international supervision, then economic instability and political unrest could ensue. It is high time that we took a pragmatic line.

Seventy-five per cent of this House voted in favour of the Ahtisaari plan. We made it clear that we favour independence under international supervision. The Commission, most Member States, and also the USA, have taken the same line. So it is high time that we put an end to the deadlock in the Security Council. Russian and Serbian nationalism can no longer be allowed to delay a peaceful solution that will give the Serbs in Kosovo extensive, internationally-guaranteed rights that are far better than those accorded to other ethnic minorities in other European states.

Now is the time to push forward with a solution, not least because our vital EU mission needs both a stable international legal basis and broad acceptance among the Kosovans if we are to avoid being seen as an occupying power. It is therefore essential that we push ahead, with a view to achieving a long-overdue political solution.

Mr President, I would like to make it clear that we are not willing to allow the West to fall into the trap of allowing the Serbian constitution to make territorial claims on Kosovo and the Russians to say they will veto resolutions until Serbia agrees – which it will be unable to do because of the constitution approved by a dubious referendum. An artificial barrier is being created that represents a serious threat to peace.

Hannes Swoboda, *on behalf of the PSE Group*. – (DE) Mr President, ladies and gentlemen, the debate is not being concluded as speedily as some might wish. I can see the risk referred to by the Commissioner, but I also see this as an opportunity. We should use this opportunity, rather than always looking at the negative side. What do we want? We want to send a message to Serbia through a Stabilisation and Association Agreement and by reducing visa restrictions – provided Serbia cooperates with the ICTY – to say that the country is welcome in the European Union, and we want to see an end to this constant self-flagellation and inferiority complex.

Secondly, we want a new status for Kosovo on the basis of Mr Ahtisaari's proposal for a resolution. I am not saying that we would not be willing to accept some changes, but that requires talks, and the Serbian and Kosovan representatives must be willing to talk to one another. I do not think that they will agree, but they should at least clear up those points that can be cleared up. Both sides need to act responsibly, because they are still going to have to live alongside one another in the region in future, particularly if they want to be part of Europe. There is no room for a threat to stability.

So I fully agree with the Commissioner that we cannot defer matters just for the sake of it; instead we need to make good use of our time. I am delighted that the Prime Minister of Kosovo has said that he does not want to take any unilateral measures in the coming months. That is more than some speakers in this House. I am also very pleased to hear, if it is true, that the USA will not support any such steps, since the European Union would be the primary victim. We call on Russia to abandon its veto and its blocking of the resolution. Russia cannot gain anything for Abkhazia and Transnistria that it has not already obtained through military force.

What we are trying to do now is ensure a peaceful transition. It is also in Kosovo and Albania's interest to tie Serbia into the new status as tightly as possible and to send Serbia a clear signal from Europe. Albania and the Albanians in Kosovo could not ask for more.

Ignasi Guardans Cambó, *on behalf of the ALDE Group*. – (ES) Mr President, I was unable to hear the Commissioner's speech because I was engaged in other parliamentary business. From what I have heard, however, I very much share the view that, on the one hand, time is running out, but that, at the same time, we do not feel under pressure whereby if we do not take a decision today there will be violent conflict on Europe's doorstep, which is what some would have us believe. In this regard, the statements made by the Prime Minister of Kosovo are most welcome and should be received positively.

Firstly, I feel that efforts must be made to understand Serbia's position and to send out a message of respect to Serbia, one of respect for its history, its present and its future. It is obvious that Serbia must

be required to cooperate closely with the Court, but it is also clear that some messages from the EU run the risk of being taken in Serbia as disrespectful.

Secondly, there is one thing that I should like to see addressed, at least on the EU's part and that of all actors with a stake in Kosovo's legal and political future, and that is Kosovo's economic situation.

Listening to some of the rhetoric, one may be forgiven for thinking that only a declaration of independence, only a UN resolution establishing Kosovo's legal future, will create wealth in Pristina, provide jobs for thousands of people in an area with over 50% unemployment and create the kind of economic stability that will bring investment.

This is not true. What is lacking is an economic plan for Kosovo. A Kosovo without economic viability, ruined and with 70% unemployment will remain a tragedy for us all. Now is the time to think about this, now is the time when we can exert some influence, which should not in my view be conditional on such independence; rather, we can help Kosovo's economic structures, whether or not we see an independent Kosovo in the future. This is the EU's responsibility, which I do not feel it is exercising.

Brian Crowley, *on behalf of the UEN Group*. – I should like to thank the Commissioner and the President-in-Office for their comments.

Martin Luther King said: 'Peace requires not only the absence of violence but also the presence of justice'. If you think about the tragic history of the whole Balkans region, one of the aspects that had been missing for so long was this idea of justice. There can be no peace without justice.

In Martti Ahtisaari's proposals we have an opportunity to take that big step, to take that jump, to find not just the peace but also the justice within it. In an ideal world it should have been left to the people themselves to solve the problem, but they could not find the capacity at the time to come together and find the solution, so one had to be proposed to them. This is our best opportunity to try to find a long-lasting and just peace settlement between the different traditions and the different peoples there.

It is essential that, not only in presenting a new opportunity to Kosovo, we also take into consideration the unique and special concerns that Serbia has. It is important that we have a dialogue not only with Kosovo but also with Serbia, to give them the encouragement to move forward and to find a new path in the nation-building process.

As well as that, from my own experience in Ireland, over the last 10 years the one key element with regard to the solution of conflict and of discrimination and of hatred, is dialogue. Get the sides talking, keep them talking. As slow and difficult as that is, it is the only way to find the just solution to this problem.

Joost Lagendijk, *on behalf of the Verts/ALE Group*. – (NL) Mr President, Commissioner, ladies and gentlemen, anyone who has closely followed recent statements by the EU representatives on Kosovo, and particularly on the role of the EU in future, is bound to be left confused.

Of course, everyone is trying to put together the various pieces of the jigsaw in New York: how can we secure a resolution by the Security Council. In other words, how do we prevent a Russian veto? Of course everyone is doing what they can to guard unity in the European Union, and of course we urge the Kosovans to remain calm. So far, everything is clear.

What, however, will be the precise role of the EU in the near future, and when will the EU be fulfilling it? A random selection from newspapers over the past few days tells me that, according to Cristina Gallach, spokesperson for Mr Solana, the EU will face up to its responsibility and take a decision about Kosovo if Russia continues to say 'no'. In other words, even if we do not get a resolution, the European Union will take action. On 10 July, Mr Solana stated that it is impossible for us to send a mission without a mandate, and this is why we expect a resolution. According to an anonymous EU diplomat on that same day, the EU is hopeful that the new UN resolution will allow for an extensive mission to be sent, even if the future of the province remains unclear. In other words, a mandate will be granted, but there is no need to say anything yet about independence.

Commissioner, Council, I would urge you to tell us finally what a resolution should contain as a minimum in order to spur the EU to send a mission to Kosovo in the short term. In fact, when will we be discussing the sending of a mission? Originally, it was the intention to do this four months after a resolution. Is

the EU now prepared to send a mission even though there is not yet any news about independence? I would appreciate some clarity on this, which you owe us and the voters alike.

Tobias Pflüger, *on behalf of the GUE/NGL Group*. – (DE) Mr President, to be brutally frank, it is pretty clear that we have now reached a stalemate. Serbia and Russia have both declared that they will not accept an enforced independence, and Mr Bush has since said that he wants Kosovo to declare its independence unilaterally. So the European Union has a key role to play in the current situation.

There is however a whole range of unhelpful input, such as Mr Barroso's comments comparing the European Union to an 'empire'. That may be borne out by some elements, but is not very helpful in the current situation. The EU is an interested party itself and wants to make Kosovo a virtual UNMIK protectorate. It is quite clear that the original Ahtisaari plan will not happen, and everyone needs to take a deep breath and accept that. An internationally valid solution is needed, where Serbia also agrees to the whole package.

We in the European Parliament urgently need details of the planned CFSP mission in Kosovo. We have not yet received the information, and we urgently need it.

Sylwester Chruszcz (NI). – (PL) Mr President, today we are debating the territorial integrity of Serbia and the future of the Kosovo region where every day fundamental human rights are being broken. The Serbian population faces a humanitarian crisis, while the common Christian heritage of Europe is being subjected to systematic destruction by Islamic terrorists. I am surprised how often the events and the current situation in Kosovo are presented to international opinion in a biased way which is damaging to the Serbs. The unprecedented plan to grant Kosovo independence means destroying the territorial integrity of Serbia and further escalating the conflict. The decision to separate Kosovo from Serbia threatens stability throughout the European continent, which may have a domino effect in many other ethnically disputed parts of the continent.

What concerns me is that the authorities in the European Union wish to take sides in this Balkan conflict without having either the right or the mandate to do so. It is clear that the future of Europe and the world should be decided by sovereign states and peoples at international forums such as the UN. For this reason, I also thank Russia and those countries on the forum of the UN Security Council who oppose the displacement of borders in Europe. I thank you.

Árpád Duka-Zólyomi (PPE-DE). – (SK) The international community is facing an extremely important task. A decision must be taken on the future of Kosovo and the coexistence of different communities in the region, based on the principles of equality. The eight years of stabilisation and the search for the most appropriate solution have culminated in the comprehensive proposal from Mr Ahtisaari, which offers an opportunity for a peaceful future for Kosovo.

This, however, requires a unified approach from the entire Union. Hindering the solution could generate dangerous tensions, even warfare, in the region, which is something nobody wants. We are fully aware of the fact that the controlled sovereignty of Kosovo with a permanent international presence may only be instituted subject to a final decision of the UN Security Council. The dismissive attitude of Serbia, stubbornly supported by the Russian Federation, must not erode our resolve. In the given situation, we must always act on the basis of a rational assessment of the causes of this complex problem, which go back eight years, to the time when international forces assumed administration of this territory following the bloody events there.

This specific situation and ensuing developments have demonstrated that the integration of Kosovo into Serbia is unrealistic. Serbia has de facto lost any entitlement to this territory. Despite the concerns of some European politicians and Member States of the Union, e.g. the Slovak Republic, where a schizophrenic state of mind has evolved in connection with the Kosovo problem, I am convinced that this solution will not establish a precedent for other countries. The initial situation in Kosovo was atypical and non-standard. A very important component of stability in this region is the creation of a community of equal citizens, granting minority communities a legal system which would enable them to preserve and develop their identity. In the case of the Serbian community, this means extensive autonomy.

It is essential to expedite the decision-making process in the UN. Only stability and peace in this region may secure the prospect of the Balkans, and specifically Serbia and Kosovo becoming part of the European Community.

Jan Marinus Wiersma (PSE). – (NL) Mr President, I will endorse what Mr Swoboda said before me. I think that the delay that has been agreed upon with the Security Council offers scope for yet another all-out effort to reach agreement within the Security Council. In fact, an agreement such as this is the basis for everything: for unity within the European Union, for the EU's future operation in Kosovo, but also for keeping together the region of former Yugoslavia.

In that sense, it is also important to show the Serbs – even though we support the proposals by Ahtisaari, because they form the backbone of what we want Kosovo to achieve – that we are willing to make another serious attempt to sit down and talk with them about what may still change, about the kind of concessions that are still possible. We should not leave the new Serb Government out in the cold, because it is important, as before, to maintain good relations with that country.

Whilst I am pleased that, over the past few weeks, Commissioner Rehn has made good progress in the contacts, relations and negotiations with the new government, it is important not to confuse progress in relations with Serbia with the Kosovo issue. In short, an all-out effort is called for to still reach consensus, and perhaps at the end we may reach a sound agreement to disagree with our Serb partners in the region.

Erik Meijer (GUE/NGL). – (NL) Mr President, even in the autumn of 2006, it became evident that the Ahtisaari report would favour independence, with special measures to protect Serb and other minorities. It also became clear that Serbia would refuse to agree to this, and was counting on a Russian veto in the UN Security Council.

Since then, the question has been raised whether such a veto will lead to a unilateral recognition of Kosovo as a state by other states, including the United States and the EU Member States. This is the controversial model by means of which, in 1992, independence of Slovenia and Croatia was recognised by Germany prior to any European or international decisions.

Do you assume that, if necessary, this model will be used once more? Could the application of the controversial model be prevented if the region north of Kosovo's Mitrovica, where the Serbian inhabitants of Kosovo are concentrated, were to be handed back to Serbia? Is, in that case, Serbia's and the Russian Federation's blessing still to be had?

Doris Pack (PPE-DE). – (DE) Mr President, ladies and gentlemen, we had really hoped that by now Kosovo would no longer be an international issue, and that the politicians would have been able to take over responsibility themselves.

Unfortunately President Milošević's legacy lives on after his death and is putting a great strain on the democratic government in Serbia. In 1996, I demonstrated against Milošević in Belgrade together with the members of the current government, and I could wish for nothing better than for this government to be the one to bring Serbia into the European Union. I also experienced the *apartheid* imposed in Kosovo by Milošević from 1989 until the NATO intervention. It saddens me that far too much nationalism still creeps into discussions in Serbia. If Belgrade were truly concerned about the quality of life for Serbs living in Kosovo and not about the loss of territory, then Belgrade would approve Mr Ahtisaari's plan. It gives the Serbs in Kosovo a degree of self-determination that other minorities in Serbia and the Balkans can only dream of.

If UNMIK leaves now and we cannot fill the vacuum created by the absence of a Security Council resolution, we will be faced with a hopeless situation. Commissioner, you have not provided any answers on this head. As so often in the past, it seems that Europe is not actually willing to take the necessary action in the Balkans.

This indecisiveness is a major problem and will create huge difficulties. It is not in our interest to keep on putting off the Kosovo issue to another day. The collateral damage of our failure to act will be immense.

Like many other states, Russia was part of the Contact Group. So Russia is fully aware that there have been no talks between Belgrade and Priština. It is unrealistic to call for negotiations now, after rejecting Mr Ahtisaari's proposal and refusing to adopt a Security Council resolution. So I urge this House to follow the Commissioner's lead and do everything possible to accommodate Russia's interests, which have nothing to do with Kosovo or Serbia, so that this issue can be resolved.

Csaba Sándor Tabajdi (PSE). – (HU) A settlement that rewards the Albanians and reserves only punishment for the Serbs will not be durable. The EU is caught in a trap, hostage to the poor

Russian-American relations, hostage to Russia's growing power politics. We cannot give in to Russian blackmail, but without Russia there is no good or enduring solution. We cannot give in to Albanian blackmail either, because without EU help, Kosovo is not viable as an independent country.

Serbia lost trustworthiness over past decades, it lost Kosovo through its action against the Albanians of Kosovo, and as a result, Kosovo's independence is inevitable. This matter has to be discussed further, however; unilateral steps must be avoided at all costs. The Ahtisaari plan is good in part, but not sufficient. Its part about minorities is good, and so is territorial autonomy, yet at the same time, the whole of Europe is beholden for having failed for decades to clarify questions of national self-determination and territorial autonomy. These must be spelled out.

Manuel Lobo Antunes, *President-in-Office of the Council*. (PT) Mr President, allow me firstly to greet Mr Rehn, as I did not have the opportunity during my first speech and would like to do so now.

I should like to make four or five brief observations. The first is to reaffirm what I said in my first speech: that simply maintaining the status quo in Kosovo is not sustainable; we must make progress. We are convinced that to maintain the status quo would be a huge mistake for which we would have a high price to pay.

Secondly, as a number of honourable Members have already said here, it is fundamental that the European Union maintains a united stance; in other words, the Member States must remain united with regard to the Kosovo question. We made this appeal on a number of occasions as a Member State and now, during our Presidency, we naturally reinforce it. We have no desire to see the EU divided once again, especially over a fundamental issue that, into the bargain, is happening on European territory. For this reason we have always appealed to the EU and its Member States to remain united in the search for a solution to the impasse in Kosovo.

Thirdly, we believe that we should continue to make every effort on the diplomatic front with the United Nations Security Council towards obtaining a new Security Council resolution on Kosovo. This resolution, as I have said, serves as a basis for the international and European Union presence in Kosovo. We must step up our efforts, and, within the sphere of its competence, the Presidency will continue actively to seek agreement in the Security Council on this new resolution.

Finally, we see very clearly that we must offer the Western Balkan countries, and Serbia in particular, a genuinely European perspective, since Serbia meets all the required criteria and conditions for this European perspective. We were pleased at the decision to re-open negotiations with Serbia with a view to a Stabilisation and Association Agreement with the EU. We believe that this is a crucial step. Ensuring the European perspective for Serbia is of vital importance because it is a vital factor in the stability of the whole of the Balkan region.

Olli Rehn, *Member of the Commission*. I shall start with Serbia. Serbia has a tangible European perspective, with the ultimate goal of EU membership once it meets all the conditions of EU accession. That is our point of departure in our relations with Serbia.

After the new democratic government – which is Europe- and reform-oriented – was formed, and after this new government made a clear commitment to cooperation with the ICTY and carried out such effective and practical action to match that commitment, we were able to resume the SAA talks with Serbia about a month ago. It is worth recalling that the Stabilisation and Association Agreement, apart from being a significant agreement, especially in economic and trade relations, is also the gateway, the waystation towards candidate status in the European Union. I have repeated this numerous times in the Serbian public debate, I shall continue to do so and I will show that Serbia has a European future, as long as that country is willing to meet the conditions that this future requires.

We cannot expect that there will be any trading over concessions on Kosovo because of the European track for Serbia, but we can expect that the political debate in Serbia could finally move from the nationalist past towards a European future. What we can expect is that, if there are further talks for a limited period of time, then Serbia should take a constructive attitude and a realistic approach in these talks, instead of repeating the same set phrases that we have been hearing over the past couple of years.

My second point is that international supervision covering both political and security issues will be necessary for some time in Kosovo. Its purpose must be clear: to supervise the implementation of a status settlement that ensures the rights of all communities and the sustainable development of Kosovo.

For that we need a resolution from the United Nations Security Council. It is difficult, frankly, to operate under conditions of political uncertainty while the process in the United Nations Security Council is still going on.

We have every right to expect that all Permanent Members of the UN Security Council realise their responsibility in the future security and stability of Europe. We have every right to expect that all the Members in the Security Council realise the great responsibility they have.

In the Commission we are working hard to ensure that the EU will be ready to deploy civilian missions to supervise the implementation of the status settlement. It will be a different mission from that of UNMIK, and we need a sound legal basis in the form of a UN Security Council resolution to ensure the success of this mission.

Finally, all in all, Kosovo and the status process of Kosovo show how much we need the better steering and coordination mechanisms that the reform Treaty should finally provide. It is indeed high time to create more effective and efficient instruments for establishing the EU's Common Foreign and Security Policy.

President. The debate is closed.

Written statement (Rule 142)

Alexander Stubb (PPE-DE), in writing. – The question of the future of Kosovo is part of the aftermath of the horrible wars in the Balkans. We are talking about an area in the heart of Europe. Delaying the question is not an option.

Quoting President Ahtisaari, who conducted 14 months of negotiations between the Serbs and Kosovars, 'a solution will not only be in the interest of the people in Kosovo, but also of vital importance for the regional peace and stability'.

It is hard to disagree. Last March he concluded that there was no ground for agreement between the parties. Later he proposed independence for Kosovo.

The plan has wide international backing. It is time to look ahead not, of course, forgetting the rights of the Serb minority in Kosovo.

Slovenia was the first of the former Yugoslav states to join the EU. Macedonia is a candidate. The rest are queuing.

Hopefully all will end up as members and the past borderlines will lose their significance. Sometimes borders have to be first drawn in order to erase them. This seems to be the case in Kosovo.

According to Commissioner Rehn the Commission supports President Ahtisaari's plan. I think that we should too.

17. 2006 Progress Report on the Former Yugoslav Republic of Macedonia (debate)

President. The next item is the report by Erika Meijer, on behalf of the Committee on Foreign Affairs, on the 2006 Progress Report on the Former Yugoslav Republic of Macedonia (2006/2289(INI)) (A6-0214/2007).

Manuel Lobo Antunes, President-in-Office of the Council. (PT) Mr President, honourable Members, as you know, in December 2005, the European Council decided to confer candidate country status on the former Yugoslav Republic of Macedonia, taking into consideration, above all, the substantial progress made by the country towards compliance with the legislative framework contained in the Ohrid Framework Agreement, and commitment to implementing the Stabilisation and Association Agreement.

The Council also stressed at the time that new stages on the road to fulfilling some of the conditions set out in its conclusions would have to be considered. A year later, in December 2006, the Council commended the progress made but expressed its regret that the pace of reform had slowed down in 2006. Under these circumstances, the European Council of December 2006 called for the pace of reform to be accelerated in essential areas and for priorities identified in the European partnership to be carried out in order for progress to be made towards accession.

The next meeting of the Stabilisation and Association Council with the former Yugoslav Republic of Macedonia, scheduled for 24 July in Brussels, will provide an opportunity to analyse the implementation of the Stabilisation and Association Agreement and to consider important matters that have arisen within the framework of the agreement, in addition to any other bilateral and international questions that may be of mutual interest.

Based on the Commission's annual reports, the next of which is due in the autumn, the Council will make a more in-depth evaluation of the progress made by the former Yugoslav Republic of Macedonia in complying with the conditions and requirements set by the EU.

As for the country's internal situation, the EU attaches enormous importance to the existence of functioning, stable democratic institutions and effective political dialogue. These elements are essential for the process towards integration into the EU. In this context, I would like to commend the EVMRO, DPMNE and DUI parties for having reached an agreement on 29 May 2007 on the way forward on certain questions of mutual interest, and the DUI has subsequently returned to parliament. The Council now hopes that political dialogue on fundamentally important internal questions will continue between all the political parties represented in parliament and between all interested legitimate political institutions.

A constructive political atmosphere must be maintained if the country is to concentrate on the essential reforms needed for it to make headway on its path towards EU accession. Among the aspects that need particular attention are the strengthening of public administration, the effective primacy of law, judicial reform, the fight against corruption and the continuing implementation of the Stability and Association Agreement.

Equally worthy of mention in this context is the Ohrid Framework Agreement, the full and continued execution of which constitutes an essential element of the political criteria and will remain crucial to progress towards EU accession. In this respect, it is important that every confidence is maintained regarding the application of the Badinter Principle. We also hope that headway will continue to be made in areas such as decentralisation and fair representation. The Ohrid reforms should go ahead on the basis of an agreement that is as far-reaching as possible and that fully observes the spirit and the terms of the Framework Agreement.

Olli Rehn, *Member of the Commission*. Mr President, honourable Members, let me first thank the Portuguese Presidency and Mr Lobo Antunes for the priority the Portuguese Presidency is giving to the EU perspective on the Western Balkans as we have seen again today. That is very important for Europe's future.

Mr Meijer's report addresses many of the issues where the former Yugoslav Republic of Macedonia will face challenges on its path to the European Union, particularly in the political sphere. I am confident that the adoption of a resolution by Parliament will be an important contribution to the EU integration process of the country.

I welcome the strong emphasis placed in the motion for a resolution on the importance of the implementation of the 2001 Ohrid framework agreement. This agreement has not only been a promise of reconciliation and stability: it has also been a noticeable example of the difficult but rewarding art of making compromises for the common good.

The former Yugoslav Republic of Macedonia became a model in the region for promoting a multiethnic society in a unitary democratic state and for defining mechanisms allowing for a consensual approach to interethnic issues. This approach was indeed crucial for the EU in deciding to grant candidate status to the country in December 2005. Continuing in the same way will remain essential all along the accession process. In that context, the Commission welcomes the progress achieved in the political dialogue between the Government and part of the opposition.

Dialogue is indeed essential to ensure the stability and functioning of the institutions, as well as to ensure that the process of implementing the reforms is as inclusive as possible.

We now look forward to seeing this dialogue continue. We also look forward to seeing it deepen, especially in the Parliament, and lead to practical, real results. It is essential that the political agreement reached between the VMRO and the DUI will now be duly implemented.

Other key challenges include the effective implementation of the police and judiciary reforms as well as the fight against corruption and organised crime.

Your report rightly recognises the positive role which the former Yugoslav Republic of Macedonia has played and is playing in the region. Nevertheless, we see the need to continue encouraging the country in its efforts towards regional cooperation and good neighbourly relations.

The Commission will assess the progress made by the country in our annual progress report which is due to be adopted on 7 November this year. We shall also present a proposal for a new partnership, drawing up a roadmap for reforms that are needed in the coming years in the country.

All in all, the country still has plenty of work ahead and progress on its European road will be determined by its ability to meet the political criteria.

To conclude, there are many challenges to be met. Progress in the EU integration process is indeed in the hands of the leaders of the country. I trust that the Government and Parliament of the former Yugoslav Republic of Macedonia will take into account the sound and solid suggestions and recommendations contained in your motion for a resolution.

Erik Meijer (GUE/NGL), rapporteur. – (NL) Mr President, the former Federal Republic of Yugoslavia has been carved up into six internationally recognised states and it looks as though Kosovo will be added to the list soon. What is striking is that the European Union has chosen a different approach for each of these seven states.

Slovenia has been a Member State for more than three years, successful negotiations with Croatia are under way and, since 2005, Macedonia has had the status of candidate country without this being accompanied by any negotiations. As for the other regions, only stabilisation and association have been discussed, in which respect Serbia and Bosnia have incurred major delays because they failed to meet the associated conditions.

This is all in stark contrast to the simultaneous admission in 2004 of Estonia, Latvia and Lithuania, which, until 1991, were occupied by the Soviet Union, on the one hand, and the Czech Republic and Slovakia, which formed a common state until 1993, on the other. I have always argued in favour of at least allowing the accession process of Croatia and Macedonia to coincide as much as possible, and I regret that, due to the delay in negotiations, Macedonia is now lagging behind Croatia by two years.

I am not saying that I think Macedonia is completely ready for accession. The serious environmental pollution and complicated status of trade unions are out of step with the European standard. Problems in the area of corruption and jurisdiction identified among other acceding countries have not been resolved yet either. The role of the state in the abduction and handover to American interrogators of a German citizen has not yet been clarified. In its initial phase, the present government placed a disproportionate level of pressure on economic growth, by, among other things, imposing extremely low taxes capable of ruining the country. These and other problems must be resolved in the next few years.

Two other things, however, have been dominating public opinion and the world of media both inside and outside Macedonia, namely the relationship among the different population groups in that country and the relationship with the neighbouring countries, Greece in particular. Other European states, especially Belgium and Switzerland, but also Spain, Italy and Finland, have shown how it is possible to successfully put residents on an equal footing despite major linguistic and cultural differences within those countries. In the initial years of independence, the impression was created too readily that Macedonia is mainly the state of the people who speak the Macedonian language, which is related to Bulgarian, and Serb to a lesser extent. Meanwhile, it is generally being recognised, fortunately, that education and administration in its own language are crucial for the huge Albanian population group, which makes up the majority in the North West.

Also, closer relations are pursued with future neighbour Kosovo, a country with which many residents have family ties. The recent agreements between the largest government party and the largest party of the Albanian-speaking residents, which had boycotted the parliamentary sittings for months, give hope for reconciliation and an increasingly more equivalent position of the Albanian population. In addition, the members of the much smaller populations, the Roma and Turks being the most well-known, are entitled to equal treatment, participation in decision-making and the holding of government positions. Macedonia now presents itself as a multi-ethnic state, which creates obligations.

Macedonia denotes a geographical region with a long-standing history of changing inhabitants, some of whom now belong to Greece and Bulgaria. The use of the same name for a state which comprises

part of the region has created contradictions. Bulgaria, the state that, in 1878, was forced to give back to Turkey much of the part of Macedonia that had already been assigned to its territory, and subsequently had to watch as this area was taken over by Serbia, reconciled with the neighbours that had gained independence and was the first state to recognise the constitutional name of the Republic of Macedonia.

Its neighbour Greece, on the other hand, has strongly objected to this constitutional name since Macedonia's independence in 1991. These days, the Greek position is that the name Macedonia is acceptable, provided that another phrase is added which makes it clear that the area concerned is only part of the historical area of Macedonia. The use of this name without any prefixes, certainly if this is accompanied by the use of symbols from Greek-Macedonian history, raises the suspicion in Greece that claim is being made to the territory of three provinces in the north of Greece that carry the same name.

I am not surprised by the invitations which my rapporteurship has yielded to opt unilaterally for one of the conflicting positions of the two neighbouring countries. I remain neutral and believe that both sides together should find a solution for dealing with their long-term difference of opinion in a constructive manner as quickly as possible. This includes agreements in a bid to avoid, and cancel out, any provocations with regard to symbols or maps. Even though public opinion may appeal to the national pride of its politicians on both sides of the border, it also wants tranquillity and cooperation. Without any proper agreements, there is the risk that the accession of Macedonia to the European Union will be delayed unnecessarily, even though its accession is what public opinion both at home and in Greece wants.

Anna Ibrisagic, *on behalf of the PPE-DE Group*. – (SV) Whenever we discuss a country and its relations with the EU, the discussions often turn into an inventory of things we think are good about that country or things we want to criticise about it. Often, we forget the bigger picture and the broader perspective. When we talk about the EU and enlargement, we too often talk about economic cooperation, money and the cost of enlargement. Too rarely, however, do we look at enlargement from the point of view of security policy and at European cooperation from the point of view of peace. In view of its rapprochement with the EU, Macedonia is a text-book example, teaching a lesson that we sometimes forget but of which Balkan history occasionally reminds us. Given its geopolitical situation, Macedonia is a valuable resource which can make a powerful contribution to security in the region. However, the same geopolitical situation also entails a variety of challenges and, sometimes, considerable strains for the country. It is therefore incredibly important that we give Macedonia clear prospects of EU membership – something that this report in fact does. Such prospects – not only for Macedonia but also for the whole region – may mean the difference between a route back to the conflicts of the past and a way forward involving a future of freedom and democracy. Prospects of EU membership also entail a number of obligations, however. The fight against corruption must continue. Cooperation between the majority and minorities of various kinds must be strengthened and a number of reforms initiated. I believe, however, that the Macedonians are already aware of these obligations and of the work that remains to be done because they have already implemented a number of the reforms needed to enable the country to be reunited as soon as possible with its European family. I say 'reunited' because Macedonia is, and always has been, a part of Europe. Without a safe and secure Macedonia, there will be no safety and security in the Balkans; and without peace and security in the Balkans, we shall not obtain a peaceful and secure Europe, either.

IN THE CHAIR: MRS MORGANTINI

Vice-President

Józef Pinior, *on behalf of the PSE Group*. – (PL) Madam President, Erik Meijer's progress report on the Former Yugoslav Republic of Macedonia makes a positive assessment of the progress made by this country since it expressed its will to join the European Union. The Socialist Group in the European Parliament agrees with the importance of this report.

I would like to point out the progress Macedonia has made towards meeting the Copenhagen political criteria and implementing the recommendations of the European Partnership of 2005, the stabilisation and association agreement. Particularly important is the correct implementation of the Ohrid Agreement by the Macedonian authorities, which was made in close cooperation with the European Union, and which guarantees civic and political rights to all citizens regardless of their ethnic origin. The Ohrid Agreement HAS reformed Macedonia by fully recognising its multi-ethnic, multi-cultural and multi-religious character. In this regard, we should stress the responsible foreign policy of the former

Yugoslav Republic of Macedonia, and its action towards international security and peace. Finally I would like to emphasise the good level cooperation between the authorities in the former Yugoslav Republic of Macedonia and the European Parliament, particularly the country's Ministry of Foreign Affairs.

Equal and peaceful co-existence in Macedonian society, observance of the letter and the spirit of the Ohrid agreement will have an important impact on that country's aspirations for accession to the European Union. I would like once again to underline the political conclusion of this report: the Former Yugoslav republic of Macedonia has carried out reforms which should give rise to this country's future membership of the European Union.

István Szent-Iványi, *on behalf of the ALDE Group.* – (HU) Macedonia has been an official candidate for membership for the last 2 years, and has obvious European prospects. In spite of this, we still do not know when the accession negotiations will begin. We Liberals and Democrats would like to see the beginning of these negotiations as early as next year. But this depends largely on Macedonia.

Macedonia has made significant efforts in the past few years, and has achieved substantial results, but it still has a lot to do. Reforms are needed in the civil service, in the judiciary and in the police, and the fight against corruption also has to be intensified.

We note with regret that since the elections in June of last year, the reforms have lost momentum. We call upon our Macedonian friends to prepare for accession with renewed vigour. We consider important the full implementation of the Ohrid Framework Agreement, because we would like to see negotiations started as soon as possible.

It is gratifying that the largest opposition party has returned to Parliament after a boycott of half a year. In a democracy, a democratic party must defend the interests of the voters in Parliament, which is why we applaud and celebrate their return.

We consider the question of the use of Macedonia's constitutional name a bilateral matter. This unresolved matter must not be an obstacle to Macedonia's accession, and at the same time we hope that with UN mediation the negotiations will lead before long to a satisfactory outcome for everyone. We would like to see a favourable outcome.

Finally, we welcome the successful conclusion of the talks about easing visa requirements. We consider it very important that after 1 January it will be much easier for Macedonian citizens to get to EU territory, but we consider this to be only the first step. Our main objective is that before long, in the foreseeable future, all Macedonians should be able to enter EU territory without a visa.

Hanna Foltyn-Kubicka, *on behalf of the UEN Group.* – (PL) Madam President, Macedonia is undoubtedly a country whose place is in a united Europe, and I deeply believe that in the not too distant future, it will join the European Union as an equal member of the Community.

However, before this happens, this country still faces numerous challenges. It has to do more to protect the environment and to continue with economic and administrative reform. The most important issue, however, will be to build trust and to secure real equality between all ethnic groups.

The Ohrid Framework Agreement is a very important step in this direction. Mr Meijer's report also points out the areas in which Macedonia has made significant progress by implementing many of the items of the stabilisation and association agreement, and towards meeting the Copenhagen criteria. All efforts must be made to support the Macedonian authorities in this process and to get real accession talks underway as soon as possible.

Brother Macedonians – we are expecting you.

Angelika Beer, *on behalf of Verts/ALE Group.* – (DE) Madam President, allow me, on behalf of the Green Group, to welcome our colleagues from the Macedonian Parliament delegation who have come to attend this debate in the European Parliament. This is a good sign: we were very concerned by the Albanian DUI party's boycotting of the parliament in recent months. Now they have all come together to this House, marking an end of the logjam in the reform process.

Commissioner Rehn, you mentioned the reform summit earlier, and it is fair to say that Mrs Merkel notched up a real success during her Presidency of the European Union. We no longer have an absorption

problem – that debate is over – and now reforms in the candidate countries will determine whether we can allow them to join.

Let me say a few words about the EU at this juncture. I would like to ask the European Union how we can credibly demand major reforms in candidate countries when a Member State like the United Kingdom wants to deny its citizens fundamental rights. This credibility gap is something that the European Union needs to address, not the applicant countries. We cannot accept opt-outs on fundamental rights within Europe.

Macedonia has made huge progress, and we are in favour of rapid EU accession for Macedonia. So I have a request to make to the next speaker: he has one minute in which to withdraw his amendments, in which he constantly seeks to sabotage the agreement between Macedonia and Greece and thereby thwart a peaceful solution.

Georgios Karatzaferis, on behalf of the IND/DEM Group. – (EL) Madam President, of course the FYROM must join Europe. No one doubts that it should. However, we must not underestimate certain issues, which both the Council and the Commission have underestimated, although the rapporteur made a reference to relations between the FYROM and Greece.

Greece cannot but be against this country for as long as it claims irredentist rights. They even claim territory through their Constitution. In their schoolbooks today, they teach that Greece is occupying territory in the FYROM.

Do you understand what this means? If tomorrow you strengthen this arrogance, it will be as if you are putting a powder keg back in the Balkans.

The FYROM must understand that all this, claiming the history of another country, a name that does not belong to them – it was Vardaska up to 1945 – is putting the area in great danger. Greece will be intractable if Skopje fails to demonstrate moderation and a conciliatory attitude on these claims.

Димитър Стоянов, от името на групата ITS. – Първо към г-н комисаря, искам да кажа, че Македония отдавна не е унитарна държава.

Македония стана жертва на една терористична банда, на един международен заговор срещу нея, на една банда от наркотрафиканти, подкрепени от международната общност, които веят знамето на великоалбанския шовинизъм и на радикалния ислям.

На Македония с т.нар. Охридско рамково споразумение ѝ беше наложен един диктат, който не съществува никъде другаде в момента в никоя демократична държава, нито в този парламент, нито никъде, слава Богу. Диктат на една малка общност над волята на многото в тази държава.

Освен това искам да обърна една забележка към господин докладчика. За съжаление, трябва да се постараете малко повече да се запознаете с историята, защото в Македония, получили сте някаква представа, но в Македония не се говори македонски език.

И това ще го обясня с факта, който споменахте, че през 1878 г. 85 % от населението се е определяло като българи. Македония трябва да дойде в Европейския съюз. Аз подкрепям нейното присъединяване, за да получи някаква справедливост в крайна сметка.

Giorgos Dimitrakopoulos (PPE-DE). – (EL) Madam President, first I wish to thank the rapporteur, Mr Meijer, for the cooperation which we had over this entire period in formulating certain amendments.

Of course, I too am in favour of the European prospects and future of the FYROM. However, precisely because there are these European prospects and future, the FYROM should not forget that the status of candidate country creates not only rights but also obligations, one of which is good neighbourly relations and the need to find commonly acceptable solutions to existing issues with neighbouring countries, as provided for in the Salzburg Declaration and, of course, the Stabilisation and Association Process.

Nor should it forget that, as far as the question of the name is concerned, it is clear that negotiations under the aegis of the United Nations must resume and that the FYROM must come to the negotiating table in good faith and with goodwill and a constructive attitude. This has always been the position of the international community.

Similarly, we must not forget that conduct has been noted recently on the part of the FYROM, such as the renaming of the airport to Alexander the Great Airport and a recent declaration by the FYROM Minister of Transport to the effect that, come what may, he will not change this name; conduct which conflicts with the letter and spirit of the 1995 interim agreement, which is based on the principle of good neighbourly relations.

This conduct must stop. Finally, numerous amendments have been tabled. There are some, such as those, for example, which aim to improve the paragraphs on passports, which must be passed, while others, which have to do with air traffic, such as Amendment 12, ...

(The President cut off the speaker)

Panagiotis Beglitis (PSE). – *(EL)* Madam President, we have consistently supported the European prospects of the Former Yugoslav Republic of Macedonia and we have contributed to the economic reconstruction and democratisation of the institutions.

Greece in particular over recent years and following signature of the interim agreement, is the country with the most important economic and investment profile in Skopje and has helped to create thousands of jobs.

At the same time, we have worked realistically to find a commonly acceptable solution to the outstanding question of the name.

The question of the name is not a bilateral matter between Greece and the Former Yugoslav Republic of Macedonia. The framework for the solution has been shaped by the decisions of the UN Security Council, the interim agreement and the relevant decisions by the European Union.

Everyone who rushed to recognise the Former Yugoslav Republic of Macedonia with its constitutional name, in breach of the institutional framework of the UN and the European Union, is doing a disservice to efforts to find an honourable compromise solution for the international name (I stress this) and is feeding the intransigence and nationalist climate in the political leadership of our neighbouring country.

We agree that this impasse must be lifted.

Bogusław Rogalski (UEN). – *(PL)* Madam President, In 2005 the Republic of Macedonia achieved candidate country status for membership of the European Union. Macedonia's accession to our structures must be preceded by internal understanding to regulate the issue of coexistence of the various ethnic groups in the country on a basis of democracy and equality. This criterion must be fulfilled before Macedonia becomes an integral part of the EU. The country must set up a cohesive system of public administration and education that provides for linguistic and ethnic differences in a way that allows the ethnic groups and different national minorities to co-exist harmoniously.

The country must also speedily come to an agreement with Greece regarding the name of the country. Greece should show greater flexibility on this, as the issue of the name cannot under any circumstances be used as an obstacle to starting negotiations and Macedonia's accession to the European Union.

On the issue of Macedonia we are guided not by emotions, but by the Copenhagen criteria.

Doris Pack (PPE-DE). – *(DE)* Madam President, Macedonia has already come a long way towards joining the EU. It is now an accession candidate. It has signed a Stabilisation and Association Agreement with the EU, but that is the easy part. There is still a lot for the Macedonian politicians to do.

Translating the Agreement into practical legislation will be tough, but it has to be tackled with dynamism, in the field of justice, for example, in the administration, the economy, in finance policy and particularly in the area of combating crime and corruption. This is the most pressing task facing the government and the parliament.

Macedonia has successfully ended a bloody conflict with the help of the international community, and now urgently needs to implement the Ohrid Agreement. The Badinter Commission is a useful instrument for issues relating to ethnic Albanians. However, it must not be allowed to prevent the necessary legislation being put in place, and should not be seen as a guide to how to form a government.

It is a pity that Macedonia's relationship with its neighbour, Greece, which, as we have just heard, invests a great deal in Macedonia, is still clouded by the name dispute. Nationalist talk on both sides is not

helpful. This troubled relationship has gone so far as to result in Greece issuing two visas for Macedonians. Of course this unresolved bilateral issue will not prevent Macedonia joining the EU, but an early resolution would benefit all sides and should be possible with the assistance of the UN mediator.

The ambiguous status of neighbouring Kosovo has prompted a former Albanian rebel fighter who is currently a Macedonian MP to offer to take 10,000 Albanian fighters from Macedonia to fight for Kosovan independence.

I urge the Albanian population to concentrate on their own affairs in Macedonia and to leave the issue of Kosovo to the appropriate elected representatives.

Кристиан Вигенин (PSE). – Уважаеми колеги, днес обсъждаме напредъка на Република Македония в една по-оптимистична атмосфера: Европейският съвет вече отвори пътя за институционалната реформа, която е задължителна предпоставка за всяко бъдещо разширяване.

За периода на краткото си съществуване като държава Македония премина през различни кризи и много трудности, но запази стабилността си и възможностите си за развитие и просперитет. Именно тази жизнеспособност и перспективите за бъдещето трябва да бъдат източник на самочувствие за македонските граждани, а не подправената история или присвоените чужди исторически личности и символи.

За Македония са особено важни добросъседските отношения със страните-членки на Европейския съюз - България и Гърция. Има какво да се желае в тази посока и аз обръщам внимание на няколко колеги от фракцията на "зелените", че борейки се за правата на несъществуващо македонско малцинство в България например, всъщност дават "храна" на националистите и от двете страни на границата и влошават перспективите на страната. За европейските социалисти е особено важно да се съхрани междуетническият диалог, а така също приоритетно да се решават проблеми като безработицата, остарялата инфраструктура и регионалните дисбаланси.

В заключение искам да подчертая, че ние ще подкрепяме реформите в Република Македония и се надяваме страната да стартира преговорите за присъединяване към Европейския съюз още в първата половина на 2008 г.

Manuel Lobo Antunes, President-in-Office of the Council. (PT) Madam President, very briefly, I believe, as I have said, that the Association Council with the former Yugoslav Republic of Macedonia on 24 July will enable us to obtain a clearer idea of the progress that has been made in the country, as part of its candidature for full EU membership. Naturally, we await the progress report to be presented by the Commission in the autumn on the state of the former Yugoslav Republic of Macedonia's candidature process.

The Presidency and the Member States will certainly consider the Commission's opinion on this question to be very important. Once the country has met the criteria for opening negotiations, those negotiations should, of course, begin.

The question of the country's name or designation has also been mentioned on a number of occasions. During the first Portuguese Presidency in 1992, I was a member of the team – along with Lord Carrington and ambassador José Cutileiro – dealing with the issue of the former Yugoslavia and the question was already being posed at that time. I see that fifteen years later the problem has not gone away. I do hope that the parties can take sit down together at the negotiating table and work out a mutually acceptable solution.

Olli Rehn, Member of the Commission. Madam President, I would like to thank you for a very substantive and responsible debate. I fully agree with Mrs Ibrisagic, who underlined the security aspect of EU enlargement. We often talk only about integration capacity, but fortunately the December European Council last year was able to renew our consensus on enlargement, with the support of Parliament and the initiative of the Commission.

This renewed consensus on enlargement covers both sides of the coin: the strategic importance of enlargement for security and stability for enhancing our values of democracy and human rights, and combining it with integration capacity of the Union. Both sides are essential and both sides are important for a carefully managed EU accession process.

In this regard the Former Yugoslav Republic of Macedonia is a prime example. In 2001 the country was on the brink of a civil war. In 2005 the country was granted candidate status. It is a success story in this sense.

Last year we saw slower progress in the reforms, but that is a further reason why 2007 should be the year when the country gets back on track on the European road, through the determined reforms that lead to practical results. Therefore, the focus for the government and all political parties should not be on dates for opening EU accession negotiations but rather on pursuing the reform process with full determination and practical results.

The reforms are the journey that will lead to the destination of opening the negotiations and then one day closing such negotiations. For that, the objective of EU accession should not become a party political football: all parties should be united in pursuing this objective and fostering a political climate conducive to the successful adoption of the necessary reforms.

That is why the mission of the representative of the parliamentary delegation of the country today here in Strasbourg is of paramount importance, and I trust they will carry this significant message back home with them to Skopje.

Finally, the Commission notes that there has been no progress recently on the name issue, as Mr Lobo Antunes said. That situation pretty much covers the past 15 years. The Commission hopes that both parties could renew their efforts, with a constructive approach to find a negotiated and mutually acceptable solution on the main issue under the auspices of the United Nations, thereby contributing to regional cooperation and good neighbourly relations.

President. – The debate is closed.

The vote will take place on Thursday 12 July 2007.

18. TRIPS agreement and access to medicines (debate)

President. The next item is the debate on:

- the oral question to the Council, by Gianluca Susta and Johan Van Hecke, on behalf of the Group of the Alliance of Liberals and Democrats for Europe, Kader Arif, on behalf of the Socialist Group in the European Parliament, Georgios Papastamkos, on behalf of the Group of the European People's Party (Christian Democrats) and European Democrats, Vittorio Agnoletto and Helmuth Markov, on behalf of the Confederal Group of the European United Left/Nordic Green Left, Carl Schlyter, on behalf of the Group of the Greens/European Free Alliance and Cristiana Muscardini, on behalf of the Union for Europe of the Nations Group, on the TRIPS Agreement and access to medicines (O-0036/2007 B6-0130/2007)

- the oral question to the Commission, by Gianluca Susta and Johan Van Hecke, on behalf of the Group of the Alliance of Liberals and Democrats for Europe, Kader Arif, on behalf of the Socialist Group in the European Parliament, Georgios Papastamkos, on behalf of the Group of the European People's Party (Christian Democrats) and European Democrats, Vittorio Agnoletto and Helmuth Markov, on behalf of the Confederal Group of the European United Left/Nordic Green Left, Carl Schlyter, on behalf of the Group of the Greens/European Free Alliance, and Cristiana Muscardini, on behalf of the Union for Europe of the Nations Group, on the TRIPS Agreement and access to medicines (O-0037/2007 - B6-0131/2007)

Gianluca Susta (ALDE), *author.* – *(IT)* Madam President, ladies and gentlemen, I would like to thank the shadow rapporteurs and the secretariat of the Committee on International Trade for the help they gave me during this work. For us, access to medicines by the poorest countries is a priority, and that includes where the international obligations we have assumed are concerned. We therefore cannot be content to blindly accept the protocol to the TRIPS agreement and believe that this will resolve the issue.

Members of the Commission, members of the Council, there are no longer sufficient generic commitments. The European Union can and must do more, and if it is not realistic to suggest renegotiating the protocol, the Council, if it wishes to obtain the assent of the European Parliament, must make a firm commitment to state that the mechanism created by the WTO decision of 30 August 2003 is only a very

small part of the solution to the problem. This means ensuring that the Member States can resort to Article 30 of the TRIPS agreement in their national laws on patents, in order to authorise production and exporting, to tackle the public health needs in importing member countries.

It means restricting the Commission's mandate in the negotiation of economic partnership agreements with the poorest countries, so that provisions are not included that go further than the TRIPS agreement. It means supporting developing countries that use the flexibilities included in the TRIPS agreement, to provide essential medicines at reasonable prices. It means supporting grouped supply strategies to achieve economies of scale in the production of generic medicines at affordable prices and to stimulate direct investment in local production facilities.

It means actively supporting the work of the World Health Organisation's intergovernmental working group on public health, innovation and intellectual property. It means recognising that the European Union must urgently adopt additional measures to promote the transfer of technology, research, capacity-building and regional supply mechanisms for the world's poorest regions. It means guaranteeing a specific level of funding with which to develop or construct pharmaceutical production facilities owned by regions within developing countries, and increasing overall funding for public-private partnerships undertaking research and development in medicines that are particularly important in developing countries.

We therefore believe that we have made an active contribution to this issue, the urgency of which is demonstrated to us by the pictures that reach us from the poorest parts of the world. The ball is now in the court of the Council and the Commission, and if we receive swift, precise replies, not generalities, then the European Parliament will give the requested consent without delay.

Kader Arif (PSE), *author.* – *(FR)* Madam President, ladies and gentlemen, if we have sought today to question the Council and the Commission, it is because the consent requested of us to amend the TRIPS agreement for the purposes of making the August 2003 transitional solution final is raising many issues. Indeed, following the debate held in parliamentary committee on this mechanism, all the experts heard were unanimous in criticising this solution, which only solves a very small amount of the problems faced by countries that have no pharmaceutical manufacturing capacity and, therefore, the difficulties their populations have in gaining access to health care.

Although it was supposed to provide a fast and effective response, this mechanism is deemed to be complex, even inefficient. Despite the commitment made by the Council and the Commission to Parliament, no assessment has been carried out. Doubts therefore remain on this issue. 'It has never been assessed because it has never been used' we are told by the Commission, which claims that that does not mean that it is inefficient. That is a fine piece of rhetoric based on a reversal of logic, but it is by no means a well-argued response. The questions being asked by the MEPs are as follows: why has not this solution ever been used? Is it equal to the scope of the problem posed? If not, what new measures ought the Union to introduce in order to achieve the stated objective? There can be no discrepancy between what we say we are going to do and what we actually do.

In its declarations, the Union supports the Doha Declaration, the flexibilities of the TRIPS agreement and the Member States that have recourse to them. It also makes a commitment not to call for developing countries to be made subject to new intellectual property rules that are more stringent than those laid down at the WTO, as that would undermine genuine access to treatment. However, these declarations have not been put into practice.

Let us start by understanding what we mean. For example, what do we mean by flexibility? In our opinion, this concept encompasses all the flexibilities, not just the 2003 solution. However, in its declarations, the Commission refers solely to that one. As for the intellectual property rules that go beyond the TRIPS agreement, how do we define them? Do we identify the same ones? In its declarations, the Commission refrains from resorting to such rules, but the negotiations that have been conducted do not necessarily reflect this commitment. The Commission's representatives even at times justify its resorting to these rules for the sake of combating counterfeiting, but this comes under an entirely different debate. Finally, clear political support must be given to every country that uses a flexibility instrument, whatever it may be, which is not the case in practice.

What we are asking for is transparency and a balance between the public discourse and the negotiations conducted behind closed doors. We are convinced that the problem raised goes far beyond our simply assenting to an international protocol. This is a far-reaching political and humanitarian problem that

requires a genuine political will to match the challenge posed. We now want clear commitments, and commitments on many points, all of which are included in our resolution due to be put to the vote tomorrow. This hinges on a joint policy statement, with Parliament, before our vote. We will not be content with yet another debate that lacks any precise commitment. We want a solemn commitment by the Council and the Commission that guarantees that Europe will become more involved in finding new solutions and that it will strive to do as our fellow citizens want and become a leading player in the fight to secure access to medicines at affordable prices for everyone in the world.

Georgios Papastamkos (PPE-DE), *author.* – *(EL)* Madam President, I thank my honourable friends for their cooperation, which allowed us to formulate the joint motion for a resolution.

As you know, the Union has played a decisive role in achieving the agreement under discussion within the framework of the WTO. It is one of the few members which have adopted internal implementing legislation. We of course recognise that no use has been made to date of the mechanism provided for.

Doubts as to the efficacy of the mechanism provided for in the Protocol to the TRIPS agreement are reasonable. However, the amendment to the TRIPS agreement was the result of lengthy and laborious negotiations within the framework of the WTO. Renegotiation, even if it were to be considered feasible, will have uncertain results.

The Union is being called on to make the mechanism in question operational with all the means at its disposal. At the same time, the transfer of know-how and technology and research in developing countries must be encouraged.

Compulsory licensing is just one aspect of the problems relating to public health in developing countries. At the same time, measures are needed which aim to improve health care systems and infrastructures. Targeted development aid from the Union can play an important role in this direction.

I should also like to emphasise the importance of safeguards against the diversion of trade. Drugs must reach and stay with the people in the countries for which this mechanism was created. I consider that the European Union must accept the amendment to the TRIPS agreement as quickly as possible.

To close, I should like to say that a global approach is needed which includes both prevention and treatment.

(Applause)

Vittorio Agnoletto (GUE/NGL) *author.* – *(IT)* Madam President, ladies and gentlemen, the export mechanism provided for in the decision of 30 August 2003 has added such a number of restrictions and administrative/technical obstacles that to date, as is pointed out by ‘Médecins sans frontières’ in a publication from September 2006, it has never been used. Parliament asked the Commission and the Council to make a specific commitment in its resolution of 2 December 2004.

On 30 November 2006 the European Parliament again adopted a determined position on the issue of access to medicines in the south of the world and unanimously adopted a resolution calling on the Commission, and I quote, ‘to recognise, five years after the adoption of the Doha Declaration, that its application has been a failure, inasmuch as the WTO has received no notification from an exporting or importing country of compulsory medicines nor any such notification under the Decision of 30 August 2003 of the General Council of the WTO on implementing paragraph 6 of the Doha Declaration’. Secondly, Parliament called on them ‘to take the necessary steps within the WTO, in association with the developing countries, to modify the TRIPS Agreement and its provisions based on the Decision of 30 August 2003 ..., in order in particular to abolish the complex and time-consuming procedural steps in the authorisation of compulsory licences’.

So far, six months later, neither the Council nor the Commission, despite having been requested to do so by all the parliamentary groups, has not dignified the European Parliament with any reply. Defending to the bitter end a mechanism such as that of 30 August 2003, reproduced word for word in the amendment to the TRIPS agreements that the EU would like to ratify, signifies a very clear choice of sides: it means siding with the large pharmaceutical multinationals and abandoning millions of patients in poor countries to the mercy of diseases that, in their case, are fatal, such as AIDS, tuberculosis, malaria and dozens of other forgotten illnesses, without research or treatment. This is a choice that this Chamber, convinced as it is of the primacy of human rights for all over the profit of a few, cannot accept.

Carl Schlyter (Verts/ALE), *author*. – (SV) Imagine going to the doctor's and, in order to afford treatment, being forced to pay the whole of your family's annual wage. Imagine going to the doctor's and being forced to choose between obtaining medicine for yourself and no food for the children, or food for the children and no medicine yourself. That is a choice facing millions of people today. Two years ago I was involved in starting the Drugs for Neglected Diseases Initiative. There were many of us who took the initiative here in Parliament to produce this report, and the cooperation between us has been excellent. We are very much in agreement on these issues. I wish to emphasise to the Commission that Parliament takes a very serious view of the need for rules guaranteeing access to medicines. Today, 12 million people per year die due to lack of medicine, above all that designed to combat tropical diseases. The patients are poor, and it is not profitable to do research on their behalf, so we do not get any new medicines. We therefore have to resolve, firstly, the issue of access to existing medicines and, secondly, that of research into new medicines and the development of these, because these countries will never be able to leave poverty behind if their populations are at home ill. The TRIPS+ agreements must definitely not become incorporated into the economic partnership agreements and undermine these countries' ability to provide their populations with medicines.

In the period allotted to me in which to speak, I do not even have time to run through all the ways in which the Commission is at present endeavouring to force the inclusion of the various patent-related issues into the negotiations on economic partnerships. We would ask you to stop doing that.

When it comes to research, we need to have a fund at EU level or a global profits tax on pharmaceutical companies. Otherwise, we shall never produce the medicines that can raise these people out of poverty. The right to survival comes before all other rights.

Cristiana Muscardini (UEN), *author*. – (IT) Madam President, ladies and gentlemen, I would like to thank Mr Susta and all my fellow Members who have enabled this work, which covers many areas, to develop, and who have made it possible to launch this political initiative aimed at guaranteeing the residents of the world's poorest countries access to medicines at prices that are reasonable and affordable for those people. While extreme poverty is a serious social hardship, when it is accompanied, as it often is, by serious diseases, it constitutes utter misery: that is the central message that we want to put across.

The agreement achieved within the WTO, which is probably the only practical legal way within the context of multilateralism to facilitate access to medicines at low prices, creates great confusion on many scores. An exemption mechanism is set up, certainly with laudable intentions, but it is not operational: this is because of the restrictive clauses accompanying it, the numerous and complex administrative formalities that make it difficult to put into practice and the inability in practice to access the benefits of the proposed mechanism by countries that are potential beneficiaries.

Few countries have ratified it so far and – even more worryingly – no country has requested the help of this instrument. We need to calmly verify that something is not working, and work out how to put it right. We need to have the courage to go further and to realise that the *de minimis* agreement is only a partial solution to the fundamental problem, which casts doubt upon the effectiveness of the WTO's multilateralism rules. We need to put forward measures at European level that go beyond the agreement and that are able to offer a sound contribution to access to medicines at affordable prices, thus helping to save many human lives.

We must encourage the transfer of research and technology to facilitate the production of medicines in poor countries. We must be vigilant – and this is the Commission's task – because too often counterfeit medicines are sent to poor countries, and this is why we must also act decisively to combat this distortion of international trade. Above all, though, we must undertake to be vigilant to ensure that the citizens of poor countries do not have to suffer this insult also.

Manuel Lobo Antunes, *President-in-Office of the Council*. (PT) Madam President, honourable Members, on 6 December 2006, the Council sought Parliament's approval, under Articles 133 and 300 of the Treaty establishing the European Community, for the Commission proposal for a Council decision relating to the acceptance, on behalf of the European Community, of the protocol amending the TRIPS agreement, signed in Geneva on 6 December 2005.

In developing and negotiating the aforementioned protocol, which will result in citizens of developing countries having increased access to drugs at affordable prices, the Community, from a political point of view, played a key role. This was one of the greatest successes achieved in the run up to the WTO Ministerial Conference held in Hong Kong in December 2005.

The fact that that forum on standards in international trade addressed an issue of such importance for developing countries, constitutes a concrete application of the principles of consistency in the development policies set out in the European Council, agreed in 2005 between Parliament, the Council and the Commission. It also constitutes a significant practical step towards meeting Millennium Development Goal 6 to combat HIV-AIDS, malaria and other diseases.

A number of members of the WTO, including the United States, have already ratified the Protocol, and it is desirable that the Community, as the main advocate of the measure, should follow suit by December 2007 at the latest, once internal procedures in the Commission, the Council and Parliament have been completed.

As far as both technical and wider-ranging questions raised by the honourable Members are concerned, it is not the Council's responsibility to assess the technical effectiveness of the mechanism, created by the WTO's decision of 30 August 2003. The Council recognises the complexity of the issue, but also underlines the fundamental political importance of ratifying the protocol for developing countries. The Council does not intend to amend the mandate conferred on the Commission regarding economic partnership agreements since these are in the final stages of negotiation.

The Member States meeting with the Commission on the European Development Fund Committee will seek to ensure that adequate resources are channelled to meet Millennium Goal 6, in particular for the ACP countries. The Council takes this opportunity to call on the European Parliament to fulfil its vital institutional role, in order that the European Community can accept this important protocol, and so that trade standards may be amended in such a way as better to serve the interests of millions of human beings in developing countries.

Olli Rehn, *Member of the Commission*. Madam President, the Commission shares Parliament's view that access to medicines for poor developing countries is a matter of huge political and humanitarian importance, and the Commission has taken a number of initiatives to facilitate access to medicines for poor developing countries through existing programmes.

From the outset, the European Community has been at the forefront of the debate on TRIPS and access to medicines. In the WTO, we played an active role in bringing together almost irreconcilable positions. Developing countries were grateful to the European Union for our role as an honest broker.

The debate in the WTO first led to the adoption of the declaration in Doha in November 2001. This declaration reaffirms the right of WTO members to use, to the full, the flexibilities contained in the TRIPS Agreement, including the use of compulsory licensing. For those countries with no manufacturing capacity in the pharmaceutical sector and that could not make effective use of compulsory licensing under the TRIPS Agreement, a temporary waiver from the normal rules of patent law was adopted in August 2003.

Parliament, together with the Council, implemented this waiver decision by adopting it at first reading – Regulation (EC) No 816/2006 – to allow manufacturers of generic drugs to produce patent medicines for export to countries in need without sufficient capacity to produce them.

The protocol amending the TRIPS Agreement aims at transforming this decision into a permanent and legally secure solution. This flexibility, to be introduced into the TRIPS Agreement, can help save lives without undermining the patent system, which is one of the main incentives for the research and development of new medicines.

We are now at the very end of this WTO process. The last step is the acceptance of the TRIPS amendment.

I come now to the specific questions raised in the oral question, and I have discussed these responses with my colleague, Mr Mandelson, who is in charge of trade policy in the Commission.

I should like to make four specific, concise points. First, the mechanism created by the WTO decision of August 2003 and the Protocol to the TRIPS Agreement is the result of long and difficult negotiations between almost 150 countries. It represents a balance which was difficult to strike. This mechanism must be seen only as a part of the wider issue of access to affordable medicines for developing countries, which goes far beyond the issue of patent law.

Second, the Commission can confirm that the European Community is committed not to include, in the economic partnership agreements and in other future bilateral and regional agreements with poor

developing countries, any TRIPS+ provisions which could affect access to medicines or undermine the TRIPS flexibility contained in the Doha Declaration on TRIPS and public health.

Third, the Commission encourages pharmaceutical companies to adopt schemes, such as tiered pricing, under which medicines are sold in poor and developing countries at considerably lower prices than in developed countries.

Fourth, the Commission supports local production capacity. Local production can promote competition and make pharmaceutical products more affordable. It is also important to encourage technology transfer to ensure that locally produced pharmaceutical products can meet internationally agreed standards.

To conclude, I hope that Parliament has been reassured that access to medicines remains a priority for the Commission. Now that the European Parliament has all the elements in its hands to make a well-informed decision, and given the role played by the European Community in forging this permanent solution, it would be regrettable if the European Community could not accept it in time. It is essential that Parliament and the Commission continue to cooperate closely to facilitate access to medicines for poor developing countries.

Margrietus van den Berg, on behalf of the PSE Group. – (NL) Madam President, every year, some six million people die of the effects of AIDS, malaria or tuberculosis. Every year, millions of people, particularly in Africa, are denied the treatment that could save their lives, not because the medication is unavailable, but simply because it is unaffordable. Whatever the exact reason may be, this is, of course, a downright scandal.

Since 2003, a temporary WTO regulation has been in place for countries that do not have the capacity to make their own cheap medicine for their people. What the Commissioner said is right. In Doha, we managed to secure a huge victory in 2003 when we made the breakthrough in this respect. This is something for which the EU deserves enormous appreciation. Whilst we may be able to discuss the causes *ad infinitum*, the trouble is that this regulation is still ineffective in practice, and all these millions of people have not received this medication, which is what we desperately want and why we welcomed this breakthrough at the time.

You are now asking this Parliament for permission, really, to make the agreement permanent. Needless to say, before this House can add its signature to this regulation, which has not been workable to date, with all the underlying causes and complexities, we want firm guarantees. The Commission and the Council have tried to say a few things.

First of all, it is essential that use is made of a practical regulation, as this simply requires much more assistance – practical, legal and political – from the countries involved. We know that many of them consider it very complex to actually use it. My suggestion would be to do what we did at the time of the trade negotiations, namely to set up a European cheap-medicine team, the ‘A-Team’ of the European Union, so that direct aid can be given, as it were. This aid should not just be financial but also take the form of information and legal expertise.

Secondly, I understand that you, the European Commission, have pledged not to incorporate any TRIPS+ in bilateral agreements. This would be a very crucial element, provided it is clearly confirmed by the Council.

Thirdly, the long-term solution is to enable developing countries to take care of their own production, which, of course, brings the developmental perspective into the equation. The expertise is there. This is what a number of countries, including Tanzania, are doing. I think that this same European A-Team would be able to pull this off again without any trouble. If this is the direction you are heading, we will be able to sign on the dotted line.

Sharon Bowles, on behalf of the ALDE Group. – Madam President, the TRIPS amendment is both overdue and ahead of its time. It is overdue in that, for a long time, there has been a need to give poorer countries assisted access to drugs. It is ahead of its time because the extension of patent regimes to cover drugs in India and other countries in 2005 has not yet bitten. It takes years for a drug to get from development through clinical trials and it is only after that that this amendment might come into play. But it could come into play earlier if the Indian patent office is not upheld in its line of rejecting patents for minor modifications of older drugs.

Now the amendment alone cannot solve the problem that generic drugs still available now are not affordable, but it will establish in TRIPs that production for export legitimately comes under compulsory licensing and so also loosens the constraint of the legitimate interests of the patent owner, at least as regards territory, in other articles.

Vittorio Agnoletto, *on behalf of the GUE/NGL Group.* – (IT) Madam President, ladies and gentlemen, I wonder whether the Commission and the Council are here to pull our legs. I intend to ask the Presidency if I can have a recording of this part-session, because I believe that playing it in Africa will explain better than any words the absolute and utter indifference of the Council and the European Commission to the problem of access to medicines.

All the groups are putting this question to you concerning a regulation that has been in force for three years but not once implemented; are you replying that this regulation will allow developing countries access to medicines? But it has not allowed it for three years! What, do you have a magic wand? That is as far as the Council is concerned.

The Commission tells us: ‘We have worked so hard to reach this agreement’. But if it does not work – regardless of whether a large or small amount of work has been done – the agreement must be amended or in any event we need to find other ways to make progress.

The Commission and the Council also talk about ‘asking the pharmaceutical firms to offer lower prices for the south of the world’, which amounts to saying: ‘Let the pharmaceutical firms themselves do a good deed, because we are completely unable to guarantee a right’. They also talk of ‘increasing local production capacity in the south of the world’. But how? There is endless talk of the transfer of technologies, but absolutely nothing is being transferred to the south of the world. These regulations hinder production!

They are just fine words, and then you come here to say that the Millennium Development Goals are being achieved in this way. It seems to me that there is a total lack of interest on the part of the Commission and the Council in the issue that we have raised.

David Martin (PSE). – Madam President, the Commission and Council are right to remind us that the 2003 waiver was greeted in this House as a great breakthrough in terms of access to medicine, but I think we are right as a Parliament to remind the other two institutions that four years later, not a single drug has been supplied to a single patient. As others have said, the reasons for this are complex. It is partly because of the expense of utilising the waiver, it is partly because of the complexity of the mechanism itself and it is partly because of economic pressure put on certain countries by other countries and by big pharmaceutical companies.

The Commission is right to say that we cannot go back and renegotiate this waiver. It was a complex deal that was struck and we are not asking for that. What we are saying is that if we are to give our assent to this waiver, we want the Commission to commit itself to giving technical, financial and political support to developing countries in order to enable them to utilise the mechanism. The four points that Commissioner Rehn made were all very valid and welcome, but he has to go beyond those four points and make it clear that he will give the backing that the developing countries need to access medicines today, not in 10 or 20 years time.

Johan Van Hecke (ALDE). – (NL) Madam President, thanks to my report of December 2005, a compromise has been reached at first reading on a regulation which guarantees the uniform application in the EU of the WTO Decision of 30 August 2003.

Nearly four years on, though, it now looks as if this decision is nothing but an empty shell. The fears at the time have now been realised. The system is far too elaborate and does not work. I share Mr Agnoletto’s dismay over the response by the Council, which has managed to sidestep every question or concern expressed by this House.

The ratification of the TRIPs Protocol should force the EU into careful reflection and, above all, to a more cohesive policy which should enable the poorest countries to develop their own capacity to produce vital medicines. Without a strong signal in that direction, I am not convinced, Madam President and Mr Susta, that we should sign this waiver just like that.

Manuel Lobo Antunes, *President-in-Office of the Council.* (PT) Madam President, honourable Members, as I said earlier, In developing and negotiating the aforementioned protocol, which will result in citizens

of developing countries having increased access to drugs at affordable prices, the Community, from a political point of view, played a key role.

Mr Rehn has also made it clear here that this was achieved after lengthy and difficult negotiations and we believe that, in the light of the circumstances, the outcome is a balanced one. All that remains for me to do, therefore, is once again to call on Parliament to accept this important protocol so that trade standards may be amended in such a way as better to serve the interests of millions of human beings in the developing countries.

Olli Rehn, Member of the Commission. Madam President, thank you for this very responsible debate on a very important issue. I would like to give a response to an issue which was raised by David Martin and some other speakers concerning what the Commission is doing in order to support technology transfers leading to the local production of affordable key pharmaceuticals. The issue also concerned what we are doing in the field of prevention, treatment and care as regards HIV, malaria and tuberculosis.

This is one of the objectives of a specific initiative dedicated to aid for poverty-related diseases in the developing countries which provided a combined total of EUR 81.2 million over the past two years. The European Union is also a major funder of pharmaceutical and health-oriented clinical research including health systems research and capacity building in various sub-Saharan African countries through the European developing countries clinical trials partnership. Moreover, during the period of implementation of the Sixth Framework Programme for Research, EU support for R&D devoted to poverty related diseases amounted to more than EUR 455 million. For the same period an additional EUR 78 million was spent by international scientific cooperation on various projects covering the fields of neglected infectious diseases, health systems policy research and reproductive health.

As you can see, the Commission is doing a lot to help developing countries, in particular the least developed countries, to enhance their access to affordable medicines, including local production capacity.

Is that enough? Probably not. Is the Commission ready to do more? Yes, provided we have the resources needed. And this is an area where Parliament has a key role to play.

There was another important issue raised concerning the fact that the mechanism has not yet been used, which implied that it does not work. It is important to understand how compulsory licensing works. The mechanism can operate without any compulsory licence actually being granted. The usefulness of compulsory licenses comes mainly in the leverage they give to developing countries in price negotiations with pharmaceutical companies. In other words, compulsory licenses can deliver the expected results, i.e. make medicines more affordable without being actually granted.

Finally, I hope that Parliament has been reassured that access to medicines remains a very strong priority for the Commission and for the European Union. We hope that Parliament will give its assent to the protocol as soon as possible. The outside world would not understand a delay or refusal from the European Union. This would undermine the EU's credibility as a whole in this field and as an international partner in general.

President. I have received one motion for a resolution in accordance with Article 108(5) of the Rules of Procedure.

The debate is closed.

The vote will take place on Thursday 12 July 2007.

Written statements (Rule 142)

Glyn Ford (PSE), in writing. – The right agreed in 2001 for developing countries to produce generic medicines was a welcome one. But, as is only too obvious, many developing countries have neither the technological capacity nor the finance to do this.

The Agreement of August 2003 to add an annex to the original WTO Agreement that allowed these countries to import generic drugs was thought to solve this problem. Yet four years later, not a single developing country has proved able to do this. Four years on, not a single patient has received a single drug.

Alongside agreeing to sign the Annex we must ensure the necessary resources and will are available to transform what to date has proved to be mere rhetoric into reality.

(The sitting was suspended at 8.10 p.m. and resumed at 9 p.m.)

IN THE CHAIR: MR DOS SANTOS

Vice-President

19. Membership of committees and delegations: see Minutes

20. Council Question Time

President. The next item is Question Time (B6-0133/2007).

The following questions have been submitted to the Council.

Question No 1 by **Manuel Medina Ortega** (H-0448/07)

Subject: Aids for shipwreck rescue operations

Since there are Member States which are in open breach of their international obligations concerning shipwreck rescue operations by refusing to accept in their territory persons rescued by vessels from other Member States, can the Council state whether it intends to adopt measures to ensure that the above obligations are complied with throughout the Union, including, where appropriate, aids to individuals or public institutions taking responsibility in terms of humanitarian obligations under international law?

Manuel Lobo Antunes, President-in-Office of the Council. (PT) As the honourable Member is aware, the Council is not in a position to verify whether or not the Member States are complying with their various international obligations under international conventions.

The current situation relating to the European Union's southern maritime borders was debated in the Council of 12 June. The Council intends to carry out an in-depth analysis of certain proposals put forward by Malta relating to the recent events in the Mediterranean Sea, which will take pertinent international instruments such as the SOLAS and SAR conventions into account. Due attention will also be given to the Commission's study on international legal instruments relating to illegal immigration by sea.

In addition, the need to provide Frontex with the necessary resources to carry out its mandate efficiently was noted, and the Commission intends to increase its operational budget for 2007. The Member States were also called on to honour their commitment to ensure that data is registered in the centralised record of available technical equipment.

Manuel Medina Ortega (PSE). – *(ES)* Mr President-in-Office of the Council, I should like to begin by thanking you for answering my question first. I wish the Portuguese Presidency every success, because we all need you to be successful.

Secondly, Mr President-in-Office of the Council, I should like to express great concern at the inadequacy of the 2 June agreements. The EU, which is the wealthiest Community of states in the world, cannot allow itself to continue to allow a country to let dozens of shipwrecks perish in the sea due to a lack of practical measures. I believe that the EU has sufficient means at its disposal and yet the resources we have to deal with such situations – in particular Frontex – are completely inadequate. It is shameful and unacceptable that the EU should behave in this manner due to a lack of economic measures.

Manuel Lobo Antunes, President-in-Office of the Council. (PT) I would firstly like to thank the honourable Member for his kind words in wishing the Portuguese Presidency good luck.

I would like to say that this is a question that the Portuguese Presidency considers not just important, but in fact a priority. In his speech in the Chamber this morning, setting out the priorities for the six-month period of the Portuguese Presidency, the Portuguese Prime Minister had stressed that issues relating to the fight against illegal immigration would be a priority for the Portuguese Presidency. We shall indeed be working hard to address these issues, but always from a humanitarian perspective, which, for us, is fundamental.

As you are aware, certain measures in this area were taken by the last European Council. Obviously, we could always do more, and perhaps should do more. However, I repeat that we consider this issue to be a priority. They form a major part of the Portuguese Presidency's list of priorities so the honourable

Member can rest assured that we will be doing everything possible to address the justified concerns that he has expressed here.

President. Question No 2 by **Marie Panayotopoulos-Cassiotou (H-0451/07)**

Subject: Provision of adequate, high-quality childcare facilities in the Member States

The lack of adequate care structures and the fact that they are not available at a low cost often hampers the equal participation of men and women in the labour market and the equal sharing of responsibilities in the context of family life.

The 18-month programme of the three Presidencies (document 17079/06, December 2006) states that the Portuguese Presidency will focus on boosting the availability of high-quality childcare facilities on the basis of the decision by the Barcelona Council (2002), as well as care structures for other dependents.

What action will the Council take to ensure the adequacy and quality of care services?

How might proposals aimed at meeting the needs as regards reconciling family and working life through the provision of care facilities for children and other dependents boost employment and lead to the recognition of atypical work and the consolidation of skills acquired through experience, possibly by means of additional theory-based training?

Manuel Lobo Antunes, President-in-Office of the Council. (PT) The honourable Member has raised a highly pertinent question in the context of the changes under way in the European labour market in the light of the Lisbon Strategy.

With regard to the honourable Member's specific question on the action planned by the Council and the possible impact of the proposals in this sector, obviously the Council can only act through legislative channels based on a Commission proposal. This is what is stipulated in the Treaties.

At this moment no legislative proposals relating to childcare are being analysed. Adequate, high-quality provision of childcare services still falls to the Member States. Although the Barcelona objectives have been implemented throughout the EU, the Council reiterated them in the European Pact for Gender Equality adopted in March 2006, when, the Council decided that the availability of high-quality childcare structures should be increased, commensurate with the internal objectives of each Member State.

We would also point out that the Council moreover reiterated its commitment regarding family-orientated policies, including childcare, in the conclusions adopted on 30 May 2007 on the importance of family-orientated policies in Europe and the creation of an Alliance for Families.

The honourable Member also mentioned the 18-month programme covering the German, Portuguese and Slovenian presidencies establishing that one of the major goals of the three Presidencies is to strengthen the European social model, which is an integral part of the Lisbon Strategy. The programme also establishes that, in this particular context, the emphasis will be on a better balance between work, family and personal life, adequate childcare infrastructure, and support for the elderly and the disabled.

In its effort to achieve this goal, the Portuguese Presidency is also organising a conference on the balance between work, personal life and the family: fresh challenges for the social partners and public policies. The conference will be held in Lisbon on 12 and 13 July 2007, beginning, therefore, tomorrow.

Marie Panayotopoulos-Cassiotou (PPE-DE). – (EL) I too welcome the new Presidency and thank the representative of the Portuguese Presidency for his reply.

Of course the 12 and 13 July are tomorrow and the next day. In order to revive everyone's interest, I should like to ask if measures can be designed within the framework of qualifications, an issue on which we have other legislative decisions by the Council and Parliament.

Manuel Lobo Antunes, President-in-Office of the Council. (PT) I thank the honourable Member for her kind words in wishing success for the Portuguese Presidency. When reading the list of priorities for the Portuguese Presidency, you will have noticed the attention and importance which we have attached to social issues and, specifically, to those concerning the relationship between work and the family.

Regarding the specific question you have just raised, the Council is obviously open to studying and considering all proposals and the Commission naturally has an important role to play in this matter. As

soon as the Commission proposes complementary or other measures in this field, the Council will obviously be ready to discuss and debate them. Since the Portuguese Presidency underlines the importance of the social policy and European social model within the scope of its programme, it is naturally particularly keen to consider any proposals that may be submitted.

President. Question No 3 by **Sarah Ludford** (H-0454/07)

Subject: Failure to agree framework decisions on procedural rights

Is the Council proud of having been unable to agree to a measure on legal rights for suspects and defendants throughout the European Union (the proposed Framework Decision on procedural rights in criminal proceedings)? What signal does it send to the EU's partners that the 27 Member States are unable to agree on safeguards to ensure fair treatment and trial, in a measure conceived as an essential and promised accompaniment to the European Arrest Warrant? How does this strengthen the EU's voice supporting human rights in the world? What action will the Portuguese Presidency take to revive this much needed instrument?

Manuel Lobo Antunes, *President-in-Office of the Council*. (PT) The Council is disappointed that an agreement could not be reached on this issue in the session held in Luxemburg on 12 and 13 June, despite the analysis and adoption of this framework decision having been a priority not only for the German Presidency but also for the preceding presidencies since the presentation of the Commission proposal to the Council on 28 April 2004.

In this context, I would like to remind the honourable Member that on 1 and 2 June 2006 the Council agreed the principles that should govern subsequent work on this proposal. It was concluded that the scope of the proposed framework decision would be limited to the right to information, the right to legal assistance, the right to free legal assistance, the right to an interpreter and the right to translation of the procedural documents. At its session of 15 and 16 June 2006, the Council called for negotiations on the procedural rights in criminal proceedings to be concluded. At its session of 19 April 2007, the Council concluded that work on this question should continue, with a view to obtaining a consensus on the scope of the instrument at the June European Council. The question to be resolved was whether the Union had competence to legislate on purely national cases or whether the legislation – and I would point out that at least 21 Member States shared this opinion – should be applied solely to cross-border cases.

I should emphasise that the German Presidency in particular undertook every effort to obtain a consensus on this matter, unfortunately without success. In turn, the Portuguese Presidency will attempt to find a way forward. At this moment we are analysing the content of the dossier resulting from the Council debates of 12 and 13 June 2007.

Sarah Ludford (ALDE). – In some Member States the delivery of the rights set out in the European Convention on Human Rights is poor, so we need a measure spelling out rights to information, legal aid, interpretation and so on. Indeed, the Council of Europe has welcomed the framework decision, completely undermining claims – by, for example, the UK – that it would undermine the ECHR. I welcome what the Presidency has said.

President-in-Office, do you think that expected changes in the Treaty to move to QMV and codecision will help? Will you, perhaps, try to find a way through for enhanced cooperation? Will you try to promote something like a Prüm Treaty for rights – perhaps a Member State initiative? How will you make sure, in practice, that we get this absolutely vital measure to match the European arrest warrant and other measures which have made prosecution easier, so that our citizens know that their rights are actually important in the EU?

Manuel Lobo Antunes, *President-in-Office of the Council*. (PT) It is, I believe, still a little early to reply fully to all the questions you have raised. It was a single question, but one that contained a number of different sections and opened up various possibilities. I have pointed out that our Presidency began only a few days ago. We are currently analysing the content of the dossiers to see how we can make headway on this issue.

You spoke, for example, of facilitating the co-decision procedure by means of qualified majority voting, a more frequent application of qualified majority. As far as I am aware, this possibility is not the one currently to be found in the Treaties, but it should be found in the so-called 'Reform Treaty', which is not yet even at the negotiation stage in the Intergovernmental Conference. What I can assure the

honourable Member is, as you will have realised from my speech, that we are attaching great importance and urgency to this issue. In the light of the entire process thus far, and given the whole history of this issue, we shall be striving to find the solution most deserving of the support of all the Member States.

President. As the author is not present, Question No 4 lapses. Question No 5 by **Bernd Posselt** (H-0459/07)

Subject: Strengthened Mediterranean cooperation

What is the Council Presidency's view on the proposal by the French President, Nicolas Sarkozy, for stronger Mediterranean cooperation? What measures is the Council planning to prevent a breakdown of the Barcelona Process?

Manuel Lobo Antunes, President-in-Office of the Council. (PT) Obviously, the Presidency welcomes any initiative or proposal concerning relations between the European Union and the Mediterranean countries aimed at reinforcing Euro-Mediterranean cooperation. This region has always been, and will continue to be, at the top the EU's agenda.

At this moment, we do not have at our disposal specific details of the ideas proposed by the French President on this matter, so I am not in a position to comment on them for the time being.

Bernd Posselt (PPE-DE). – (DE) I have two short supplementary questions. One: how do you envisage improving and increasing cooperation with North Africa? It is not satisfactory at present. Two: would you consider creating a Mediterranean Community as an alternative to Turkey becoming a full member of the EU?

Manuel Lobo Antunes, President-in-Office of the Council. (PT) You will also have seen in our document outlining the Portuguese Presidency's priorities the strengthening of the relationship between the European Union and the Mediterranean, and our intention, within the scope of the Euro-Mediterranean partnership, is to hold a number of high level ministerial meetings on a variety of matters. This is, in fact, an important area to which the Portuguese Presidency will give its full attention, as the Portuguese Prime Minister also said very clearly here today during the debate on the Portuguese Presidency's priorities.

With regard to the Euro-Mediterranean cooperation or union, that is to say, the proposal put forward by the French President, I repeat what I have already said: that we have the need and desire to obtain a clearer view of what concrete proposals will effectively be submitted so that we can then make a comprehensive overview of the entire framework of relations between the European Union and the Mediterranean.

President. Question No 6 will not be answered, given that the issue with which it deals is already on today's agenda.

As they deal with the same subject, the following questions will be taken together:

Question No 7 by **Mairead McGuinness** (H-0464/07)

Subject: EU imports of Brazilian beef

There is an increasing body of evidence showing that the standards and controls in place in the Brazilian beef sector are deeply flawed, open to widespread abuse and nowhere near as stringent as equivalent rules applicable to European farmers - yet the EU continues to accept imports of Brazilian beef.

In this context, does the Council intend to act to protect Europe's beef producers and consumers, and to ensure that producers and consumers can be confident that all beef on the European market adheres to the same high standards?

Question No 8 by **Liam Aylward** (H-0468/07)

Subject: Separate EU-Brazil deal on the beef sector

Can the European Council make a statement as to whether it intends to pursue an individual deal between the EU and Brazil concerning Brazilian beef imports into the EU if the WTO negotiations fail to make progress in the coming months? For such a deal between Brazil and the EU to go ahead, does the European Council have to give Commissioner Mandelson the mandate to conclude such an arrangement,

or does Commissioner Mandelson already have this power to conclude such a deal under his negotiating terms of reference

Manuel Lobo Antunes, *President-in-Office of the Council. (PT)* Mr President, I would ask the honourable Members to consult the German Presidency's answer to oral question H-0394/07 of 20 June 2007, in other words not long ago.

The Council would first like to emphasise that with regard to the new legislative proposals it is naturally the Commission's responsibility to exercise its right of initiative. With regard to the specific question of beef imports, we must take account of the fact that, in accordance with Community law, the Commission is competent to manage the safeguard clause. Consequently, the Council has no direct influence on the decisions taken by the Commission in this area.

Mairead McGuinness (PPE-DE). – The response was brief, but the question is a very serious one and it will not go away. What is being looked at here is the imbalance in standards between Brazil and Europe; what we demand of our producers and what our consumers expect, and what is delivered in terms of beef brought into the EU from Brazil.

I note in your priorities, President-in-Office, that you have a special relationship with Brazil and are looking at a specific political dialogue with that country. I stress that we are looking at a ban on such imports and I think that, in terms of consumer safety and protection, that is the very least we should be looking at.

On the issue of the trade deal, I would ask that you address that particular question and the likelihood of same.

Manuel Lobo Antunes, *President-in-Office of the Council. (PT)* Very briefly, Mr President, I wish to thank you for your kind words wishing the Portuguese presidency success and to tell the Chamber that, on the initiative of this Presidency, the first EU-Brazil summit was recently held in Lisbon. I believe this summit will very much set the tone for future relations between the EU and Brazil, which we would naturally like to see taken to a new level. The strategic dialogue that we will be establishing with Brazil is set to be all-encompassing – covering issues ranging from economics and trade to energy and climate change. I believe that these and other questions will continue to have their place. This is what I wanted to say to the honourable Member.

President. Questions Nos 9 and 10 will not be called as the issue with which they deal is already on today's agenda.

Questions Nos 11 to 13 have been withdrawn.

Questions Nos 14 to 18 lapse, as the authors are not present.

Question No 19 by **Luisa Morgantini** (H-0496/07)

Subject: Kurdish mayor dismissed for providing multilingual municipal services

On 14 June 2007 the Turkish Council of State decided to dismiss the Kurdish mayor, Abdullah Demirbas, and dissolve the municipal council of the southern district of the city of Diyarbakir, for providing official administrative services in Turkish, Kurdish, English and Syrian. According to a survey of 2006, Kurdish speakers make up 72% of the population of the administrative district.

Everyone has the right to use his or her mother tongue. By this act, Turkey is breaching the cultural and language rights and freedom of expression of minorities, respect for which is a fundamental condition for EU membership.

Will the Council take steps in response to this serious breach of rights? Will it take up this case in the dialogue with the Turkish authorities, with the aim of reinstating the mayor and municipal council and ensuring peaceful coexistence for all in Turkey?

Manuel Lobo Antunes, *President-in-Office of the Council. (PT)* Thanks to the efficiency of all those who work with me, it was easy to find Question 19, to which you referred, and I am delighted to give you an answer.

It is our understanding that Turkey's approach to minority rights continues to be restrictive. Where cultural rights are concerned, legislative amendments have been introduced, as you are aware, with a view to allowing education and broadcasting in languages other than Turkish. However, the public education system maintains restrictions with regard to the learning of these languages. Furthermore, general restrictions remain on the use of languages other than Turkish both in political life and in access to public services.

Clearly, new and significant efforts need to be made by Turkey in this area. Turkey must guarantee cultural diversity and promote respect and protection for minorities under the terms of the European Convention on Human Rights and the principles established in the Council of Europe's Framework Convention for the Protection of National Minorities, in accordance with the best practices of the Member States.

Let there be no doubt that the EU attaches great importance to this matter as an integral part of the ongoing reform process in Turkey, and will continue to closely monitor and evaluate the progress made in the field.

Luisa Morgantini (GUE/NGL). – *(IT)* Mr President, ladies and gentlemen, the reply is, in principle, highly correct, even though I had also asked whether there was an intention to tackle this issue with specific action.

I gave the specific example of a Kurdish mayor dismissed for having provided municipal language services in his language, in an area in which 72% of the population is Kurdish. I therefore wanted to ask whether the Council intends to take any steps to tackle this issue during the dialogue by asking, for example, for the mayor to be reinstated, because in the meantime it is even illegal to write the names of the villages in Kurdish and the office of the governor of Diyarbakir, for example, yesterday opposed and practically dismissed the municipal council, which wanted the names of the streets to be written in both Kurdish and Turkish.

Manuel Lobo Antunes, President-in-Office of the Council. *(PT)* Mr President, I should very briefly like to say to the honourable Member that all questions concerning dialogue on issues such as human rights and respect for minorities are subject to very close and thorough monitoring by the EU. That applies to this case and others. Please rest assured that we shall be doing this.

Bernd Posselt (PPE-DE). – *(DE)* I wanted to ask another question. Turkey is always announcing legislative amendments, but never passes the laws, and the situation is getting worse. So I would like to ask: do you think that the law on language that you mentioned and the freedom of religious expression legislation that we cited will actually go through this year? What will the Council do if they are not passed this year?

Manuel Lobo Antunes, President-in-Office of the Council. *(PT)* All I can say to the honourable Member is that it is my hope and desire that this will effectively be the case. In fact, the national authorities in Turkey are entitled to adopt whatever legislation they wish. The Council has no means, as you can imagine, of obliging Turkey to adopt any legislation. Naturally, the Council can make its wishes known on any given matter, and express its satisfaction. This is naturally what we have been doing, as you are aware, in the context of the negotiating process for Turkey's accession to the EU. Obviously, these issues also have ramifications for this negotiation process.

President. Question No 20 by **Leopold Jósef Rutowicz (H-0497/07)**

Subject: Energy security for the EU over the next 20 years

Traditional energy supplies are becoming increasingly difficult to obtain and energy sources are starting to be used as a means of applying political pressure.

What degree of energy security does the Council wish to achieve for the EU? Has an operational action programme been established with a view to ensuring energy security over the next 20 years?

Manuel Lobo Antunes, President-in-Office of the Council. *(PT)* Mr President, I would like to say that security of supply is one of the three objectives of the Community's energy policy; the purpose of this policy is the highest possible degree of energy security. However, as with other Community policies, energy policy must also take other factors into account, such as costs, internal market regulations, and, most importantly, the EU's overall objectives on climate change. Energy security is not an objective

and quantifiable goal to which a numerical value can be affixed. It must be looked upon as a dynamic process depending on EU interaction with third-party countries and on EU citizens' preferences with regard to the energy mix and technological development.

In reply, then, to the first question, the Council has not set an objective for energy security, as mentioned by the honourable Member, nor, to the best of the Council's knowledge, is any legislative proposal of this nature being prepared by the Commission. The Presidency of the Council would also like to stress that one of the main objectives of the development and implementation of the Community's internal and external energy policy over the forthcoming decades is to guarantee and improve security of supply in the EU. This was made clear once again, as you know, in the conclusions of the European Council of 8 and 9 March 2007, conclusions that may almost be considered historic in this respect.

The main elements of the Community's energy policy that contribute directly or indirectly to increased security of supply, and that will continue to be the main driving force for increased security of supply in the EU over the next 20 years, as the honourable Member mentions, are, firstly, diversification, with regard to both the sources and suppliers of energy; secondly, an increase in the use of renewable energies; thirdly, greater energy efficiency; and, fourthly, the strengthening of the Community's energy networks.

In addition to these major objectives and political guidelines, the Council Action Plan, adopted in March, sets out a number of other measures, such as a study of gas storage facilities, the development of effective crisis-response mechanisms, and the creation of an Energy Observatory, which will result in added security of supply for the EU as a whole and for each of the Member States.

Leopold Józef Rutowicz (UEN). (PL) I would like to thank you above all for your very detailed answer, but I would like to ask if there is any investment programme, as energy investments need to be made over many years and are very costly. Is such a programme envisaged?

Manuel Lobo Antunes, President-in-Office of the Council. (PT) Mr President, what we have in the pipeline is exactly what I have stated, which is the result of the March European Council.

Naturally, it is now the Council's responsibility, based upon EU proposals, actually to put into practice what were above all strategic decisions, political decisions, guideline decisions. The honourable Member should be in no doubt that the urgency and importance of energy issues mean that this Presidency, and other future presidencies, will be giving them absolute priority in the Union's internal and external agendas. This is an issue that the European institutions will naturally have to approach in comprehensive, in-depth manner, certainly over the coming years, and on this point there is, I repeat, no doubt whatsoever.

President. Questions nos 21 to 24 lapse as the authors are not present. Question No 25 by **Marian Harkin** (H-0515/07)

Subject: Protocol negotiated by Britain on the Charter of Fundamental Rights

In the light of the recent protocol negotiated by Prime Minister Tony Blair on the Charter of Fundamental Rights, and given that two delegations have reserved the right to sign up to the British protocol, does the Council consider that the rights of citizens in these three Member States will in any way be different to those of citizens in the other Member States, and if so could it outline the differences?

Manuel Lobo Antunes, President-in-Office of the Council. (PT) Mr President, I would like to say that it is not the Council's responsibility, nor that of the President-in-Office, to comment on the Intergovernmental Conference mandate resulting from the European Council negotiations in June, in particular the matter of the Charter.

However, on this matter, I can refer to the Intergovernmental Conference mandate, agreed by all the Member States. Annexe 1 to Mandate 5, footnote 19, is reproduced in the Protocol; in other words, the effects of the Protocol are defined in the Protocol itself.

Marian Harkin (ALDE). – First of all, I want to thank the Portuguese Presidency for its brief answer and I want to wish it well in its term. I look forward to a good working relationship.

But I suppose, while you say that the Council cannot answer this question, at the same time, as regards the UK and Poland and indeed Ireland, the UK had some reason to look for a derogation, and Poland and Ireland reserved their right to do the same.

Either the Charter of Fundamental Rights has some substance and meaning or it has not. Either it is window-dressing or it has real clout. I am very concerned as an Irish MEP that the rights of citizens in my country may be less than the rights of citizens in other EU states if my country does not sign up to that Charter.

Manuel Lobo Antunes, *President-in-Office of the Council*, (PT) I would like to add that the Portuguese Presidency received a mandate from the Council, a mandate agreed upon by all 27 Member States. It is the Portuguese Presidency's responsibility during its term in office, to transform this mandate into the new Reform Treaty, which we hope to do speedily as the European Union needs this new Reform Treaty.

President. That concludes Question Time.

(The session was suspended at 9.40 pm and resumed at 10 pm)

IN THE CHAIR: MRS WALLIS

Vice-President

21. Democratic scrutiny under the Development Cooperation Instrument (debate)

President. The next item is the Commission statement on democratic scrutiny under the Development Cooperation Instrument

Benita Ferrero-Waldner, *Member of the Commission*. Madam President, honourable Members, it is a great pleasure to be here. I would like to thank Parliament and, in particular, the members of the Development Committee for the constructive dialogue that we have been able to conduct in the framework of the democratic scrutiny of our draft strategy papers.

I have on several occasions, notably in my joint letter with my colleague, Louis Michel, to the chair of the Development Committee of 26 March, reiterated our commitment to carefully examining the committee's observations on the strategy papers in the preparation of the annual action programmes and in the implementation of our projects and programmes. We are now in the preparation phase of these programmes. Some of them have already been forwarded to you and the remaining ones will be sent to you by this autumn in conformity with Article 8 of the Comitology Decision. Attached to these annual action programmes, you will also receive synoptic tables explaining in detail how your observations have been taken into account or why it was not feasible to do so.

Additionally, this week in a separate letter to Mr Borrell, I illustrated the manner in which we have considered your remarks and how these have been transposed in the annual action programmes that have already been sent to you. I am therefore somewhat disappointed to hear of a motion for a resolution critical of the Commission's programming. I would hope that this will not call into question the spirit of open dialogue and cooperation that we are displaying and that we are ready to continue to pursue.

Please allow me now to address some of the issues raised by the Parliament on several occasions, notably in your motion for a resolution. We are, of course, fully committed to the overarching objective of poverty alleviation and the achievement of the millennium development goals under the Development Cooperation Instrument. I would like to point out very clearly that all activities planned under our country strategy papers are development activities and fall within the priority sectors identified in the DCI. It must be stressed at this point that the regulation also states that we need to pursue differentiated approaches depending on the individual development contacts and needs of every country concerned. The development needs of, for instance, Bangladesh are not the same as those of Brazil. We agree with Parliament's view that health and education play a significant role in poverty eradication and the achievement of the millennium development goals.

At this point, I would like to reiterate the Commission's commitment to respecting the agreed 20% benchmarking on social sectors by 2009 through project programmes or budget support linked to those sectors, taking an average across all the geographical areas. The first multiannual indicative programmes for 2007-2010 already show a clear contribution to the overall benchmark for basic health and education. The annual action programmes under approval for 2007 confirmed this. As soon as projects and programmes are in the implementation phase, we will provide Parliament with detailed statistics.

On official development assistance eligibility, I would like to reassure you that in the preparation of the annual action programmes we have ensured and will ensure full compliance with the DCI's provisions regarding the OECD/DAC criteria for geographical programmes, whilst at the same time maintaining the flexibility provided for in the regulation for thematic programmes. Of course, an official assessment of this compliance will be made during the mid-term review which will start in 2009. The Commission intends to make proposals to modify the regulations if it considers it appropriate.

As regards stakeholder consultations, we are well aware that further improvements still need to take place in the consultation process, including the participation of local and regional authorities. It is, however, also a principle of our development assistance that it should be partner-country-led and contribute to the national development plans. So we are trying our utmost to encourage the national authorities in each country to consult their national parliaments, regional and local authorities and civil society on their own development plans as an expression of good governance.

Our annual action programmes will explain more clearly what we have done with regard to consultations. The recent annual action programme on Cambodia is a good example. As regards other donor activities, the Commission has provided all available information when presenting its strategy papers, as well as progress towards achieving the millennium development goals. Like you, we have every interest in obtaining an overall picture on the activities of all donors and we are making every effort to provide more information under a new standard mix.

Regarding the mainstreaming of cross-cutting issues such as the promotion of human rights, gender equality, democracy, good governance and environmental sustainability, of course we intend to do this. This has been a core objective for us since the very outset. Rest assured that we will put this into effect in the implementation phase.

Lastly, as far as your point on budget support is concerned, I would like to stress that the Commission applies strict eligibility criteria which are reassessed before each and every budget support disbursement. In the areas of policy and strategy, and of macroeconomic stability and public financial management, when selecting countries which should receive budget support, I have tried to deal with the main elements of your resolution. Please rest assured that you will receive detailed information on your observations when we send you the annual action programmes in the framework of your *droit de regard* under comitology. The Commission remains prepared to discuss the annual action programmes before the appropriate bodies of Parliament.

Gay Mitchell, on behalf of the PPE-DE Group. – Madam President, I very much appreciate the comments and the content of the Commissioner's response here this evening. I have to say it is nothing less than that I would expect from her. I found during the whole DCI process, often when we got bogged down, that the Commissioner certainly was of great assistance in trying to move that situation on, as was her colleague, Commissioner Michel.

I am glad also to hear what she had to say about the annual action programmes because we really do need to deliver on the letter that Commissioner Ferrero Waldner and Commissioner Michel sent to Mrs Morgantini and myself as rapporteur on the DCI, because in that letter it was clear that Parliament would decide for itself what structures it would set up and the programmes and strategy papers it would examine.

I have to say also that given that the DCI was only approved last December and it is very much a new process for all of us, Parliament has hit the boards running. Where it has been hit and miss, I have heard some very bad reports of the attitude of some people in the Commission in relation to annual action programmes. In my own experience as chairman of group C, examining some of the Latin American countries, I have to say that the cooperation has been very good. And I think the Commissioner should encourage the continuation of good cooperation because it creates a good atmosphere all round and creates a very good working relationship. It allows us all to bring our best experience to addressing the issues which we all want to address, being the Millennium Development Goals and the needs of very poor people in a suffering part of the world.

I want to underscore the importance of the present period. A lot of work has been done by the Commission and by Parliament to enable the EU to better implement its development policies. Throughout the negotiations on the development cooperation instrument, we made it clear that we did not want to be involved in micro-management. Micro-management is for the Commission and Council but we do want to have oversight. It is right for Parliament to have oversight and the Commission should not fear any involvement of Parliament in that vein. We, the Commission and the Council should be partners in

seeking to be effective, and not competitive and seeking to keep things secretively to ourselves. How can we cooperate to effectively deliver assistance to the countries we are trying to assist?

The first steps of the new DCI framework are being taken and we all have responsibilities to get it right. DCI has formalised structures, recognising the important function that Parliament should play in its role as overseer and adviser. We have worked hard scrutinising the strategy papers prepared by the Commission and to formulate positions on different aspects of those strategies. I expect the Commission to give careful consideration to effect our positions on the strategy papers.

As part of our oversight role, we must insist that policy continuously focus on the achievement of the MDGs, which aim to alleviate some of the worst forms of poverty in the world. Parliament continually needs to receive assurances to its satisfaction.

I was very impressed at the beginning of the year to hear from the German Presidency that they would forward the ACP papers to Parliament in the same way as they had forwarded the papers for the Asian and Latin American countries.

Now I understand that one Member State – although perhaps I am being unfair in this – raised some objection to that. I know there is a multiplicity of these papers and it sounds very good that this should be addressed in some way by the JPA or the ACP member states. But, unlike Parliament, the Joint Parliamentary Assembly and the African, Caribbean and Pacific House of that Assembly are not constantly in session, and the structures are not there to cope with that level of scrutiny.

We have three standing committees and perhaps we could on some selective audit basis pick some aspects of these and examine them. But that should not in any way interfere with the need of Parliament here to take what documents this Parliament wishes and to scrutinise them in the best way possible.

Our objective should always be to achieve the Millennium Development Goals. We are not in competition. We can work together. For two years, during the development cooperation instrument process, we tried to persuade the Commission and others that we were really in the business of trying to find a really good instrument. Eventually, when we were listened to, we found that instrument.

Commissioner, do not listen to bad advice. Do not listen to people who are creating obstacles. We are in the same team. We want to achieve the Millennium Development Goals. Do not keep from Parliament information that it should rightly have in its oversight role. You will find that we will respond generously and effectively and helpfully.

Thank you very much for your contribution here this evening.

President. Before I give the floor to Mr van den Berg, I note with some sorrow that, apparently, it will be his last speech in the Chamber tonight before he moves on to other things. I am sure we all wish you well, Mr van den Berg, although we are sorry to lose you.

Margrietus van den Berg, on behalf of the PSE Group. – (NL) Madam President, I endorse what Mr Mitchell had to say in connection with the ACP policy plans. On 1 January of this year, the new financing instrument for development cooperation, in which the Millennium Development Goals were to occupy centre stage, entered into force. The time has come to check whether these laws and principles have also been translated into practice.

In recent months, we in the Committee on Development have devoted much of our time to the inspection of national policy documents. Members of staff, Members of the European Parliament and secretariats have all worked hard in the committees and in Parliament. Having carefully scrutinised the policy strategies for the countries and regions of South America, Asia and South Africa, we have concluded that six specific cases out of a total of a huge number of plans were insufficiently underpinned legally speaking, which is why we have returned them by means of resolutions. In a number of other cases, we have reacted by letter and raised a number of issues.

Commissioner, during the democratic scrutiny, we have also come across a number of fundamental problems, problems which you also undoubtedly face in the Commission. The primary goal of the development cooperation instrument is to stamp out poverty and achieve the Millennium Development Goals. This is an overarching goal which, as we see it, was not sufficiently highlighted in the national policy documents, partly because these still bear the hallmarks of the earlier, old-style plans.

I should like to remind the Commission of our firm pledge to achieve 20%. I value what the Commissioner said a moment ago: that she guarantees that this 20% will be achieved by 2009. If this is stated so clearly, then we trust that it will also be done. This may be promoted by the contracts involving the Millennium Development Goals. After all, budgetary support is given, and this must, of course, comply with the requirements, as you said with good reason. Imagine, though, that this is done and the corresponding contracts involving the Millennium Development Goals are allowed to lapse. This means at the very least that the government involved is known to be doing a number of things in the areas of basic education and health care. This is when it is possible to include it in the 20% in a justified and much more clear-cut manner. If not, all this remains very vague.

I should also like to draw your attention to the fact that, next year, EUR 50 million from 'Investing in people', the topical line of the development cooperation instrument, will be fed into the World Fund. The World Fund is a wonderful thing, which we support. Last year, we gave EUR 62 million. This does mean, however, that, in practice, you are left with very little funding for the other causes that are listed under this act. If this happens two years running, you will come unstuck. I should like to draw your attention to this. This is something that requires consultation with the ACP partners and the European Development Fund.

Something must be done, though, because, if not, the topical line of 'Investing in people' will in fact be an empty shell. The European Parliament will not hesitate to use its budgetary instrument if necessary. Ralf Walter is active on that score and – you know what he is like – he is a thoroughgoing person in this respect. This evening, though, Commissioner, I did not want to play the role of Max Mackie Messer from the *Dreigroschenoper* [Threepenny Opera] because, after all, you are the one dressed in 'light blue' and, as this is my final speech, you have caught me in a good mood.

I should like to end on a personal note. As you stated, Madam President, I have been appointed Queen's Commissioner of Groningen from 1 September. I should like to warmly thank my fellow MEPs and staff, along with everyone in the Commission secretariats for the enormous support I have enjoyed from both Commissioner Michel and Commissioner Ferrero-Waldner. I am hoping to bid Parliament farewell on 28 August, on which day I hope to see you all again, but for now: all the very best to you all.

President. Thank you for your contribution to the work of this House.

Mikel Irujo Amezaga, on behalf of the Verts/ALE Group. – (ES) Madam President, that was the previous speaker's last speech, and this is my first in plenary. I trust you will treat me well.

I must begin by pointing out that the process of adopting the Regulation establishing the Development Cooperation Instrument (DCI) has, as we know, been torturous, complex and at times beset by a number of difficulties. Indeed, the first answer given by Parliament aimed at rejecting the proposal itself was at the time adopted unanimously by the Committee on Development, and similarly supported unanimously by the other three committees that issued opinions on the matter. All of which led the Commission and the Council to the negotiating table and ultimately convinced both institutions to respect Parliament's recourse to codecision. We know all of this already.

As we all know, the proposal was ultimately adopted, although many of the same factors that gave cause for concern more than a year ago have not gone away.

In the intervening year, Parliament has tabled three resolutions warning the Commission that it was exceeding its powers and asking it to rectify the situation, which it has singularly failed to do. The Commission should also be reminded what may happen if it overdoes comitology with this Chamber.

Parliament is moving ahead without looking at matters carefully, and I feel that the very fact that this resolution has been adopted unanimously in the Committee on Development is highly significant.

For example, the DCI regulation states that 'the Community will promote a development process that is partner country led and owned'. We should like to know, however, if there was contact with the parliaments of these partner countries prior to the adoption of strategy documents and if so whether there are details of these meetings available.

The DCI regulation also promotes inclusive and participatory approaches and a broad involvement of all segments of society in the development process and in national dialogue, yet we do not have any information on whether or not this series of contacts has actually taken place.

We also feel that there is little or no information on the extent to which the DCI financed these strategy papers. We should like to know if these strategy papers have benefited from other sources of funding, and if so how much of them will be funded by those sources. In short, are there any programmes within the strategy papers that do not have a Millennium Development Goals profile, as laid down in the DCI regulation? If so, how much money have these programmes been granted?

Our group continues to have these and many other doubts. Perhaps these doubts will be cleared up in these communications, which you have just announced, from the Committee on Development. We have not forgotten, however, that the DCI regulation mentions transparency as the key to the implementation of the programmes as many as seven times. We feel that we must lead by example and that the Commission should ensure that Parliament is kept fully informed in order to dispel the concerns engendered by the manner in which this instrument has been managed over the past six months.

Eija-Riitta Korhola (PPE-DE). – *(FI)* Madam President, last year during the Finnish Presidency we reached an important compromise on the Development Cooperation Instrument, meaning the Community will in future be able to fulfil its commitments on aid and guarantee the uninterrupted financing of external relations.

The DCI Regulation takes account of the multi-dimensionality of poverty. It is thus a promising basis for development cooperation and for reducing poverty. If the Millennium targets are to be hit, there need to be precision weapons. The Regulation is the first act to reinforce the definition of development cooperation policy provided by the OECD Development Assistance Committee. This is crucial in guaranteeing that the budget allocated to development cooperation is not used to achieve other political goals.

Unfortunately, practice has not reflected the Regulation's content. In its draft country strategy papers for individual countries, the Commission has repeatedly overstepped its executive powers, and not taken the aims of the DCI into account. In its resolutions, Parliament has already frequently pointed out that the main aim of the draft strategy papers has not been the elimination of poverty. They have thus not met the requirements of official development aid as defined by the OECD Development Assistance Committee.

The Commission cannot go on ignoring the essential content of the DCI and the core ideas of the OECD's development cooperation policy. Under the Regulation, financing may only take the form of budget support if a country's public expenditure management is sufficiently transparent. The criteria for eligibility must be strictly applied. It is also crucial to support the parliamentary control of partner countries. It is the poor level of control in third countries that is largely the reason why representative democracy cannot respond to the whims of strong governments.

I am also rather disappointed that the Commission has been very unwilling to cooperate on its own initiative. The Commission should remember that the European Parliament has an essential role in the implementation of the DCI.

Ana Maria Gomes (PSE). – *(PT)* For the first time, within the scope of this new instrument, Parliament has played a scrutinising role with regard to national strategies. I consider the dialogue between Parliament and the Commission to have been very constructive and feel that it should serve as a model for further possible and desirable collaboration, as in the case of the ACP countries. However, there is still room for improvement in the cooperation between the two institutions, namely with regard to data sharing.

Parliament considers it very important to receive clarification on the way in which the various national strategies, as a whole, can contribute to the financial commitment to allocate 20% of available funds to basic healthcare and education. With regard to the priorities indicated in various national strategy documents, I regret that, generally speaking, there is not greater investment in the Millennium Development Goals. The aim of this financial instrument is to combat poverty, in particular by achieving these goals. A number of national strategy documents include activities relating to trade, higher education, civil aviation and even the promotion of the EU in receiving countries.

Parliament understands the importance of some of these actions particularly for the authorities of the countries in question. I believe, however, that our priority, and that of the Commission, should be the activities that are directly related to achieving the Millennium Development Goals, which have a far more direct impact on the fight against poverty. These should be the priority. They cannot be omitted, as happens in some cases.

I would point out that Parliament has not received answers to all the questions put to the Commission during this process. I am sure that they will be forthcoming, as indeed we have been informed today by the Commissioner, and for which I thank her.

I am sorry to see Mr van den Berg go, as you mentioned, Madam President. Nobody is irreplaceable, but there are people who are more easily replaceable than others. That is certainly not the case with Max! We Socialists, in particular, will miss him a lot.

Josep Borrell Fontelles (PSE). – (ES) Madam President, Commissioner, you are well aware that the analysis of the implementation of the Development Cooperation Instrument is now a very important part of the work of the committee I have the honour of chairing.

We attach a great deal of importance to this process and hope that the Commission will fully take on board the comments that Parliament makes.

Parliament in particular must ensure that the core objective of the DCI, which is to eradicate poverty, is achieved and that the funds earmarked for this instrument are devoted purely to this activity. It must also ensure that 20% is earmarked for education and health, and yet we do not see very clearly how this 20% objective can be achieved by 2009.

Commissioner, it is very important that all stakeholders are consulted and that horizontal policies such as promoting human rights, gender equality, good governance, the rights of children, the rights of indigenous peoples, environmental sustainability and the fight against diseases such as AIDS are also adequately taken into account in all programmes and for all countries.

This is what we want to achieve with our democratic analysis of the proposals you made and we hope that our contribution and the work we put into it, which was characterised by a spirit of cooperation, is reflected in the annual action plans.

Benita Ferrero-Waldner, Member of the Commission. Madam President, we have done a lot of work together, and, at least in my view, it has been a constructive dialogue under this democratic scrutiny. It has included numerous parliamentary debates and many exchanges of views between distinguished Members of this House, myself, my colleague Louis Michel and many Commission officials. We have exchanged a series of letters – the last one, as I have said, to Mr Borrell Fontelles. As has been mentioned, three parliamentary resolutions have been voted on, with a fourth currently under discussion.

Now we are entering a new phase: the implementation of projects and programmes, where each institution will have to play its specific role. I agree with Mr Mitchell, who said that Parliament is responsible for oversight. We absolutely agree with that, but not with micro-management, and we will give Parliament – you can be sure – a maximum amount of information.

To Mr van den Berg, I would say that, first of all, we would like to pay tribute to the great work that you have been doing on development issues, but also, particularly, as chief observer on difficult missions. I have appreciated very strongly your balanced approach to that.

As regards the specific issue that we are discussing tonight – the consultation on the thematic programme, investing in people – I will inform Louis Michel of the request for consultation within and with the ACP partners, as has been mentioned.

For the rest, I can only say that we have really tried to take things into account. But, please, give us credit also for being a responsible organisation and responsible stakeholders on this scene. If we can work as partners, you will have a very responsible partner.

President. I have received one motion for resolution⁽³⁾ to wind up the debate.

The debate is closed.

The vote will take place on Thursday, 12 July 2007.

(3) See Minutes.

22. Natural disasters (debate)

President. The next item is the Commission statement on natural disasters.

Benita Ferrero-Waldner, Member of the Commission. Madam President, this year the Commission has activated the Community Civil Protection Mechanism twice, at the request of Greece and Cyprus, to help fight fires – especially forest fires. Through this mechanism, the Member States and other participating states in Europe have the opportunity to express their solidarity by offering civil protection assistance. The Commission coordinates and facilitates the assistance which is made available.

Recent developments have given a positive impetus to the further development of the Commission's role in the field of civil protection. The political agreement reached by the Council in June on the recast of the Community Civil Protection Mechanism reinforces the Commission's legal mandate to engage in the coordination of operational activities. The recast will allow the Commission to reinforce the guidance function of the mechanism. The civil protection financial instrument, adopted in March 2007, gives a more central role to the Commission, notably as regards facilitating Member States' access to transport services and the financing of transport of assistance.

Member States or candidate countries may also request support from the EU Solidarity Fund. The Commission has, so far, received three applications for financial assistance this year. These applications relate to flooding on the Spanish Canary Island of El Hierro, to the major storm Kyrill in Germany and to the tropical cyclone Gamede in the French Overseas Department of La Réunion.

In Greece, extremely hot and dry weather conditions combined with strong winds led to a disastrous upsurge of forest fires and wild fires. By 28 June, there were over 120 fires in the country. Greece called upon the Community Civil Protection Mechanism to supply additional fire-fighting, water-bombing aircraft and helicopters that can also be used in the fight against forest fires. Five Member States offered assistance. Offers for a total of seven Canadair aircraft – from France, Italy, Portugal and Spain – were accepted. Within two hours, two Canadair sent by Italy were on their way. Fortunately, by Monday 2 July the forest fires were under control and the aircraft returned to the countries of origin. On Saturday 30 June, Cyprus requested assistance in controlling the disastrous forest fires in the Trudos Mountains. Italy proposed sending two Canadair. Fortunately, local conditions rapidly improved and, as the assistance was no longer necessary, the aircraft that were already on their way could return to their base.

Up to now, neither of the two countries has made contact with the Commission with regard to the Solidarity Fund application. In these two cases, and whenever Member States face disastrous events, the Commission services stand ready to activate immediately the Civil Protection Mechanism and to provide assistance and guidance, should the affected countries consider applying for such funding.

Konstantinos Hatzidakis, on behalf of the PPE-DE Group. – (EL) Madam President, a few days ago, huge fires hit my own country, Greece, and this time last year we discussed similar, even bigger fires in Spain and Portugal.

Obviously the European Union can have its intervention, its added value, in the prevention of natural disasters such as those we are discussing and in addressing the problems.

In prevention, the European Union is entitled and, I think, obliged to have its participation, given that many of these natural disasters go beyond national borders, be they fires or floods.

In immediate suppression, a typical example of assistance can be that mentioned by the Commissioner: the provision of help by other Member States and for this, in my opinion, a more organised intervention is needed by the European Union, with a European civil protection force.

However, there is also the question of compensation. Cyprus may not have asked for help yet but, as you know, facts need to be collated and may, if the threshold set by the regulation on the Solidarity Fund is passed, submit such a request.

Nonetheless, Commissioner, you know that approval has been pending before the Council for a long time now of the new regulation on the Solidarity Fund, a regulation which will respond to the developments and problems which we have since seen exist.

Here too, there is inertia on the part of the Council overall. Parliament has repeatedly highlighted the problem and we should like active support on the part of the Commission, because at some point we shall have to move from theory to practice.

We have discussed the question of natural disasters on many occasions and we are awaiting a more proactive approach on the part of the European Union.

Linda McAvan, on behalf of the PSE Group. – Madam President, Commissioner, I welcome this debate and the opportunity to draw to your attention some of the devastation which has affected parts of the North of England, Yorkshire and the Humber as a result of the floods which occurred at the end of June.

I know many people have told me that saw this on television. But I want to bring home to the House here that that impact has not gone away. Today's estimates are that 2400 businesses have been affected across the region; tens of thousands of homes have been affected and there has been major damage to public infrastructure, railway lines, roads, electricity, water, telephones, schools as well as crops. In the worst-affected regions, even tonight there are still many families homeless, and a number of factories and local businesses as well as railway stations remain closed.

You mentioned the solidarity fund, and potential reforms to it have been mentioned. I hope the British Government is looking to make an assessment of the overall damage in the North of England, Yorkshire and the Humber, and I hope that the Commission will look sympathetically at any bid for the solidarity fund which comes forward.

Also, on mobilising structural funds, I have been talking to people in the Objective 1 secretariat and there is an opportunity to mobilise structural funds to help businesses in particular deal with the crisis.

Looking to the longer term, there has been a lot of debate about whether this was just freak weather or whether it is the impact of climate change. I very much welcome the Commission's green paper on adaptation to climate change. I think this is a very important piece of work and something we all need to make sure we get right so we do not have to come and debate natural disasters of this kind year upon year.

Kyriacos Triantaphyllides, on behalf of the GUE/NGL Group. – (EL) Madam President, Commissioner, the fire of 29 June 2007, to which you referred and to which Mr Hatzidakis referred, in the vicinity of the villages of Pelendri and Saita in the Trudos mountains, was one of the biggest fires seen in Cyprus over the last 30 years.

The spread of the fire was helped by the adverse conditions, mainly the heatwave, the strong winds and the inaccessibility of the area. Despite the immediate mobilisation of the relevant services and the use of all available means, both terrestrial and airborne, immense damage was caused. The overall area which was burned totalled approximately 12 square kilometres and the damage can be valued in financial terms at 15 350 000 pounds.

The damage to the environment includes the destruction of biotopes, of the habitats of flora and fauna on the ground and in reservoirs and of the landscape and the microclimate of the area; it cannot be valued in financial terms but is perhaps greater than the rest of the damage.

The area is a relatively remote, mountainous area and the economy of the inhabitants was based to a large extent on rural tourism, which will be damaged irrevocably for a long time, given that the natural beauty which attracted visitors, both local and foreign, has been destroyed.

I therefore call on the Commission to admit any request from the Republic of Cyprus for immediate and urgent financing from the Solidarity fund and the immediate establishment of the European natural disaster force.

Georgios Karatzaferis, on behalf of the IND/DEM Group. – (EL) Madam President, Commissioner, I am certain that you too are joining in the mourning which has hit Greece since this afternoon. Three forest fire-fighters have died and one, whose entire body was burnt, is in the intensive care unit at Rethymnon Hospital.

They went to put out a fire which took hold early in the afternoon in an area without particularly heavy vegetation, in a forest of bushes. The men died and of course the vehicle in which they had driven there was burnt. It is the tragic bottom line this summer.

It is important that three people were burnt. Clearly it is self-sacrifice on the one hand of these young men; on the other hand, however, it is the defective training given.

Commissioner, I listened to you very carefully. You are one of the people in whom we trust. We do indeed protect forests at the other end of the planet. We are all interested in the Amazon, even if it is so far away; and we are interested because it produces oxygen. However, we should be much more interested in the forests which are one-tenth of the distance from the Amazon. Something must be done.

When over seven years two governments in Greece have not received a single euro, as Mrs Hübner said, from the Cohesion Fund in order to protect forests, then the initiative must be taken by the Commission. My proposal is as follows: the European Union should buy its own fire-fighting aircraft and park them in vulnerable areas. We do not want one country borrowing from another country, even if the other country has no fire at the time. There should be 100 to 150 European fire-fighting aircraft available and parked in the areas at greatest risk in order to save the forests.

It is not only Greece that suffers; Europe also suffers. It is not only Portugal that suffers; Europe also suffers. Forests are few and far between. The forests of Greece have shrunk by 50% since the political changeover, in other words over the last 33 years; there may be a lot of forests in Austria, Mrs Ferrero, but in Greece there are not that many forests.

We are committing a crime. The other day the main lung of Athens, Parnitha National Park, was burning just 15 kilometres from a place inhabited by 5 million people. We are short of oxygen and of course the dangers are not just from fires; they are also from the floods which follow when a forest has burnt down.

Europe must take more initiatives, because I greatly fear that sometimes there is an inability to deal with these topical issues. The forests are on fire. Temperatures are rising. In Greece the other day we had record temperatures for the last 100 years. You see, not everyone has come and accepted the Kyoto rules. Industry is changing the atmosphere. The atmosphere increases temperatures; the temperatures bring fires.

We must become efficient, so that we can leave our children a decent world, a world in which they can live.

Димитър Стоянов, *от името на групата ITS*. – България изживя ужаса на горските пожари през 2000 г., когато много високите температури в България предизвикаха множество горски пожари.

За съжаление, тогава обаче остана и едно друго впечатление - впечатлението, че много хора, които искаха да извършват незаконна дейност, използваха жегите, за да запалват гората, с цел след това защитените гори, които вече са изгорели (под предлог, че това е естествено природно бедствие), да бъдат изсечени и изнесени от България и дървесината им да бъде използвана.

В последните две години проблемът в България от гледна точка на природните бедствия са наводненията. Така беше през 2005 г., когато буквално цялата ни страна беше залята. Около една четвърт от населението пострада тогава или беше засегнато пряко или непряко от наводненията.

Тази година отново имаше голям риск от наводнения, които последваха след голямо засушаване, което унищожи по-голямата част от реколтата в България и значително тежко засегна земеделските производители. След това последваха наводнения. След това отново в момента в България има голямо засушаване. Тя е много близко до Гърция. Появиха се и първите горски пожари в България и положението започва да става сериозно.

Преди 2 години - 2005 г. (големите наводнения, които споменах), България, въпреки че тогава още не беше член на Европейския съюз, използва европейски фондове, използва европейска помощ, използва включително средства, получи средства от Фонда за солидарност.

Но аз искам тук да подкрепя г-н Karatsiferis в нещо много важно. Защото аз така и не видях какъв е резултатът. И никой всъщност в България не видя какъв е резултатът от това европейско финансиране. Ние получихме средства от Европейския съюз, но 2 години по-късно отново се появи заплахата за природно бедствие с подобен мащаб като това от 2005 г. Отново имаше наводнения, отново имаше риск за скъсване на язовири и за значително по-голямо утежняване на ситуацията. Само това, че времето се промени - спряха дъждовете и отново започна да греє слънце и да става горещо, не допусна това.

Т.е. това, което имам предвид е, че българското правителство, което управлява от 2005 г., получи някакви европейски средства от Фонда за солидарност, но аз не виждам те да са използвани. И бих желал Комисията, която дава пари, особено на новите държави-членки, да контролира много внимателно тяхното използване, защото може да има недобросъвестни хора в управлението, които да искат да използват тези средства не по предназначението, по което са отпуснати. Затова призовавам Комисията за по-голям контрол върху средствата, които отпуска, свързани с природните бедствия.

Gerardo Galeote (PPE-DE). – (ES) Madam President, it is terrible that we once again have to talk about natural disasters, this time the fires that have taken place in some of the Member States.

I wish to point out that three years ago there was a disastrous fire in the Huelva area of my region, Andalusia. The following year we had another disastrous fire in Guadalajara province, which claimed 11 lives, and last year, there was another fire, on a similarly huge scale, in Galicia.

Let me tell you, Madam President, ladies and gentlemen, that Parliament took action in response. It sent delegations not only to my country but also to all the Member States concerned. These delegations had a major social impact and we were left with the hope that the EU, with its expressions of solidarity, would be capable of responding effectively.

In the committee that I have the honour of chairing, we have worked hard, in conjunction with the Commission, to reform the Solidarity Fund in such a way that it can be adapted to current circumstances, because, ladies and gentlemen, it is virtually impossible to mobilise the Solidarity Fund in the event of fires.

The Council gave Mr Barnier – former Commissioner for Regional Policy and now Minister in the French Government – the task of drawing up a report to create a European civil protection force. The report was very well received and was presented to a specially convened public hearing here in this Chamber.

The reality is that the German Presidency refused to address this issue and we now hope that the Portuguese Presidency will succeed in persuading their colleagues in the Council to take into account the proposal they have on the table, which was drawn up by the Commission and amended by Parliament.

I feel, Madam President, that we must initiate proactive joint action on the part of both the Commission and Parliament, because this is what the European citizens demand, and because it is our responsibility and our obligation.

I can assure you that my group will try to ensure that this will tie in perfectly with the resolution that we will adopt in September.

Stavros Lambrinidis (PSE). – (EL) Commissioner, today we are mourning the three poor fire-fighters who lost their lives in Crete and we send our deepest condolences to their families. Unfortunately, this tragedy was not unavoidable. The Greek Government did nothing to prevent it, even though it had foreseen it in its recent report to the Commission, in which it admitted dangerous shortcomings in the coordination between the ministries and a lack of preventive planning.

However, Greece – as it also admits in the same report – had spectacular improvements in its performance in forest protection between 2001 and 2004. The Greek tragedy in 2007 reminds us that, unfortunately, there will always be fires. However, there will also be good or bad policies for preventing or dealing with them. What is to blame for today's regression needs European investigation.

I therefore call on you to send a Commission investigation team to Greece and to activate the Solidarity Fund to support my country. The fires destroyed huge swathes of the Greek and European forest heritage and the lessons from the failure in putting them out can be used throughout Europe.

Last year, in reply to my question, Commissioner Dimas revealed that he had emphasised three times to the Greek Government that the Commission was ready to send fire-fighting aid to Greece and that three times Greece had refused it. This year, now that we have woken them up, the Greek Government has finally activated the mechanism you said. However, this could not, of course, save anything when the government has failed to address all the other huge known shortcomings.

Dimitrios Papadimoulis (GUE/NGL). – (*EL*) Madam President, Commissioner, as we sit here debating, three men have lost their lives in Crete in a fire which is raging. Thousands of acres of forest have been lost in Greece and other countries, which are also the heritage and property of the European Union.

At this time I do not want to refer to shortcomings, to the responsibilities of governments. I want to ask for greater solidarity from the European Union so that we can protect our common forest heritage.

More money needs to be given from the Solidarity Fund, from the Agricultural Fund for Rural Development. The Barnier proposals gathering dust in desks at the Commission need to be activated at long last. A fund needs to be set up to protect our forests, to prevent fires and you need to examine the possibility, as you did for floods, of a directive on protection from the risk of fires.

Instead of discussing the theory of climate change, we need to do something as the European Union to protect our forest heritage.

Roberta Alma Anastase (PPE-DE). – Vin astăzi în fața dumneavoastră pentru a aduce în discuție un subiect extrem de grav cu care se confruntă mai multe țări din Uniunea Europeană și din întreaga lume, printre care și România, și anume fenomenele meteorologice extreme, evident asociate cu efectele lor asupra comunităților locale. Cauza, evident o știm cu toții, dar poate facem încă mult prea puțin pentru reducerea efectelor acesteia: încălzirea globală.

Încălzirea și poluarea sunt două procese care se potențează reciproc. Temperaturile tot mai mari fac ca poluarea să se accentueze, iar poluarea tot mai mare ridică temperaturile. Orașele din România, în general, au un grad de poluare de trei ori mai mare decât cele din Europa. Cele mai poluate zone ale României se află în partea de nord-vest a țării, unde orașele Baia Mare și Copșa Mică, de exemplu, au fost incluse în clasamentul celor mai poluate treizeci și cinci de localități ale lumii. Ca urmare a încălzirii globale, România va fi alături de Spania, Grecia și Italia, printre țările care vor resimți cel mai puternic schimbările vremii din 2015. Zece județe din sudul României vor deveni aride în următorii douăzeci de ani și multe culturi de plante de aici vor dispărea.

Situația României nu este una singulară în Uniunea Europeană și, de aceea, aveam nevoie să acționăm împreună, în temeiul principiului solidarității, care stă la baza construcției europene. Trebuie să acționăm pe două planuri: combaterea acestor fenomene extreme și eliminarea, sau măcar reducerea, cauzelor care stau la baza acestor fenomene. În ceea ce privește combaterea efectelor dezastrelor naturale, fondurile pe care Uniunea Europeană le poate alocă sunt de real folos comunităților și oamenilor care trec prin asemenea experiențe traumatizante. Pot fi îmbunătățite sistemele de irigații, în cazul secetei, pot fi reparate școli sau spitale distruse de inundații, într-un cuvânt oamenii pot simți că solidaritatea europeană nu este doar un concept golit de conținut.

În același timp, este de datoria noastră, a Parlamentului European, ca împreună cu Comisia și Consiliul, să colaborăm pentru o alocare cât mai rapidă a acestor fonduri, să reducem birocrăția. Să ne gândim ce se întâmplă cu oamenii care rămân fără adăpost în urma inundațiilor din toamna acestui an, iar fondurile ajung abia în primăvara anului viitor. Cum își vor petrece ei iarna?

Mai mult, cauzele care stau la baza acestor fenomene trebuie atacate în mod coerent și unitar de către Uniunea Europeană. Avem nevoie de mai multe acțiuni de conștientizare, de comunicare cu cetățenii, pentru că doar împreună cu ei putem reuși. Fiecare oficial european are datoria ca acolo unde a fost ales să aducă în dezbatere ce se poate face pentru a combate efectele încălzirii globale. Artiștii au tras deja un semnal de alarmă important, dar a venit acum rândul politicianilor să preia ștafeta.

María Sornosa Martínez (PSE). – (*ES*) Madam President, Commissioner, in Great Britain there has been extremely heavy rainfall, which is set to continue throughout northern Europe.

In the south, in southern Europe, there have been forest fires and droughts, and, with the heat waves, desertification has continued apace. In view of these serious problems we have to contend with in the EU, I feel that, among others, reforestation policies should be strengthened, an issue that ought to be addressed at the forthcoming Conference of Parties to the United Nations Convention to Combat Desertification, to be held in Madrid in September.

It would be desirable if, in the foreseeable future, given that natural disasters are set to increase, there were greater coordination between civil protection services and efficient cross-border cooperation. You mentioned this but we should still like to see it go further.

Lastly, I feel it is crucial for the Commission to use the emergency Solidarity Fund when such natural disasters occur, given that their economic, social and environmental impact is terrible. What is needed at this time is solidarity.

Edite Estrela (PSE). – *(PT)* Every year, in there is a different tragedy in a different Member State. In southern Europe, hundreds of thousands of hectares of forest are consumed by fire whilst, in northern Europe, floods cause devastation and death.

Every year, in Parliament, we say the same thing. We express regret for the losses and promise to address the shortcomings. Well-meaning words are not enough. It is necessary, on the one hand, to prevent disasters by combating climate change and taking environmentally-friendly measures, namely reducing the CO₂ greenhouse gas emissions responsible for global warming.

On the other hand, the EU must respond rapidly and appropriately whenever there is a disaster. This is what the citizens expect and we need to recognise that the solidarity fund is not adequate for the purpose, nor does the civil defence mechanism, which has already been improved, always respond as promptly as required.

Benita Ferrero-Waldner, Member of the Commission. Madam President, I will respond as quickly as I can.

I can say first of all that I as always regret the loss of life very strongly. The loss of life of the fire workers in Greece and the loss of life for instance in Spain and in other countries.

I myself come from a country where we had other big losses because of floods. You might remember a few years ago when I was still the Austria Foreign Minister. Indeed, the floods had been very strong in the Czech Republic, in Austria, in Germany and in many other countries. It was my government that started the process of this solidarity fund. So I know how necessary this is and I can tell you that we will continue to use the solidarity fund, but this is on top of all the efforts that have to be done nationally. This is the one thing that has not been mentioned here, I must say.

But of course I understand all the concerns that have been mentioned because I myself have also lived through fires, especially in the south of Europe. I know what that means. So I completely understand you.

Whilst of course the renewed interinstitutional agreement guarantees the financing of the fund until 2013, I regret, and I must tell you frankly, that the Council has so far not responded favourably to the joint efforts of the Commission and Parliament to further improve the instrument of the solidarity fund. In April 2005, the Commission presented to Parliament and the Council its proposal for a revised solidarity fund regulation – and I think we are speaking about that here – whose key elements have a large scope and a provision for advance payments and simplification. The proposal was very favourably received here but so far, as I said, no progress has yet been made in the Council.

The Finnish Presidency did not continue discussing the proposal, and in spite of our efforts, the German Presidency, as was also mentioned in the debate, did not put the issue back on the agenda. Hopefully, this can come in the future. I think it is important.

Finally, on the Barnier report, we are also committed to continuously reinforcing the existing civil protection mechanism. I think the Barnier report remains a great source of inspiration for this work.

For the long term, a more effective system is needed to ensure the best possible response to natural and other disasters, both inside and outside the Community. We view a gradual move from a coordination mechanism to some sort of European civil protection force, as is mentioned in the Barnier report, as a positive development of this policy. This work could then build on the modules which the Commission and the Member States are currently developing.

Lastly let me say that there is a great package on the questions of climate and reduction of greenhouse gas emissions that has been put on the table of all the Member States by the Commission and was adopted by the Member States in the European Council in the spring. I think the things are there and they now have to be implemented.

President. The debate is closed.

The vote will take place during the next part-session.

23. Community Statistical Programme (2008-2012) – Timely transmission and verification of statistical data provided by Member States (debate)

President. The next item is the joint debate on

- the report by Zsolt László Becsey, on behalf of the Committee on Economic and Monetary Affairs, on the proposal for a decision of the European Parliament and of the Council on the Community Statistical Programme 2008 to 2012 (COM(2006)0687 C6-0427/2006 2006/0229(COD)) (A6-0240/2007), and
- the oral question to the Commission on the timely transmission and verification of statistical data provided by Member States by Zsolt László Becsey and Alexander Radwan, on behalf of the Group of the European People's Party (Christian Democrats) and European Democrats (O-0024/2007 - B6-0123/2007).

Zsolt László Becsey (PPE-DE), rapporteur and author. – (HU) I am very pleased because now, after first reading, it looks like we may reach the consensus needed for a joint decision before the summer recess. A very great work on the part of three institutions lies behind all this.

First of all, let me acknowledge the excellent work done by the Committee. Their proposal reflects superbly both the Community's current priorities and the mechanism of the present Treaty of Nice. I wish to give special recognition to the German Presidency, and more particularly to Mr Radermacher, president of the Federal Statistical Office, who, by setting an incredibly fast pace, made it possible to elaborate and become familiar with the Council's position. The priorities of the European Parliament were thus taken into consideration even while the work was in progress.

Similar special acknowledgement must also be extended to the shadow rapporteurs of the other two major groups, the socialists and liberals, for the job they have carried out. It is thanks to this work that an almost overwhelming majority lined up behind the joint compromises in the Committee on Economic and Monetary Affairs.

What did Parliament accomplish in this joint text? One major result is that in the principal section, the range of otherwise well-chosen items recommended as priorities by the Committee has been expanded. Considerations regarding innovation, development of human resources, regional cohesion and demographic challenges now come into the picture. As a result, the list of priorities has become balanced without being overabundant.

Another important result is, in my opinion, the compromise reached with respect to cooperation between administrations at both national and local levels as well as in the area of statistics management. I hope that this will bear fruit with regard to quality as well, which is a particularly important point that will be addressed later on in connection with the oral question raised about the reliability of macroeconomic projections and short-term statistical data.

What, then, was the priority of the rapporteur? In addition to improving the quality and speed of statistical services, I considered my main task to be the lessening of the financial and administrative burdens, especially for small and medium-sized enterprises. It was also important to make sure that the demands of regulation does not lead to a confusion between protection of individually submitted commercial data and the obligation to provide general statistical data.

We also managed to minimize the burden of supplying the data required by international, mainly UN obligations, thanks primarily to the flexibility of the shadow rapporteurs. A huge challenge is also presented by our own as well as international commitments, but in this regard I expect a more cautious approach, and that is what we have approved. We must not overburden ourselves in the area of statistical capability and the export of know-how.

I consider it a good outcome, as well, that we were able to agree on the main points of the 2010 mid-term progress report. On the basis thereof, I would like to see a Commission proposal for a directive that would help overcome the political problem of the statistical conception determining the work programme of another, new Parliament and Committee, and would ensure instead that our new colleagues can incorporate their programmes of work directly into the clear framework of statistical work.

In addition, we made reference to the major challenges facing us, also expected for 2010, namely the reforms of CAP and of the Financial Services Directive, the entry into force of the Services Directive

or the appearance of new Community policies, the monitoring of immigration, crime and climate change in the area of statistics as well.

The greatest success of Parliament is the fact that, as of January 2010, the mid-term progress reports will not only reach members of the European statistics network and committees of experts, but will also be formally submitted to the Council and to Parliament, on the basis of the proposal. As a result, these fundamental institutions will be able to have their say, as of the next parliamentary cycle, about the strategic and tactical problems of the day.

In the area of sectoral priorities, questions by Parliament were also successfully incorporated into the report; suffice it to mention the challenges presented by the human resources development indicators, urbanisation, equal opportunities for women and the measurement of the processes of agglomeration.

Thank you, Madam President, and now I would like to continue with the other line of questioning. There is great hope, upon joining, that the macroeconomic supervisory system, and the fact that a Member State's economic policy is a shared concern, along with the existence of a stability and growth pact, would help us to be more secure inside the European Union than outside of it. The EC Treaty declares joint responsibility for the economic policies of Member States, and I suppose for their failures too. The European Parliament votes for and supervises the Commission, which, among other things, oversees Eurostat.

Since 2004, the Greek and Hungarian problems revealed grave deficiencies in this system. In both countries there occurred economic policy and data manipulations that even influenced elections, necessitating not only severe corrections later on, but also undermining trust in common institutions. The Eurobarometer showed a steep decline in Hungary.

In Hungary, since 2004 there have been continual discrepancies of several percentage points between the promised results and the reality that was later acknowledged. There is great discrepancy between the end of 2005 and of 2006, for instance: the amount of debt showed a difference of more than 10 percentage points in comparison to the GDP, in other words between the promised and the subsequently demonstrated reality.

Unfortunately, Mr Almunia is absent, because if he were listening now, he would hear that in 2005 and 2006, instead of taking into account market projections like those of Goldman Sachs and Standard & Poor's, the government's misleading remarks were heeded instead. The market saw the catastrophe, and also sensed the unlawful dismissal of the Statistics Office staff. Yet the forecasting system was a fiasco.

The most shameful situation occurred in May 2006. At that time Mr Almunia predicted that all the indices would improve in Hungary, inflation would be low, growth would be high, while the prime minister was predicting extremely grave problems and an austerity programme. He admitted they had made phone calls to Mr Almunia and used hundreds of tricks. Afterwards Mr Almunia, – he would hear this if he was present – threw up his hands: we did not include the pensions in the deficit, we did not include the hidden deficits of state enterprises, we did not know how to account for the motorway. I believe all this is double-talk.

In conclusion: the Hungarian prime minister admitted serious political collusion, regrettably also with a member of the Commission, and it shows. Such "wizardry" should never be allowed to happen again, because elections are approaching after all, elections will take place again in the future, and only the admission of truth can help. I think therefore the Commission must also acknowledge these political conclusions, because the price of this lack of credibility will ultimately be paid not by us but by the population of Hungary.

Benita Ferrero-Waldner, *Member of the Commission*. Madam President, Members of Parliament. I would first of all like to thank Mr Becsey and Parliament's Committee on Economic and Monetary Affairs for the excellent report on the Community Statistical Programme for 2008-2012.

This will indeed allow a timely adoption of the legal basis and a smooth start to the programme in 2008. The Community Statistical Programme constitutes the framework for the production of all statistics as well as the financial framework for the production of Community statistics during the programme period. Statistics are a key element for policy-making and, as such, the new programme has indeed focused on the current priorities of the Union, from growth and competitiveness to sustainable development and

security. Parliament's amendments, aimed at strengthening the gender and regional dimensions in statistics and substantiating the reporting obligations, are particularly welcomed by the Commission.

I would therefore like to thank the rapporteur, Mr Becsey, once again, as well as the Committee on Regional Development for their valuable efforts to provide the Community with a solid basis for the production of statistics over the next five years. Regarding fiscal statistics and the oral question by Mr Becsey and Mr Radwan, the Commission certainly agrees that the quality of fiscal data is vital for the correct functioning of Economic and Monetary Union and its budgetary surveillance system as well as for the assessment of the convergence criteria when evaluating the application of a Member State for entry into the euro area.

Fiscal statistics, like any other statistics, are subject to revision. Data are routinely revised when new information on government transactions becomes available or when errors or inconsistencies are identified and corrected. Revision also takes place in a paramount effort to comply better with the accounting rules. For statisticians, data usually become final only after four years at the earliest. Most revisions, in fiscal statistics, are small and have no significant impact on economic analysis and fiscal surveillance.

Unfortunately, there have also been some episodes of large revisions in fiscal statistics that put fiscal surveillance under stress. However, it is important to note that, in most cases, those revisions have not been a surprise. They were indeed preceded by public statements by Eurostat, drawing attention to the fact that the data initially reported by the Member States were not in compliance with the accounting rules and requiring Member States to amend them. Whenever necessary Eurostat has even itself amended data reported by the Member States. In compliance with Regulation 2103/2005, Eurostat has reported – and will report regularly to the European Parliament and to the Council – on the quality of the fiscal data transmitted by Member States.

With regard to forecasts, the Commission regularly assesses the forecasts and projections announced by Member States in their stability and convergence programmes by comparing them with the Commission's own forecasts. For several Member States, the Commission has publicly noted on some occasions that the fiscal forecasts contained in the stability and convergence programmes were based on optimistic macroeconomic projections.

The Commission has also pointed out cases where the national projections were not compliant with the accounting rules for specific transactions or where the planned policy measures underlying the forecasts had not yet been confirmed. In preparing its own forecasts, the Commission systematically compares its numbers with projections released by the IMF, the OECD and other organisations. Experience shows that the forecasts published by the Commission – both the macroeconomic and the fiscal figures – are not biased and are at least as reliable as those of other forecasters.

Mieczysław Edmund Janowski (UEN), *draftsman of the opinion of the Committee on Regional Development.* – (PL) Madam President, I would like to thank Mr Becsey for his report. I would like to thank him twice, firstly as the draftsman of the opinion of the Committee for Regional Development, and secondly as a representative of my political group.

I will not dwell on the definition of statistics. I will only say that it is a science that assesses phenomena and processes of a mass nature in a quantitative way. Its aim is to assess the rules governing these phenomena and quantifying them. Statistics also make it possible to summarise the results of analyses and to evaluate the accuracy and reliability of the results. I say this for good reason, as statistical data are often the basis for important decisions taken both at local and regional as well as at national, European and even world level.

It is therefore a good thing that we have a community statistical programme for the years 2008-2012. The realistic and responsible preparation of statistical data is exceptionally valuable. Obtaining them, therefore, involves costs. I would therefore like to ask the Commissioner whether our ambitious programme for the next five years has sufficient financial backing.

We are undertaking a task that will cover 27 Member States with differing degrees of experience in this sensitive area. So let me ask a second question: what steps have been taken to secure the best possible coordination in statistical analysis? The Commissioner was kind enough to emphasise the importance of the Committee on Regional Development's opinion, and I would like to thank her for this flattering assessment.

To go on to regional issues: in the 2007-2013 Perspective the European Union allocated over one-third of its budget to regional policy in the broad sense of the word, thereby implementing the principle of cohesion and solidarity between regions with very differing levels of prosperity. This money was European taxpayers' money, which should under no circumstances be squandered. That is why we need completely impartial, sufficiently comprehensive and reliable methods of monitoring the implementation of structural policy. Do we have such methods? They involve collating and processing statistical data, both at Community level, at Member State level and at regional and lower, at local level.

The nature of the data must be comparable, both with data recorded outside the European Union and with the data recorded within it, as we often compare ourselves with other countries. The implementation of short-term or temporary objectives or technical problems have resulted in temporary lapses in compiling statistical data, all with drastic results.

Statistical analyses of regions are based on NUTS units. The question this raises is does this separation always result in equally reliable data? I have my reservations in particular of situations where there is a large gap between the development level and the prosperity of a regional capital and the rest of the area.

Another question I would like to raise is that of development level indexes for countries or regions: is the per capita GDP enough, what weighting should be given to unemployment levels, how can quality of life in a particular area be measured, etc. These are important issues, and I know that there are no simple solutions.

We often speak of innovation in this House. So we need to have reliable data on education, science, research and innovation. The question this raises is what methods should be used to compare data that often come from unofficial sources? How can we define the dynamics of change?

One more question of a social nature. Changes associated with large-scale migration, particularly of workers, are taking place before our very eyes. How does this affect the social situation and families? And we should not forget either that the high level of reliability of statistical data is always dependent on the reliability of the sources of information, which in turn requires the reliability and frequently the anonymity of the original data.

To finish, I would like to express my hope that the Community statistical programme will serve the fundamental aims of the European Union well. The attitude of Eurostat, and also of the Polish Central Statistical Office convince me of this. I hope that this is so.

Othmar Karas, on behalf of the PPE-DE Group. – (DE) Madam President, Commissioner, ladies and gentlemen, let me start by congratulating and thanking the rapporteur. In his report, he has called for the legislative and statistical cycles to be brought into synch, for a reduction in the administrative burden for small and medium-sized companies, he has said that we need to ensure that we receive quality data, which means better data, and that we should also include a number of social and macroeconomic indicators.

He has also reported that we have submitted a request to the Commission, for two reasons. One reason is the recurring complaints about Member States who supply incomplete statistical data – the main culprits are Greece, Portugal, Italy and Hungary. In one country, Hungary, the Prime Minister actually admitted to fudging the data and hiding the truth from the public and the Commission.

The second reason is that many requirements have not yet been implemented. I would like to mention one: the Commission must be entitled to verify the data supplied in the country. It should be possible for the Commission to hold discussions with the national banks, the finance, economy and labour ministries, and with economic research institutes in the country. We cannot simply rely on the data provided.

The Commission's data has to be compared with the European Central Bank's data. There are various figures of varying degrees of importance that need to be compared.

Thirdly, for all euro-related information – data relating to budgets, the Stability and Growth Pact and the Maastricht criteria – the European Central Bank, the Commission and the Member States have to produce a joint final report.

We need unified, transparent data collection standards. We are all familiar with the unemployment figures from the Member States and for the European Union. One is played off against the other for reasons of political expediency. This creates uncertainty, not transparency, and only engenders distrust.

Ieke van den Burg, *on behalf of the PSE Group*. – Madam President, I would also like to start by congratulating the rapporteur on his excellent work on this report on the statistics programme 2008-2012. I think we fully agree that statistics are essential, and how to get the correct data is an important issue.

I agree that it is not only a technical issue, as we can see from this debate and particularly from the oral question that has been asked, it is an issue of high political relevance and not only because politicians try to interfere in statistics but also because they try to use such events in making opposition to the governing coalition or the previous coalition, blaming them for not providing correct data. These are both things which we should absolutely avoid.

The only solution, in my view, is to have independent statistical offices and guarantees for independent, proper and high-quality statistical data, plus some of the elements that Mr Karas mentioned: the same basic definitions etc.

I have the impression, Commissioner, that a lot of work has already been done on this issue by your colleague Mr Almunia, and some of the things have already been put in motion. I refer, for instance, to the regulation that has been established on this issue and, in particular, to dossiers with proposals for legislation on the governance of statistics and the governance of the statistical institutions, which we are dealing with at the moment.

I must say to Mr Becsey and Mr Karas that I have been surprised that their political group has not been interested at all in these legislative dossiers that we are dealing with at the moment because, here, we can create guarantees for good governance on the data, and there is no mandate for the Commission or for Eurostat really to interfere or to centralise data provision. We have to work within the remit and the mandate that exists at the moment and, there, I think the Commissioner is doing a good job in trying to use this to the widest extent possible.

I hope we can have a constructive debate about this improvement of governance and about these better conditions to be created instead of blaming each other and blaming the other political opposition parties for not properly providing this data. I hope there will be a constructive approach in the future.

Andrea Losco, *on behalf of the ALDE Group*. – (IT) Madam President, Commissioner, ladies and gentlemen, I too should like to congratulate the rapporteur, Mr Becsey, on his excellent work. His having helped to achieve adoption at first reading is significant, and demonstrates that this Parliament works well. As has already been observed by the Commissioner as well as by other speakers, the aim of Community statistics is thus to provide regular verification of the drafting, implementation and evaluation of Community policies. The Union puts forward and carries out its policies in the economic, environmental and social fields precisely on the basis of this information; hence the need that it should be as relevant as possible to the actual situation, providing a ‘photograph’ of ideal situations, as well as the specific needs of citizens.

As far as the Group of the Alliance of Liberals and Democrats for Europe is concerned, I can confirm in this Chamber that, generally speaking, we are firmly in favour of the proposal put forward by the Commission, in the knowledge that it has dealt with significant problems and issues such as prosperity, competitiveness, growth, solidarity, economic and social cohesion, sustainable development, security and further enlargement of the European Union. I believe that we, as the European Parliament, have done well to add to the proposal by including innovation and human development, regional cohesion and the demographic challenges that European society must tackle.

Our contribution therefore takes this approach: adding to, and not distorting, the Commission’s proposal. In fact, we are convinced that there is currently a problem, which we discovered while finalising the adoption of this report: dealing with the quality of data, which is also the guarantee of the quality of decision-making. We have therefore included in the final text, which was the subject of a compromise, the concept of the preparation of annual statistical work programmes and of the need to take into consideration the optimum use of resources. This is in relation to the principle of better regulation, which we have already adopted, and precisely in the light of the Commission’s communication on reducing the burden of responding to the simplification of objectives in the field of Community statistics.

Finally, I believe that we have made some important additions: a requirement for the Commission to carry out *ex ante* analyses of the financial impacts of the new statistical activities planned that involve additional burdens for the Member States, as well as feasibility studies to achieve a quality label for European statistics and to reinforce the credibility of the European statistical system, including Eurostat, the national statistical authorities and other relevant bodies in each Member State that are responsible for compiling and distributing European statistics. The aim is certainly to have central independent statistics available, but we need to do more work to achieve this.

Benita Ferrero-Waldner, *Member of the Commission*. Madam President, I would first like to say that we have an ambitious programme, but do we have the financial means? Well, I think so. The financial envelope for the 2008-2012 programme in fact represents an increase of 15% compared to the previous period. I think that is a higher increase than the average increase for the financial perspective 2007-2013. So I think that is settled.

With regard to coordination, let me say that this Parliament is currently analysing a proposal by the Commission to set up a high-level advisory board which will then improve the governance of the European statistics system and the coordination of the production of statistics. I think this will be important.

I also would like to say to Mr Karas that what you mentioned is absolutely right. We have a possibility as the Commission to examine the methodology that is used by the Member States. But, unfortunately, we do not have the possibility to go further and examine the data as such. And, unfortunately, I think the Commission has already tried, but the Member States until now at least have not wanted to go any further. So maybe this is also something that should be brought to their attention again.

President. The debate is closed.

The vote will take place on Thursday, 12 July 2007.

24. Agenda for next sitting: see Minutes

25. Closure of sitting

(The sitting closed at 23.35)