

2-001

SITTING OF TUESDAY, 11 APRIL 2000

2-002

IN THE CHAIR: MR PODESTÀ
*Vice-President**(The sitting was opened at 8.30 a.m.)*

2-003

Adoption of the Minutes of the previous sitting

2-004

President. – The Minutes of yesterday's sitting have been distributed.

Are there any comments?

2-005

Corbett (PSE). – Mr President, item 6 of the Minutes where we modify the agenda for the week is accurate but probably rightly does not mention that voting time on Thursday has been brought forward to 11.30 a.m. because of the large number of amendments tabled to certain reports. I rise, therefore, to question whether Rule 139(1) of our Rules of Procedure is being applied correctly.

As you know, we spend an enormous amount of time voting on Tuesday, Wednesday and Thursday lunchtimes. We adopted a set of changes to the Rules of Procedure last year to try to rationalise our work. In these changes we gave every Member the right to table an amendment as an individual at committee stage, but we limited the right to table amendments in plenary to 32 Members or a political group.

However, if you look at the amendments that have been tabled on Thursday, for instance to the Dimitrakopoulos-Leinen report, you will see that there are over 100 amendments which are tabled by individuals, supposedly in the name of their political group, but this may well not be the case.

I notice, for instance, that the EPP Group has over 100 amendments in its name but signed by 18 different Members, none of them the coordinator or leader of the group. Over 20 of these amendments are contradictory, so they cannot possibly all be the position of the EPP Group. Some are identical, tabled by different Members; and there is even a case of two identical amendments being tabled by the same Member. Could the EPP Group please get its act together!

(Laughter)

So much time is spent and wasted on voting as it is and this is a way to get around the rationalisation of the Rules of Procedure we adopted as a Parliament last year. Amendments must either be tabled in the name of 32 Members or in the name of a political group and actually represent the position of that political group, not of the individual who happens to table them in the name of the group so as to circumvent the limitation on tabling rules in plenary.

I would ask the sessional services to verify in future that such amendments really are in the name of a group.

(Applause from the left)

2-006

Provan (PPE-DE). – Mr President, I should just like to let Mr Corbett know that within the EPP Group an amendment cannot be put before Parliament unless it has been voted in the Group and has the support of the Group. He should be quite clear about that procedure within our Group.

Secondly, as he is aware, there is a process going on at the moment for reforming Parliament. If he has any suggestions to put to the Bureau about the voting procedures, that would be the correct way to go about it.

2-007

President. – Mr Corbett, I will pass on your comments to the President, and the Bureau will look into all our working procedures in May.

2-008

McNally (PSE). – Mr President, I was present yesterday and I signed the register but my name does not appear in the Minutes. I should like that to be corrected.

2-009

President. – It shall be done, Mrs McNally.

2-010

Van den Berg (PSE). – (NL) Mr President, in the capacity of draftsman of the opinion of the Committee on Development and Cooperation on the granting of discharge for 1998, I would briefly like to mention that, last night, a partly joint committee meeting was held, involving the Committee on Budgetary Control and the Committee on Development and Cooperation, about the Rühle report. During that meeting, agreement was reached, in principle, to adopt a compromise approach which was subsequently refined. In practice, this means that the existing text will be replaced by a new joint compromise proposal, which will, in effect, lead to a delay in the proceedings and a reconsideration in June. The political groups will undoubtedly submit this text some time this morning and the debate will be able to take place as normal, but it is useful for the Members to know that this debate actually took place last night and that, in actual fact, a new political situation has arisen in which the Members of the Committee on Budgetary Control and the Members of the Committee on Development and Cooperation once again agreed on what we consider to be a more positive approach.

2-011

Theato (PPE-DE). – (DE) Mr President, I should just like to say in reply to Mr van den Berg that the report on postponing discharge for the Structural Funds is ready and the vote will be taken on the premise that this is indeed merely a postponement and does not grant or refuse discharge and that everything which we worked on together yesterday will be taken into account in the final version, i.e. that we shall nonetheless debate and vote on Mrs Rühle's report.

2-012

Rübig (PPE-DE). – (DE) Mr President, I have a request; every member has a very precise timetable. We agree on a great number of deadlines in the citizens' interest. Today, yet again, the sitting has been brought forward, this time to 8.30 a.m. I think it would be conducive to greater overall efficiency if we stuck to a basic programme and stopped changing arrangements at short notice. Thank you for your understanding.

2-013

President. – Mr Rübig, look upon it as an exceptional decision taken in response to specific requests from the Portuguese Presidency.

2-014

(The Minutes were approved)

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2-015

Kirkhope (PPE-DE). – Mr President, on a point of order. It concerns a reference made yesterday by the President on the change of business which is taking place this week. I am very concerned indeed about the reference that the President made as to who would be present from the Council when the President of Austria attends this Parliament tomorrow. There was, and still is, concern among a lot of people that the change of business means that the Council will be absent on that important occasion. I should like to have some assurances that the Council will be represented at a sufficiently senior level to offer the respect which this Parliament traditionally offers when these sorts of visits occur.

(Applause from the right)

2-016

President. – I will pass on your comments to the President, Mr Kirkhope.

2-017

Vote on request for urgent procedure

2-018

Proposal for a Council Resolution on support to bodies set up by the international community after conflicts either to take charge of the interim civilian administration of certain regions or to implement peace agreements [COM(2000) 95 – C5-0118/2000 – 2000/0042(CNS)].

2-019

Wynn (PSE), chairman of the Committee on Budgets. – Mr President, whilst the Council has made this request and we are quite happy to do what we can to ensure that things are speeded up, there is no need to vote on this urgency today. It is planned for our agenda in May. The way the finances are at present, there will be no problem in financing the High Representative in Bosnia-Herzegovina, whose money is guaranteed until the end of this year, as are also the substantial funds available for the UNMIK operation there. We can leave this until next month.

2-020

(Parliament rejected the request for urgent procedure)¹

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¹ *Topical and urgent debate (resolutions tabled): see Minutes*

2-021

1998 discharge, budgetary control

2-022

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

- (A5-0087/2000) by Mr Stauner, on behalf of the Committee on Budgetary Control, on postponement of discharge to the Commission in respect of implementation of the general budget of the European Union for the 1998 financial year [SEC(1999) 412 – C5-0006/1999 – 1999/2050(DEC)];

- (A5-0089/2000) by Mrs Rühle, on behalf of the Committee on Budgetary Control,
 . on postponement of the decision concerning discharge to the Commission in respect of the financial management of the sixth, seventh and eighth European Development Funds for the 1998 financial year [COM(1999) 227 – C5-0003/1999 – 1999/2004(DEC)]

. on granting discharge to the European Foundation for Improvement of Living and Working Conditions (Dublin) for the 1998 financial year [C5-0150/2000 – 2000/2094(DEC)]

. on granting discharge to the European Centre for the Development of Vocational Training (Thessaloniki) for the 1998 financial year [C5-0149/2000 – 2000/2093(DEC)]

. on the granting of discharge for the implementation of the general budget of the European Union for the 1998 financial year

Section IV – Court of Justice

Section V – Court of Auditors

Section VI, Part B – Committee of the Regions

[SEC(1999) 414 – C5-0008/1999 – 1999/2166(DEC)]

. on postponement of the decision concerning discharge in respect of the implementation of the general budget of the European Union for the 1998 financial year

Section VI, Part A – Economic and Social Committee

[SEC(1999) 414 – C5-0008/1999];

- (A5-0092/2000) by Mr Khanbhai, on behalf of the Committee on Budgetary Control, on granting discharge to the Commission in respect of the implementation of the budget of the European Coal and Steel Community (ECSC) for the 1998 financial year [C5-0153/2000 – 2000/2077(DEC)];

- (A5-0097/2000) by Mr Kuhne, on behalf of the Committee on Budgetary Control, on giving discharge in respect of implementation of the general budget for the 1998 financial year

Section I – European Parliament/Ombudsman Annex [SEC(1999) 414 – C5-0008/1999 – 1999/2051(DEC)];

- (A5-0095/2000) by Mr Mulder, on behalf of the Committee on Budgetary Control, on granting discharge to the Commission in respect of the decisions on clearance of accounts of the Guarantee Section of the EAGGF for the 1993, 1994 and 1995 financial years [C4-0128/1998 – C4-0372/1998 – C5-0167/2000 – 1997/2167(DEC)];

- (A5-0079/2000) by Mr Casaca, on behalf of the Committee on Budgetary Control, on the proposal for a Council regulation amending Regulation (EC) No 723/1997 on the implementation of Member States' action programmes on control of EAGGF Guarantee Section expenditure [COM(1999) 169 – C4-0225/1999 – 1999/0091(CNS)].

2-023

Stauner (PPE-DE), rapporteur. – (DE) Mr President, ladies and gentlemen, “zero tolerance towards fraud and other forms of incorrect conduct is a precondition for regaining confidence in the European civil service”. These are the words of Mr Kinnock, the vice-president of the Commission in charge of reform, in the Commission's consultation paper dated 18 January 2000. It was on this premise and with the noble claim that it would not repeat past mistakes – the last Commission having been brought down just under a year ago as the result of fraud and irregularities – that the Prodi Commission took office in September. The Commission must be measured against this claim and its self-evident obligation, as guardian of the Treaties vis-à-vis third parties, to guarantee that their application begins at home.

It was against this yardstick that the Committee on Budgetary Control came to the conclusion, as the leading committee, that it would recommend that discharge be postponed until 15 May 2000 and would call on the Commission to adopt 17 measures. These measures relate mainly to four areas which still require clarification or the oft-quoted fresh start.

Firstly, the error rate of over five per cent calculated by the Court of Auditors over several years must be cut considerably by 2001 and a positive declaration of assurance must be achieved by 2003. Secondly, the particularly blatant cases of fraud and irregularity in connection with the Flécharde case, ECHO, MED and contracts awarded to visiting scientists must be fully clarified and dealt with in disciplinary terms. Thirdly, Parliament must be given unrestricted access to information and documents for its control activities, as called for in the 1997 discharge resolution. Fourthly: reports must be filed on the relevant disciplinary hearings and fundamental reforms implemented.

The Committee did not pass this resolution lightly and finally adopted the proposal submitted by a large majority of 19 votes to 1. The fact that this motion was tabled in the form of a compromise between the four main groups demonstrates clearly that Parliament is pulling in the same direction on this extremely important issue and wishes to signal its unity over and above party political divisions and any national interests or chauvinism. The Commission should agree to it if it wishes to retain its credibility in its handling of the taxes paid by European citizens and its democratic dealings with the elected representatives of the people of Europe.

I feel particularly strongly about the integrity and the ability of the European executive to act, especially in view of the imminent enlargement of the EU, because the Commission needs to have its hands free for political policy-making and must not be hampered by time-consuming and irritating justification campaigns. Parliament takes the control function assigned to it in the European Treaties seriously. All the cases of fraud and irregularity addressed in the resolution relate directly to the 1998 financial year, even though some originated much earlier. All the measures called for must be carried out by the deadline set. All the cases are awaiting a decision.

Clearly, the new Commission cannot be held directly responsible for the cases I have referred to, even if not all the members of the Commission are new. But it is responsible for dealing with this legacy and it will only distinguish itself positively from its predecessors if it takes a ruthless approach and clears up every last one of these cases. The Commission should also take a close look at how it treats officials who deserve the highest respect for their courageous sense of civic duty in dealing with irregularities.

Despite countless lofty announcements, there is as yet no real evidence of a fresh start. Commissioner's Kinnock's reform paper, which is broad in scope if nothing else, sets off every single alarm bell in the area of financial control. Decentralisation must not result in the total *de facto* abolition of internal financial control. On the contrary, care must be taken to ensure that reforms concentrate on basics and that the principle of quality before quantity still applies.

My conclusion is this: "Words enough have been exchanged, let me at last see some action. While you fashion compliments, something useful may happen." You see, good old Goethe had the right words even in this situation. In this sense, I see the motion for a resolution as a chance for the Commission to justify the trust which Parliament demonstrated in it and its President when I was nominated last September and which it reiterated in its discharge for the 1997 budgetary year.

The motion should also send out nothing more and nothing less than a clear signal of Parliament's support to the President of the Commission, who unfortunately is not with us here today. I should like to call on the President to grab this chance and to make use, where necessary, of the powers to issue directives granted to him.

2-024

Rühle (Verts/ALE), rapporteur. – (DE) Mr President, ladies and gentlemen, we have a number of difficult decisions to take this week. Controlling the Executive is one of Parliament's main rights and that right centres on budgetary control. However, it is difficult to grant discharge for a budget which is two years old and this problem is exacerbated by the fact that it was not the responsibility of the present Commission but of its predecessor, a Commission which resigned because it failed to take its responsibilities seriously enough.

Our yardstick must therefore be the central issue of what the new Commission's attitude is towards responsibility. A good example of this, in my view, is the discharge for the Development Funds. Our Committee had confidential information on mismanagement and irregularities which amounted to suspicion of corruption. In response to our questions, we received only inadequate information, for which we had to wait a long time. The majority of the Committee therefore decided to suspend discharge in order to obtain more information.

In the meantime, however, we have good news to impart. Together with representatives from the Commission and the parliamentary Committee on Development we have drawn up an action plan, which can be implemented by 15 May. I am therefore able to correct my report in this respect, i.e. we shall replace my report with this specific action plan and propose that we suspend discharge until 15 May and we shall then grant discharge on 15 May on the basis of the Commission report on the action plan. I think that this development clearly demonstrates the direction that we need to take. The Commission and Parliament must work together and must create greater transparency in relation to the budget and its implementation.

Unfortunately, I was forced to include another postponement in my report, this time in relation to the Economic and Social Committee. There are again problems with the Economic and Social Committee in relation to travel costs and mission expenses. It took the Committee over 15 months to refer justified cases of suspicion of fraud to OLAF. Discharge therefore had to be suspended pending the results of the OLAF investigation.

There is another problem with the Economic and Social Committee, the problem of buildings. We are still paying rent for the Ardenne and Ravenstein buildings. We are also paying rent for the Belliard building and Parliament must pay for its new building. This means that European taxpayers are currently paying rent for three buildings. We want to exert pressure

here to ensure that the Economic and Social Committee and the Committee of the Regions move into the Belliard building as quickly as possible. However, we have not moved for a postponement in this area because we hope that a satisfactory solution can be found and that we can grant discharge for the buildings in the 1999 budget with no further pressure needed.

However, I should just like to say on the subject of buildings that better management is needed at European level. There are similar problems with the European Court of Justice. The Court of Auditors has drafted a special report on this subject, which will be reflected in the 1999 discharge procedure. As rapporteur, I should like to suggest that we need better cooperation between the various institutions at European level as far as the management of buildings and rents is concerned and that we should learn from each other's mistakes so that, here too, we use the European taxpayers' money in a responsible manner. As a new Member, allow me to point out that there are serious shortcomings in this area.

As I have little time left, I should like to give a very succinct and concentrated presentation of the rest of my report. We are able to propose that the European Court of Justice and the European Court of Auditors be granted discharge. Both institutions gave highly satisfactory answers to the criticisms in my report and we have had prompt and comprehensive replies to our questions and comments. We are also able to propose that the Dublin agency and the Thessaloniki agency be granted discharge. However, we would like to see the contradictory procedure shortened for the agencies. We welcome the fact that the agencies have decided to carry out an evaluation and we expect this evaluation to be submitted by December 2000.

Overall, as a new member, I should like to reiterate my belief that the procedure for the 1998 discharge represented an important step forward in reinforcing the taxpayers' confidence in the European institutions.

2-025

Kuhne (PSE), rapporteur. – (DE) Mr President, ladies and gentlemen, over recent days, just before the debate on this report, certain areas of the media created the impression that we needed outsiders to open our eyes to shortcomings in our own institution, as if Parliament would operate double standards, by being intensely critical of the Commission, but turning a blind eye to its own shortcomings.

I should like to report quite unequivocally that neither applies. My draft report was presented to the Committee in all language versions on 10 February this year and all the shortcomings reported in the press, such as the article in the *European Voice* about 10 days ago, have already been addressed in an open and critical manner in the report. There has been no whitewash. The report before Parliament today both contains a description of the shortcomings and lays down clear conditions for the attention of Parliament's administration, including deadline commitments, which clearly show what needs to be done in order to rectify these shortcomings.

In addition, contrary to the Commission discharge procedure, we have no cause to complain that we did not receive certain documents. Some were perhaps a little late in arriving, but they did all arrive. That is another difference in the discharge procedures. We here in Parliament certainly have cases of mismanagement in certain areas which need to be criticised and cleared up, but we have no legacy such as cases of fraud.

I say that in order to highlight an important difference, because interested parties have "let it drop" that, if Parliament is using the same yardstick, then it should come to the same conclusion and cannot postpone discharge for the Commission on the one hand and be prepared to discharge itself on the other. I am all in favour of the same yardstick, but the same yardstick does not necessarily give the same results. We should not sit down with the strategic far-sightedness of garden gnomes and say, now we must kow-tow to those who have given the impression that we should go around in sackcloth and ashes just so that our decision to postpone discharge of the Commission seems more credible. Were we to do so, I can assure you that, within half an hour of the vote on Thursday, you would hear the sound, from Brussels to Strasbourg, of the champagne corks popping in many a Brussels office in which many people would be delighted if Parliament were to make the content of its own discharge the variable upon which the Commission discharge depended. If we did that, there would not be a single Commission over the next 20 years which needed to fear Parliament's discharge or, at most, its merciless opportunism!

I should like to come now to the question of where the shortcomings which we must clear up lie. We must, for example, reverse the trend whereby the number of direct contracts has increased dramatically in comparison with the number of open competitions. This refers mainly to the fixtures and fittings in this building. It is not a procedure which is illegal per se and it would be wrong to assume that it were. However, we must insist that this trend be reversed in order to reinstate a sound administrative culture. This direct contract procedure must not catch on and become the predominant procedure. In the long term, it would mean accepting cost increases on orders without being able to check if they could be obtained more cheaply elsewhere, which is why this trend must be reversed.

The second point is this: Parliament has lost several cases on personnel issues before the European Court of Justice over recent years and the verdict of the European Court of Justice has been harsh and clear. It has been clearly stated that our own, previously public, competition criteria have been broken for certain positions in order to lever certain persons into those positions. Parliament and its members must ensure that there is no place for this sort of thing in our House and that

we keep our employees motivated by ensuring that they can be certain that promotions and recruitments are made on the basis of merit and qualification, not cronyism.

Another important point addressed relates to the question of buildings. We have come to the conclusion that Parliament is in an extremely difficult position, for which the Council is mainly to blame. The Council finances its own building out of compulsory costs in the budget but has denied Parliament the facility of direct financing.

I am not in favour – and I say so quite clearly, despite all the difficulties which we have to overcome – of sending yet another box of chocolates over to the Council in its building and tying yet another ribbon around it and saying, all right, we profess our faith in the fact that the whole procedure is beset with legal problems. We have already discussed them at length. We have received every document written on the subject. What I say is, whoever still has a problem should please go to the European Court of Justice and get it cleared up there, rather than turning plenary into an extrajudicial seminar. They should also consider what it means, from a political point of view, if we go ahead and give these sweets to the Council.

The inventory has been addressed. Mr Seppänen addressed it yesterday. The report itself lists the difficulties which have arisen, the huge number of items which have disappeared or, to put it bluntly, been stolen. In the meantime, thank God, we have introduced an electronic inventory system in Parliament. We are now waiting for an explanation as to how this electronic system functions.

I should like to come back to the question of yardsticks and results. If the majority in Parliament decides, not for reasons which have something to do with this report, but for reasons which have to do with the fact that certain groups have more skeletons in their cupboard than others when it comes to what they have done with their group money and what they have done with party financing; if a majority plays pass the parcel with this report, then we here in Parliament will end up in the position over the next few weeks of having to ask ourselves what future the Commission and Parliament discharge procedure has, now that it is no more than an excuse for party political manipulation and manoeuvring. I hope I do not have to sit in such a Parliament.

2-026

Mulder (ELDR), rapporteur. – (NL) Mr President, the discharge which we are discussing today, as far as agriculture is concerned, pertains to 1993, 1994 and 1995 and you may well wonder why we are so late. The reason for this is that we delayed the discharge for 1992 for a long time, because we had made certain requirements of the Commission which up to last year it had failed to meet. We are pleased to note that this has meanwhile been rectified. So what exactly were Parliament's requirements?

Firstly, we asked for 15 extra jobs to be created in the inspection department within agriculture and for the financial corrections to be increased from 10% to 25% maximum, in case something went wrong with agricultural expenditure. This has since been done and we are grateful for this. It still causes Parliament some concern that the jobs have not yet been filled and that it is extremely difficult to do so.

In general terms, the error rate for agriculture is below the general error rate for the budget. Where the general rate is 5%, as already mentioned, that for agriculture is 3%. This is moving in the right direction. This may also partly be due to the fact that agricultural policy has changed over the years. I believe it is easier to keep income policy in check than it is price policy. There has since been an increase in expenditure for development within rural areas but I will come back to this.

Special attention should also be paid to the European revenue. Although the own resources are falling, they are still an important source of income and it has now been decided that certain Member States are allowed to retain 25%. This is all the more reason why the Commission should keep tabs on all the money coming in to which the European Union is entitled.

What does the Committee on Budgets mainly want? First, the Commission should work towards driving back the current error rate within the short term. In my opinion, we should be able to have a 1% error rate within a number of years. One way of achieving this is to establish an estimated reliability level for each sector. This is something which the Commission could undertake itself. What is the error rate in the milk sector, the dairy sector, the cereal sector, etc? In this way, the various offices will benefit from a healthy rivalry. Everyone wants to outstrip the others and agriculture would be able to take the wind out of the sails of the other budget components.

For many years, we have also talked about an integrated management and inspection system for agriculture and lamented the fact that many countries are still unable to meet this requirement. I think it is about time this stopped. We have stipulated in the resolution that the Commission will have two years to solve this and I have been given assurances that this should be possible.

Although the agricultural budget components are scrutinised, they cannot be scrutinised in the same way as guaranteed expenditure, which is down to the Guidance Section for agriculture. We think the Commission should come up with

proposals to actually apply the financial corrections system to structural expenditure for agriculture. In common with the Court of Auditors, the Commission is also concerned that huge mistakes are still being made in the export refunds system.

The Committee on Budgets, therefore, recommends discharge. There are, however, a few problems remaining, one of which I have already mentioned, namely export refunds. We are expecting a report on this. We are also waiting for a report from OLAF on fraud involving the aid provided to flax in certain countries, notably Spain. Finally, and I may come back to this at a later stage, we are waiting for a report from the Court of Auditors on the Flécharde affair. We can grant discharge to the Commission without these three elements.

There is something else. Since 1995, there has been a conciliation committee for agricultural expenditure. If there is a difference of opinion between the Member States and the Commission on the financial correction to be imposed, we can call upon a conciliation body to mediate. We have as yet to be convinced of the usefulness of this conciliation body. The Commission has promised to assess this. We look forward to the findings because we would like to considerably reduce the number of court cases at the Court of Justice in Luxembourg.

2-027

Casaca (PSE), rapporteur. – (PT) Mr President, the Treaty of Amsterdam greatly strengthened the system for protecting the European Union's financial interests, by reformulating and extending the provisions of the Maastricht Treaty with the new Article 280. So Amsterdam provided two new elements in addition to the principle introduced in Maastricht in accordance with which Member States are obliged to adopt measures comparable to those they take to combat fraud harming their own financial interests. These two new elements mean that the European Parliament now has powers of codecision, and that the protection of the Community's financial interests will have to be effective and equivalent. The entry into force of the Treaty of Amsterdam therefore means that the principle of the equality of all citizens and of the equivalence of all acts in the eyes of the law must be applied in the area of the protection of financial interests.

Mr President, we are now considering the first legislative measure on the prevention of fraud and other irregularities since the Treaty of Amsterdam came into force. This is an amendment to a regulation designed to prevent fraud and other irregularities relating to the common agricultural policy. In 1970, the CAP accounted for up to 87% of Community expenditure and this amount has gradually fallen over the last three decades to around 45% of Community expenditure today. It is therefore understandable that legislation for preventing and combating fraud should have developed independently for the CAP and not in relation to the general rules which apply to the whole budget. Until a few years ago, even the policing of fraud in agriculture was not overseen by the appropriate department, which was UCLAF, but by the Directorate-General for Agriculture itself. Now that the Treaty of Amsterdam is in force, this situation is no longer acceptable. We cannot allow the protection of the Community's financial interests to continue to be undertaken on the basis of loose, unconnected and contradictory legislation which deals with the various attacks on the Community's financial interests according to the specific amount at stake and not in accordance with principles of fairness.

As regards protecting our financial interests, we must put a stop to the rigid divisions between the various chapters of Community expenditure and ensure that no double standards are involved. Reform of the Commission cannot continue to be seen as a stream of meaningless clichés and as a hypothetical discussion of the advantages and disadvantages of various models of ex ante and ex post control and of decentralisation. Instead, it should be seen as the determination to put an end to feuding and to bureaucratic sectionalism.

This is why we propose that this House should request that the legal basis for regulating the prevention of fraud and other irregularities be changed from Article 37 to Article 280. In the same way that the Commission and all the European institutions have finally accepted and understood that all action in the fight against fraud must be undertaken in an effective and equivalent way, by entrusting OLAF with this task, the Commission must now accept that legislation on preventing fraud and other irregularities must also be developed in an effective and equivalent way, in strict observance of the Treaty of Amsterdam. We are confident that the Commission will ultimately be able to agree fully with this principle.

2-028

Khanbhai (PPE-DE), rapporteur. – Mr President, my report is about the European Coal and Steel Community and how that fits in with Mrs Stauner's report and the discharge.

We have decided to give the discharge on three conditions, and the conditions are clearly spelt out. We hope that by 15 August those concerned will give us the information that is requested. What I find extraordinary is that EUR 2 billion are being managed by this vestige – the last remainder of the European Coal and Steel Community, which, of course, was very important historically but is not important any more. It is being wound up and it is remarkable that such an instrument should continue with that budget and 145 staff. I believe such an instrument should be wound up as quickly as possible so that it is incorporated in perhaps a reformed European Investment Bank: a European Investment Bank that is transparent and accountable. Such investments can and should be made by professional banks rather than the little outfit that we have at the moment. The number of people employed for the amount of money being invested is again quite disproportionate. I am hoping that this can be wound up speedily and incorporated in either the EIB or the European Investment Fund, because that would be a better way of using the money and resources.

This is for the social and research fund, but again these objectives could be better addressed by a bank that would ask other banks to manage investments so that we have the highest return.

I hope that the three conditions, the conditional discharge and the obligations on those concerned to address these conditions will be taken seriously. Far too often in the past we have found that promises have been made and not kept. So I hope that the answers will be given to Parliament and to the Committee on Budgetary Control.

I think that is about all I need to say. On that basis I recommend to this House a discharge.

2-029

Deprez (PPE-DE), *draftsman of the opinion of the Committee on Citizens' Freedoms and Rights, Justice and Home Affairs*. – (FR) Mr President, ladies and gentlemen, as rapporteur for the Committee on Citizens' Freedoms and Rights, Justice and Home Affairs, it is with some satisfaction that I would like to point out that, in our own area of competence, the Court of Auditors had no criticism to make of the way the appropriations for the financial year 1998 were implemented. I have, what is more, received no complaints from any officials at all. I am not aware of any vengeful articles by investigative journalists, or any OLAF inquiries, and personally I have not managed to discover any proven cases of mismanagement, fraud or misappropriation of funds in our sector. In a word, as far as our committee's area of competence is concerned, there is nothing to prevent the discharge being granted to the Commission.

And now, to express my own personal opinion, I would like to say more generally that I support the conclusions of Mrs Stauner's report with a view to postponing discharge to the Commission for the year 1998. The citizens' primary right is to see that their money is managed and spent properly and as long as this is not clearly established discharge must not be granted. I should, however, like to make two observations. Settling political scores or making personal attacks must not be mistaken for combating poor management, irregularities and fraud. In this context, it is essential to prevent a climate of political vendetta arising between the main institutions of the Union.

My second observation is that, in my opinion, it is essential to be as implacable in criticising oneself as in criticising others, and I therefore wonder about the effects, which I expect to be disastrous, of postponing discharge to the Commission on the one hand, even though Parliament is prepared to grant its own discharge, despite the administrative problems it acknowledges, and although the political groups gloss over their own administration. My personal preference would be for adopting a more self-critical attitude.

2-030

Plooijs-Van Gorsel (ELDR), *draftsman of the opinion of the Committee on Industry, External Trade, Research and Energy*. – (NL) Mr President, ladies and gentlemen, expenditure for research accounts for nearly two thirds of the budget for internal policy. Consequently, the Committee on Industry, External Trade, Research and Energy has requested the Court of Auditors to carry out a thorough investigation into the legality and lawfulness of payments in research as a matter of high priority. The Committee on Industry, External Trade, Research and Energy regrets the inaccuracies in one third of payments.

The European Commission has paid over the odds most of the time because the beneficiaries had failed to declare non-eligible costs. Inadequate inspection by the offices of the Commission and the lack of contractually determined penalties for excessive declarations have also led to deliberate over-invoicing in nearly two-thirds of the payments. What does the Commissioner intend to do about this? Has the Commission ever taken legal action? Or does it intend to? I would like to have these questions answered.

The success and usefulness of the research programmes are beyond dispute. But effective implementation requires better management and coordination, as well as inspections carried out by various Directorates-General.

According to the Committee on Industry, External Trade, Research and Energy, it is essential that the tasks pertaining to financial management be carried out by officials who are required to render full account of their tasks to the institution. If money from Brussels is spent, then the responsibility should lie with Brussels and not with external service providers. We are prepared to grant discharge under these conditions.

2-031

Koch (PPE-DE), *draftsman of the opinion of the Committee on Regional Policy, Transport and Tourism*. – (DE) Mr President, Commissioner, ladies and gentlemen. Alas, I sit here between a rock and a hard place. On the one hand, I would and should recommend, on behalf of the Committee on Regional Policy, Transport and Tourism too, that the Commission be discharged due to the satisfactory take-up rate of the budget lines which affect us, despite numerous critical comments. On the other hand, I cannot in fact recommend discharge due to unclarified incidents at the Commission which are beginning to threaten the very existence of regional project agencies and which, as the representative of my home region, I have been fighting to have clarified for months.

It is not enough for the present Commission to acknowledge the errors of the old Commission without finding a solution. However, this is not the place for such personal experiences. Allow me rather to highlight the causes for criticism as the representative and draftsman of the RETT Committee.

Firstly, certain measures dating back to before 1989 have still not been completed. Secondly, the irregularities identified by the Court of Auditors refer mainly to errors in relation to proof of expenditure which are signed by Member States, and for which they are responsible. The Commission is indirectly and to some extent jointly responsible here insofar as it should have issued clear rules for grants and aid. Thirdly, delayed payments by the Commission which unsettle and, sometimes, ruin our citizens, as the result either of transgressions or inefficient bureaucratic structures and cover-ups or liquidity problems following cuts in payment appropriations by the Council.

The conditional postponement of the discharge suggested by Mrs Stauner is to be welcomed. I personally would like to have better facilities for quality control, *in situ*, of how EU funds are used.

2-032

Van den Berg (PSE), *draftsman of the opinion of the Committee on Cooperation and Development*. – (NL) Mr President, the Committee on Cooperation and Development has been extremely critical in its appraisal of what became of the development and cooperation expenditure in 1998. We have translated this criticism into a number of very concrete questions, answers and proposals in order to make drastic changes to the policy as it is being adopted now and will be adopted this coming year. To our great delight, we are also at the dawn of a drastic reform of development policy. Policy as it was adopted in 1998 by Europe as one of the world's key players did not really have a clear poverty focus or clear-cut, result-orientated objectives and, as such, it was difficult to judge whether we had achieved our goal.

We have now agreed to re-arrange the entire budget in a number of clearly defined sectors according to international agreements in the field of poverty control and, following on from this, to submit annual reports on the results within the various sectors to our Parliament. It has also been agreed that in these sectors, clear objectives will be formulated and that, in these objectives, basic health care and primary education will be considerably reinforced as components of social development. This is not just restricted to either the European Parliament budget or the EDF budget, but refers to the total. This brings us to the desire and agreement that the EDF, even if it is just in terms of figures, will at least be absorbed into the 2001 budget, so that we in Parliament can actually see where the money is being spent. After all, we are talking about a huge amount which the European tax payer expects to be used to combat poverty. If we look at what really happens, however, it is often not about a child who goes to school or food which is grown locally in a more productive way. Very often, economic interests of the various Member States in Europe take priority over poverty issues in the relevant countries. In terms of inspection, this is all undoubtedly neatly justified in accounts, but is incorrect in terms of content. This poverty focus is essential in order to actually get value for money.

We hope that, with the inclusion of the EDF in the 2001 budget, even if we do not have any formal budgetary authority there, we will be able to pursue a more result-orientated policy by breaking it down into clear sectors. Then there is still the staffing problem. Many shortcomings, the lack of spending and the fact that 80% of the commitment appropriations are sometimes not spent, are due to an organisational structure which is inadequate, not sufficiently decentralised in the various relevant countries and guided by a form of regulation which does too little examining after the event and is too bureaucratic before the event. In the light of this, there is a great need for reform on this score. We at the Committee on Development and Cooperation have every confidence that we can bring about this reform thanks to the agreements we have reached with the Commission. Further to the agreement we concluded with the Committee on Budgetary Control, I also expect that the action plan on 15 May will help us at the Parliament to turn a corner, in tandem with the Commission. I would like to underline the confidence we have in the Commission and all its Commissioners.

2-033

Schreyer, Commission. – (DE) Mr President, ladies and gentlemen, today, for the second time this year, we are debating the discharge of the Commission for the budget of a previous financial year. Two and a half months ago, you granted the Commission discharge for the 1997 budget. That discharge was accompanied by numerous, far-reaching calls to the Commission which provided strong momentum and incentive for the reform of the Commission and which are incorporated in the Commission's White Paper. I should like once again to extend my thanks on behalf of the Commission, especially to the rapporteur at the time, Mrs van der Laan and, in this context, to the rapporteur for the reforms, Mr van Hulst.

Today we are debating the discharge for the 1998 financial year. Under the European Treaty, Parliament has a duty to audit the accounts, the statements of assets and the annual report of the Court of Auditors, together with the replies from the bodies being audited. In its report on the 1998 financial year, submitted in November last year, the Court of Auditors granted the Commission a declaration of assurance with regard to receipts and the handling of commitment appropriations.

The Court of Auditors did not grant the Commission an auditor's certificate establishing that payments had been implemented in a lawful and proper manner. The error rate was considered to be too high by the Court of Auditors. As the Commissioner for the Budget, I subscribe fully to the opinion that, in some areas, the shortcomings in the implementation

of the budget are simply unacceptable. That is why I immediately took the initiative, in my official capacity, of drafting an action plan listing specific measures sector by sector on the basis of a specific timetable, in order to reduce the number of errors identified.

Nearly 90% of all errors identified or highlighted by the Court of Auditors concern the Member States. The majority of payments out of the EU budget are paid not directly by the Brussels administration, but by administrative units in the Member States. This decentralised implementation of the budget has numerous advantages, but, of course, it also calls for efficient and close cooperation.

As rapporteur for the SEM 2000 programmes and decentralised management measures, Mr Kuhne has dealt with these questions in detail and I should like to thank him for his work in this area. The Council, which recommended discharge for the Commission, included the question of shared management in its debate on the 1998 budget discharge and the proposal was mooted that the Member States should perhaps set their own objective for reducing shortcomings in the implementation of EU funds, an interesting proposal.

For its part, the Commission will step up its efforts to formulate more manageable financial rules for the administrations in the Member States and to provide advice and information, especially on the control systems. Alternatively, should it prove necessary, the Commission will use financial corrections to refunds paid to Member States as a monetary lever, as is the case in agriculture. The fact that the error rate for agricultural expenditure is well below the error rate for the Structural Funds is perhaps due to this financial correction instrument. My colleague Franz Fischler will go into this in greater detail in a moment but I should like at this point to thank Mr Casaca for his report and to congratulate Mr Mulder on his report.

The Court of Auditors made no critical remarks on the budget for the European Coal and Steel Community and I should like to thank the rapporteur, Mr Khanbhai, for the report which he has just presented. The European Court of Auditors also issued a declaration of assurance for the budget of the European Development Fund, although it did find cause for complaint. Overall, there was a clear drop in the error rate for the Funds in comparison with previous years.

However, this gives the Commission no cause whatsoever for complacency. On the contrary, the Commission also wants to achieve more satisfactory results for this financing instrument, which is so important to development policy, and this applies in particular to the question of the speed of aid. You addressed this point, Mr van den Berg. This is also one of the concerns of the rapporteur for this area and I should like to thank you, Mrs Rühle, for your willingness to include the arguments of the Committee on Development and Cooperation and the Commission in your report and to propose an action plan and also, at this point, to thank Mr Blak for his preparatory work in this area.

The legislative, budgetary and control powers of the individual institutions overlap even more in the European Union than they do in the Member States. It is therefore essential that we act in unity if European policy is to work. This presupposes a clear and reliable division of tasks, which is why current talks and negotiations between Parliament and the Commission on the agreement, which also includes the question of access to and dealing with confidential information, are extremely important. The chairman of the Committee on Budgetary Control, Mrs Theato, also has a very responsible role in this respect. It is in all our interests for these negotiations to come to a swift conclusion, hopefully with results which enable there to be a good policy and collaboration on such important matters as discharge.

The Commission has made a commitment to transparency and openness. These are not just empty words as far as the Commission is concerned, which is why I have transferred all the confidential audit reports needed to the Committee on Budgetary Control, or rather to the rapporteur, during the course of the discharge procedure and which is why the Commission has also replied in detail to questionnaires, even though this differed from past reporting practice.

The Commission has nothing to hide and this Commission sees it as its duty to support Parliament fully in the performance of its duties. But we need a procedure which safeguards the confidentiality of information and, more importantly, the principle of the rule of law whereby people cannot be pre-judged. That must also apply to the Commission staff, just as it applies to people who belong to the other European institutions and to all our citizens.

The Commission is called on in the report adopted by the Committee on Budgetary Control to answer various questions or take direct action by 15 May. I should like to thank the Committee on Budgetary Control for this resolution and also for the deadline attached to it. Some of the points refer to dealing with so-called old cases, i.e. cases of irregularities or suspicion of fraud from previous years.

I should like to say quite clearly at this point that the Commission will do everything within its powers to fight fraud and that applies not only to the future, but to clearing up past cases. This Commission has no fear of any findings. The Commission has proven this in the so-called Cresson/Barthelot case by passing documents to the courts, introducing disciplinary proceedings, lifting the immunity of a former member of the Commission, giving the investigating magistrate access to the Commission premises and demanding repayment of missing EU funds.

But I repeat: for the Commission, the rule of law applies. This means that it cannot of course influence judicial proceedings, even if they are unsatisfactory, as for example in the ECHO case, on which the competent courts, which received the file a long time ago, have still taken no action. It also means that proportionality is required when meting out punishment and demanding refunds and this applies both to demands by the Commission and to refunds demanded by the Member States. The European Court of Justice again made that clear in its most recent judgement a few weeks ago, when it halved or even cancelled fines in the case of the cement cartel.

My colleague Franz Fischler will shortly be going into the question of the agricultural budget in connection with discharge in greater detail. But I too should like to say at this point that I do not see the letters drawing the Commission's attention to the fact that companies may fold or jobs be destroyed following certain Commission measures as an illegal attempt at intervention, irrespective of whether the letters originate in Parliament or in a Member State and regardless of whether they come from France, Ireland or Bavaria.

Naturally, decisions must be taken where there is room for discretion and they must be taken according to clear rules and in a transparent manner. I shall fight for clear rules within the framework of the financial regulation. Of course the Commission will take very careful notice of the Court of Auditors' recommendations and findings in the so-called Flécharde case and all I can say is that I, for my part, am very grateful to the Court of Auditors for taking on this task.

I am not in a position at this point to go into the individual points of the resolution in detail. However, the Commission will immediately notify OLAF of your demands and, as far as the administrative investigation is concerned, I have set the procedure of clarification in motion.

Your resolution insists first and foremost on a reduction in the error rate. I can assure you that the Commission is doing everything it can to achieve this, which is why we submitted the action plan, containing specific measures with specific deadlines and which is why we are completing revising the financial regulation and I shall shortly be reporting on this to Parliament. This is why the European Anti-Fraud Office is being reinforced. This is why the Commission has started reforming financial management as a whole by increasing the responsibility of everyone who handles the money of the European taxpayers, by improving efficiency and by setting the clear objective of restoring trust in the European institutions.

The Commission will do everything to ensure that the reform is a success and it would be a good thing if all the European institutions were to expose themselves to such reform.

2-034

Fischler, Commission. – (DE) Mr President, ladies and gentlemen, I should like to restrict my comments to the so-called Mulder and Casaca reports. Mr Mulder, I should like to start by thanking you on behalf of the Commission for your report on granting discharge in respect of the decisions on clearance of accounts of the Guarantee Section of the EAGGF for the 1993, 1994 and 1995 financial years. The main thrust of the report is that clearance of accounts for the expenditure financed by the Guarantee Section of the EAGGF was a job well done. This can also be seen from the financial corrections quoted under number 1.

I consider this to represent a certain degree of acknowledgement and, at the same time, to be an order to do even more in the future. I expressly state that I agree with number 4. The date of April 2002 is needed in order at last to guarantee the proper operation of the integrated administration and control system in all the Member States. It is also a prerequisite to our being able to reduce the error rate still further. As regards the question of building up a central database containing data on all payments to final beneficiaries, I should like to draw your attention to the following. The interaction between the common agricultural policy and the final beneficiaries currently passes via approved paying agencies in the Member States. These agencies have all the data on the final beneficiaries and the Commission services naturally have unrestricted access to them. However, I should like to stress that the Commission does not need a central database per se in order to exercise its control function and I would therefore suggest that a cost-benefit analysis should be considered here.

A study is currently examining if it is technically feasible to set up a central database for recording all payments and hence all final beneficiaries. Even if it is not prescribed under law, it could of course simplify a number of operations, not only for the Commission, but also for the Court of Auditors or OLAF. The Commission is aware of the fact that the European Parliament considers it important to know the names of the recipients of the largest sums. However, I should point out here that, because of data protection at Union and Member State level, it would be impossible to publish such information, even if it were technically feasible.

As far as staffing the clearance of accounts unit is concerned, I can confirm, Mr Mulder, that only the three posts of the new unit leaders have yet to be published. The recruitment procedure for the remaining six posts has already been completed, or will be shortly. The Conciliation Body referred to in number 16 of the report is one of the measures which should ensure that efforts to speed up the procedure do not compromise the quality of document audits. However, this is only a consultation process and it is the Commission itself which takes the decision in all cases. I can also assure you that refunds and the aid regime for flax and hemp will be examined very conscientiously. Corrections totalling EUR 249.8

million were made to refunds for the financial years from 1994 to 1998. However, before we can make any further corrections for subsequent financial years, we must first carry out the scheduled control visits.

Allow me to conclude with a few comments on the declaration of assurance. It is proposed in the resolution that there should be a separate declaration of assurance for the EAGGF and the individual sectors. This question is, of course, addressed first and foremost to the Court of Auditors. The Commission notes this proposal with interest. A first step in this direction should of course be a declaration of assurance for individual policy areas, i.e. separate declarations for the agricultural fund, the Structural Fund and so on. This alone would considerably improve this instrument. And finally, my thanks in this respect to the Committee on Budgetary Control for their excellent cooperation in drafting the report.

A few words now on Mr Casaca's report. I should also like to thank you, Mr Casaca, for your report. According to Council Regulation No 723/97, the Community contributes towards the costs "incurred by Member States in implementing new action programmes, arising out of new Community obligations, approved by the Commission and aimed at improving the structures or effectiveness of EAGGF Guarantee Section expenditure controls". The purpose of the proposed amendment tabled here is to improve controls. In addition, provision is made for the Community to make a contribution in cases in which the Commission calls on the Member States to carry out additional controls over and above the minimum rate laid down in the regulations.

I should like to make the following comments on the proposed amendments. The Commission cannot, unfortunately, accept proposed Amendment No 1 insofar as the rapporteur proposes changing the legal basis for the regulation from Article 37 to Article 280. The Commission takes the view that Article 37 of the Treaty is the correct legal basis because the most important objective of the proposal is to prevent irregularities in EAGGF Guarantee Section expenditure.

As far as proposed Amendment No 2 is concerned, the Commission cannot accept the part which refers to the second paragraph of Article 5a, in which mention is made of administrative and staffing costs incurred by the Commission in administering this scheme. I agree with the idea behind the proposal, i.e. to ensure that the Commission has sufficient means at its disposal to perform its tasks, but the proposal confuses the administrative and staffing costs incurred by the Commission which are covered solely from Part A of the budget with the operational costs in Part B of the budget and I am unable to agree to this.

2-035

Theato (PPE-DE). – (DE) Mr President, fellow Members, Mrs Schreyer, Mr Fischler, I should like to make one thing clear from the outset: postponing a discharge is not tantamount to refusing a discharge, irrespective of what is always wrongly assumed. On the other hand, granting discharge is a serious procedure with serious consequences in that the controlling body answers for the fact that the activities and financial conduct of the body being controlled have been correct from a legal, economic and political point of view. This responsibility on the part of Parliament vis-à-vis European citizens and taxpayers is a heavy burden, which is why discharge for the Commission's management of the budget cannot be reduced to a compulsory, but somewhat tiresome annual exercise and I am sorry that the President of the Commission could not be here today.

On the contrary, what is needed is a thorough examination on the basis of pertinent sources of information and a conscientious appraisal of the results. And that is what we have done in the Committee on Budgetary Control over recent weeks. The rapporteur, Mrs Stauner, and the draftsmen of the opinions of the other discharge reports and working documents, whom I should like to congratulate on their work, have based their work first and foremost on the annual and special reports of the Court of Auditors and on the Commission's replies.

The sources for the information and documents needed from the Commission, on the other hand, gushed little, if anything at all, despite a great deal of paper and, unfortunately, no clear answers were given to the questions asked. When the Commission then writes to complain about the questionnaires and working papers of the members of the Committee on Budgetary Control, that shows that something has gone wrong with the flow of information between the controlling and the controlled parties and this must be rectified as quickly as possible. We are working on that. Mrs Schreyer also mentioned it. However, I am warning you that the Commission is heading straight for the same fate as its predecessor.

According to Article 276 of the Treaty, Parliament, and hence the Committee appointed by it, is entitled to any information or documents which it needs or demands in order to prepare its discharge. This includes reappraising old cases. The rapporteur quotes four cases by way of example. Other cases should be on the list, but the Commission has unfortunately not yet passed them on, despite the date of March 2000 set in the 1997 discharge. Here too the Commission misunderstands our basic cause for concern. The rapporteur and the Committee on Budgetary Control are not holding the present Commission per se responsible for the deplorable state of affairs in previous years.

The resignation of the previous Commission did not put an end to it. On the contrary, the new Commission was completely aware of all the outstanding accusations before it entered office and it undertook to assume responsibility and establish transparency. I take this to mean that it must clear up all the old cases without exception and – where necessary – must pass them to the courts. Cover-ups or even sweeping issues under the carpet are not the answer. On the contrary, the

answer means being prepared to draw conclusions from the unhappy events of the past, so that the same thing does not happen again in the future. This ranges from precise filing rules, so that documents cannot simply disappear, to a fundamental reform of disciplinary proceedings and much else besides.

This approach also informs the White Paper on the reform of the Commission tabled by Mr Kinnock. Mrs Stauner's report lists our short-term demands with respect to these conclusions and we all consider that they can be met by the stated deadline. The Committee debated them at several meetings and finally adopted them with one vote against. Here we must thank the rapporteur for her honesty, on the one hand, and for her perfect readiness to compromise, on the other. One of the most important objectives that we consider the Commission should achieve is to reduce the error rate in payments to well below the persistent figure of 5%. I know, Mrs Schreyer, that you have tabled an action plan. Nonetheless, the error rate has remained at the same high level for the last five years. We shall have to debate this.

However, we also know that most errors occur in the Member States and we are prepared, as a committee, to discuss this with you. Nonetheless, we take the view and the Treaty states that the Commission is responsible for implementing the overall budget. Excuses and promises are no use. We need clear proof of improvement. On balance, my conclusion is that we need a strong Commission, which is able to act, which works openly together with Parliament and which supplies Parliament with all the information needed or requested.

Using the pressure of postponement to advance discharge is constructive pressure because it gives the Commission the chance to clear up shortcomings caused by slowness, pettifogging or unwillingness so that Parliament will be able to grant discharge for 1998 as quickly as possible, hopefully before the summer recess. I think that the President of the Commission, Mr Prodi, should direct his team forcefully here in order to take transparency in Europe a stage further.

2-036

Morgan (PSE). – Mr President, the Committee on Budgetary Control has considered several reports recently, mostly relating to the 1998 discharge procedure. It is a strange time for us to be considering how the Commission is faring after its forced resignation last year due to many of the issues highlighted in the 1996 discharge.

The discharge procedure is, of course, an opportunity for the European Parliament to exercise its responsibility in terms of monitoring the Commission and the other institutions' behaviour. We check their accounts. We ensure that policies have been well managed.

The Commission spent the last year preparing for a radical reform, outlined in the White Paper presented on 1 March, and we appreciate that it will take more than a few months to turn this massive tanker around. Parliament and the Budgetary Control Committee are, however, keen to ensure that the reform occurs at a speedy pace, which is why we have decided to postpone discharge in the expectation that the Commission will hit the targets that we have set them within the next two months.

The report as it stands at the moment is very different from the initial report that was submitted by Mrs Stauner on behalf of the EPP Group. That was clearly used as a political battering ram. Mrs Stauner quoted Goethe. I will quote Shakespeare. The report was full of sound and fury signifying nothing. That is why the explanatory statement attached to this report has not been agreed by the Budgetary Control Committee. It makes no sense in the context of the postponement report, and it is totally nonsensical and hysterical in tone.

We are delighted that there was an almost unanimous consensus, however, on the new practical approach to the general discharge. We would like to thank the rapporteur for her cooperation on that. We expect and hope that the Commission will deliver and the rapporteur will perhaps take a more considered approach in her final report. But one thing which has become manifestly clear to me during this process is that we need an overhaul of the discharge procedure to avoid this kind of confrontation again.

This discharge procedure should be an opportunity to study systems failures within the Commission. In an ideal world, it should be based on the Court of Auditors' Report, but that does mean that both the Budgetary Control Committee and the Court of Auditors must develop a much closer relationship. There is a massive amount of expertise in the Court of Auditors, expertise that Parliament should draw on in order to reach its own political conclusions. The discharge procedure should not be a time to score political points nor to hound individuals but, where systems fail and lead to inefficiency or – worse – to fraud, it is the duty of Parliament to correct them.

We must also make sure that we find a mechanism within this system to make sure that we take account not only of the reports that are submitted by members of the Budgetary Control Committee, but also those by members of other parliamentary committees.

In postponing the discharge, we have set out clear points that we expect the Commission to act upon. Never again will we accept the situation where we cannot get to the bottom of a case, because documents have gone missing. Clear lines of responsibility must be established so that if problems occur, disciplinary action will follow. Never again will we accept a

situation where misconduct or a bad administrator will be judged by his or her peers. We expect an external element to be included, as advised by the Committee of Independent Experts. These are just two examples of how the Commission can improve its act in the short term without waiting to implement all the recommendations of the White Paper.

There is a question to answer as to whether the current Commission should or can take responsibility for the mistakes and problems of the past Commission. Let us not forget that here we are considering the discharge for 1998. If we took this to its logical conclusion, it would mean that Parliament could only judge a sitting Commission during three years of its tenure. That is why it is clear that we must address systems failures rather than attack individuals or individual Commissioners who may no longer be involved. We do not want witch-hunts. We want answers as to how best we spend European taxpayers' money.

I would like to turn very briefly to the other reports that we have considered in committee, and first of all to the Kuhne report on the European Parliament. Mr Kuhne has done an excellent job as rapporteur for the Parliament discharge. There is no doubt that there have been vast improvements in Parliament's performance. Our financial control system does not have the quantity of payments that the Commission has and therefore things are more manageable. We have had everlasting problems, of course, with the buildings, often through no fault of our own but because decisions have been imposed on us by the Council. If the Council had any concern about budget control, we certainly would not be sitting in this building right now.

There has been a great deal of talk about a report on political group expenditure. The fact is that our committee has not seen this report. It has still not been published officially, and therefore it is difficult for us to comment on it. But transparency is a principle that we must hold dear in this context. I am delighted that Mrs Rühle has done such a great job on the EDF report. Mr Mulder has done a great job as well, displaying his usual wizardry with the EAGGF accounts. We support Mr Casaca in his approach, although we did not expect the Commission to support us on that of course. We certainly do not expect the Council to support our position on the Casaca Report.

We are voting for postponement on many accounts. The important reports, of course, will come next. We hope that we will be able to develop a better approach in the next part of this discharge procedure. It is important that we find a new way of doing it.

Thank you, Mr President, for all your kind support over the years for the Budgetary Control Committee. It is always greatly appreciated.

2-037

IN THE CHAIR: MR COLOM I NAVAL
Vice-President

2-038

Mulder (ELDR). – (NL) Mr President, I would like to echo what some speakers have already expressed before me: after last year's events, this Commission will need to have all its wits about it if it intends to ignore what this Parliament has to say in resolutions. All I can say at the beginning of this first debate is that the Commission would do well to go through the resolutions with a fine tooth comb, because this time Parliament is serious.

As far as the Stauner report is concerned, the liberal group is able to support the compromise resolution. We are in favour of the Commission publishing an extensive report before 15 May which covers all the points we have raised. In common with Mrs Theato, we hope that everything will be signed, sealed and delivered before the summer. I should add that we, as a group, have less appreciation for the explanatory note which the rapporteur has added to her own resolution. This was already mentioned last night. In our opinion, an explanation should reflect the resolution itself and should not include any new elements.

I would like to make a brief comment on the report by Mr Kuhne. We too have a great deal of appreciation and admiration for the way in which Mr Kuhne has drafted his report. If we are to criticise the Commission, we should perhaps make sure that we have put our own house in order first. It is difficult to scrutinise somebody else if we as Parliament do not ensure that we are completely beyond reproach ourselves. I also think that Parliament's administration would do well to stick to the many dates and deadlines included in the Kuhne report.

I would now like to come back to the Stauner report and a number of points made in it. The Court of Auditors will shortly be publishing a report on the so-called Flécharde affair. There have been many speculations in the press, in Parliament, and so forth. We must not get ahead of ourselves. A few things are already clear, however, irrespective of the fraud affair itself.

Firstly, how is it possible for documents intentionally to go missing from the four Directorates-General or directors dealing with these? The documents disappeared everywhere simultaneously. The big question to the Commission is: what has it since done on this score? Secondly, we would like proportionality explained. Should large businesses pay larger fines than

small businesses? Thirdly, where does the Commissioners' responsibility lie? To what extent can officials decide some things for themselves? This is an extremely political issue.

The following general rule will need to apply to this Commission: the error rate is too high. It is not enough to say that it should come down. We need a plan of action: by such and such a year, the Commission should bring the error rate down to such and such a level. Then Parliament would know where it stood. The Commission would then have a goal to work towards and we could market ourselves better to the general public. This is what it is all about at the end of the day. Europe's ideal needs to be preserved.

2-039

Rühle (Verts/ALE). – (DE) Mr President, Commissioners, I too should again like to confirm that postponement must not be construed as a refusal of discharge. On the contrary, we had no party political axes to grind in our committee and we obtained a broadly-carried compromise across all groups with just one vote against.

We can see that the new Commission is making an effort, but the 1998 discharge is at issue here and we must take it very seriously. We must restore the public's lost confidence in the European institutions. We must re-establish confidence and that means that, as a committee, we must make a critical examination of the 1998 budget. We want neither to play down nor sensationalise the problem. On the contrary, we need to exert constructive pressure and we see the decision as a chance, not a punishment.

Our yardstick was how responsibility and transparency were dealt with and requires an open approach to shortcomings and an open approach to mistakes. We hope that the action plan will help the administration to achieve better management. We also take the view that the same yardstick must then be applied to Parliament and in this we completely disagree with Mr Kuhne, although we welcome his critical report.

Criticism is just one side of the equation; consistency is the other and we hope that a majority in Parliament will vote to postpone the decision, subject to the clear condition that the administration of Parliament must also table an action plan to improve management. The questions of the award of contracts, buildings and staff are at issue. We know all about the pressure of time up to the point of discharge. The report by the financial controller, for example, was submitted relatively late. Obviously it was not possible to submit this action plan in time for today's decision. However, we call on Parliament for precisely this reason to vote for a postponement here, so that an action plan can be drawn up jointly by 15 May. This too we see as an important chance for Parliament to restore confidence and make it clear that it takes its own administration and the shortcomings in its own administration seriously.

I must also highlight something else, since Mr Kuhne appeared to be hinting that a hush-up would be in the groups' interest. I can only say, as the new treasurer of the Greens, that I went to the administration and to the Court of Auditors back in November or December and pointed out that I had discovered a number of errors in the management of the finances on entering office, that there was mismanagement and that I would fight to get this mismanagement dealt with over the next three months. I also pointed out that I was in favour of maximum transparency and openness in this area and that we urgently needed to address the financing of European parties in order to be able to refute the accusation of indirect party financing which was rightly being levelled at Parliament. We need clear-cut criteria and clear-cut guidelines. We must do away with grey areas at European level because, as we all know, grey areas can and will always be abused, which is why we want transparency and openness.

Transparency and openness mean – and this is my clear call – that we must apply the same yardstick to all the institutions. We should vote for a postponement whenever we are of the opinion that an action plan can be drawn up within a month which will show the public that we take our errors seriously and are trying to correct them and I would stress once again that it has nothing to do with dismantling institutions; on the contrary, we want to strengthen them and we want to restore trust in the eyes of the public in Europe.

2-040

Theato (PPE-DE). – (DE) Mr President, it says "BUDG 1998 discharge" on the notice board, but it should say CONT. Perhaps this could be corrected because Budgets and Budgetary Control are always getting confused. It is the question of control which is at issue here.

2-041

President. – It would be difficult to confuse them, Mrs Theato, but, in any event, we will try to correct it on the screen. They tell me that it has to be written with a limited number of digits. We will try to find a formula which will make it clear that we are talking about the COCOBU. Perhaps CCB would be useful since this is the formula used in other bodies.

2-042

Seppänen (GUE/NGL). – (FI) Mr President, the European Union lacks moral authority. That is particularly problematic in matters of finances. Parliament could achieve it, and it does wish to, which is clear from the reports now under discussion, but it lacks credibility in this area. To maintain its own self-respect Parliament must accept the rules and regulations for the Members forthwith. Parliament must investigate the misappropriation of funds by its political groups.

Our group will not agree that the practice of party aid should be introduced at the taxpayer's expense to cover up such malpractice. Parliament must investigate why it was so lax in its vigilance when it came to millions of euros' worth of Parliament property disappearing. I do not really understand why it should discharge itself just now, when the report by the Court of Auditors of the European Communities on monetary and economic issues for 1998 is being prepared and is about to be published.

I would remind you how difficult it was in Parliament to raise the issue of malpractice on the basis of the accounts of the Commission for 1996. I would remind you how the Social Democrats in particular defended Mr Santer's Commission, and how we were obliged to compile a list of Members' names when passing a motion of censure. Those parliamentary members that compiled the list were obviously right. The 1998 accounts and data give weight to earlier conclusions: Mr Santer's Commission appears to have approved a framework of budgetary discipline in which it was possible for malpractice to exist. The members of the Commission in many cases are not themselves guilty of furthering their own interests, but the officials continue to act as before, and this Commission must take them to task. To support them will be the fifty or so trade union officials employed by the EU, defending people who are guilty of malpractice. They are the home guard for the officials that have behaved dishonourably. Most of the officials in the EU are diligent and decent people. In this case there is a need for increased vigilance, and that is something Mr Santer's Commission was unable to achieve. It would appear that Romano Prodi's Commission has not got off to a very good start in this respect either, and the President of the Commission, in particular, has delivered opinions that show that the notions of public accessibility and transparency are not being honoured in this Commission. However, postponing the discharge is justified and is the correct course of action in this situation. We want to give the Commission the opportunity to improve the way it does things and show that it is able to do the job it inherited from the previous Commission.

2-043

Camre (UEN). – (DA) Postponement of the granting of discharge is in itself the result of a quite incredible situation. Even though it is not a question of discharge being refused at the present time, the postponement is a consequence of the Committee on Budgetary Control's not having been able to obtain adequate information on time, of documents' having disappeared and of the fact that there is so much that can be criticised in the financial and administrative spheres that the impression is one of dealing with a South American banana republic rather than with a supranational European organisation. These extraordinary results from a seedy administrative culture go back to 1998 and are not this Commission's direct responsibility, but it is the present Commission's responsibility to show that the misconduct, fraud and betrayal of mandates which have taken place really do belong to the past. We have still not obtained proofs of this in all areas. We have heard excuses, often in a dismissive tone, from the Commission, as if it were the Commission which was to be giving *us* discharge, rather than the other way round. We have seen an express reluctance to hold those officials to account who are responsible for the circumstances open to criticism. It is not that there are no rules. Rather, it is a case of rules having been quite deliberately set aside in many areas.

As Mr Kuhne rightly pointed out, it is important that we should also direct criticism against Parliament's own economic administration. I would especially point out the quite unacceptable buildings administration and the way in which the rules for using the competitive tendering procedures were circumvented. The impression cannot be avoided of systematic nepotism of precisely the kind which the competitive tendering procedure should prevent. We shall therefore vote against the discharge for Parliament's 1998 accounts. If there are no dramatic improvements in the financial administration, European taxpayers will know how to react against this irresponsible misuse of their money. The Commission must understand that they are not Europe's overlords but the servants of European citizens. I should like to emphasise that there is broad agreement within the Committee on Budgetary Control about postponing the discharge for the most important accounts, and I would thank the rapporteurs for the splendid and painstaking work they have carried out. I would also especially draw attention to Mrs Stauner's and Mrs Rühle's very efficient work, just as I should like to thank Mrs Theato for her very conscientious and effective leadership of the Committee on Budgetary Control. Mrs Theato should know that we value her desire to call a spade a spade.

2-044

Vanhecke (TDI). – (NL) Mr President, before I comment on Mrs Stauner's report, I would like to endorse what has been said before, namely that the European Parliament is quite right to rap the European Commission over the knuckles and to at least postpone the discharge on the 1998 budget. It is quite ironic that this should happen at a time when a draft report by the European Court of Auditors is being circulated which shows that our Parliament has not exactly spent the taxpayers' hard-earned money wisely either. In the light of this, it might be expedient to establish in all honesty at this stage that the reproaches which we are quite rightly hurling at the European Commission today might well be heading in our own direction tomorrow, again quite rightly. Indeed, if we are to believe the draft report, the groups deal with the many millions which are made available to them for God knows what reason in a very careless, even fraudulent manner, and the administrative department of this Parliament gets off anything but scot-free, to put it mildly.

This is just to add to the issues which have been dragging on for many years, such as the nonchalant way in which we deal with the expenses we are paid as MEPs, in principle with a view to recruiting personnel, or the way in which we handle the building policy of this Parliament, which is so strange as easily to prompt thoughts of large-scale fraud. In short, today we are quite rightly acting as the plaintiff, but we need to be very aware of the fact that, tomorrow, we will be in the dock

ourselves. The fact that this is a case of the pot calling the kettle black should not, however, be any reason for tolerating deceit, fraud and further theft of taxpayers' money and should not, especially, give certain people any excuse for tolerating these things. Nor should it be any reason or excuse for allowing those who have lined their pockets and taken advantage all these years to go unpunished.

I only wanted to make the remark because I am quite convinced that fraud and mismanagement are inherent and are causally linked to systems where there is no obvious connection between revenue and expenditure, between the levying of taxes, on the one hand, and the policies being financed with these taxes on the other. In my own country, for example, I know of projects which have been launched with so-called European money which would never have been accepted or requested by the people, if it they had known that their own tax money would be used for them. European money is always spent with less thought than tax money which has not made a detour through Europe. This is done under the motto: if we do not spend this European money, somebody else will. This may sound harsh or even simplistic, but that is how it is.

I have not even mentioned the overlap which exists in a large number of these European credits. National states provide development aid, so does Europe. National states combat racism, so does Europe. National states support the women's movement, so does Europe. National states support the trade unions and parties, so does Europe. National states support all kinds of Third Way movements, so does Europe. And so on and so forth. Manna falls from heaven and nobody knows whether it is all spent wisely, or worse, we know for a fact that a great deal of that money is not spent wisely, but there are no complaints because, in the case of European money, a kind of pro-European goodwill is systematically bought from all kinds of pressure groups.

Returning to today's topic, I would especially like to congratulate the rapporteur, Mrs Stauner, on her report. It is true that the explanatory note to the resolution reads much like a piece of crime fiction. It contains scandals which are now out in the open about waste, nepotism, theft, the Flécharde affair, the ECHO affair and such like, not to mention the direct involvement of Commissioner Cresson. There is no need to keep on about what is stated quite clearly in black and white in this report. I would only like to add that I, as representative of hundreds of thousands of tax payers, am shocked to find that the present Commission too is manoeuvring in all kinds of directions and making all kinds of attempts to protect a number of people responsible for this mismanagement. I think that we need to do some straight talking to the Commission and that we may have to penalise their persistent bad conduct with a new crisis of confidence after 15 May, if necessary by means of a motion of no confidence, because desperate situations call for desperate measures.

2-045

Bonde (EDD). – (DA) Mr President, the Committee on Budgetary Control is doing sterling work under Mrs Theato's, Mrs Van der Laan's, Mr Bösch's and Mr Blak's expert leadership. I should also like to complement Mrs Stauner on a good report. My group will not grant discharge in connection with an account which conceals more than it reveals and has been submitted by a Commission which despises openness, subsidiarity and democracy. How is it different from the Commission which was overturned? Are our rapporteurs now getting complete information and full answers in response to their questions? No. Have administrative procedures been instigated against those who had their hands in the till or covered up for those who had their hands in the till? No. Has Mr Paul van Buitenen been rewarded for his courageous efforts to turn the Commission into a responsible organisation? No. He has moved to Luxembourg and has had to agree to keep quiet. Moreover, any future van Buitens know that they will be fired if they behave as any person of integrity would expect of officials of the Commission. Mr Prodi's Commission is not responsible for the sins of the past, but all 20 Commissioners are now responsible for the fact that procedures have not been cleaned up and put in order and a fresh start made. It is you 20 who are responsible for the fact that the Commission's draft regulation on transparency will cause documents which are at present readily available to be locked away. It is you 20 who are responsible for the fact that we, as Members of Parliament, are still not receiving the information we request. You operate on the principles of absolute monarchy. Come out into the open and acknowledge that it is no longer possible to govern with old-fashioned secrecy. Admit that you will be replaced if you continue to sweep the dirt under the carpet. You will soon have been in office for a year, so we have to observe that you too will be accountable if you fail to meet your responsibilities. And we must apply the same critical standard against ourselves. We ought not to approve Parliament's accounts for as long as we have assistants who do not pay tax and yet obtain social security and for as long as travel expenses not connected to actual costs are refunded.

2-046

Elles (PPE-DE). – Mr President, a few years ago discharges in this House used to be perfunctory debates, certainly not held on Tuesday mornings. But we now have a wider remit to discuss this subject. and over the last few years it has been realised that discharge is a very important part of the life of the European Union. Under Article 276(2), the EC Treaty requires the Commission to submit to Parliament any necessary information on the execution of expenditure and operation of the financial control systems. Article 276(3) of the Treaty requires the Commission to take all appropriate steps to act on Parliament's observations concerning execution of expenditure.

It should not be any surprise to outside observers, or those in the system, that as Parliament has become more authoritative in ensuring the democratic accountability of the institutions, it will not be simply fobbed off with a lack of reply to questions which have been asked, however far they go back into the past.

I congratulate all the rapporteurs on the discharges before the House this morning. I have a few comments on Mr Kuhne's and Mrs Stauner's reports.

Firstly, on the question of the Parliament discharge. There has been significant progress on a number of issues outstanding but it is clear from Mr Kuhne's report today that there are still a number of issues to be clarified: the question of the calls for tender; the issue of the financing plan for buildings; the question of the security service for this House here, and not least the question which is raised under paragraph 15 of the Kuhne report, concerning personnel policy. Here it states and I quote: "deplores most strongly the residual impression left by these cases, whereby it would appear that favouritism plays a significant role in the granting of appointments to high-grade posts within the administration of Parliament".

If we take the context of this report we will see that it has to stand on its own merits. If we add to that the Court of Auditors' report on the operation of the political groups, we have come to the conclusion in our political group that we need to postpone discharge on its own merits. It is not a question of the popping of champagne corks between Brussels and Strasbourg, that is an irrelevance if I might put it politely. It is not a question of parallelism, it is a question of substance.

As for the admissibility of the amendment, I draw to the attention of the services of Parliament and to your attention, Mr President, the fact that Annex V of our Rules of Procedure does not apply to the Parliament discharge but applies to the Commission discharge and therefore our amendments should be considered to be admissible.

Secondly, I turn to Mrs Stauner's excellent report and the explanatory statement. It is a pity Mrs Morgan is not still here in the Chamber, because I understood her to say that you cannot just leave a discharge to systems alone; it is the question of access to information, so that we as a Parliament can grant discharge. You can ask for access to information, but if you do not get it then you have to start applying a certain rigidity and postpone discharge. The explanatory statement very clearly sets out the reasons for so doing.

I come to two points here. The first is access to information. We do not have at this time a framework agreement between Commission and Parliament – that is still outstanding in the context of Annex III. Why? Because Parliament and the Commission cannot agree about what access we have to information. The impression is left that we are foot-dragging, but in fact we are not getting complete answers to the questions put by Mr Bösch and Mr Blak. Parliament is not getting the answers it requires.

Secondly, the question of the disciplinary procedure. It is an arbitrary procedure. It seems that high officials get off and ex-parliamentarians, who are in the Commission services get downgraded for no apparent reason and against the information available. I am thinking of the case of Mr Zavvos in particular.

Therefore we, as a Parliament, should look at each of these cases as it stands. My group will be in favour of postponing discharges both for the Commission and for Parliament until all the information is available to us.

2-047

Bösch (PSE). – (DE) Mr President, ladies and gentlemen, this debate is probably one of the most important matters which this Commission has to negotiate with Parliament at the present time and not just for the reasons which have already been addressed. The fact has been overlooked today that, if memory serves me well, this is the first time the finance ministers of this Union have not unanimously recommended that the Commission be granted discharge. So things are not improving, Commissioner Schreyer; they are obviously going in the opposite direction, which is why we must follow the recommendations proposed by Mrs Stauner in the Committee on Budgetary Control as closely as possible. As far as the information policy is concerned, I am in full agreement with Mr Elles.

We are not holding you responsible for past errors, but I believe that, pragmatically speaking, we are entitled to expect two things of you. Firstly, you must ensure that monies paid in error or, as in the Flécharde case, sums waived in error are recovered. In other words, you must repair the damage to the taxpayer, insofar as it can still be repaired. Secondly, you must ensure that the people responsible for mismanagement and erroneous developments are punished consistently, if necessary by making them compensate for part of the damage caused out of their own pocket. That would represent two innovations at the Commission because, as far as I am aware, officials implicated have never yet had to pay money back into the EU budget. The provisions of the financial regulation on this point do not need to be revised. We need no reforms for the purpose, we merely need to apply these provisions, otherwise they will remain dead letter.

Having said this, you will understand, I think, that we have serious doubts about some of the proposals which you have put before the European public in the much-publicised Commission reform. I need only refer to your plan to do away with independent – I repeat – independent financial control or your plan to delete provisions on the financial liability of authorising officers from the financial regulation.

It is obvious that some people have been living in glass houses in Brussels for a very long time. If any of us goes to our constituency and tells our voters, now that one Commission has had to resign because of fraud and misconduct, that

independent financial control and the liability of officials are to be deleted from the relevant provisions, then, by God, we shall have done Europe a bad turn. Mrs Schreyer, Members of the Commission, use the postponement of discharge for the 1998 budget as an opportunity to show that the new team is strong on management and able to act.

2-048

Van der Laan (ELDR). – (NL) Mr President, the key task of this European Parliament is, and remains, that of restoring European citizens' confidence in the European project. Our most powerful weapon in this regard is the discharge. This is why the Group of the European Liberal, Democrat and Reform Party is in favour of postponing discharge, as suggested, until such time as the Commission has fulfilled our specific condition. In this way, we can keep the pressure on and bring about real reform.

Unfortunately, the Council failed once again this year to follow the good example of Parliament, and discharge for 1998 has been granted as if the matter were quite insignificant. This is particularly regrettable because the national governments are responsible for 80% of European spending and are, as such, responsible for a proportionate share of the irregularities. It is now high time that the Council followed our example and searched its own heart.

There is no doubt that our discharge resolutions are effective. This is borne out by the far-reaching reforms which the Commission has now undertaken. I would like to illustrate this with a recent example. Our pressure has prompted the European Commission to undertake drastic reform in foreign policy. I am keen, therefore, to share with you my initial reaction. The plans for changing the project cycle and transforming the SCR into a European bureau are a positive step forward. But the real political prioritising we need for the purpose of employing our very limited resources is still lacking.

The attention paid to the discharge granted to the European Commission is overwhelming, but I am of the opinion that the discharge granted to the European Parliament deserves just as much, if not more, attention. Within the European Commission, a drastic reform programme has been launched at our insistence. Unfortunately, it has proved impossible so far to take the same drastic steps in this House.

The Kuhne report is Parliament's first report which takes discharge seriously. Not only did Mr Kuhne manage to identify the sensitive areas where all the key points were concerned, he also managed to set fixed deadlines. This is what Parliament will be judged on and he deserves our true appreciation for this work.

Some claim that the European Parliament should be judged by the same stringent measures as the European Commission. I do not share this view. In my opinion, we should raise the standard for ourselves. We are the controlling body. We have the direct link with the citizen. We are primarily responsible for restoring their confidence in the European project. This is why it is not enough to measure up against the non-elected officials within the Commission. We should outstrip them by far. Unfortunately, nothing is further from the truth.

I would like to emphatically lay the blame for Parliament's bad image with those who have always had a majority. The two large parties are responsible for the ethos of nepotism and underhand dealing which permeates this House. But the small parties too which have mismanaged the party funding have once again put our name in a bad light.

The Kuhne report will be an important weapon which can be used by those in favour of reform in this House. But whether it will be adopted at this stage remains to be seen. There is in fact a risk that, if we grant discharge to ourselves whilst not having done so for the Commission, we will then take the edge of this report and this is exactly what we do not want to do. We must think very hard about this so that we can actually restore the citizen's confidence.

2-049

Staes (Verts/ALE). – (NL) Mr President, Commissioners, ladies and gentlemen, do not try to argue that what is wrong is right. That is the attitude we must adopt in this difficult exercise constituted by the annual discharge. Mrs Theato was right in stating that granting discharge is a serious matter. To grant discharge is, when all is said and done, to grant a certificate of good management. I would like to thank all rapporteurs, but also the Committee on Budgetary Control, for all their hard work. The Stauner report, including the explanatory note – which I fully support, by the way – is very critical of the European Commission. The four largest groups have reached a compromise in which it is recommended that discharge be delayed and that the European Commission be given a list of 17 specific questions. I am in favour of this approach and as such, would like to ask you to adopt Mrs Stauner's report without any further ado.

Secondly, I would like to comment on the Kuhne report. I am not trying to argue that what is wrong is right. I wish to make it absolutely clear here that the Kuhne report does not follow this theme. Mr Kuhne has completed an excellent piece of work. His report incisively denounces what is going wrong in our institutions. Mrs Morgan told us a moment ago that we do not want witch-hunts. But Mrs Morgan, this is not happening. What we denounce is stated quite clearly in the courageous report of our financial controller, Mr O'Hannrachain. The complaints are staggering and include a faulty inventory and many thefts. I was a victim of this myself in a previous life when my computer and printer were stolen.

Secondly, there are far too many restricted and private allocations. These should be the exception, but we have noticed that in 1998, 50% of the cases were awarded privately. This is no longer the exception.

Thirdly, I would like to mention buildings policy, a policy in which decisions are taken step-by-step, rather like slicing a salami, and which is made up of faits accomplis. Ladies and gentlemen, we need a long-term building policy, to ensure that policy is not only carried out correctly, but that unnecessary expenditure is also avoided, a case in point being the underground tunnel being built here in Strasbourg which links the printing department in the IPE-I building to the distribution department in our building. The price tag is FFR 27.4 million. This is ludicrous! Mr Kuhne has hit out in the press and also here today at the stance taken by my Group of the Greens/European Free Alliance. He is blaming us for playing a party-political game. Well, Mr Kuhne, I can assure you that this is not the case. What we *are* doing is being consistent in our approach, however. Surely, asking for our offices to be treated in the same way as the Commission is not a political game. Hence our amendment which recommends postponement of discharge for Parliament's budget and which has given the Secretary-General a list of queries which we expect to be answered by 15 May. I am delighted to state that Mr Deprez has adopted the same stance a moment ago. I am delighted to state that Mr Elles has tabled a similar amendment on behalf of the Group of the European People's Party and European Democrats. I therefore hope to receive more support for our amendment which was completely voted down in the Committee on Budgetary Control. I am now counting on a majority in the plenary meeting.

2-050

Caulley (UEN). – (FR) Mr President, ladies and gentlemen, Mrs Stauner's report, which we are discussing today, is important in more than one respect. Indeed, it is of direct concern to the citizens of our respective countries, since it discusses European Union finances, and the citizens of Europe are entitled to ask for explanations regarding the use made of their money.

This report is also important because it deals with serious inefficiencies in the European Commission's implementation of the budget, inefficiencies involving considerable amounts of money.

Our Group is in favour of any action which may be taken to combat fraud, by definition, and therefore shares the rapporteur's opinion regarding the overwhelming need to make the management of the European Commission more efficient and effective.

We are extremely concerned at both the irregularities committed within the scope of the MED and ECHO programmes and at some of the details of the Flécharde case. The Union for a Europe of Nations Group is convinced that such practices can only seriously impair the credibility and, hence, the image of the European Union as a whole.

We should also remember, ladies and gentlemen, that we have been forced to note shortcomings in the procedure for dialogue with the Commission, which seems not to have been able, or not to have wished, to respond to the expectations and questions of the members of the parliamentary supervisory body.

In view of the many contentious issues still pending, whether they involve irregularities or budget funds, our Group considers that, at the moment, it is essential to refuse discharge for the year 1998. All we can do is urge the European Commission to pass on, within the necessary time limits, all the information requested by the Committee on Budgetary Control regarding the measures adopted, in order to overcome the obstacles to the granting of discharge.

For us to grant discharge without asking the European Commission for further details would, of course, be evidence of weakness on the part of the European Parliament. This House would lose face and would discredit itself in the eyes of public opinion in our countries, and that is something we do not want.

Regarding the European Commission's proposal, there could be no question of the Union for a Europe of Nations Group's accepting sharing responsibility for the decision on discharge. The Treaties clearly establish the exclusive competence of Parliament in matters of budgetary control.

2-051

Van Dam (EDD). – (NL) Mr President, the 1998 discharge procedure illustrates once again that the European Union's bad image is not totally unfounded but is actually based on facts. In its 1998 annual report, the Court of Auditors mentioned an unacceptably high error rate and felt compelled, would you believe, to issue a negative Statement of Assurance. As long as the Commission does not commit itself to drastically reducing that error rate from the beginning of next year, we cannot grant discharge to the Commission. The Stauner report deserves every support on this score.

We in Parliament set high standards for the Commission, but do we set them for ourselves too? We are right in insisting that the Commission base its budget on accurate estimates, but how accurate are the estimates for our own budget? Year in year out, many EP budget lines show up enormous surpluses which are subsequently used to purchase buildings by means of a collective transfer. I cannot help thinking that many administrative expenses are intentionally estimated on the generous side in order to have the extra funding for buildings in reserve. These shady tricks must stop at once.

We also need to search our own hearts regarding public tenders. It is unacceptable that the number of privately awarded contracts in 1998 increased to half of all contracts. Why such a steep rise? The Secretary-General has mentioned a few procedural reasons, but is this the full story? A clarification regarding this drastic rise is urgently required.

Rapporteur Kuhne also puts his finger on the problems regarding the financing of the Spinelli building. This is the umpteenth affair involving new buildings. Is it not about time we commissioned an independent inquiry into the decision-making process for building projects?

We can no longer afford to cover the above issues with the cloak of charity. We need to exert parliamentary pressure to bring about the necessary reforms. We will therefore support the amendments to postpone discharge until such time as the Secretary-General has produced concrete plans.

2-052

Pomés Ruiz (PPE-DE). – (ES) Mr President, I welcome the two Commissioners who are most involved in the development of the budget, and I have no doubt that President Prodi will be present at the debate that will take place in two months time.

Beginning with the most important discharge, the discharge of the Commission's accounts – in political terms, the most relevant and, in terms of quantity, the most significant – we are aware that your responsibility in terms of expenses is limited and that a majority of the responsibility in the field of expenses lies with the Member States. It is important that you try to become, firstly, an example for the Member States to follow and that, therefore, you understand that we demand more of you, if possible; and one day we will have to start to talk very seriously about these cases which are always detected in the Council rather than in the Commission.

Furthermore I would like you to look at Mrs Stauner's report from the most positive point of view possible. All the groups have reached an agreement to raise 17 questions in relation to certain cases. They are not the only ones. We could have mentioned other problems arising from the TACIS or PHARE programmes. After the crisis of the previous Commission, which you have begun to deal with, what we want – because we believe in your intentions and we want a strong and independent Commission and we are therefore giving you time – is for you to give us a positive response to certain very specific cases. I can assure you that you will be able to reply in the affirmative to each of the cases which we are putting to you. Therefore, between now and the summer, we could hold a sitting for the purposes of discharging the accounts. Not only are we as interested as you in the discharge of the accounts, but in fact we are more so. I would therefore like you to study the report which has been presented by Mrs Stauner with the broad consensus of the Groups.

This is a political debate, and you must understand that we need you to act. Documents must not disappear. You must do something, irrespective of the fact that I want us to reach an agreement soon on the way we will have to deal with the documents you call confidential. As rapporteur for the 1999 Commission budget, I would love to be able to do my work in the clear knowledge of which documents we have access to and which we do not and why.

I will give you an additional piece of information. This debate must not concentrate excessively on the accounting issues. As you can see in this budget, this is a political debate which goes beyond a strict examination of what you have done with regard to the 1998 budget. It is a general debate. We will also have to reach a framework agreement on how we can include in this debate – which is becoming increasingly important – not only accounting issues but also issues from other years relating to expenditure or management.

You know that an unknown amount of money is lost through fraud or misappropriation. You are facing a great challenge, because even more resources are lost through a lack of motivation, that virus which has infected the entire administration of the Commission and which you must eradicate. More resources are lost through lack of motivation than through misappropriation. This is a quality issue which will also have to be increasingly discussed in the context of this debate.

I will refer finally to the European Parliament's budget, and I would like to reply to those people who say that, since we are supposedly tough and demanding with you, we must also be so with regard to our own institution. Of course we must. However we must not compare separate issues. For example, the auditor has not detected any irregularity in Parliament's budget. We must therefore be prudent and fair and try to treat everyone as they deserve. The same must be demanded of Parliament as of all the others, but this is our House, we have more information and we can therefore take a different approach when it comes to proposing, as the Kuhne report does, a conditional discharge and not a postponement of the discharge.

I will end by saying that you can reply to the 17 questions we have raised. We want you to do so, and we understand that in that way we can support you so that you, who have just joined this Commission, can really control your house. 'Take the bull by the horns' – as we say in Spain – and we will be able to achieve a discharge for this year on the part of the majority of the Groups in this House before the summer.

2-053

Blak (PSE). – (DA) Mr President, the new Commission is not responsible for matters from the past, but it is to be judged on the basis of its willingness to straighten out its affairs. So far, it has not shown much desire to do so. The Commission has put the lid on the issue, and it has been impossible to obtain the necessary information. The Commission maintains that the matters in question do not fall under the 1998 discharge. That is not the case. All these matters surfaced in 1998 and they should therefore, of course, also be dealt with under the 1998 discharge. The Commission has, on the whole, employed many dodges to avoid responding to our questions, and that is completely unacceptable. The Treaty is clear: in accordance with Article 276, Parliament is entitled to obtain all necessary information in connection with the discharge procedure. I should like to give an example. In accordance with general practice, I, as the rapporteur responsible for the subject of development aid, sent the Commission a questionnaire concerning ECHO. It was sent to the Commission in November. Only in March did I receive an answer in which, moreover, I was told to take a running jump. In the meantime, Mrs Fontaine received a letter from Mr Prodi, stating that the Commission was tired of answering all the stupid questions from the Committee on Budgetary Control. Excuse me but, either the man has been out in the sun too long or he must have some incredibly bad advisers. The Commission is obliged to answer our questions, irrespective of whether or not it likes the content of these. Until they understand this, I think we should postpone granting discharge. I hope the Commission will take our demands seriously. If they do not, we shall be ready to send them on a very long holiday in May.

I should like to explain what the ECHO case is about. First and foremost, I should like to emphasise that this is not a smear campaign directed against individuals, but a question of putting matters in order. What signal is being sent out to present and future leaders of the Commission when the people responsible escape indictment? The ECHO scandal has still not led to any repercussions. The case is at present before the Court of Justice in Luxembourg which admits that nothing will probably come of the case and that it will no doubt refer it to the Belgian authorities in a couple of years' time. The problem is that the ECHO case is not about property crime. It is about gross negligence and about an official who has taken decisions without regard to the finance regulation. The decision to exonerate the previous director was taken by the previous Commission, and this was a political decision pure and simple. Now, the Commission has until 15 May to solve the problem. If they do not come up with satisfactory solutions, I shall campaign for our obtaining a parliamentary committee of inquiry which can examine the matter in depth. I also think it is a good idea to look a little more closely at the discharge for the development fund. There are still unresolved demands but, if we postpone granting the discharge, this will be accompanied by clear demands upon the Commission. The Commission's delegations have failed. There are several examples of cases where they could have prevented fraud if they had been just a little observant. Unfortunately, there are too many delegations which are just there for the ride. I have therefore asked permission to prepare an own-initiative report so that we can have these issues clarified. The final thing I want to say is that the Commission should undertake to refer the fraud cases to OLAF. I obtained 11 reports under Pentagon-like conditions, but OLAF still does not know anything about these. I therefore think it is time that these matters were tidied up, and I am pleased that Mr Nielson has now shown that he wants to get this process under way. I look forward to seeing the results.

2-054

Virrankoski (ELDR). – (FI) Mr President, the issue of discharge is an immense one for the institutions of the EU. Its importance is evident in the fact that in many cases it is now being proposed that the discharge should be postponed. As far as the Commission is concerned, this is the fifth year in succession that the Court of Auditors has not delivered an unambiguously favourable verdict. As the Member States, that is to say the Council, has advocated discharge, this is almost a matter of structural conflict. Apparently, the Court of Auditors should specify the shortcomings and incidences of malpractice in more detail and place less trust in mathematics.

Although I say this, in no way does this diminish the Commission's responsibility, which is a great one. The reports concerning discharge show just how badly administrative reforms are needed. Commissioner Kinnock's package of reforms must be pushed through without delay. The main focus is the reform of internal auditing in each of the institutions. Administration and auditing must go hand in hand to preserve a sense of personal responsibility and help it grow. The present system, in which it takes various signatures to authorise payments, does away with the notion of personal responsibility. It is totally impossible to find anyone who will take responsibility. Improving the quality of administration is a basic requirement for a greater sense of responsibility and better efficiency. Increased control is only a reflection of the fact that the organisation has failed.

The main financial difficulties focus on the largest budgetary category, agriculture. This is because agricultural aid is largely based either on land area or the number of livestock, and the Member State in question pays it. This development is largely due to the WTO agreement, which determines the various forms of agricultural aid, their classification and the desired trend it should adopt. The system has led to a tremendous amount of bureaucracy, an enormous increase in monitoring, and, in the long term, we can assume it will also lead to inefficiency and the entrepreneurial spirit of agriculture will vanish forever. At the same time, the European farmers have become the most closely observed section of the population on the Continent, and, for that reason, I am hoping for a lucid clarification of the agricultural aid system at the forthcoming WTO talks.

Mr President, over the last few days we have read in the press that the European Parliament is a haven for thieves. This is both embarrassing and distasteful. We must act in such a way that EU property is treated with the same respect as other

property. In this connection, we must check up on the matter of parliamentary administration. In the EU budget this year there is an appropriation of EUR 300 000 set aside for an investigation into parliamentary administration. According to the budget, this investigation will be given to an independent expert. What has happened to this investigation, why has it not got under way, and what is going to be done about it?

2-055

Nogueira Román (Verts/ALE). – (PT) Mr President, because of problems stemming from large-scale fraud in the production of wine and other types of fraud, we are more aware that EAGGF Guarantee Section appropriations are frequently used to promote the products of large-scale farming operations whose only real aim is to obtain subsidies, without even considering whether there is a market for these products. This applies when small family-run farms, such as those dedicated to producing milk, find themselves outside the subsidy arrangements and find their very survival is threatened.

We therefore feel that the Commission's proposal to amend Regulation No 723/97 and to change the legal basis of the Regulation on preventing fraud and other irregularities from Article 37 to Article 280 of the Treaty, as the rapporteur Mr Casaca proposes, is extremely timely. This will ensure that agricultural expenditure is treated like any other expenditure involving EU resources, and this will strengthen Parliament's power of intervention.

2-056

Langenhagen (PPE-DE). – (DE) Mr President, Commissioner, I was responsible for the research section of the part of the report by my fellow member, Gabriele Stauner, relating to internal policy. I was perfectly aware of its importance. However, what we could not foresee was that, with the vote on the overall report, outbursts very similar to those at the time of the refusal of discharge for 1996 would occur once again. To refer to the corresponding passages on research, I also make a statement on what have deliberately and disparagingly been referred to on occasions as old cases. Old cases are not the same as obsolete cases; they are an outstanding burden which the Commission must finally remove from our shoulders.

The Court of Auditors highlighted a series of shortcomings in the research area in 1998. It complained about the pre-dating of contracts and a high overall error rate in payment audits due to incorrect proof of or information on costs, an error rate for which the Commission is perhaps not 100% responsible, but is at least 90% responsible. There is the old case of visiting scientist B and how his contract came into being. They also include the internal audit report drafted in 1997 on the area of jurisdiction of the former Commissioner for Research, Mrs Cresson. This report disappeared from the filing cabinet at the end of 1999/beginning of 2000. At the same time, there was the so-called European nuclear affair. Who then is going to be surprised that a link between the financial controller's filing cabinet and the roaming plutonium was established at the end of 1999?

We might be satisfied with some of the explanations that the Commission offers for these incidents. Having spoken on many occasions, I am pleased to say, with trustworthy Commission officials, I have the impression that they are ready and willing to make corrections. As are we. But mistakes have been made and the audit was organised as politely as when an auditor visits a company. However, it was the Court of Auditors that carried out the audit, an institution that has no form of personal interest in the matter and it is no good playing down the mistakes. If, nonetheless, the rapporteur takes the view today that these cases have not been solved properly, then I would like to side with her fully and unreservedly, as did the Committee on Budgetary Control with just one vote against.

I call on the Commission to immediately give us satisfactory answers, which stand up in public. Then everyone will have a true picture. Questions can hurt. We asked them because mistrust and criticism have been spreading since the refusal of the 1996 discharge. But what matter are the results which will be presented on 15 May.

2-057

Ferreira (PSE). – (FR) Mr President, representatives of the Commission, ladies and gentlemen, the discharge procedure is a complicated exercise. We have to assess a budget two years after it has been implemented by the Commission, while taking into consideration the budget which is currently being framed, the improvements needed for the implementation of the budget and the practical realisation of the political goals of the European Union.

This already complex situation is further complicated by the peculiar situation we have found ourselves in for almost a year now, to wit, the discrediting of the European Union to a certain extent following the resignation of the Santer Commission last year; a new Commission, in which most of the Commissioners were not members of the Commission which was led to resign; a new Parliament, with many Members facing this discharge procedure for the first time; and reforms or proposed reforms directly concerning European Union finances. I am thinking of the Structural Funds for the things already achieved, and the Financial Regulation for the things already achieved.

This is the context in which we received Mrs Stauner's report, a report which, unfortunately, makes only a limited assessment of the Commission's implementation of the budget for the financial year 1998 against the yardstick of the political goals which the European Union set itself. If it is unthinkable and intolerable for public money to be used for

irregularities and fraud, and if we must both dismantle the mechanisms enabling such abuses to take place and denounce the people involved, then we can also question the methods used to draw up this report.

This report was unacceptable in its initial form because it did not give us the material to form an opinion as to whether or not the budget for 1998 was correctly implemented by the Commission. It has been possible to adopt a compromise, but the fact remains that we find the explanatory statement unsatisfactory, as it does not reflect the new direction of the report, and portrays relations between our institutions as frozen in an attitude of defiance, at a time when we and our fellow citizens are hoping that productive cooperation in the interests of improved cohesion between our States will develop. The content and the arguments presented in other more specific reports provide no more justification for postponement of discharge.

Let me refer, by way of example, to Mr Khanbhai's report, which revealed some problems in the ECSC accounts, including, among other things, the solvency ratio and the transfer of property, although the Commission and the High Authority are currently reducing these problems with a view to the expiry of the ECSC Treaty in 2002. In this specific situation, it would seem that the current discharge procedure would be a perilous exercise. Should this not require giving a more precise framework to the work of Members of Parliament within the Committee on Budgetary Control?

I shall conclude by mentioning the internal reform of the Commission. Among other objectives, the Commission has set itself the task of improving financial control by various means: new structures, responsibilities of authorising officers, and financial controllers within each directorate-general. We must be attentive to ensuring that this reform makes it possible to achieve the set objective and that it requires the various financial operators within the directorates-general to assume real responsibility. It also seems essential that, in combination with the determination to reduce irregularity and fraud effectively, the reform should be able to look into the implementation of our policies within Member States, where one of the problems arising concerns payment deadlines and the inadequacy of some payment appropriations.

2-058

IN THE CHAIR: INGO FRIEDRICH
Vice-President

2-059

McCartin (PPE-DE). – Mr President, this is a useful and very necessary procedure. One problem that I have about it is that there is a natural tendency to concentrate much more on the 4% of the budget that might have been lost, or the 2% that probably was lost, than the 98% of the budget that was properly spent. It is necessary to acknowledge that 98% was properly spent. It is also important to try to correct the situation where things have gone wrong, but in so doing not to exaggerate it in such a way as to create in the European public's mind an image of a European Union that is out of control, that is a sea of corruption and cannot be trusted with taxpayers' money.

There is fraud at every level of government at which I have served – local, national and European and regional. It is always there, but local and national bodies can stand up to criticism better perhaps than this younger institution of the European Union, which is less accepted. While it is important to put things right and to give people confidence, nevertheless it does not help their confidence if we exaggerate the extent to which abuses occur and money is lost.

I thank Mrs Stauner for her report. Some people have criticised it for being a bit too severe. Mrs Stauner is new to the Budget Control Committee, but her statement is a real reflection of the mood and the debate that went on. I do not agree with all of it, of course, but nevertheless it was agreed by a majority. I would not entirely accept the explanatory statement. It is Mrs Stauner's own explanation but it is the motion for resolution that we the Parliament have to decide on.

Another point that I would like to make is that in seeking to bring everybody into accountability, whether they be officials or Members of the Commission, we ought, like Mr Deprez said, to avoid this vendetta between institutions. We ought avoid particularly vendettas between an institution and individual commissioners. We should see this Commission as a college and while the individual commissioners must be held accountable, nevertheless we must take an objective view of what is going on and beware of either European party politics or international politics colouring our judgement.

The last point I will make is that we have not only an obligation to ensure that accounts are better kept and money is better accounted for. We also have an obligation to ensure that when we make regulations they are regulations which can be put into effect. Over the years, I witnessed the making of all the regulations that are creating the problems and my experience in this Parliament was that we wanted to pander to public sentiment. We never sought to ensure that our regulations were enforceable.

2-060

Van Hulten (PSE). – (NL) Mr President, Parliament's refusal last year to grant discharge on the 1996 budgetary year heralded the fall of the Santer Commission. Parliament employed its powers in a sound manner under special circumstances. A college of Commissioners, which has since been appointed, has presented an ambitious reform programme. Last year's opposition from the Commission to Parliament has now developed into good working relations.

Needless to say, Parliament needs to keep a critical eye on the Commission. It is unseemly, however, to deploy the discharge procedure as a weapon in a party-politically motivated battle and, what is more, it undermines Parliament's influence in the long run. Mrs Stauner's motion for a resolution, which was before us initially was, in this respect, unbalanced. It over-simplified the issue and its sole aim appeared to be to malign the new Commission. Her motion for a resolution contained damning accusations regarding the Commission which, as it happens, did not even relate to the 1998 budget year. Meanwhile, the motion for a resolution has been amended drastically and the suggestion was made to postpone the discharge decision. The Commission is being given the opportunity of responding to a number of urgent questions raised and requests made by Parliament before 15 May.

I would like to single out one point from among these questions and requests. Over the past year, it has become clear that the Commission's disciplinary procedure does not function properly. In countless cases, no action was taken or if it was, it did not lead to any result. The procedure needs to be completely overhauled. The Commission has made suggestions to this effect in its White Paper. However, these suggestions do not go far enough. The Committee of Independent Experts has recommended the appointment of an independent outsider, preferably in the role of chairman of the Disciplinary Committee. Parliament supported this proposal in January and does so once again by means of this motion for a resolution. I would ask the Commission to reconsider its position.

The European Parliament's financial situation has been the subject of extensive media coverage over the past few weeks. Mr Kuhne has drawn up a report on this subject, on which I would like to warmly congratulate him. He did not let himself be talked into adjusting his well-balanced approach in the face of sometimes heated publications. The Kuhne report proposes granting Parliament discharge, provided a number of well-defined requirements are met. For example, the offices of Parliament are expected, from now on, to offer, in the majority of cases, contracts for tender which are public in nature.

In addition, Parliament needs to indicate when the reform process which is being launched within the Commission will start taking effect in Parliament. One of the key proposals is to separate the audit and financial control functions. The Commission has already indicated that it will submit proposals to this effect before the summer. I am of the opinion that such separation should also take place within Parliament. An independent parliamentary audit office needs to be set up as soon as possible whose task is to ensure the effectiveness of public spending by Parliament. Such an office should make annual – and if necessary, more frequent – recommendations regarding the working method of Parliament's offices. Only when Parliament has its own financial housekeeping in order will it gain credibility when it comes to assessing and sometimes condemning the Commission and Member States.

2-061

Bourlanges (PPE-DE). – (FR) Mr President, as the Commission is well aware, I am not accustomed to being an easy-going, meek or lenient speaker when it comes to the Commission in its role as executive. I am therefore all the more at home today in expressing the concerns I have due to the discharge procedure which is being carried out.

I do not wish to challenge the compromise which appears in the resolution negotiated between the political groups and the rapporteur. This compromise has three distinct advantages over the rapporteur's initial draft. Firstly, it no longer uses the vehement and aggressive tone of the initial draft report, a tone which I do not find, as I might say in the style of Kenneth Starr, worthy of this House, being rather more suited to the tabloid press, and one which should not in any case be used to characterise relations between a responsible institution, such as our own, and a Commission in which we expressed our confidence but a few months ago. In this respect, the report has been improved.

Secondly, this report ceases to indulge in the unjustified implication of officials who may have taken more or less appropriate decisions but who do not in any way deserve to be exposed to public condemnation and pilloried in a procedure which is not subject to judicial process.

Thirdly, this report asks the Commission questions which it can answer within reasonable time limits, enabling us to vote upon discharge within the time limits stipulated by the Treaty. These are the three positive features.

There are, however, three forms of sidelong shift which give me pause. The first is that we are forgetting what the discharge procedure consists of. We must remember that discharge involves, and must only involve, accepting the financial statements for the year and ensuring that expenditure is in order, and does not involve digging out again and again the skeletons which have been hidden away for years in the cupboards of the various institutions. It is paradoxical, and even unfair, that the report in question makes so little mention of the financial year 1998.

The second shift in emphasis involves the failure to make it clear that the explanatory statement is distinct from the report. On the one hand, we have a dispassionate and objective report, undoubtedly insistent, but legitimately so, and on the other hand, we have an explanatory statement which, even though it represents only the opinion of the rapporteur, nonetheless is a godsend to the press. How many journalists are aware that the resolution represents the opinion of the House but that the explanatory statement represents only the opinion of the rapporteur? This gives us grounds for concern.

The third and final anomaly is the gap between Parliament's handling of its own problems and Parliament's handling of other people's problems. We cannot adopt a sliding scale for measuring correct behaviour, and we are taking a major political risk if we are more indulgent towards ourselves than towards others.

Mr President, thank you for letting me conclude. I should just like to mention the maxim that the police always catch serial killers as soon as they step up the rate of their killing. We brought the Commission down a year ago, and we had better not give in to our homicidal impulses again.

(Applause)

2-062

President. – Mr Bourlanges, you have spoken rather longer than the time allocated to you, but you are such a committed fighter, there is no stopping you!

(Laughter)

2-063

McAvan (PSE). – Mr President, I shall focus on only one point: access to information. Many of my colleagues have raised this issue this morning. We need better access in order to move forward. In my committee, the Committee on Industry, External Trade, Research and Energy, we are determined to take our responsibilities as MEPs very seriously indeed. We have asked Members of Parliament to volunteer to follow budget lines. These Members of Parliament are now approaching Commission services to talk to the officials responsible for those budget lines. We are having problems and we are having problems in finding out who is the right person; the people we talk to are not clear what their responsibility is, what information they should be giving us. Some services cooperate very well; some are setting up briefing meetings for Members of Parliament – but others are not.

What we need from the Commission is a new system. We need a better reporting mechanism to parliamentary committees, to the spending committees, so that we know what information it is going to give us. A start would be a list of who is responsible for what in which budget lines of each committee. Only in this way can we do what we are supposed to do, and restore the public confidence that Mrs Schreyer spoke about this morning. We need to know that money is being spent properly. If we have that confidence we can pass that message on to the public in Europe.

My colleague, Mrs Morgan, spoke earlier about the need to overhaul the whole discharge procedure. That is right. For too long discharge was seen as something bureaucratic and rather unnecessary – something to get out of the way very quickly. Now we have to move away from that, we have to overhaul it, and I hope proper reporting mechanisms to committees will be part of that overhaul.

2-064

Pronk (PPE-DE). – *(NL)* Mr President, I am speaking here especially in the capacity of rapporteur of the Committee on Employment and Social Affairs. First of all, I would like to extend warm thanks to the rapporteur for her report. I am delighted that we now have a broad-based compromise on the issue of discharge which enables the Commission to make progress and to solve a number of problems which have cropped up recently.

I would also like to comment on a few points which are included in the report of the Committee on Employment and Social Affairs. Firstly, we share the Court of Auditors' criticism regarding the inadequate measurability of the effects upon employment of the structural fund measures. I would ask the Commission to pay more attention to this aspect. We have, slowly but surely, made tremendous progress in this field, but this does not seem to be evident from the way we are dealing with the funds.

Secondly, I would like to mention the issue of financing. There have been problems recently regarding the payment credits of the Social Fund, in particular. Unfortunately, these problems have not been solved. This merits further attention too.

Finally, I would like to mention the problem surrounding the Leonardo programme. You will be aware that the Leonardo programme has played an extremely important role in the events which have led to the previous Commission resigning from office. Nevertheless, we wish to underline that this association needs to be brought to a definite close, and it is also important that sufficient consideration be given to the lessons we have learnt in the field of BAT. These are the key points which I would like to highlight here. The Committee on Budgetary Control has naturally been unable to adopt all these points in their entirety. This would not have been appropriate either, but I would like to take this opportunity to add these specific points to the list which is, in fact, already before you.

2-065

Sakellariou (PSE). – *(DE)* Mr President, ladies and gentlemen, we discussed Mrs Stauner's report in the Committee on Foreign Affairs, Human Rights, Common Security and Defence Policy on the basis of an opinion by Mr Thielemans and reached a number of unanimous conclusions containing a different political evaluation of the 1998 discharge on which I have three comments to make:

First, we take the view that we must learn lessons from past cases and, of course, clear up every single case for which we have new, additional proof. Nonetheless, we want to give the Commission instructions which look to the future, not instructions to deal with a past for which it is not even responsible.

Secondly, we passed punishable offences to the courts in a one-off show of strength during the last parliamentary term. We ensured that OLAF had the structure and facilities needed to pursue any suspicions or irregularities. We want, in the final analysis, to place our trust in the courts, OLAF and the disciplinary measures and decisions taken and to work together with President Prodi's new Commission on a basis of trust and on the basis precisely of the relevant new rules and obligations introduced.

Thirdly, this includes, as Mr Bourlanges explained earlier, acknowledging and accepting results such as the disciplinary proceedings carried out in the ECHO case, even if Mr Blak wants to fight this tooth and nail, as he said earlier. But every Member must, in the end, understand that, as Members of the European Parliament, we have to carry out our control duties as accurately as possible, but that we are neither detectives nor public prosecutors, let alone black angels of vengeance.

Demanding a new audit, without submitting any proof or evidence, is hardly going to enhance the credibility of our Parliament.

2-066

Heaton-Harris (PPE-DE). – Mr President, I welcome all the reports on the discharge procedures, especially Mrs Stauner's report. Before I make my initial comments, I just wish to welcome what Mrs McAvan said about access to information from the Commission. I have found it remarkably difficult to get important documents and information from it on a number of occasions, especially for various budget lines relating to culture. It would be very useful if the Commission were to release more information to us and give us the reports we ask for.

I welcome Mrs Stauner's report for a number of reasons. One because, as we are dealing with 1998, we should be looking at the past and trying to find answers to the questions we have raised about Fléchar, ECHO and the MED problems. These are all relevant nowadays because we must learn the lessons from them. Any new proof that arises from these cases must be investigated. These investigations must be very rigorous and must be reported back to us. OLAF must use its teeth.

The three cases I have mentioned are also quite important because they reflect remarkably on four current Commissioners. All four of them must look carefully at their past, come clean and show this new Commission where reform is needed. I hope that Commissioner Kinnock listens to this debate and will reflect upon. There are lessons to be learned and many questions to be answered and he is the man in charge of getting these questions answered for us now.

I also wish to make a couple of points on the Kuhne report on Parliament's own budget discharge. We regularly cast stones at the Commission, but when it comes to looking at our own finances sometimes we are a bit slow on the uptake. Although we have recommended discharge for our own budget this time, there are a number of points in the discharge report we should look at, especially the inventory services and the new system. I welcome the fact that the Kuhne report has called for a report on the new inventory system for Parliament.

I hope the Commission takes the time to look at this debate seriously. This Parliament is very serious in the way it discharges various budgets. I agree with Mrs Morgan that maybe we need to reflect on how we discharge budgets in the future. However, for now, the Commission has a number of questions to answer and I hope it will start right now.

2-067

Schreyer, Commission. – (DE) Mr President, ladies and gentlemen, this is the second time I have spoken today and I should like to thank you for the highly constructive atmosphere in which this extremely detailed debate is being conducted. Because of the time available, I cannot, of course, comment on every intervention; however, I shall try to summarise the various points.

The question of access to information in order to be able to carry out the discharge procedure with the required degree of seriousness and with the documents which you need for the discharge process was central to various interventions.

I should like to point out once again in this context that the Commission has passed all the confidential reports requested to the rapporteur, or rather to the Committee on Budgetary Control. I must simply therefore ask, if we are being accused of withholding something, that you specify what has been withheld, because it is only on this basis that we can clear up misunderstandings or give you more information and this should not fail because of the Commission. There is in fact a contentious issue, which also needs to be regulated for the procedure for the future, and that is the question of the minutes of disciplinary proceedings or administrative investigations. This question has again been left out of the agreement on the grounds of valuable personal interests and I should like to point out that specific regulations also apply to Parliament in disciplinary proceedings.

I should also like to comment on Mr Blak's question on the questionnaires. There has been a specific procedure for questionnaires in the past. The committee has now changed this, albeit informally. This resulted in the Commission's confusion as to whether or not the questionnaire drafted by Mr Blak, but not confirmed by the committee, was an official questionnaire. The Commission then said that it would, of course, reply to the questionnaire, despite the fact that this point was not clarified. That again shows that it really does make sense here to lay down clear procedural rules. The Commission is really not interested in such misunderstandings or discussions; let us lay down clear procedures here so that our cooperation is complete and satisfies all concerned.

I should like to pick up on a point made by the chairman of the Committee on Budgetary Control because the question of why the list of old cases was not passed on was asked. I can only say in this context that the procedure changed with the legal basis for OLAF. The legal basis for OLAF clearly states that the director of OLAF is responsible for information on investigations or the results of investigations. I think we need to discuss this at some point together with the Committee on Budgetary Control and the director of OLAF because the Commission no longer has jurisdiction here. It has no more information than you do, on which investigations are at what stage. We have to discuss this with the director of OLAF. I shall, of course, pass on any requests but I cannot give you any information in lieu of the director of OLAF in this respect.

Another important point is the question of disciplinary procedure and I should like to comment on this. The Commission explained to Mr Van Hulst in its White Paper that it would reform this disciplinary procedure as it now stands. Nonetheless, our reform must remain within the bounds of the European Treaty. But what we can do is become involved in disciplinary procedures externally in order to make it clear that this is not some sort of closed shop but a regulated procedure conducted objectively in order to examine accusations.

A multitude of points were made but I should like to comment on the question of the discharge procedure. Mrs Morgan, I should like to thank you for your proposals concerning clarification of the discharge procedure, together with Mr Bourlanges, who referred to it in his point on the question of the interpretation of the current Treaty.

Mr Bösch, you made the comment that the Council did not unanimously recommend discharge for the Commission this year. In fact, it was the Netherlands which failed to carry the decision on the grounds that the Commission should draw up a clear timetable. Mr Mulder, you also returned to this point. I think we should discuss this at some point – including in the Committee on Budgetary Control – because although the procedure in the Netherlands is of course different, there are valuable points which we could perhaps adopt for the procedure in relation to the European budget.

Now to the question of reform and financial control, which was also raised in several comments, criticisms and demands. The Commission made it perfectly clear in its White Paper that one of the most important points was to reform financial control. Even if one of the suggestions made in it was that previously centralised, ex-ante financial control would be changed, abolished and decentralised, Mr Bösch, it also includes a suggestion which is stressed time and again by the independent experts and the Court of Auditors. It is not a question of reducing control but of making it more efficient. I firmly believe that this can only be done by making every official who handles European money responsible for ensuring that money is disbursed efficiently and correctly. No one must be able to hide behind centralised financial control.

The Commission has also decided to set up a separate, internal ex-post audit service and I think that this will again demonstrate that the Commission takes the subject of improved financial control extremely seriously.

It has been clearly stated that the objective must be to reduce the error rate and I can only agree with this. But obviously I cannot reduce the error rates for the 1998 or 1999 budgets in retrospect. On the contrary, the objective is to take clear steps to achieve a better result in the future. That is the purpose of the action plan submitted by the Commission.

I should like in this respect to come back to what you said, Mr Pomés Ruiz, i.e. that the Commission should perhaps tell the committee which confidential reports it has submitted for the discharge procedure. I would be glad to comply with this request because I think it too helps clarify matters.

Mrs Langenhagen used her intervention to criticise the independent financial controller of the Union in connection with a report on the research centre in Geel. However, I should like to point out that to say that the financial controller is responsible for the plutonium incident in Geel is unfounded because she exercises no atomic supervision or any other type of supervision in Geel. But I have of course taken note of this accusation and have already started an administrative investigation in order to ascertain if there was a duty to provide information about the discussion of the report with the research centre and to pass the report on to the European Court of Auditors.

Mrs Ferreira, allow me to congratulate you on your first speech in Parliament and to thank you for your call for cooperation for the benefit of European politics.

I should like to end by saying that I do not see any confrontation in the postponement of the discharge; what I do see is that the European Parliament has exercised its right to demand information, set conditions and call on the Commission to take action, as it is entitled to do. I also see in the demands in the resolution support on the road towards a renewal of European politics and, in this respect, I really can promise you that we shall examine every point of this resolution very carefully and take it very seriously and we shall give you our reply on the information demanded and the steps taken without delay.

(Applause)

2-068

President. – Thank you, Commissioner.

The debate is closed.

The vote will take place on Thursday at 11.30 a.m.

(The sitting was suspended at 11.45 a.m. and resumed at 12 noon)

2-069

IN THE CHAIR: MR DAVID MARTIN
Vice-President

2-070

Vote

2-071

Request for consultation of the Economic and Social Committee on complementary health insurance pursuant to Rule 52 of the Rules of Procedure

(Parliament approved the request)

Recommendation for second reading (A5-0080/2000) by Mrs Kauppi, on behalf of the Committee on Economic and Monetary Affairs, on the Council common position for adopting a European Parliament and Council directive on the taking up, the pursuit and the prudential supervision of the business of electronic money institutions (12004/2/1999 – C5-0306/1999 – 1998/0252(COD)) and on the Council common position for adopting a European Parliament and Council directive amending Directive 77/780/EEC on the coordination of laws, regulations and administrative provisions relating to the taking up and pursuit of the business of credit institutions (12005/1/1999 – C5-0307/1999 – 1998/0253(COD))

Before the vote:

2-072

Bolkestein, Commission. – Following the debate that took place last night, and repeating the arguments which I put forward yesterday, I would sum up the Commission's position as follows. The first two amendments deal with redeemability at par value. The Commission's opinion is that this introduces unnecessary legal uncertainty into the text. That is why the Commission cannot see its way to agreeing to the first two amendments.

Amendments Nos 3 and 4 propose to limit substantially the circumstances in which Member States may waive some or all of the provisions of the directive to certain limited electronic money schemes. As I said yesterday, if there are legitimate concerns they can be dealt with at the review of the whole procedure within the next few years. Therefore, the Commission cannot accept Amendments Nos 3 and 4.

On Amendment No 5, the last amendment, although the Commission itself would take a less negative view of that amendment than it takes of the first four amendments, it still is of the opinion that it would be better to reject all five amendments and to leave the proposal as it is.

2-073

(The President declared the first common position approved as amended and the second common position approved)

Recommendation for second reading (A5-0084/2000) by Mr Staes, on behalf of the Committee on the Environment, Public Health and Consumer Policy on the common position of the Council with a view to the adoption of a European Parliament and Council directive amending Directive 95/53/EEC fixing the principles governing the organisation of official inspections in the field of animal nutrition (10804/1/1999 – C5-0273/1999 – 1998/0301(COD))

Before the vote:

2-074

Bolkestein, Commission. – On behalf of the Commission, and in particular, on behalf of my colleague Mr Byrne, let me say that the Commission sees its way to accepting all the amendments that have been proposed by Parliament. I need not add anything further since Parliament, I am sure, will welcome this.

(Applause)

2-075

(The President declared the common position approved as amended)

Report (A5-0072/2000) by Mr Lannoye, on behalf of the Committee on the Environment, Public Health and Consumer Policy, on the proposal for a European Parliament and Council directive amending Directive 95/2/EC on food additives other than colours and sweeteners (COM(1999) 329 – C5-0068/1999 – 1999/0158(COD))

(Parliament adopted the legislative resolution)

Report (A5-0090/2000) by Mr Kirkhope on behalf of the Committee on Citizens' Freedoms and Rights, Justice and Home Affairs, on the initiative of the Republic of Austria with a view to adopting a Council Decision to combat child pornography on the Internet (10317/1999 – C5-0318/1999 – 1999/0822(CNS))

Before the final vote:

2-076

Schreyer, Commission. – (DE) Ladies and gentlemen, the Commission supports all the proposed amendments adopted.

(Applause)

2-077

(Parliament adopted the legislative resolution)

Report (A5-0091/2000) by Mr Frahm, on behalf of the Committee on Citizens' Freedoms and Rights, Justice and Home Affairs, on the proposal for a Council decision creating a European Refugee Fund (COM(1999) 686 – C5-0120/2000 – 1999/0274(CNS))

Before the vote on the amendments:

2-078

Oostlander (PPE-DE). – (NL) Mr President, the European People's Party would like a separate vote on Amendment No 19. As such, we would like to propose a split vote.

2-079

President. – I am sorry but it is too late. The request was not submitted in time. It has to be made the evening before the votes. The Rules are very clear.

I should explain to the House that the reason we do this is so that all the groups can prepare their voting slips and so that there is no confusion during the votes. If we start breaking that rule then it just creates chaos during the votes.

2-080

(Parliament adopted the legislative resolution)

EXPLANATIONS OF VOTES

2-081

- Staes report (A5-0084/2000):

2-082

Caudron (PSE), in writing. – (FR) The proposal before us today aims to amend Directive 95/53/EC in order to provide a legal instrument more appropriate to the requirements of inspections in the field of animal nutrition.

Following the dioxin crisis in May 1999, it was apparent that it was necessary to adapt this legislation. At that time the Commission announced a legislative programme with a view to improving food safety regulations. The programme was adopted by the Council and by the European Parliament, and included a revision of Directive 95/53/EC.

At the time, several problems had been identified. Mismanagement of the crisis, particularly the poor coordination between the various authorities involved, became apparent and was noted in the course of the Commission inspection. There were delays in transmitting the information on dioxin contamination to the Commission, and measures taken at national level were inadequate.

In order to offset these omissions, the proposal aims to stipulate that Commission and Member State experts should have the possibility of carrying out inspections not only within the Community but also in third countries, particularly following the emergence of a phenomenon likely to have an adverse effect on the fitness for consumption of animal feeding stuffs marketed within the Community; that a safeguard procedure should be set up and that the Commission should have the opportunity, if necessary, to assign Community experts to the site in order to check whether Community regulations are being observed and to take any appropriate measures necessary; that the Commission should be responsible for adopting specific coordinated inspection programmes, in addition to the general programmes already stipulated by Directive 95/53/EC, in the event of unexpected contamination which may represent an imminent and serious risk to human and animal health.

The common position did not adopt the European Commission's right to take safeguard measures appropriate to the context of animal nutrition in the event of an emergency. Obviously, this is extremely reprehensible and even irresponsible! This is why the rapporteur proposes reintroducing this clause, and I am pleased to see it because without this clause there is no guarantee of consumer protection in food crisis situations.

2-083

- Lannoye report (A5-0072/2000):

2-084

Caudron (PSE), in writing. – (FR) I would like to congratulate the rapporteur on his work on the proposal for the directive amending Directive 95/2/EC. This directive authorises the use of a number of new food additives which are currently banned but which have been assessed recently by the Scientific Committee for Food (SCF) and deemed fit for human consumption.

The report clearly expresses consumer concerns in the face of the flood of additives, of chemicals, into our daily diet. Indeed, our diet has changed radically under the influence of lifestyle changes and the contributions of new technologies. The time devoted to preparing meals has been reduced considerably. This often leads us to eat ready-made meals, which are practical but which do not really suit our tastes or fulfil our vitamin and mineral requirements. The fact is, the industrial foodstuffs which wind up on our plates have often undergone intense processing leading to the loss of flavour, texture and colour. In order to overcome these disadvantages, the chemists of the agri-foodstuffs industry add artificial flavourings, flavour enhancers, firming agents, colorants, etc. What is more, with food distribution chains becoming ever longer, it becomes unavoidable to have recourse to preservatives and oxidation inhibitors.

This cannot fail to give rise to concerns on the part of consumers who, following recent food crises, are increasingly anxious to know just exactly what they have in their plates! In response to these concerns, the European Union has endowed itself with a particularly complex arsenal of legislation which is supposed to eliminate any risk to the consumer. So, in order to justify the inclusion of an additive in a foodstuff, there are three criteria which must be fulfilled, though there is still rather a wide margin for interpretation. The technological need for the additive to be approved, for example, is obviously determined by the industry itself, which argues primarily in terms of reducing production costs and winning markets. At the moment, this criterion is the weightiest consideration. Usefulness for the consumer is a particularly vague concept. Does the consumer really wish to eat a fruit or vegetable which has remained in his fridge for a month without changing in appearance? Finally, there is the criterion of harmlessness. Before any substance may be authorised for use as a food additive, it must, in principle, be subjected to toxicological assessment. Normally a great many tests are carried out on laboratory animals in order to determine whether the substance is harmless, and at what dosage it may be safely consumed.

There are still loopholes! On the one hand, the human being does not always react in the same way that animals do, so extrapolating from the results of tests on animals to human experience is always problematic. On the other hand, these experiments assess the effect of each substance taken in isolation. Our diet, however, often contains a cocktail of different substances whose combined effect is rarely identified! The precautionary principle must be used with the utmost rigour in matters of foodstuffs! The Commission's proposal has not taken adequate account of this principle! We therefore await Commission proposals for provisions that are directed more at improving consumer protection but also at promoting quality foodstuffs!

2-085

- Kirkhope report (A5-0090/2000):

2-086

Blak and Lund (PSE), in writing. – (DA) The Danish Social Democratic Members of the European Parliament have chosen to vote in favour of the report and fully and wholeheartedly support the initiatives being taken where this is concerned. The Internet has created an entirely new situation where the duplication, sale and distribution of child pornography is concerned. The Internet operates across national borders. It is not, therefore, possible for an individual State effectively to contain the spread of child pornography. Initiatives such as this, in which cooperation between States is increased in the common struggle against the spread of child pornography, is absolutely necessary.

2-087

Caudron (PSE), in writing. – (FR) As I stated during the previous part-session, in our debate on child sex tourism, there is nothing that arouses more horror and disgust than the sexual exploitation of children, and we have to admit that the Internet facilitates such 'practices' by enabling all manner of perverts to consult illegal sites anonymously.

Having made this extremely alarming observation, it is essential to consider the means of combating this phenomenon in order to protect our children. I must, in addition, congratulate the Committee on Citizens' Freedoms and Rights, Justice and Home Affairs on its work, which produced some very interesting proposals. One suggestion it makes is that every European Union Member State should make special police units responsible for monitoring the Internet, looking for pornographic material involving children. If we wish to take effective action against child pornography on the Internet, it is not enough to simply react to crimes which have already been discovered. In addition, the report sets the cut-off age at 16 for the definition of what must be considered to be child pornography.

I further support the rapporteur in insisting that the Council decision should be more binding and that the proposed measures should not be left to the discretion of the Member States.

In the same way, the idea of the 'offence of child pornography' must be seen as quite comprehensive! There was a proposal to add that 'the production, sale and distribution or other forms of trafficking in child pornography material and the possession of such material is punishable', but 'possession shall be punishable only where it is the result of an intentional or deliberate act or, if it is not, where possession is deliberately retained.' Without this qualification, users 'surfing' the Internet and inadvertently accessing a site displaying child pornography would also be punishable. Productions which, although they do not actually feature children, may suggest or intend to suggest that children are involved are also covered by the definition of offence. Users of child pornography must be punished severely to serve as examples.

In addition, it is very important to organise better cooperation between Member States police forces through Europol.

The European Parliament must make bold proposals and must remain very vigilant. We must utilise all the preventative and restrictive means possible to combat such phenomena. This proposal is a step in this direction and I can therefore only give it my support.

2-088

Darras (PSE), in writing. – (FR) This Council initiative is essential because it is not possible to allow childhood and naivety to be exploited for degrading commercial purposes, in denial of all humane values. It is of the utmost importance to prevent such violations of the rights of individuals and the rights of children and not to confine ourselves to merely reacting. I share the opinion of our rapporteur and the Committee on Citizens' Freedoms and Rights, Justice and Home Affairs, that the Council proposal should be made more binding. The definition of offences of child pornography must also be stricter, and I find the definition given by the parliamentary committee perfectly appropriate, 'the production, sale and distribution or other forms of trafficking in child pornography material and the possession of such material is punishable' with the proviso that 'possession shall be punishable only where it is the result of an intentional or deliberate act'.

We need all citizens to be involved and to be vigilant, not just police forces through Europol, and public authorities, but also Internet users and the economic network producers, in order to be able to identify the people who use these electronic messages. There is too much at stake for us to fail to call for the mobilisation of the general population against this danger, and that is why I am compelled to vote in favour of this report.

2-089

Malmström, Paulsen and Olle Schmidt (ELDR), in writing. – (SV) Regarding Amendments Nos 22-28, which are the subjects of a joint vote, we would state the following. We regard the problem of child pornography with the utmost seriousness, whether it be on the Internet or in other media, and we obviously share the view that both the Member States and the Applicant States should do everything in their power to combat child pornography. In the same way, it is important that joint, effective measures should be taken and that the European Parliament should be kept informed of how this work is progressing.

For the same reasons that we have a negative attitude to the proposals to establish special registers of convicted sex offenders (Amendments Nos 21, 30 and 32), we do not consider Amendment No 24 to be politically desirable. Even if it were technically possible, registering the identities of everyone allocated e-mail addresses would constitute too far-reaching a curtailment of personal privacy, as well as risk discouraging such lawful use of the Internet as is much to be desired.

2-090

Montfort (UEN), in writing. – (FR) The twenty-first century is the century of communications. Paradoxically, it has become more usual to contact friends or colleagues on the other side of the world than to chat with one's next-door neighbours. Within the vast Internet market there are some people who have found ways to make easy money from exploiting human poverty. Amoral producers and distributors of material have decided to respond to the deviant urges of some individuals by disseminating pornographic documents involving children over the Internet.

No one gets upset at finding large numbers of prostitutes in the streets around this building or at seeing them on display in the windows of Brussels, no one protests when newsagents sell, albeit on the top shelves, magazines flaunting the worst deviations, including paedophilia. And yet this House is indignant today at child pornography as if it were not all part of the continuum. Once again this damage is caused by permissiveness, which, while it may satisfy the mania of some, remains a source of unhappiness for many others. The police and judicial authorities of our respective States must therefore receive adequate resources to combat this plague which affects the most vulnerable of us. In this area which is cross-border in nature, it may be useful for the European Union to make its own contribution.

While the combat must involve international cooperation, however, it is also essential to fight on a day-to-day basis by preventing all these practices becoming commonplace. Some people will retort, as they often do, that it has always existed and will always exist. What a fatalistic comment, and what resignation, what contempt for the human condition! I am delighted to see that our institutions are today becoming aware of the tragic fate experienced by thousands of children throughout the world, including our own countries, and are deciding to find a solution to it.

I am however afraid that the usual double standards may make these measures meaningless, for how credible are policies which would restrict the fight for human dignity to some parties and leave out others? Obviously we need to offer children special protection, but in a society which has lost its points of reference, whatever they may be, and which leaves life's victims by the wayside in the name of individual freedom, it is our duty to fight to ensure that everyone, man, woman and child, is enabled to live in dignity.

I hope, without too much confidence, that the day will come when our main concern will once again be for the public good, responding to the highest aspirations rather than to the lowest temptations.

2-091

- Frahm report (A5-0091/2000):

2-092

Laguiller (GUE/NGL). – (FR) Mr President, creating this European Refugee Fund is the very least that could be done to face up to the reception of refugees and forcibly displaced persons likely to enter European Union territory. We are therefore voting in favour of creating the Fund, although it is clearly inadequate to ensure the decent reception of refugees and it is, above all, an alibi for lack of action.

Let us just mention the unspeakable attitude of the countries of Europe, particularly those responsible for the bombing raids on Serbia and Kosovo, with regard to the refugees forced into exile, many of them precisely because of these bombing campaigns. Refugees which wealthy Europe has abandoned, in the most part, to the care of neighbouring countries in the region, which have still not recovered.

We also deplore the fact that the States of the European Union are making the allocation of refugee status ever more restrictive and more arbitrary. We deplore the fact that great numbers of women and men fleeing from oppression are being refused this status and are being made stateless persons under permanent threat of being returned to their country of origin with the risks, often serious risks, that that involves.

2-093

Berthu (UEN), in writing. – (FR) The creation of a European Fund for refugees, which the European Parliament has just adopted, despite the Union for a Europe of Nations Group's voting against it, provides a fine example of these hypocritical proposals which will solve nothing at grass-roots level and will serve only to make the situation worse by transferring costly and unsupervised jurisdiction to Europe.

As I explained in my speech yesterday, this fund is not specifically intended to handle infrequent, exceptional and tragic instances of influxes of refugees originating from crisis-stricken countries, but to handle the day-to-day distribution of appropriations for the management of the usual flow of refugees of all kinds towards the most developed countries.

But what additional contribution is this Fund going to make exactly, in comparison with the present situation? As in the case of the structural funds, the citizens will be led to believe that Europe is handing out heaven-sent money in order to assist them in managing refugees. This money is not really heaven-sent, of course, it is taken away from those self-same citizens without their being aware of it. Europe is thus creating a good reputation for itself on the cheap.

It is always the same process: some pitiful situation is selected (the plight of the refugees, in this instance) in order to appeal not to rational argument but to people's sympathy. We are given the explanation that Europe will bring about the synergy that will solve the problem at minimum expense and, as proof, we are told that the new Fund will be a lightweight body, allocated only limited appropriations. Over the coming years, however, it will be noted that the competences transferred to Brussels are executed with little discipline, as they are too far removed from the citizens, that the Fund has made the States less responsible, that therefore more money is needed, that European inspectors are also needed in order to supervise the use of appropriations, and that an entire European administration is needed to manage what will have become an uncontrollable monster.

We have just witnessed live the birth of a new sideways shift in Europe, one which will be extremely costly for everyone, and whose only effect will be to make the States mere onlookers and, what is more, it will achieve this using their own money.

2-094

Caudron (PSE), in writing. – (FR) At the end of 1998, the Commission proposed a Community action programme with a view to promoting the integration of refugees within the Union. Following our opinion and the response of the Council, the Commission replaced this project with a proposal to create a European Refugee Fund, initially for a period of five years (2000-2004) and I must say that I am delighted with it!

In putting forward a multiannual plan with a wider sphere of activity, the Commission is acting in compliance with the Treaty of Amsterdam in undertaking long-term actions in favour of refugees and displaced persons and responding to the requirements expressed by the European Council in Tampere in October 1999 regarding the creation of an instrument appropriate for emergency situations.

This represents a clear improvement on prevalent practice to date.

The Fund is to establish a financial redistribution system in order to balance out the financial expenses incurred by Member States in receiving refugees and to enable those with the least developed systems to bring them up to speed.

The Fund is a single instrument intended to integrate the three facets of European policy on refugees: the reception, integration and repatriation of refugees and displaced persons. It will therefore make it possible to support actions within the Member States such as improving reception conditions and procedures in terms of infrastructures and services (accommodation, material assistance, social welfare, assistance with administrative procedures), the integration of persons entitled to some form of stable international protection, voluntary repatriation and reintegration into the country of origin.

The target groups are refugees, under the Geneva Convention, persons that have applied for this status, and displaced persons that have requested protection on a temporary basis. In addition to the structural measures, the Commission proposes to use this Fund to finance emergency measures in the event of an unexpected massive influx of refugees.

For the financial year 2000, the Commission proposes an allocation of EUR 26 million for structural measures and EUR 10 million for emergency measures. As is often the case, this allocation is inadequate to handle the actual requirements. In order to obtain real results, the budget for this Fund must be increased. The European Commission must provide us with financial estimates covering the entire period of the programme within the scope of current financial perspectives and, if necessary, a proposal for the revision of appropriations, in view of the fact that much greater amounts will be necessary in order to achieve the Fund's objectives.

Let me conclude by emphasising that creating this European Refugee Fund represents the first step towards a common asylum system and we must continue to work towards this.

2-095

Schröder, Ilka (Verts/ALE), in writing. – (DE) If the purpose of creating a European Refugee Fund were to make asylum and refugee policy in the Member States of the Union more humane and open, then it would be a welcome step. The Fund, which is merely the product of a combination of three budgetary lines, will not do this. There is evidence in addition to the debate as to what the creation of the European Refugee Fund really means. It means "distributing the burden".

An approach whereby immigrants entering the EU in search of protection are seen as a "burden" which has to be "distributed" is fundamentally flawed. No policy which takes humane account of the needs of persons fleeing persecution can be constructed on such a basis. The policy of the Member States and of the Union is geared towards heading off and turning away refugees, as the recent inclusion of a "re-adoption" clause in the Lomé Convention demonstrates. If this is

what the outlines of European asylum and refugee policy really look like and if refugees are seen as a “burden”, then creating a Refugee Fund is a cosmetic exercise designed to hide the real face of a European policy of turning refugees away.

The Fund will not, in this form, cause any country to switch to a policy of greater openness towards the immigration of refugees. Nor will it improve the legal security of persons fleeing persecution and in search of protection. But it is precisely the legal security and the right of participation of refugees, which must be considered.

The European Union calls throughout the world for freedom of movement for capital. But it is reducing the freedom of movement of persons yet further by closing borders and cutting itself off from refugees and asylum seekers. Every year many refugees die, killed on the external borders of the EU.

To assume in these circumstances that creating a Refugee Fund will make for a more humane asylum and refugee policy is an illusion, which is why I have abstained.

2-096

President. – That concludes the vote.

(The sitting was suspended at 12.25 p.m. and resumed at 3 p.m.)

2-097

IN THE CHAIR: MRS FONTAINE
President

2-098

Outcome of the European Council in Lisbon, 23 -24 March 2000

2-099

President. – The next item is the debate on the European Council report and the Commission statement on the outcome of the European Council in Lisbon, the Social Summit.

2-100

Gama, Council. – *(PT)* Madam President, ladies and gentlemen, the Lisbon European Council has certainly given new impetus to the European agenda and I am sure that you will be aware of its results, both through reading the conclusions and also as a result of the broad public coverage that this Council received in the European and international press. The key aim of defining a new world-wide strategy for the European Union within a world economy that is open, competitive and truly global was achieved. That strategy is to make the European Union the most dynamic and competitive economic area in the world, based on knowledge and able to guarantee sustainable economic growth with more and better jobs and with greater social cohesion. A knowledge-based economy underpinned by a society based on information and research will be a powerful factor in the European Union’s development and of course requires a swift and consistent process of structural reforms and the completion of the internal market.

This objective also involves modernising the European social model, investing in people and combating social exclusion. It also involves implementing sound macroeconomic policies encouraging economic growth and employment.

Strengthening the European Council’s coordinating and guiding role will be vital to developing the Lisbon strategy. The European Council will annually monitor the progress that has been made, by holding a European Council meeting each spring. It will also establish the broad guidelines for the sectoral Councils. A coordination method was established, with specific timetables for the short, medium and long term, outlining objectives, benchmarking based on best practice and also other kinds of indicators. This is an open method of coordination, which we hope will produce optimal results. These guidelines will also be transposed into national policies, and will be periodically monitored and assessed as part of a process of mutual learning between Member States.

The goals set at the Lisbon European Council are extremely ambitious and give specific mandates to the Commission. Just yesterday, President Prodi presented the Commission’s programme in this area to the Council and also to the various Council formations, and it is therefore crucial that we bear in mind the diversity of platforms on which the strategy laid down in Lisbon was developed, with its implications for the fields of scientific research, education, the single market, industry and so forth. Developments in electronic commerce, the liberalisation of the telecommunications market and the establishment of a framework for reducing the costs of access to the Internet are, of course, crucial factors in the success of this modernising strategy, and the e-Europe Action Plan, which will be presented to the Feira European Council, will also be a key instrument in speeding up the progress of the European Union towards becoming an information society.

Just yesterday, I was able to inform the General Affairs Council that the Portuguese Presidency had already prepared a timetable for the remits given by the Council for implementation of specific measures in the various areas, and also for appropriate preparation of the Feira and Nice European Councils. The Ecofin Council will primarily assume responsibility for strengthening the Cardiff process, the action plan for financial services, the action plan for venture capital, the tax

package, the mid-term review of the employment guidelines and for the assessment of the contribution made by public finances to growth and employment.

The Internal Market Council will assume responsibility for electronic commerce, copyright and related rights, for the dual-use export control regime, for removing obstacles to services and public contracts, for Community and private sector electronic procurement systems, for the establishment of a coordinated strategy with a view to simplifying laws and rules and for the Community patent.

The Employment and Social Affairs Council will assume responsibility for conducting a review of the employment guidelines, for mandating the High-Level Working Party on Social Protection to prepare a study on the sustainability of the pensions system up to 2020, for applying an open method of coordination to policies for combating social exclusion and for considering the future direction of social policy, with a view to reaching agreement on a European social agenda at the Nice European Council.

The Research Council will assume responsibility for the e-Europe Action Plan and for promoting the establishment of a European research area.

The Telecommunications Council will assume responsibility for concluding the review of a regulatory framework for telecommunications and for the liberalisation of the market in this field.

The Consumer Affairs Council will assume responsibility for the distance selling of financial services – by approving pending legislation – and for alternative systems for resolving consumer disputes, by establishing a Community network.

The Education Council will assume responsibility for considering the future objectives of our educational systems, with a view to contributing to the Luxembourg and Cardiff processes by establishing new basic skills at European Union level, for creating a European diploma for basic IT skills, for removing obstacles to the mobility of teachers, for developing a European format for curricula vitae, for monitoring national policies on implementing these objectives, for access to the Internet in schools by 2001 and for the minimum training, by 2002, of the network of information technology teachers.

The Industry Council will assume responsibility for drafting the charter for small businesses and for establishing a procedure for standardising appropriate practices for the creation and development of innovative businesses, particularly small- and medium-sized businesses.

The Justice and Home Affairs Council will be responsible for adopting the pending legislation on jurisdiction and enforcing judgements. It should be borne in mind that implementing the remits decided in Lisbon will require close cooperation between the Commission, the Council and the European Parliament, since many of the laws to be adopted are subject to the codecision procedure. As you can see, the task of setting objectives at the Lisbon European Council is developing into a major timetable for action that the Commission and the various Council formations must now implement. The Portuguese Presidency has already taken appropriate measures in Council so that the specific Council formations can immediately start implementing the programmes defined for their respective fields, and so that appropriate coordination takes place in this area, through the presentation of a synthesis report, either by the time of the Feira European Council this June, or by the Nice European Council, during the French Presidency.

2-101

Prodi, Commission. – (IT) Madam President, Mr President-in-Office, ladies and gentlemen, as Mr Gama said, the recent Lisbon Summit was a great success for Europe. It was certainly a turning point.

The European Council defined a new Union strategy, a strategy which will make us a leading power in the new knowledge-based economy and make it possible to restore the necessary conditions for full employment. Even at this early stage, the revised forecasts for both economic growth and employment are cause for optimism.

The Lisbon European Council made a firm political commitment to an ambitious socio-economic plan; clear objectives were agreed for the reforms, the European social model was consolidated and, most importantly, it is now possible for the pledges made to be followed with immediate, practical actions. This amounts to a completely unprecedented sign of confidence in Europe's future and in the future of our economy and our social cohesion.

Our success in Lisbon was largely due to the excellent preparatory work of the Portuguese Presidency. António Guterres' handling of the debate was exemplary. The Commission also made a decisive contribution to this success, for the conclusions are significantly similar to the contents of the preliminary synthesis document which we drew up in preparation for the Council.

The Lisbon debate generated substantial agreement on most issues. The only truly disputed points were the time frames for the liberalisation of the energy and transport markets, public services, the tax package and the competences of regional

authorities in education and training. These issues are major but they are limited in number. This high level of consensus allowed the Presidency to set an extremely ambitious agenda.

I will not go into the conclusions in too great a detail, but stick to the main points.

The European Council stressed the importance of a strong, sound macroeconomic policy, consolidation in the field of taxation and sustainable financial policies and the structural reforms.

With regard to the information society, the principle elements of the e-Europe initiative proposed by the Commission were put into effect, in particular regarding the legal framework for e-commerce, the opening of the telecommunications market, internet connections for schools and teacher training. The Commission was asked to develop a benchmarking strategy to define best practice and to guarantee both the development of the necessary infrastructures and the availability of the necessary funds.

With regard to the internal market, the European Council adopted ambitious objectives in the field of procurement and in order to implement action plans for financial services and risk capital. In addition, measures will be taken to accelerate the liberalisation of transport, energy and postal services. Research, education and lifelong learning all received a boost. The Council also agreed on the need for a sharp increase in employment, particularly employment of women, and, I repeat, the forecasts are currently very encouraging.

One of the most significant steps forward was the consensus between the Member States regarding the need to explore the possibility of modernising the social security systems and making pension systems sustainable, on the basis of a Commission initiative. Until recently, such an agreement would have been unthinkable, and this could be an extremely important development.

The Commission is therefore going to play a central role in the follow-up to this Summit.

I would just like to mention some of the items on our agenda: firstly, we are going to draw up new legislative proposals, in particular regarding the legal framework for e-commerce – which has become extremely urgent due to the inadequacy of the present framework for e-commerce – and for procurement; secondly, we are going to introduce benchmarking in all the stages of the “open coordination” process in the areas of research, enterprise policy and social exclusion; thirdly, we are going to present our communication, entitled “A new European social agenda”, which will serve as the basis for the Nice Summit organised by the French Presidency; finally, we are going to prepare for the spring Councils by producing an annual synthesis of economic and social progress which will be a sort of general report on the economic and social situation in Europe. These spring conferences, which will take place each year, will be important in terms of assessing progress made and developing future strategies.

The Commission will therefore play a crucial role in ensuring that the Council’s undertakings are translated into practical measures, and that Lisbon is thus a genuine success for Europe. The Commission must act as the driving force in this process. Tomorrow, I am going to meet my fellow Commissioners to ensure that work starts immediately and that the various different objectives set are achieved. I am determined to see that this Commission makes good its promises. I would like to thank Parliament, before this House, for its encouragement, but also for the new ideas that it has given us during these debates.

In Lisbon, we also tackled the issue of the Balkans – in a meeting held during the break for supper, which was not on the agenda but was nevertheless a working meeting. At that meeting I raised the point of the European Union’s political responsibility for the Balkan region, and stressed that our entire credibility is at stake. The European Council subscribed to the joint report prepared by the Commission and the High Representative, and also our request for more effective coordination between the various programmes implemented by the Union in that region. I repeat before this House that the need for this coordination is urgent, spectacularly urgent. Following my lead, the Heads of State and Government agreed upon the need to clean up the Danube. We have accumulated the necessary resources and I now expect appropriate measures to be taken. We also agreed to speed up the procedures for supplying aid to the Balkans.

Finally, on the subject of Russia, the European Council recognised the strategic nature of our relations with Moscow and invited President Putin to take note of our concern over the situation in Chechnya. I sent him a letter congratulating him on his election and stressing the Commission’s genuine interest in cooperating closely with the Russian Government, but the Chechnya issue was mentioned specifically.

To sum up, Madam President, I would like to thank this House for its valuable contribution to the Lisbon Summit and for all it did to ensure the Council’s success.

Ladies and gentlemen, I find the outcome of this Summit very encouraging, and I would like to stress once again the Commission’s commitment to ensuring the swift, efficient implementation of the decisions taken at the European Council.

I am counting on your full support and your cooperation to help us to achieve this. The eyes of the citizens of Europe, whom you represent, are on us, and they expect a great deal of the follow-up to Lisbon. It is our duty not to let them down.

(Applause)

2-102

Suominen (PPE-DE). – *(FI)* Madam President, Mr Gama, President Prodi, with good reason the Lisbon Summit could be dubbed historic in terms of its political content. At the meeting the Union's strategic objective was to create the world's most competitive and dynamic information-based economy, with steady growth and the ability to create more and better jobs. The aim alone does not, however, make the meeting a historic one; what does is the range of measures that the meeting is recommending the Union and its Member States take to achieve their objective.

I will borrow the words of the Presidency. Firstly, to achieve the model, we have to put our faith above all in the private sector and in cooperation between the private and the public sector. That will be dependent on the mobilisation of market forces available and action on the part of the Member States themselves. The Union will act as a catalyst in the process. Secondly, we must reduce the tax burden among the workforce, especially among the relatively low paid and less educated. Thirdly, we have to reallocate public money to increase the relative importance of the growth of capital both physically and in terms of human beings. Fourthly, we must speed up the process whereby competition is freed up, for example, in the gas, electricity, postal and transport industries, with the objective of having a fully functional internal market in these sectors too.

I have given just a few examples to show that the Council of the fifteen countries of the European Union, fourteen of which have socialist governments, has adopted a totally central to right policy with regard to the economy and development, one which is associated with social responsibility, in many respects like that of the PPE-DE Group. When I speak of this with such satisfaction on behalf of my group, it is not with the slightest hint of mockery. In our opinion, the essential thing is not to look for political conflict, but to use the right tools for the benefit of our citizens. In the decisions taken at the Lisbon Council, those tools took the form of a social market economy, which was a good thing.

Let me utter a few words of warning. The main responsibility for achieving results lies with the Member States as far as the liberalisation of markets and the making of electronic commerce cheaper for consumers are concerned. I would ask whether the astronomical price of the third generation mobile phone licences now being put up for auction in England will be of benefit to the consumers of the future? It will not be. Greed will bring its own revenge in that the system will be made expensive and will be slow to establish itself. I give the example because it is relevant and not because I want to draw attention to the fact that the United Kingdom is doing something that runs counter to the decisions of Lisbon.

Let me issue a second word of warning. We are on the threshold of enlargement. As we now step on the gas with regard to an eEurope within the Union, are we making it more difficult for those countries joining the Union to adapt? The answer cannot be not to speed up developments in the direction of an eEurope. The answer is, in fact, a question: are enlargement, which has been planned, albeit relatively slowly, and the budget in accordance with the decisions of Agenda 2000, mutually compatible? Is structural aid to be increased after all, so that those states intending to join are not left even further behind in terms of development compared with the Union?

Ladies and gentlemen, I would like to say finally, on behalf of the PPE-DE Group, that we have full confidence that Romano Prodi and the Commission he heads will be able to achieve the Lisbon objectives. The PPE-DE Group and, to the best of my knowledge, the whole of Parliament, support the Commission's work while voicing constructive criticism. As the imperfections of the Single Market now also stem from protraction on the part of the Member States, the implementation of each of the decisions taken at Lisbon will also depend at institutional level above all on whether the Member States will stand by the solemn theses of Lisbon in the years to come.

2-103

Goebbels (PSE). – *(FR)* Madam President, the Lisbon Summit will mark a milestone. Following on from Luxembourg in 1997, when Europe revealed its joint responsibility for employment, the European Council has just outlined a new economic strategy, intended to make the European Union not only the most competitive and most dynamic knowledge-based economic system in the world, but also a model in terms of employment and social cohesion.

"The novelty of this summit is that it dealt with the entirety of economic and social policy." This is a quotation from Belgium's Liberal Prime Minister. Along with him, the President of the French Republic, and the Heads of Government of Austria, Spain, Ireland and Luxembourg have endorsed the Lisbon conclusions. Some political forces within this Parliament nonetheless appear to wish to turn the Lisbon Summit into some sort of Socialist International 'happening'. How else is one to interpret the refusal of the PPE and ELDR Groups to negotiate a joint resolution common to the main political forces within Parliament? Some conservative and liberal ayatollahs seem not to want to hear anything about a macroeconomic and monetary policy of benefit to the European social model. The untrammelled free market seems to be their only god.

Yet the market economy must necessarily have a social dimension. Here is a riddle. In Lisbon, who was it that said that the citizens of Europe are looking to the European Council to give shape to a social Europe? Who was it that said that, for European citizens, I quote, “unemployment wrecks lives and societies for entire generations and, even though it is starting to fall, unemployment remains the main concern”? That “the across-the-board return to economic growth means that we can do things today which were impossible yesterday”? That citizens are scandalised by “untrammelled capitalism, whose relocations, social dumping, ruthless exploitation of the disparities between the social and fiscal legislation of the Member States and remorseless pursuit of profit at the expense of working men and women”?

These are the words of Mrs Nicole Fontaine, the President of this Parliament. The Group of the Party of European Socialists also supports Mrs Fontaine in her declaration made in Lisbon to the effect that, I quote, “The European Parliament is committed to the social model in all its aspects”. The President has our support when she asks the European Council to, I quote, “introduce balanced rules on company mergers within the European Union”; and says that there should be “a ban on any mergers that do not comply with binding European legislation on prior notification and consultation of workers”; “that, before such mergers can take place, a serious assessment of their social impact is carried out”, and when she points out that “unregulated mergers, based merely on dominant capitalist concerns, have a devastating effect on the Union’s social cohesion”.

The Group of the Party of European Socialists agrees with the President, when she demands an observatory of industrial change, and a fairer distribution of income between capital which enables and work which produces. In short, the Group of the Party of European Socialists endorses the conclusions of our President, whom we congratulate on her fair and courageous statements.

Parliament would appear ridiculous if it voted in favour of the joint resolution tabled by the PPE and the ELDR, who seem to wish not only to disown our President, but also to disassociate themselves from both President Prodi and the Conservative and Liberal Christian Democrat Prime Ministers who endorse Lisbon.

I therefore advise all the Christian Democrats, all the Liberals and all the Democrats in general who want to see a social market economy, to vote in favour of the resolution proposed by the Group of the Party of European Socialists. We wish to combine economic efficiency, quality of life and social protection. We want sustainable development in all these aspects.

(Applause from the left)

2-104

Jensen (ELDR). – *(DA)* Madam President, Mr President of the Commission, Mr President-in-Office of the Council, I should like to start by saying that we in the Group of the European Liberal, Democrat and Reform Party did not especially agree with the observations made by Mrs Fontaine in her speech at the Lisbon Summit. However, we were very pleased about the far-sighted messages which were to be found in the conclusions from the Summit. We are particularly pleased about the emphasis placed upon Europe’s creating prosperity and employment by strengthening the market economy and increasing competitiveness, partly through greater flexibility in the labour market and reduced social charges in connection with low-paid jobs. I also want to express satisfaction at the fact that the open coordination with which we are familiar from employment policy is to be used as a tool in other areas to promote the use of information technology and reinforce training and strengthen research. Working for common goals in this open and flexible way, in which countries can measure themselves against each other and learn from one another, is a good way both of ensuring progress and, at the same time, of guaranteeing individual countries’ freedom to seek their own solutions to their own problems.

I would also express great satisfaction at the fact that the opinion sets a time-frame for developing the single market in important areas, chiefly through the commitment to rapidly create a legal framework for e-commerce. However, there is, in fact, just a great need to develop the traditional economy, and I am therefore delighted at the emphasis on increased research efforts and on the enlargement of the single financial market, as well as at the Council’s support for liberalisation within the energy, postal and transport sectors, even though it has not set a time scale for such liberalisation. In developing employment policy and combating social exclusion, it is only right to invest not only in economic growth but also in education and training as a way of giving those who are excluded from society a foothold in the labour market and enabling them to help themselves. There are major advantages in a form of coordination based upon benchmarking, but we should of course be careful that the whole process does not take a bureaucratic turn or lead to over-zealous management. Finally, I would offer an important and perhaps less complimentary remark. In the Lisbon conclusions, the Council refers a good deal to what it is going to do in the future, perhaps following proposals on the part of the Commission. I hope that we are not to read too much into this apparent emphasis upon the intergovernmental character of EU cooperation.

2-105

Jonckheer (Verts/ALE). – *(FR)* Madam President, Mr President-in-Office of the Council, President of the Commission, I think it is clear that, in January, when the Portuguese Presidency issued its first paper, the original impulse was perfectly laudable. The widespread dissemination of communication technologies was going to cause, indeed, is causing considerable change in the living and working conditions of the citizens of Europe.

The conclusions of the Portuguese Presidency contain many positive commitments and objectives. Having said that, these are in danger of being watered down, and the motion for a resolution tabled by the PPE Group and the Liberal Group presents an absolute caricature of this, giving Parliament the opportunity to split along the good old left-versus-right divide, which does not match the observation of the practical policies implemented within the fifteen Member States, and which certainly does not meet the challenges of the future.

Having said that, Mr Prodi, the real challenge would be if, in coming months, you did not endorse this motion for a resolution, in the event that Parliament votes in favour of it tomorrow. We therefore call upon you, along with the Council, to consider in further detail a number of points which we feel are noticeably absent from the Lisbon conclusions.

The first point is the strategic goal. Has the strategic goal of sustainable development which was supposed to be an integral part of a twenty-first century economy, which would meet the requirements of the planet and its citizens, been forgotten? There is not one line on the reports which the Commission nonetheless submitted at the European Council in Helsinki. Not one line on the practical implementation of Article 6 of the Treaty on European Union. The connection must be made between the dissemination of modern communication techniques and the implementation of sustainable development.

The second point relates to employment. European citizens must not be kept in ignorance of the fact that the dissemination of these communication technologies is going to destroy jobs as well as create them, and that at the very core of our societies, at macroeconomic as well as at microeconomic level, it presents a challenge to the redistribution of working time and the redistribution of incomes. Avoiding these questions is to invite serious social crises despite the spirit of optimism currently characterising the economy.

The same applies to the matter of taxation, which you mentioned. In one of its documents on the integration of financial markets, the Commission itself said that such integration was possible only with a minimum of tax regulation. This is also true of the Monti package. These matters are going nowhere, and integrating the financial markets without fiscal regulation at European level is still tantamount to establishing a two-speed Europe.

Finally, in social matters, I do not think it wise, Mr Monti, for the Commission to give up any legislative proposals in matters of employment law. The new economy also involves enabling workers, in the event of company restructuring or necessary discussions about the incorporation of technological innovations in companies, to proceed in decent conditions. This must also be included in the Nice social agenda and we urge you to ensure that this is the case, because my Group wishes to see a strong and ambitious Commission, and will support you if you take the comments I have just made into account.

(Applause)

2-106

Wurtz (GUE/NGL). – *(FR)* Madam President, many observers have stressed the fact that the Special Summit was characterised by the triumph of the contentions of Mr Blair and Mr Aznar. If that means that the Lisbon Summit sanctioned a liberal view of Europe, then I must of course, unfortunately, concur with this analysis. I cannot however be delighted by it. I do not by any means wish to allow the current British and Spanish Heads of Government to monopolise the offensive position with regard to the information revolution. In my opinion, this is indeed a huge challenge which must be accepted. So when I read the summit conclusions which state that Europe has set itself the goal of promoting a dynamic knowledge-based economy ‘capable of sustainable economic growth with more and better jobs’, I say, ‘Go on then, I dare you.’ An annual upturn in investment in people and adopting a proactive policy to promote full employment is something I am firmly in favour of.

The political difference between us is not a question of whether or not to adopt modern methods, but of what our concept of these modern methods is, particularly on the place and the role which all men and women, bar none, must play, both as workers and as citizens. In this respect, however, Mr Blair and Mr Aznar and their followers are held captive by archaic liberal ideas, which are conformist in the most ordinary way: allow the market, particularly the financial market, to operate, introduce wage flexibility, reduce labour costs, even if it means boosting the mechanism which produces inequality, precariousness and exclusion across the entire planet. There’s the rub: do we or do we not have the courage to tackle these taboo areas at the very time when we are starting to see such promising beginnings of a new phase in human civilisation? This, in my opinion, is the yardstick against which we will be able to measure Europe’s true ambition and also the true modernity of the left.

2-107

Queiró (UEN). – *(PT)* Madam President, ladies and gentlemen, I would first like to highlight some positive conclusions resulting from the Lisbon European Council, which essentially relate to the joint motion for a resolution supported amongst others by my group, and which has already been attacked so fiercely here by the Socialists. These conclusions were presented by the Heads of State and Government as part of a strategic objective to make the European Union the most competitive area in the world within ten years, by developing a knowledge-based economy and adopting policies geared towards growth and full employment.

I must ask this, however: do the statements by those currently in power in Europe, who are, in the majority, Socialists, and who, for various years have headed the governments of their respective countries, not above all reveal more about their shortcomings and the serious failures of the European development model which they have been promoting? Is there anything genuinely new and original about the Lisbon Summit conclusions that had not already been diagnosed and stated in the 1993 White Paper "Growth, Competitiveness, Employment"? A commitment was made at that time to, and I quote, "information networks"; today the commitment is stressed, and I quote again "to the area of knowledge and access to the information society". In the White Paper, the stress was put on "lifelong learning and continuing training". Now, and I quote once again, the issue is "lifelong learning".

I could go on, as there are countless conclusions completely identical to those in the 1993 White Paper. There is nevertheless one aspect that deserves a particular mention in the area of policies for full employment. In 1993, the objective was to halve the number of unemployed in the European Union, from 17 million to 8.5 million. The fact is that we are now in 2000, unemployment still stands at 15 million and the summit conclusions promise us rates of almost full employment in ten years' time.

This is at best politically irresponsible and displays a mentality which is quite typical of the Socialists, even for those followers of the third way, which is based on the proactive development of a strategy which, as you all know, is the product of many different factors and is ultimately based on the actions of businesses. As one well-known analyst said, Europe's leaders have decided on something that they cannot possibly achieve. To promise, as they have done, ambitious targets for growth and employment is equivalent to announcing an increase in the population or the number of days of sunshine. We believe that the role of governments should instead be to focus on developing means to enable social and economic agents to generate wealth and to produce positive results in these areas.

Another aspect that is worthy of attention is essentially that the summit appears to have ignored the fact that the countries of the European Union have different historical backgrounds and economic and social structures. These are disparities which eastward enlargement will only accentuate, and the summit also appears to have ignored the fact that there are still imbalances that even average levels of development cannot hide. This applies to both positive and negative aspects. How can we explain, for example, that Sweden and Finland, countries with highly developed social protection systems, have levels of Internet use identical to those in the United States, that is around 50%, whilst the United Kingdom, a much more liberal country, has levels of around 29%?

On the other hand, how is it that there can still be gross disparities in the minimum wage levels of some Member States, marked differences in the quality of social security systems and in the value of retirement pensions, and even in levels of unemployment or hidden unemployment, not to mention increasingly widespread pockets of poverty and exclusion?

The European Union may have begun its race towards levels of development already seen in America's economy and businesses, but this, the real Europe, will not become a reality until the convergence of national economies and internal economic and social cohesion are given top priority.

2-108

Krarup (EDD). – (DA) It was with great interest that I followed the European Council's summit in Lisbon. There was a very impressive display of rhetoric, chiefly indicative of impotence on a massive and growing scale. It is, of course, all well and good to have the strategic goal of becoming the most competitive and dynamic knowledge-based economy in the world with a view to creating sustainable growth. The first problem, however, is that no specific actions of any kind have been outlined which can give actual substance to this ambition. The second problem is that the social problems entailed and which (for better and, particularly, for worse) are a very significant part of actual life in the European Union have been ignored. The Presidency's conclusions talk of "the European social model". I am not aware of any European social model. I am familiar with a number of different models for social welfare, tied to specific national traditions. In my own country, there is a tradition which differs markedly from the dominant tradition in the European Union. The real problem is being completely ignored. This was hinted at in the negotiations prior to the intergovernmental conference, namely the problem of implementing reforms so as to create a European social model. I must issue a strong warning against doing any such thing. There is to be a commitment to majority decision-making in this area. My own country's government opposes this, and so do we who are sceptical about this self-fulfilling development within the European Union. The most significant legacy of the European Council's summit in Lisbon is all the unresolved problems.

2-109

Raschhofer (NI). – (DE) Madam President, ladies and gentlemen, Lisbon focused on employment, economic reform and the shift to the digital age. But Lisbon is not the first summit to discuss the topic of "employment". Since Essen, we have had numerous declarations of intent and well-meant action programmes. The only way to achieve a sustainable increase in the employment rate is to give companies the entrepreneurial room for manoeuvre which they need in the form of framework conditions. The proposed measures to promote SMEs are confined to analyses and to drafting yet more non-binding declarations of intent. Paper is cheap. Unfortunately there is a total lack of concrete results. A sustained improvement in the employment situation can only be achieved through structural reform, which means reducing the tax

burden, simplifying tax systems and making it easier to incorporate a company. We are all familiar with these requirements. Everyone says, "Yes, that is quite right". But implementation is where it falls down.

As an Austrian member, I must also address the sanctions of the 14 in connection with Lisbon. The ability to be democratic goes hand in hand with the ability to discuss. The efforts of the presidency to ban the subject of Austria from the agenda gave me even more food for thought. It is in the interests of the Union to clarify relations between Austria and the EU. Refusing all discussion was never a recipe for resolving a conflict. Many people back in Austria ask me "How can the peaceful house of Europe be built if the highest representatives are not on speaking terms or refuse all discussion?" These symbolic gestures are the right way to open up old wounds between people. I therefore say to everyone who declares that the sanctions are for the government but not the people, that such a separation is not possible. A democratically elected government cannot be separated from the people who elected it. This is illustrated by absurd examples such as the taxi boycott in Brussels, problems with school exchange programmes and much else besides.

The distrust shown towards Austria, despite the fact that it has not once violated democratic principles since 1945 stands in clear contradiction to the spirit of this Community. Judge the Austrian government by its deeds. You will not find any violation of the spirit of the Union.

(Applause from the right)

2-110

Cunha (PPE-DE). – *(PT)* Madam President, I wish to welcome the President-in-Office of the Council and to wish him every success in the Portuguese Presidency of the European Union. I am sure that we are all in broad agreement with the Lisbon Summit's strategic objective to make Europe, and I quote, "the most competitive and dynamic knowledge-based economy in the world capable of sustainable economic growth". Nobody doubts the importance of preparing the European public for the demands of a society based on information, knowledge, and new communications technologies as strategic weapons, in order to emerge victorious in the future, generating employment with higher-quality work and higher pay. This would all be fine if the Lisbon Summit had been held specifically to discuss this kind of issue, which would mean that it should have been called the Information Society Summit, or the Knowledge Economy Summit or the New Economy Summit, according to people's whims, taste or pretensions. To call it the Employment Summit, however, would be to depart from its real purpose. It is like putting a fake label on a product, which does not match the content. In this case, it was done out of political expediency.

The truth is that the objective of employment goes far beyond these issues. Firstly, the new economy, which essentially represents a challenge for this generation, cannot put a bomb under the old economy, which is the mainstay of our lives and whose modernisation and structural adjustment represent a stage that we cannot dispense with. This means that we must immediately discuss strategies for restructuring the traditional sectors of our economy, which rethinking the choices that we will have to make in relation to the guiding principles of the World Trade Organisation would require. Secondly, a strategic debate on employment would have to start with a substantial analysis of the European Union's agents of competitiveness, because that is what sustainable economic growth depends on, and hence employment and social well-being.

The truth is that in a debate of this kind, we are bound to wonder why the EU has grown at half the rate of the United States of America over the last few years, and why no government has had the courage to question the more harmful effects of the so-called "European social model", because, without wishing to detract from its positive aspects, this model is, to some extent, an incentive to passivity, to indolence and sloth in some elements of society, who could and should work. We should therefore ask ourselves why the level of economic reintegration into the active population has been so low amongst those who have benefited from certain support policies. This applies particularly to the "minimum guaranteed income" type of system. We must also ask ourselves why we in Europe have a system that is so state-led and so interventionist that it regulates the competitiveness of the economy in a damaging way, and which, in the guise of arguments about society and stability, sometimes conceals high-spending strategies and even, very often, strategies for helping their political cronies. These strategies certainly have a harmful effect on economic growth, on the distribution of wealth, and consequently, on employment. A far-reaching debate on the problem of employment in the European Union would inevitably, therefore, have to address these issues properly.

2-111

Murphy (PSE). – Madam President, I wish to add my warm welcome and congratulations to the presidency on the successful achievement of the Lisbon Summit. I think we will come to see in the future that all roads did lead to Lisbon via Luxembourg, Cardiff and Cologne, because Lisbon should be the end of a process, one that can actually deliver as regards the sort of priorities we want to bring to a successful conclusion throughout the whole of the European Union.

The key question is how we turn the conclusions of the Lisbon Summit into action; we must ensure that we turn the rhetoric of Lisbon into a reality.

I shall not dwell too much on the specifics of the Lisbon Summit. A lot of us have been through that already and we welcome many of the conclusions. I want to look at the challenges that are inherent in the Lisbon process for Parliament, the Commission and, indeed, all three institutions. In particular, for Parliament there is a huge challenge in realising the full legislative implications of completing a single market. There is a challenge in realising the full potential of the *e*-economy. There is a challenge for Parliament in playing its part in helping Europe to become the dynamic centre of sustainable job creation, innovation, competitiveness and modernised social welfare.

It is a challenge that Parliament must rise to, working with the other institutions, Commissioner Prodi and his colleagues, and the Council. If we do not, nobody will understand or forgive us for not realising our aim. The reason, as I mentioned before the Lisbon Summit, relates to those who are in the gallery with us today – the citizens of Europe. We have to turn Lisbon into something that means something to them, something to the people in my home town of Wolverhampton.

To me, Lisbon is all about creating a Europe of highly-paid, highly-skilled, high-value-added jobs. If we can achieve that sort of Europe from the Lisbon process, it will be good for our citizens and for Europe as a whole, because what could be more socially just and inclusive than a Europe that genuinely benefits from full employment and good jobs that everybody can enjoy? That is our challenge.

In conclusion, I thank the Portuguese presidency very much. I thank the President-in-Office, the Minister and, in particular, Prime Minister Guterres for all the personal effort he put into this process. At Lisbon the Portuguese presidency gave us the key to unlock a decade of sustained innovation, competitiveness and job creation across our continent. Now is the time for us as a Parliament, the Commission and the Council to work together to ensure that key is turned.

2-112

IN THE CHAIR: MR MARINHO
Vice-President

2-113

Nogueira Román (Verts/ALE). – *(PT)* Mr President, Mr President of the Commission, Mr President-in-Office, the document adopted at the Lisbon Summit is rather abstract, and this may mean that it is not implemented equitably. The policy that has been adopted could conceivably result in a high rate of growth, rivalling that of the United States, but it is unlikely to prevent social exclusion or achieve social cohesion and regional balance.

I wish to discuss this problem, which affects fundamental European policies. The European Council ought to be aware that in Europe today, the lowest per capita income and the highest levels of employment exist side by side in the same regions or countries. This requires a European employment policy with its own budget, linked to the Structural Funds policy that the European Council does not want to blindly accept. The Council should also be aware of the fact that there are countries in Europe that are not highly developed, but which are nevertheless prepared for the knowledge economy. They have a high-quality system of technical, university and professional education, but since they do not have the necessary economic development, they are once again seeing their sons and daughters emigrate. These young people, paradoxically, are acting in the same way as computer experts who are trained in India but then go to work in the United States. The Council ought to think about this and work towards a real Europe.

2-114

Figueiredo (GUE/NGL). – *(PT)* Mr President, the results of the Lisbon Summit demonstrate that everything the Portuguese Presidency has up to now presented as a priority for employment and for combating social exclusion has merely been a massive attempt to pull the wool over our eyes. Its supporters may try to make its conclusions look rosy, whether they are talking about the so-called modernisation of the European social model or about the need to make the European Union the most competitive area in the world, but they cannot hide their real aims, which are to produce a labour market free from the conditions imposed by legislation designed to protect workers' rights, to put social security entirely in the hands of the financial markets and to speed up the process of liberalisation in fundamental sectors such as gas, electricity, postal services, transport and telecommunications.

Therefore, instead of more high-quality jobs with employment rights, instead of a reduction in working hours whilst maintaining salary levels and without flexible working arrangements, the summit's decision will, in practice, lead to poorer jobs, which are less secure, which provide fewer rights, and do not offer an effective system of social protection. Instead of high-quality public services which meet users' needs, protect the most vulnerable sectors of society and generate high-quality jobs, the Council has decided to speed up privatisation to satisfy the interests of economic groups and to increase their profits. This will have a harmful effect on employment and on working conditions – which will deteriorate – and on the environment and town and country planning.

If we are to draw something positive from this, it is the major demonstration by tens of thousands of workers who condemned the growing instability of employment as they marched past the Lisbon Summit. They condemned unemployment and social exclusion and demanded more high-quality employment, better salaries, more social rights and a change of direction in European policies, in order to achieve economic and social cohesion.

2-115

Berthu (UEN). – (FR) Mr President, in the debate preceding the Lisbon Summit I said that the preparatory documents seemed to show that, in tackling the new economy, the Heads of States and Government were torn between a centralised, bureaucratic approach and a freer, more simply coordinated approach.

Following this Council meeting, in our view, the scales have tipped in favour of the freer approach, since the Lisbon conclusions declare that there is no question of adding further European regulations to those which exist already but, quite the contrary, of implementing – the expression is used several times – a new open method of coordination.

The knowledge economy which we are moving into is thus already having a retroactive effect on our concept of the European institutions, for this new method of coordination must mean, as we already know, that top-down authoritarian integration and uniformising regulations are to be abandoned and replaced by a system in which the States and national democracies will play a much more important role, and will combine within networks following the specific model of a computer network. The Union as such must then simply play the role of coordinator and catalyst, to use the precise word used in the Lisbon conclusions.

This new method also entails the European Council rediscovering its fundamental strategic guidance mission, while allowing the various Councils of Ministers to take the practical decisions and the Commission to prepare and execute policy. This is the way we may finally achieve more balanced and more democratic European institutions.

The Lisbon conclusions, Mr President, may, however, in other respects, give rise to a number of reservations. Since there is not much time, let me cite just one: the proactive goal of increasing the proportion of women in employment from 51% to 60% by 2010. This really is the type of authoritarian attitude which should be a thing of the past. It is not up to the authorities to say how many women must go out to work. This is a matter for the interested parties and civil society. The authorities must simply ensure that housewives receive fair treatment and that personal choices may be made freely.

2-116

McMillan-Scott (PPE-DE). – Mr President, I decided to speak in this debate when I read the truly excellent analysis of the current situation in Europe produced by the European Commission before the Lisbon Summit.

It is true that the Lisbon Summit also represented something of a sea-change in attitudes towards the global society and in particular towards issues like *e-commerce*. At the same time there was a tension in Lisbon between the old world of the international socialists and the new world of those who have a slightly wider perspective. So the city of Henry the Navigator may become the city of Netscape the navigator, a new approach which I thoroughly welcome.

The summit was variously described as a social summit and an *e-summit* and so on. Much was said about the economic and social policies that were supposed to emanate from Lisbon. The reality is that the European social model is now living in London and she is called Laetitia Casta. She is Marianne, the symbol of France but taxes in France are now so high that she now has to go and live in London despite the vastly increased taxation under Labour. Very soon now the government is about to raise GBP 16 billion through the sale of the third generation mobile telephone licences as Mr Suominen reminded us.

There is tension around Europe but at the same time I detect a sea-change. I rarely speak in debates after summits but this is an important one. I therefore look forward to some genuine action from the European Commission. It is action not words that is needed. When I talk about words, I am thinking about words like “bench-marking” and “peer review”. I am sure there are not many people in this Chamber who understand what bench-marking or peer review means. Do not worry, it is meaningless. What actually matters is a light touch on the *e-commerce* directive, a light touch on telecommunications. Give people the freedom to use the Internet to their advantage, to their benefit, for social reasons, for educational reasons, for the disabled – all the benefits the Internet can give us. We do not need the heavy regulatory touch of the past. Please Mr Prodi, ignore your friends on the Left and stick with the new world not the old world.

2-117

Katiforis (PSE). – Mr President, let me say to Mr McMillan-Scott that a spectre is haunting Europe, the spectre of economic efficiency and one wonders why it is still so evasive despite all the great efforts that liberalism has put into it. It is a question of strategy really.

2-118

(EL) So what is the strategy for making a success of this incredible economic transformation Lisbon is promising us? It is a strategy which is radically innovative. All those who have endeavoured to tackle the problem of the European economy so far have done so within the context of the old economy.

Guterres decided that the problem was practically insoluble in this context and, rather than having to contend with the deadlocks of the old economy, he decided to circumvent them altogether. It is what you might call a great inspirational strategy which proposes that Europe put all its effort into the new economy, into information technology and into telecommunications in the hope that, as this new economy develops, the old economy will take a new direction in its wake.

The most basic example is employment. Europe currently has 16 million unemployed whom it cannot absorb. At the same time, there are 800 000 highly-skilled jobs in the new economy which cannot be filled due to a lack of skilled human resources. Some say these figures are set to reach 1.6 million next year. If Europe does not learn its electronic lessons fast, these unfilled jobs will multiply and the economy will slump. And even if we do fill these 800 000 jobs, there will still be a further 15 million unemployed. We do not appear to have solved any problems whatsoever.

However, the new technologies can, with our support, lead to competitiveness and cost reductions in all sectors. And as all the other sectors become more productive, thanks to the impact of the new economy, they too will create more jobs. This is the simple yet great idea of Lisbon. The question is whether this idea will work in practice. And whether or not it will work in practice depends on whether or not we are capable of a new financial perspective in Europe.

All these years, Europe has been convinced that investing taxpayers' money into the old-style economy was a waste of time. This is where all the zero deficits, stability plans and so forth come from. It is debatable just how much of ECOFIN's die-hard approach was totally justified, but perhaps we are now in a position to leave this behind us. Lisbon may well have shown us how to leave this behind us because, if we are to attain its objectives, we need public investment in the new economy. We need to build information highways, on which private enterprises can of course then create and run their own vehicles. However, these highways can only be built by the Member States, by the public sector and by the European Union. Lisbon will be judged on this, i.e. on whether or not we are capable of integrating the public and private economies in an original and enterprising manner.

2-119

Laguiller (GUE/NGL). – (FR) Mr President, as far as the European Council in Lisbon is concerned, even though it was dedicated to employment, the unemployment of eighteen million women and men in the European Union and the human and social tragedy that this represents are just a grey area in a current economic situation which is more promising than it has been for a generation. Such cynicism borders on candour! The present situation, which is exceptionally advantageous to employers and the property-owning classes, arises specifically because of the extent of unemployment, the pressure that this exerts on wages and the generalisation of precariousness.

As for the promise to create twenty million jobs in the years to come, this is just as deceitful as it is ridiculous. The Council presented the so-called new economy as the main provider of jobs for the future, but the stock exchange crisis which occurred a few days after the Summit demonstrated just to what extent the new economy was, more than anything, the basis for old-style speculation, and that the promised jobs in information and communication technologies were, after all, just virtual jobs.

At the same time, the demonstration of Alstom's European workers in Brussels reminded us that the real economy, that of big business, is continuing to cut thousands of jobs and to make unemployment worse, while governments back these firms up by cutting support and allowances to the unemployed in order to force them into accepting any old job, at any price, under any conditions.

2-120

Karas (PPE-DE). – (DE) Mr President, Mr President of the Commission, ladies and gentlemen, on one side of the coin we read that economic growth and employment figures are up, the e-Europe action plan is in the pipeline, unemployment is beginning to drop slightly and the economic and employment forecasts are good.

On the other side of the coin, we read that there are still 15 million unemployed, the telecommunications and Internet services sector is underdeveloped, there is a widening skills gap in information technology, structural long-term unemployment, too many state monopolies and fetters, competitive disadvantages vis-à-vis the USA and shortcomings in the implementation of European innovations.

Lisbon aroused expectations as far as rectifying these shortcomings is concerned. And anyone who arouses expectations must be measured by his or her actions, must introduce consistent benchmarking, carry out regular follow-ups, formulate ambitious goals, draft a master plan in every country as to how these goals are to be implemented and, above all, quickly follow words with deeds. We shall measure the Member States, as represented by the Council, by when each school in Europe has Internet access, by when electricity, gas, telecommunications, the postal and transport markets are fully deregulated, by what the charter for small enterprises really says and by when the incorporation offensive is implemented. We shall measure you by when the financial services internal market is complete and by when the quantity and quality of innovation and its implementation makes Europe the most competitive and dynamic economic area in the world.

Allow me to say in support of Mrs Raschofer that, because of our experience with you, we shall measure you by your conduct vis-à-vis Parliament and the Commission during this process and by when a sustainable reduction in unemployment is actually achieved. Our eco-social market economy model is the basis for our action and we call for it to be developed further.

(Applause)

2-121

Hughes (PSE). – Mr President, I welcome the Lisbon conclusions. In fact, seen from the perspective of employment and social policy and against the long procession of summits which preceded it, Lisbon stands out along with Luxembourg in terms of the potential it offers us. I stress the word "potential" because, as others have said, we now need to look at the follow-up. Partly that follow-up is institutional. We will be looking very carefully, for example, at how the broad economic guidelines will be prepared, at just how successful the input of the Social Affairs and Employment Council will be in emphasising the need for employment and social cohesion when it formulates the broad economic guidelines.

Also, we are told that each spring the European Council will consider an overall report to be produced by the Commission that will deal with structural indicators to be agreed. We wonder who will agree those structural indicators and just how strong the synthesis report to be produced by the Commission will be. What will the role of the Commission and this institution be? Will it, in fact, be largely intergovernmental? If so, I think we will be disappointed.

But we are not just concerned about the institutional follow-up. We are also concerned about the substance. What proposals, for example, will the Commission come forward with by June this year on social inclusion, as it was challenged to do in the Lisbon conclusions? Further than that, how quickly will the high-level group on the future of social protection begin to move into the realm of a convergence strategy for social protection that this House has called for? So we are concerned with the substantive follow-up as well.

One point disappoints me – that is the stance of the EPP in all this. It is trying to pretend that it welcomes the outcome because it is largely liberal and concentrates upon the liberal market aspects. It should be honest and say that, like us, it has always supported a social market economy. We welcome the emphasis upon the smooth and efficient functioning of markets. But as always we want that to be balanced by solidarity and social inclusion. I hope the group has the political honesty to accept that it continues to support that point of view.

2-122

Palacio Vallelersundi (PPE-DE). – (ES) Mr President-in-Office of the Council, Mr President of the Commission, from amongst the very interesting Lisbon conclusions, please allow me to highlight a declaration which, because it is apparently technical – although I believe it is politically very important – has not yet been mentioned by previous speakers. I am talking about the request to the Commission that it contemplate, for 2001, a coordinated strategy in the legislative field.

At the moment we have, to name but a few, initiatives such as SLIM, the Business Test Panel, the Regulatory Policy Guidelines and the Better Law-Making Report, not to mention the initiatives relating to codification or the quality of legislation. Clearly this will all have to be coordinated and we will even have to go further in laying down the new regulations or restructuring the existing legislation.

Improving quality must not only be directed at Community legislation but also at the legislation of the Member States. In all new legislation we must establish a better balance between 'self regulation' and 'public regulation', in accordance with what, in the conclusions of the Lisbon Summit, in some initiatives, has been called coregulation. We must review the 'Best Business Impact' initiative. Throughout the whole of this exercise, we must take account of the interests of the consumers and the interests of the environment, and these are complicated tasks.

Returning to simplification, the SLIM initiative requires a complete revision. We need a clear programme. We also need this programme to be applied on a national level, where there is still a lot of 'gold plating' of directives when they are transposed. We need expiry clauses and we need to improve codification. Codification is currently too cumbersome an instrument, too ineffective, and therefore we perhaps have to reform the Treaty. We have to tackle that reform of the Treaty. Lastly, we have to regulate more quickly and be more effective. Since we are in the Internet era, we have to take account of the fact that, in Internet terms, a year is equivalent to three months at the most. Therefore we need to make improvements in that respect as well.

2-123

McNally (PSE). – Mr President, congratulations on a particularly focused summit as regards: the clarity of the objectives; the analysis of the tasks needed to meet those objectives; and the built-in progress-chasing system. There was particular emphasis at this summit on the European area of research and innovation, following the excellent communication from Commissioner Busquin. This is a domain of severe under-achievement in the European Union. We need deeper knowledge in science and technology.

We have grasped the need to rectify our lack – by means of patent protection, mapping of areas of excellence, tax incentives for research and development, an electronic network for scientists and enhanced mobility for our researchers. The sixth framework programme will be another tool.

As well as deeper knowledge, we need wider knowledge. We need people who have been disenfranchised in the areas of science and technology – women, older people and particularly those suffering disadvantage – to be on board in the quest for this wider knowledge. We need to use the knowledge in better ways.

Of course, we need new products and we need new processes and we need new ideas about how our society should be run. We also need new sustainable technologies. The European Socialists are fully behind the leap forward which is possible given the cogent analysis that took place at the Lisbon Summit.

2-124

Helmer (PPE-DE). – Mr President, many commentators have drawn adverse comparisons between the European Union and the old Soviet Union. Both have been profoundly anti-democratic, both have seemed opposed to enterprise and wealth creation. At the Lisbon Summit it appeared that the EU had rediscovered a commitment to enterprise. Although I have some reservations about references to the social market in the EPP resolution, I am happy to support it. Let us hope that it is carried into effect and is more than mere soundbites and press releases.

In direct contrast, the President of our Parliament made a remarkable speech in Lisbon which amounted to a virulent and vituperative attack on multinational companies, on liberal economics, on free markets and on the very heart of western capitalism. I have no doubt that she was prompted by the best humanitarian intentions. But we must understand that if her proposals were carried out, they would damage competitiveness and productivity, they would deter investment, they would hurt prosperity and, above all, they would increase unemployment in Europe. She was attacking nothing less than the foundations of western capitalism, the engine which has delivered wealth and success undreamed of by earlier generations.

She said that Europeans are quite “scandalised by untrammelled capitalism, whose relocations, social dumping, ruthless exploitation ... and remorseless pursuit of profit at the expense of working men and women have a direct and traumatic effect on their lives.” This goes beyond socialism, this is pure Marxism. It may have been appropriate for the Kremlin in the 1960s but it is totally out of place in 21st century Europe. It is typical of this Parliament that we call for an end to unemployment yet we promote actions that have the opposite effect. Her remarks fit this depressing tradition perfectly. I do not know whether she was speaking for her party, for the Parliament or in a personal capacity but I absolutely reject, repudiate and condemn her remarks and am delighted to have this opportunity of publicly dissociating myself from them.

2-125

Seguro (PSE). – *(PT)* Mr President, Mr President-in-Office of the Council, Mr President of the Commission, in January and last month, we were able to congratulate the Portuguese Presidency on its initiative to hold this special Council and on the thorough and conscientious way in which the Council had been prepared. And today, now that the Council has taken place, we would like to offer our congratulations on its conclusions and to congratulate President Prodi on the way in which the Commission, under his leadership, contributed to the Council’s success through the timely presentation of its own paper.

However, Mr Gama, all such conclusions have one drawback in common: they cannot change the world overnight. Today, we have heard several speeches by Members who would like the Portuguese Presidency to come here and say “before the summit we had 15 million people unemployed and today we only have 10 million; before the summit we had 40 million people living in poverty and today there are only 30 million”. We know how difficult the real world is and how difficult it is to get the European Union to agree on a strategic objective. I would like to express a deep-felt concern here: whilst the presidency, the 15 Member States, the President of the Commission, the Commission itself, the President of the European Parliament and a substantial part of this European Parliament are agreed on an objective and on a strategic plan, the main group in Parliament is deeply divided over what it wants and over which path it should follow in the European Union. We confirm once again that we agree with this objective and that we are fully behind it, but we also wish to reiterate that the only part of the American model we are interested in pursuing is that of growth, since we do not want Europe to be a carbon copy of the American model. Nor do we want to copy the social aspects of the American model. We urge the Portuguese Presidency and the Commission to continue in their determination to fight for us to be able to create our own model from the opportunities offered by globalisation, so that the wealth generated can be used to combat poverty and can be more evenly distributed to ensure that social cohesion, full employment and sustainable development will be the outcome – in ten years’ time, but things should steadily improve up to then – of this meeting in Lisbon. Congratulations, Mr President.

2-126

Pronk (PPE-DE). – *(NL)* Mr President, I have to say that I have listened to this debate in increasing amazement, especially when I hear the socialist group talk about our resolution. It appears that the socialist group only wants to hear one-sided applause and praise about everything which took place in Portugal. We too would like to congratulate you, Mr Gama. There is a certain likeness between you and your distant predecessor Vasco da Gama at Cape of Good Hope. The employment situation in Europe seems to be slightly improving. As far as this is concerned, congratulations are in order, also for the fact that many fine promises have been made. It remains to be seen whether they will materialise or not. This is not so evident as the Summit is remarkably opaque about this, especially if we consider the three most important Prime Ministers involved. First of all, Mr Blair. He makes enough noise but is destroying the British industry by setting the exchange rate for the pound far too high. The French government is drafting a definition of social policy which implies that nothing should change and, as such, will run into problems with this social policy. This is a problem too. Finally, there is Mr Schröder, who does nothing at all, so we can be very brief about him.

Mr President, in a situation such as this, surely it cannot be expected from the Group of the European People's Party and European Democrats that we come up with a 'hurrah' resolution. We are satisfied with what the Portuguese Presidency has said and brought about, but we really need to wait and see whether action will follow. We have listed a few problems. There may be reservations regarding issues which have been presented by both the liberal group and our group. However, we as the Group of the European People's Party and European Democrats – and this is clearly spelled out in the resolution – proceed on the basis of the model of a social market economy, and this is what it is about. It has taken socialists a very long time to get this far and we are pleased that they are nearly there. We also hope that they will implement it efficiently. Unfortunately, we have not yet seen any evidence of this.

2-127

Ferber (PPE-DE). – (DE) Mr President, ladies and gentlemen, the report to the European Parliament on the results of summits is always an experience. It is an experience because if only half of what is regularly announced to us really happened, if Europe had already achieved the results which have now been presented to us as the slogan of the European Council – fighting unemployment and putting the European Union in the leading position on the world markets -, this alone would be a success. Has the Council still not learned how little its political promises are worth when it then fails to implement anything and trivial matters are blocked in the Council for years? Has the Council still not learned that we never solve any problems in Europe because we keep shifting them to European level? Can the Council really back out of its responsibility in the individual Member States so easily?

As the European Parliament, we should not accept this. The right model for successfully meeting the challenges of globalisation is competition for the most successful economic, employment, research, education and social policies, not European dumbing down. Who, if not Europe with its different traditions and cultures, can find an answer to this, provided that we leave responsibility for problem solving where it belongs, namely with the Member States?

It makes no sense to define European targets for economic growth if we do not remove barriers to growth at Member State level. It makes no sense to unify education policy at European level if we still have countless problems with arrangements for recognising diplomas. Even the desire to connect all schools to the Internet is not a question, which should be dealt with at European level. It needs to be done locally. As a member of the Committee on Budgets, I warn you against doing this with European funds from the European budget.

Lisbon missed its big chance to really improve things substantially for the citizens of Europe. Instead, all we heard were pipe dreams which can never be checked and for which the Council is responsible in the Member States, not at European level. In the end, people will take their leave of such a Europe. We must not allow that to happen.

2-128

Smet (PPE-DE). – (NL) Mr President, I believe in a common strategy which must be monitored from within Europe. I think that the Lisbon Summit has given us a new impulse in this respect. This is important and these are aspects which one would expect from a Summit. But it goes without saying that the merit of this Summit, at which so many good intentions were formulated and which is also based on an excellent analysis, will be judged on the action taken subsequently. Because a number of the matters which were brought together at the Summit – as, in fact, happened – had been formulated previously by the Commission. The e-commerce document springs to mind, for example. This is an existing document. Another example is the intention to draft a legislative frame for pension funds. This intention was formulated a long time ago.

In addition to the positive aspects of summits such as these, I would also like to make room for some criticism. These summits try to build a momentum – and it is important that they do so – but this momentum caves in because so little action is taken subsequently, as a result of which people no longer believe in the next momentum. The press now writes that the most important element of the Lisbon Summit was that it actually took place, nothing else. This is very serious. The content of the Summit was not bad, but faith in subsequent action is evidently ebbing and this is a very serious matter indeed.

I would like to list three elements which are lacking in my opinion. Firstly, fiscal integration, which has been talked about for so long. In order to take action in the economic field, fiscal integration is required. Secondly, social security. There should be a convergence programme, a kind of guideline for social security. Thirdly, if you want to enhance employment for women, you will need to undertake some action in the care sector and not simply in the new technologies, however important they may be. The care sector will be of key significance in years to come.

Finally, I do not share the view of the British Conservatives and I would like to make this quite clear. It is important to point out that, within the Group of the European People's Party and European Democrats, there are also voices other than these.

2-129

Gama, Council. – (PT) Mr President, ladies and gentlemen, I feel that it was very important for this debate to be held and to have heard your opinions, your contributions, your points of view and your criticisms for, without such criticism, Europe cannot grow. However, you will perhaps have realised that I have not come here to trumpet the successes of the

Lisbon European Council, because that has already been done and it would be a waste of my time and of yours if I had come here to do that.

What I have come here to tell you is what the Portuguese Presidency is doing to consolidate the program laid down at the Lisbon European Council and what it is doing in terms of specific programmes to boost Ecofin, the Internal Market Council, the Education Council, the Telecommunications Council and the Research Council. We already have specific programmes on which the sectoral Councils will begin work immediately. The President of the Commission, yesterday in Council and today, here in the European Parliament, has also presented a very clearly timetabled programme of actions by the Commission for implementing the e-Europe programme.

This is a very important time for Europe to assert its identity: we have managed to control inflation at European level and in the Member States. We have managed to stabilise public expenditure, to reduce deficits and to ensure a certain level of growth. We have managed to reduce unemployment, and to launch the single currency, we are defining consistent policies for institutional reform, reform of the Council and the Commission, and we are also committed to enlargement and to building a very dynamic and innovative common security and defence policy. So we could not afford to miss this opportunity – and the Lisbon European Council did exactly what was required – to provide Europe with a certain degree of coherence in terms of a general strategy for modernising the economy and employment. We did so bearing in mind that this could not be done in an independent, self-sufficient way, but only by taking account of the fact that we are part of globalisation, that we are facing a competitive challenge on a world-wide scale and that we had to provide a European response to this challenge. This is why the Lisbon European Council surprised those with excessively ideological positions, because it did not address employment using the clichés of the past. Do you remember? Two, three, four or five years ago, the issues of unemployment and employment were only discussed in terms of two theoretical opposites: state-funded job creation, resulting in spiralling public expenditure and deficits, or job creation through unemployment, through the lay-offs caused by excessively lax social policies.

So the Lisbon European Council marks a watershed in the way we perceive the challenges of modernising the European economy in a framework of global competition, on the one hand, and, on the other, the problems of employment itself. This Council was nevertheless firmly focused on both modernisation and employment. This is the first time that the European Union has set a goal for economic growth that is not to be imposed but which is aspirational: 3%. This is the first time that the European Union has set goals in the field of overall employment by trying to raise the overall employment rate from 61% to 70%, and employment amongst women from 51% to 70%. It is also the first time that the European Union has set goals for those parts of society that lack adequate preparation, in the 18-24 age group, and it is the first time that the European Union has set clear goals for more modern professional training, specifically professional training that will equip our citizens to address the problems of employment in a highly competitive economy and not in an economy which is old or obsolete, or in an economy based solely on manufacturing. By setting very clear goals for fiscal policies, in order to gear them towards employment, or by setting goals so that the Commission can assess the sustainability of social security policies up to 2020, the Lisbon European Council has also established a new social agenda in Europe and will even enable the next European Council to focus on something that for years the European Council has not wished to focus on – a European social agenda. What is significant is the fact that this was done without any scandal, without any great controversy, and in an absolutely consensual way.

To conclude, I would like to thank you for your speeches and to say that Lisbon European Summit marks a turning point in the way we talk about the problem of economic and social innovation. And, of course, we who were so deeply involved in preparing the Lisbon European Summit, with the cooperation of everyone, the Commission, Parliament and our social partners, now also have a duty to say to you, that if we are not to treat this issue as a caricature, now is the time for everyone to get into the frame, as anyone who wishes to go back to mere caricature will not be in the frame at all.

2-130

Prodi, Commission. – (IT) Mr President, few words are needed to conclude this debate, for the debate itself has been extremely clear and detailed.

I would like to start from the Mr Martinez's happy fault when he juxtaposed the two debates: I say "happy fault" because the atmosphere of the second debate, which was on Africa, could not have been more tragically different from the Lisbon debate. The few days – hours even – which separated the two debates revealed a wealth of differences: when we talk of a new Europe, an innovative Europe, we must not forget that, across the water, there is a terrible situation in Africa which is out of control.

To return to Lisbon, the debate was intense and passionate because it touched on tangible subjects of major concern. However, we must be clear on one point: although we did talk in Lisbon of the new economy, we cannot divide the economy into a new economy and an old economy. Europe is like a huge seed, and its economic strength lies precisely in its tradition of operating in all sectors, both new and traditional, and excelling in the traditional sectors. Now, the spread of new technologies, which we call the new economy, acts like fermentation process, completely transforming the old economy. This is its strength. E-commerce is not a separate end in itself. The Internet and the other new tools cannot be regarded as a separate factor, but they can be translated into an enormous increase in the productivity of other sectors.

When the means of distributing the most basic, simple wealth changes, the entire economy changes as well. This is the boost we were waiting for: we are now in a position to take the leap forwards, thanks to the extensive coordination achieved in Lisbon.

This begs another comment on Lisbon. I have observed some differences of opinion over the role of Europe and the roles of the individual States. You must understand that this is a network. The importance of the Lisbon Summit does not lie in the fact that some areas have to be managed at European level, although a certain amount of large-scale coordination of investments does have to take place at European level. Most of these innovations are the responsibility of the national, or even local governments. That is clear. The significance of Lisbon lies in the fact that, when we are united in our action, this boosts the productivity of the system. If the same countries were each to act separately, the effect would not be great enough to boost the European economy. This is the importance of these Summits: if we unite in our action, we multiply its efficiency. This is the potential significance of Lisbon.

My final point is, once again, the development of human resources. This applies to both new and old economies as well. European investment in human resources is still low, and this is a huge area in which we must make up lost ground. I feel that the goal of halving the number of 18-24 year olds who attend neither a school nor a training course is both realistic and of paramount importance. This is clearly the way to overcome the problems experienced even by some of the larger European countries in recent months such as a shortage of young engineers and the need to import Internet engineers from the third world. This is clear evidence of a development block, which is due precisely to the failure to exploit our human potential.

In Lisbon, our policy-making action was focused mainly on this issue, and certain major horizontal decisions were adopted which engage both public opinion and our own imagination. Somebody mentioned the fact that the mobility of teachers and researchers was also discussed in Lisbon. This gives me great pleasure for few people remember it. Well, for this to occur at European level is revolutionary, although our task now is to set regulations in place to make teachers and researchers effectively mobile. This is such an unprecedented idea to emerge from the fertile European intellectual climate that, if it succeeds, it will genuinely be a great leap forwards for the productivity of Europe and the European way of thinking. In my opinion, these are the genuinely important horizontal decisions adopted in Lisbon.

Finally, we need a little bit of luck as well, for perception of this recovery is necessary for all these initiatives to be effective. We have wept and wailed on each other's shoulders for the last three years. Either we have confidence in ourselves or we do not even attempt such measures, for what we lack is not money but confidence. There was a meeting of the Commission today on the economic provisions, and I have to say that Europe has acquired a new dimension over the last few months, in terms of employment, commercial orders and company policies. If we take into account the macroeconomic stabilisation referred to by President Gama, we have the genuine possibility of a sustained period of growth. In Lisbon, we laid the foundations for exploiting this period of growth: now it is up to us to make sure we build upon them.

(Applause)

2-131

President. – Thank you very much, Mr President of the Commission.

I have received eight motions for resolutions pursuant to Article 37(2) of the Rules of Procedure.¹

The vote will take place on Wednesday at 12 noon.

The debate is closed.

2-132

EU – Africa Summit (Cairo, 3 and 4 April 2000)

2-133

President. – The next item is the Council statement on the EU-Africa Summit held in Cairo on 3 and 4 April 2000.

2-134

Gama, Council. – *(PT)* Mr President, ladies and gentlemen, this Cairo Summit represents the result of four years of diplomatic work which has enabled the countries of the European Union and Africa to come together for this initiative, the first under this framework, overcoming many problems throughout the process, both of substance and of form. The Cairo Summit instituted a mechanism for global dialogue at the highest political level which will enable us to add a new dimension to EU-Africa relations which have, until now, been limited either to bilateral frameworks or to regional platforms for dialogue, be they the ACP mechanism or the Barcelona Process. The summit represents a turning point in relations between the two continents and will enable the European Union to make its strategic partnership with Africa as strong as its partnerships with Asia, the Gulf States or with Latin America.

¹ See Minutes.

The first sure indication of its success and of its historic importance was the level of representation of European and African countries: 58 countries – 45 from Africa and 13 from Europe – were represented at Head of State or Government level. This ensured that all issues of common interest to the European Union and Africa were addressed, and on an equal footing, since both sides had the opportunity to express their concerns and also their common objectives. In this context, all issues covered by these concerns and objectives – economic, political and development issues – were discussed in a frank and straightforward way.

I would like to highlight some significant measures adopted by the summit. In economic terms, understanding was reached on the need to define policies which will enable African countries to gain maximum benefit from the liberalisation of trade throughout the world, thus reversing the current trend of consistently and progressively marginalising Africa in world trade. The commitment to reduce world poverty to half its present levels by 2015 was reiterated. On the important issue of African debt, and despite the fact that at the summit a huge range of countries stated their national policies on this issue, it was stipulated that the bi-regional group of senior officials, which will in the first instance ensure that the summit's decisions are implemented, will prepare a report on the debt situation in African countries. This report will then be studied at ministerial level, under the summit's monitoring mechanism. On the other hand, the African countries committed themselves to promote and respect human rights, to eliminate patterns of discrimination against women, to fully support the establishment of the International Criminal Court and to combat discrimination and intolerance. In the area of good governance and the rule of law, both parties demonstrated their commitment to adopting specific measures to prevent and combat bribery, corruption and nepotism. In this context, they expressed their willingness to adopt the necessary measures to guarantee that illegally obtained public funds deposited in foreign banks should be subject to investigation and returned to their rightful owners in the countries of origin. Concern was also expressed about the harmful effect on development of military expenditure, which is constantly increasing.

Other important issues such as education, AIDS and the environment were addressed under the theme of development, with the understanding that these are essential elements of the challenge of sustainable development in Africa and of eradicating poverty. One fundamental area of dispute between Europe and Africa is returning stolen or illegally exported cultural goods. Some progress was made on this issue too. The bi-regional group of senior officials will prepare a report for assessment at ministerial level of the viability of taking further action in this area.

The last part of the action plan concerns the monitoring mechanisms. These mechanisms will guarantee the continuity of this overall dialogue between Europe and Africa at the highest political level, at ministerial and senior official level, and it has already been established that the second summit will be held in Europe in 2003, thus ensuring continuity with this process that has now begun with the first EU-Africa Summit – the Cairo Summit.

2-135

Nielson, Commission. – Mr President, the holding of the summit was in itself a success achieved after considerable difficulties. These difficulties – mostly of a political character – remain and need to be tackled by Africa and Europe, both separately and jointly. The summit was the first encounter at the highest political level between Africa and the countries of the EU. It will add a new strategic and global dimension to the existing relationship between Africa and Europe and will bring that relationship to the same level as that we already have with Asia and Latin America.

The EU already has a deep and broad relationship with Africa, notably in the field of development, where that relationship is unique and backed up by substantial finance. We are spending development assistance money at the level of EUR 2.5 bn per year. For our part, we have done what we should do and more if we look at the HIPC initiative to help the highly-indebted poor countries. Here the EU is still waiting for a number of G7 countries to play their part.

We want to see the African countries as equal partners in the 21st century – the first century they are entering as independent states. The EU has a comparative advantage in regional integration that Africa can benefit from, and we will ensure it benefits from it in the coming years, when the organisation of regional economic cooperation will dominate the agenda in Africa.

The summit provided an opportunity for useful discussions on debt and other bilateral problems. It also provided an opportunity to underline the need for Africans to participate actively in the WTO process and to seek support for the Community's approach. It was possible for the EU to tackle politically sensitive issues, such as good governance and human rights, with African leaders at the summit. Other difficult questions, such as the question of the return of cultural goods, were also discussed.

The declaration and plan of action adopted at the summit take account of the sensitivities on both sides. Internationally recognised principles, in particular human rights, are respected and clearly reflected in the declaration. This is important to note in view also of the very few statements made during the summit that deviated somewhat from this general consensus about the basic principles that we and others take for granted.

It is regrettable that the civil society forum could not take place in Cairo but representatives of the forum were received in Cairo in the margins of the summit. The text adopted in Lisbon by the forum was widely distributed by the Algerian and Portuguese presidencies.

The follow-up to the summit should enable the EU to round off its existing relationship with Africa with a high-level relationship covering, in particular, a continental approach to political and security questions as well as economic issues.

The Commission will endeavour to make a success of the meetings of the bi-regional group to be held at senior official level. The ministerial-level meeting to be held between summits should concentrate on questions which concern the entire continent, meaning a continental approach must be taken to political and security questions and questions which are not covered by the mechanisms set up under the existing ACP-EU, Mediterranean and South Africa agreements. Our view is that the follow-up to the summit should wherever possible be pursued through existing mechanisms.

The background is that we already have a credible working relationship. With the new EU-ACP Convention being successfully concluded a few months ago and with the EU-South Africa cooperation agreement now being implemented as planned, we have two very important additions to the MEDA cooperation and the Barcelona process. This means that we have not only the perspective of this Cairo summit but also a well-established basis to continue, widen and improve our daily work.

2-136

Corrie (PPE-DE). – Mr President, I welcome the fact that the Cairo EU-African summit took place, but I must stress my disappointment that no one from this democratically elected Parliament had the opportunity to address the summit, nor did NGOs have any input. At the very least, the two Co-Presidents of the ACP-EU Joint Assembly could have made statements and this would have given an EU-African balance.

Members of this Parliament, through the Committee on Development and Cooperation and the ACP-EU Joint Assembly, have laid the foundation for many of the policies in the developing countries: the Martens report in 1997 pointing to the benefits of the Lomé Agreement; the Rocard report in 1998 strengthening the objectives for the future; my own report in 1999 on regional cooperation and integration which is top of the Cairo plan of action agenda; lastly, Mrs Kinnock's excellent report in 2000 on the future ACP-EU partnership agreement that sets the scene for the next 20 years. The final Cairo plan of action is an excellent document if we can now turn words and good intentions into concrete actions.

I know debt relief was at the top of the African agenda and everything must be done to alleviate poverty, but we must have some evidence that funds saved go towards better health care, better education and an improved standard of living for people and not into arms and war materials.

For these ideas to come to fruition, African countries themselves have to make the effort towards good governance. We have already seen some good election results. Let us hope that we can see the same happening in Zimbabwe, Ivory Coast and Togo in the forthcoming elections.

The top priority of regional cooperation and integration should have strong political benefits as well as trade ones. With only 6% of African trade being carried out in Africa there is huge potential for an increase in trade if tariff barriers and trade barriers are removed.

Many of these countries will need both time and financial help to compete in the world market, but these countries must understand there is no other option in this new era of globalisation. This is all unattainable without peace and peace-building; conflict prevention, management and resolution must be top of the African agenda.

The OAU must be given international support to continue its work and the peace initiatives must come from the African countries themselves. Where peace is achieved, help must be given for demobilisation and reintegration, and the use of child soldiers below the age of 18 must be banned.

Ethnic cleansing has been the horror of the last 25 years, and religious wars destroy the very fabric of a country. Peace can bring prosperity. The main thrust of our aim therefore must be better education leading to better health care. Through AIDS and malaria, Africa is losing the very generation it needs to build its future.

This summit was a start but much has to be done to turn words into reality, and we, Members of this House, must be part of that new world.

2-137

Kinnock (PSE). – Mr President, I appreciate that wide-ranging coverage of the issues by Mr Corrie. I would like to concentrate on my view that poverty eradication in Africa must begin with children and the realisation of children's rights.

The Cairo summit will be followed up by another forum in Dakar on basic education. The need for basic education is the single most important cause of global poverty. Therefore, we need to ensure that girls in particular have equal access at least to educational advantage. We can see that education will deliver, it will stimulate the economy, it will offer opportunities to control population and increase health awareness. Dakar is an opportunity to deliver on internationally agreed targets.

The EU should put its political will behind universal primary education by the year 2015. Clearly commitments made a decade ago have not materialised. Africa is falling deeper into mass illiteracy and poverty and being further marginalised from mainstream developments in the economic and democratic fields. In sub-Saharan Africa more children are out of school now than a decade ago. 40 million African children today are not attending school. One third of the classrooms in Africa do not even have a blackboard. They have no toilets. 70% of their schools do not have any clean water. Teachers are under-qualified, often unqualified, and they struggle without pencils, exercise books or blackboards, often trying to teach children who are simply too hungry to listen or concentrate.

Julius Nyrere, one of Africa's most famous teachers, in those post-independence, optimistic days, said education is not a way of escaping poverty, it is a way of fighting it. Some of you may be aware that Julius Nyrere spent his spare time translating Shakespeare into Swahili. But that man's wonderful dreams were lost. He lived to see one third of African men illiterate and two thirds of African women.

I urge the Commission and the Council to make the link between poverty eradication and basic education. The benefits for us all will be seen in increased child life expectancy, cuts in population growth and improvements in farm production. We have the blueprints and I urge all of those with the political will to take action, to deliver for the children of Africa.

2-138

Dybkjær (ELDR). – (DA) Mr President, I should like to thank the Commissioner and the President-in-Office of the Council for their reports on the Cairo summit and say how really surprising I think it is that there has never been a summit of this kind before. When, however, one learns that it took four years to arrange it, then this is not perhaps so extraordinary. Will anything come out of a meeting of this kind? Well, that probably depends upon how you look at it. If you start by considering the disasters, famine, conflicts and problems with AIDS which Africa faces, then, as Mr Prodi says, it is certainly a long way from Lisbon to Cairo, in which case not a lot will come out of the summit. But nor do I think that one could have expected it to. That was not, of course, the purpose of the summit. The purpose of the summit was to open a dialogue between the EU and African countries. That dialogue was in fact initiated, and it is safe to say that, at times, it was fairly unrestrained with its demonstrations and its wrangles or, in any case, point-scoring. I believe, moreover, that both Africa and the EU can learn from dialogues of this kind which, I believe, are also a prerequisite of our avoiding the risk of African countries' displaying bitterness about the history they partly share with countries in Europe. I believe that the final document will prove to be an important reference point in connection with further cooperation between the EU and Africa. This is due firstly to the fact that the document in itself constitutes an important signal about increased cooperation between the EU and Africa and about the fact that we have not forgotten Africa, and secondly to the document's emphasis upon the interrelatedness of democracy, politics and economics and upon the fact that Africa's integration and development should not, therefore, be seen in divided and piecemeal terms but as integral parts of a single whole. Whether or not concrete results will be achieved in this way will depend, of course, upon the political will we show in the future.

2-139

Rod (Verts/ALE). – (FR) Mr President, ladies and gentlemen, the Cairo Summit gave rise to great expectation among African countries, particularly among those which hoped to see their debt cancelled. Europe's response to this was to say that it was too great a call upon its own resources to move towards the complete cancellation of the debt.

On the contrary, we affirm the political need to restore balance in the relations between African and the European Union. After having plundered the natural resources of Africa very widely, and in fact continuing to do so, we must cancel our historical debt to them by cancelling their current debt to our banks. This would enable us to pursue relations on a sounder basis. And the Members of the European Union must stop lying.

We are asking African countries to respect democratic principles, but we are perpetuating antidemocratic practices in order to guarantee our own financial interests, in the style of Elf or Total, in a number of countries. We order African countries to guarantee the plurality of political parties and allow the NGOs freedom of expression, but we negotiate only with Heads of States, the majority of whom represent only themselves, forgetting to invite the NGOs to the Cairo Summit.

We are asking African countries to accord women a larger place in society, but we ought to begin by establishing parity in our own countries. Need I remind you that some European Union countries have less than 10% of women members in their national parliaments?

We expect the African countries to observe cease-fires, but we are fanning the flames of conflict with our arms exports to belligerents.

But none of this is the key issue. As long as the European Union does not provide itself with the resources to ensure that the agreements for the granting of mandatory licences for the production of medicines to combat the AIDS pandemic are applied, expecting any progress in the African economy will remain in the realms of the pious hope. For how can one expect a country in which a quarter of its young people are dying from AIDS every year to have a booming economy?

Once again, as we have already said, the European Union and the Member States must make their actions consistent with their statements. For, while we are hesitating, while we are shilly-shallying, while we are discussing, Africa is dying.

2-140

Miranda (GUE/NGL). – (PT) Mr President, first of all I would like to emphasise that I consider the fact that this summit has been held to be extremely positive. It has always been our opinion that every effort should be made to achieve this objective, as we have always felt that it would be a good opportunity to launch a genuine partnership that would be of mutual benefit to both continents. But we also feel that the results of the summit fell considerably short of what was possible and indeed desirable. I even think that it was the difficulties along the way that led to the idea that the event should be held in the first place, or the formal meeting and the group photo, and not what could and should result from it, with a view to establishing a strategy for this partnership on a new footing.

Indeed, the conclusions do not strike me as being adequate to address current needs and opportunities. It is obvious that economic issues are shaping a genuine rapprochement between the two continents, a fact which cannot be hidden by the individual positions of some Member States, which have a limited but positive influence. I am referring in particular to external debt relief for the LDCs. This is occurring because the European Union, which has been consistently and mistakenly withdrawing its cooperation, is being affected or guided in its cooperation with Africa by two fundamental ideas. On the one hand, by the prospect of transferring traditional, preferential relations to the rigid framework of the WTO, a fact that became obvious in negotiations on the post-Lomé agreement. On the other hand, by the priority being given to relations with Eastern Europe, which was clearly demonstrated by the cuts in expenditure on cooperation in the current budget year.

It is obvious that with this kind of outlook and in the light of the enormous problems and shortfalls facing most African countries in terms of the economy, the environment, health, infrastructure, conflict resolution and poverty, amongst others, it is difficult, if not impossible, to cement a genuine partnership which is effective and lasting. This is the route we must follow in the future. I say “must” because, contrary to what has just happened, I hope that in future the European Parliament and the NGOs will be part of this process. I also say this because I hope that this summit will at least contribute to a greater awareness of the real problems that exist in the field of cooperation with Africa, and that it will represent a warning call for the need to change tack in this area.

2-141

Martinez (TDI). – (FR) Mr President, ladies and gentlemen, in the 1960s people used to say Africa was not on the right track, and now, in 2000, Africa has still not arrived. And why not? Because no destination was established. Where do you expect to get if you do not know where exactly you are heading? Africa’s initial objective was to achieve independence, with nation states instead of ethnic tribes, and the result was Rwanda, the Hutus and the Tutsis, Nigeria, the Ibos, and Biafra. The next objective was Socialism, the fair-haired comrades. Black Africa was supposed to turn red. The result was famine in Ethiopia, Algeria’s agriculture destroyed, not to mention Guinea under Sékou Touré. The white man, Mitterand, then offered Africa parliamentary democracy, parties instead of tribes. The result was a permanent situation of coup d’état, even in the Ivory Coast.

The present objective appears to be liberalism, the market, the IMF, the World Trade Organisation. The result is rebellion by the poor people of Tunis and the poor people of Casablanca at the rise in prices, European meat destroying the Fulani’s livestock farming in Africa, the Latin American banana destroying the Cameroon or Ivory Coast banana, and fats extracted from GMOs are about to destroy the Ivory Coast’s cocoa. All in all, from Socialist Africa to ultraliberal Africa, from the European Development Fund to the World Bank, from the summits in Bujumbura, Addis-Ababa, Nairobi, Casablanca, and now, on 3 April, Cairo, it is always the same assessment, the same threesome of poverty, epidemic and massacre.

Even so, on 4 January, the UN found the final solution, or the miracle cure: a proportion of the 800 million Africans would have to emigrate. They even set a figure: 159 million Africans were to be unloaded on Europe by 2025. In the same way that the problems of the inner city are not solved by building towns in the countryside, Africa’s problems will not be solved by shifting part of Africa to Europe.

The logical thing to do today is to apply to Africa what has worked elsewhere, what has worked wonders in our countries, in the United States, in Europe, the solution which in our countries created heavy industry, agriculture, the textile industry, the solution which in our countries created growth and sustainable development. There is one word for this solution – protectionism, and there is one instrument for this solution – customs barriers. This solution has been worked out in theoretical terms, and called ‘self-centred development’. And, what is more, the new Senegalese President is inspired by this, telling the young people that they should get involved rather than waiting for the billions to arrive from Europe.

In practical terms, Africa will achieve the first stage in growth according to the Rostow model if it protects its agriculture, its livestock farming, its self-employed craft industry, and its emergent economy. Opening up to the world market, on the other hand, will expose it to the law of the jungle and to the plundering of the natural resources of Africa, wood, oil, minerals, the flora and even the fauna, by multinationals. This is, moreover, what we have seen, ladies and gentlemen, with the privatisation of specific key sectors in Africa. For the Africans it was a negative outcome.

Africa does not therefore need either the cut-throat world economy or the economy of world charity, with the Holy Father and the Blessed Jacques Chirac, or the cancellation of a government debt of EUR 300 billion. The watchword of the solution is customs protection on the African side and, on the European side, intelligent intergovernmental cooperation, of which the Lomé Convention was a prime example. In this respect, the Mediterranean could serve as a test bench for a Euro-African policy which respects identities.

We in the *Front National* proposed a practical working method which involved dealing with the individual issues – water resources, soil erosion, desertification, the management of fisheries resources, livestock farming, pollution, control of migration flows – in a Marshall plan for the Mediterranean and Africa which would be funded from customs duties, reimbursable to African states in the form of open credit accounts in European banks. We have proposed an international organisation, with an intergovernmental high-secretariat of the Mediterranean. This would have its headquarters in Cairo, Tangiers or Tunis. An interparliamentary assembly, like that of the ACP. I feel that Athens would be the ideal site, or perhaps even a university in Valencia, Montpellier, Nice or Barcelona. And there perhaps the words of Raymond Loulé would hold sway. The practical implementation of these Euro-Mediterranean projects, respecting the identities of both shores, north and south, and involving around twenty Euro-Mediterranean states, would open the way to greater ambitions. It could then be extended to relations between Europe and sub-Saharan Africa.

This is a great project, Mr President, on the scale of humanity as a whole, and humanity needs both Africans and Europeans. All the more reason not to flood Africa with the unregulated world economy and not to flood Europe with an influx of people. Humanity needs Africa where, it is said for the first time, in Kenya, man first stood upright, and humanity needs Europe where, for the first time, in Greece, thought first stood upright.

2-142

Maij-Weggen (PPE-DE). – (NL) Mr President, when Mr Solana came to visit our group last week and was questioned about the outcome of the Cairo Summit, his answer was that the atmosphere had been good, which is more important than an outcome. I disagree with him on this. Commissioner Nielson also said something to that effect. I think that the atmosphere is important, but as a basis for reaching sound agreements. If the agreements are not forthcoming, then a good atmosphere is neither here nor there. Nonetheless, an EU-Africa Summit is to be welcomed. I also feel positive about the Portuguese Presidency's initiative. This huge continent is still beset with a lack of democracy, war, human rights violations, drought, flooding and chronic poverty affecting large parts of its population. There are most certainly a number of countries which are better off, which boast sound growth figures and where the first signs of prosperity are visible, but there are also countries where the situation has dramatically changed for the worse.

Mr President, the European Union has over the past 25 years invested a great deal of time and effort in development and cooperation. It is disappointing to have to state that this aid has not always had the required effect. In our opinion, we need a new Africa policy, a policy in which democracy and sound management are prerequisites for aid and cooperation. The Union can then also be expected to adapt its agricultural and trade policy in such a way that it is of more benefit to Africa and not, as is now often the case, a source of further disadvantage. In return, we can expect African countries to cooperate better at regional level, open up their markets and give their economies a fair chance. At the same time, Africa needs sound budget management combined with effective social policy, good education policy and sound health care. Excessive spending on defence or futile projects should be avoided.

Mr President, the African countries have asked us to clear their debts. This is vital for the poorest countries, especially if these enjoy good leadership and a balanced budget. But more than anything – as underlined by Commissioner Nielson – we need to treat Africa in an adult manner. We need to support what works but we also need to dare to speak up if certain things are unsuitable. We need to support good leaders and good governments, but offer no support to dictators, bad leadership or countries riddled with corruption. If the Africa Summit in Cairo has led to this kind of realism, then we have created more than just a good atmosphere and we are probably on the right track.

2-143

IN THE CHAIR: MR PROVAN
Vice-President

2-144

Martínez Martínez (PSE). – (ES) Mr President, the recent Euro-African Summit has given rise to concern, even vexation, but at the same time, it has also given rise to satisfaction and hope. There was concern about the way the Summit was being managed – it did not even appear in the programme for the current six-month period – with moments of confusion, suspense and abundant rumour-mongering, which were incompatible with the seriousness and rigour which should be

expected from the European Union given the importance of this historic meeting, the first to be held at the highest level between European and African leaders.

There was concern and vexation as a result of the way in which the European Parliament remained in the margins of the Summit process, partly due to our indifference. This marginalisation, and that of the African parliaments, demonstrated a considerable incoherence on the part of the organisers. It is incoherent to go around preaching good government, democracy and the rule of law while, in practice, ignoring the parliamentary institution which is essential for the realisation of those principles.

There was vexation on discovering that certain NGO meetings – the fora of civil society – which should have taken place in Cairo, sponsored by the European Commission itself, could not take place because of communication problems or the veto, still unclarified, of some part or other of the organisation of the Summit.

However, I said at the beginning that there were also positive aspects to this Cairo Summit which were cause for satisfaction and hope. There was satisfaction at the fact that the conference was able to take place at all – which in itself is a great thing – and we should therefore congratulate the Portuguese Presidency and Commissioner Nielson, whose efforts helped to overcome the difficulties, intrigues and lazy defeatism of many people who assumed that this summit would be suspended, although it was going to fill an unjustifiable vacuum in the external relations of the European Union.

There was also satisfaction with regard to some of the tangible results of the conference in areas such as the cancellation of debt, the elimination of anti-personnel mines and the return of cultural goods pillaged by colonial powers. Europe must now also commit itself to the prevention and resolution of armed conflicts, the provision of humanitarian aid for famines and the treatment of illnesses such as Aids or malaria which decimate the African population.

However, a Summit of this type should be an important source of hope, especially if it is not an isolated event but a first step in a process which we must set to work on immediately, in the expectation, furthermore, that relations between the European Union and Africa are going to change shape. I am not impressed by the current pattern of African partners requesting aid in order to resolve their problems, as a result of which the European partners merely grant a part of that aid and little more. We must go much further, much further than mere cooperation with development, which, by definition, is an unfair form of cooperation. We must create platforms for dialogue and cooperation in which Europeans and Africans can discuss common problems and put together joint strategies in order to act in a coordinated fashion within the world order, in which we must all play a principal role, in equality, dignity and responsibility. Thus, that world order will have to be more egalitarian, shared, cohesive, democratic and compatible with the values which we in the European Union proclaim as our distinguishing marks.

Mr President, taking this approach, we will vote in favour of the good resolution with which this debate will conclude.

2-145

Van den Bos (ELDR). – (NL) Mr President, except for photographs and fine words, the Africa Summit has yielded very little. Africa asked Europe for more market access and debt repayment, and got vague pledges in return. Europe asked Africa to respect human rights more, fight corruption and cease violent conflicts, and got vague pledges in return too.

The solemn declaration of Cairo was signed by governments which are anything but generous regarding clearing debts and opening up their own markets. The document is also signed by countries where human rights are being violated on a massive scale, where women are discriminated against, where the little funding that is available is used to massacre other population groups and where corruption has taken on almost ineradicable proportions.

Wealthy Europe must grant generous aid to Africa in support of democratic institutions, primary education and health care and must substantially lighten the debt burden. The African countries need to understand that, without proper government, none of their developments will come to fruition, and both continents need to realise that strict population policy is absolutely indispensable. On the photographs from Cairo, the African and European leaders may be rubbing shoulders with each other but, in reality, there is a yawning chasm separating the two continents.

2-146

Lucas (Verts/ALE). – Mr President, the first EU-Africa summit was an important event and had a great deal of potential for taking meaningful steps to reduce the marginalisation of African countries. So it is a pity that a number of things prevented that potential from being fully realised. Firstly, neither the European Parliament nor the EU-ACP Joint Assembly was invited to participate in the summit. Secondly, it is very sad that civil society was not able to have a greater input into the meeting. The NGOs from the EU and African countries took this summit very seriously and it was a missed opportunity not to engage in more meaningful dialogue with them. Civil society has a key role to play in Africa's development process.

Finally, this meeting could have resulted in a far-reaching action plan of concrete actions. What we have is a plan full of warm words and good intentions but short on firm commitments, in particular on trade issues. While it is nice to recall the

EU's important decision to grant duty-free access for essentially all products, it would have been even more significant to have gone beyond the famous "essentially all" to include those products of real importance to the poorest countries, such as agricultural goods.

Finally – sadly – commodity prices were conspicuous by their absence from this agenda. A majority of African countries are overwhelmingly dependent on just one or two commodities for the bulk of their foreign exchange earnings. Until action is taken to reverse the fall of commodity prices, poverty in Africa will not be properly addressed.

2-147

Sylla (GUE/NGL). – (FR) Mr President, wanting to achieve relations on the basis of partnership between the old continent and Africa means first of all putting a halt to the present system which operates to benefit the great powers and the corrupt elite of the south.

The continent of Africa is ravaged by epidemics such as the AIDS epidemic and by wars that are conspicuous, or sometimes forgotten. Antipersonnel mines continue to kill innocent people, arms of all kinds proliferate and fall into the hands of child-soldiers. The number of undernourished people in black Africa rose from 90 million in 1970 to 180 million in 1995. The figures speak for themselves. Time seems to have stood still between the Biafra famine thirty years ago and the one which is once again devastating Ethiopia. Illiteracy and unemployment affect the vast majority of young people on the African continent.

So it would be a mistake to think, today, that three quarters of the planet, three quarters of the human race, are going to carry on living in this sort of poverty without causing some serious instability at world level. We must also do away with aid policies, which are equivalent to giving fish to people living on the bank of the river, as the saying goes, instead of helping them to make fishing rods. The result is there is never enough fish and there are increasing numbers of people fighting over the leftovers.

Moreover, the IMF ordered ultraliberal policies, supposedly for structural adjustment. These are policies that have never worked anywhere. Quite the opposite. I do not know of a single example of a country which made any progress by applying their directives. In all its negotiations, the European Union should also demand fighting against corruption, certainly, and for democracy but, in return, African countries can also demand that the friends of Le Pen, Haider and Martinez should stop making regular racist attacks on their populations resident in Europe.

We agree that we cannot carry on supporting dictators in the name of *Realpolitik*. We must support democrats unreservedly. From this point of view, what has taken place in Senegal sends out a strong message, proving that Africa is not automatically condemned to conflict, coups d'état or tribal warfare.

There is an imperative need for a new policy, based on codevelopment, conflict prevention, and the rejection of the dictates of the financial markets. Obviously, this necessitates cancelling the 350 billion dollars of debt which is strangling any development in these States.

Finally, Mr President, Europe too made its wealth from colonialism and slavery. Europe thus has a moral debt towards Africa. Part of our wealth came from the colonial plundering inflicted on Africa. Acknowledging that slavery was a crime against humanity would be an important gesture.

2-148

Van Hecke, Johan (PPE-DE). – (NL) Mr President, after months of endless squabbling about agendas and participants, the Cairo Summit did take place eventually. Only to establish what all of us have known for a long time, namely that the majority of the African population still live in abject poverty and are weighed down by a heavy burden of debt. There is no doubt that the many informal contacts which the Summit created have been useful. But I do wonder in all honesty if there can be talk of a Euro-African Summit if civil society is banished to Lisbon and neither the European Parliament nor the ACP-EU Assembly are in any way involved in the Summit.

The European Council gave in to the demand of African dictators not to admit any parliaments to the Summit. But how much more credible would words such as democracy and the interest of the people have been if those people had actually been represented. In that sense, Cairo was not a Euro-African Summit but more like a summit of élites. With his statement that Africa does not need democracy but water pumps, Colonel Gaddafi has undoubtedly put into words what many of his fellow dictators think.

It is evident that our political models cannot simply be transplanted. Africa has to find meaning for the notion of democracy itself. But fundamental principles, sound leadership, separation of powers, free and fair elections and respect for human rights are not negotiable. The European Union's reaction to violations of these principles is sometimes feeble and often divided. Take Zimbabwe, for example, where political opponents are being attacked in the run-up to the elections and white farmers are being threatened and illegally evicted from their own land and where Mugabe provokes violence. What other messages does the Commission need in order to suspend development aid?

In an interview with *The Sunday Times* last Saturday, Kofi Annan reproached the African leaders with greed, megalomania and failure to create better living conditions in their countries. Against the background of Kofi Annan's words, the question arises as to whether the people do not consider the organising of solemn rituals such as those in Cairo as a conspiracy among élites. The international community should not be tricked into feelings of guilt by the African leaders who do not carry any democratic legitimacy. It is high time that the European Union told the African dictators where their responsibility lies.

2-149

Junker (PSE). – (DE) Mr President, ladies and gentlemen, all too often, Africa is seen by Europe as a lost continent, which is why this EU-Africa summit was long overdue. This event must not be used as an alibi; it must mark the beginning of a real partnership. If we are honest, then we must examine our own motives because, the truth is that a sort of Africa summit would also suit the European Parliament, because dealing with this subject usually means extremely topical and highly dramatic incidents, with conceptional discussions and efforts to find the right perspective generally getting the thin edge of the wedge, if you disregard the fact that Africa is a predominant subject at the ACP assembly. But who notices that here in Europe?

Africa is the continent most seriously affected by the injustices of the international economic and financial system and the consequences of globalisation. The promise by the German government and by other European countries to write off the debts of the poorest countries in the world will help considerably, because the high level of debt is an obstacle to investments in all forms of infrastructure in the countries in question and is hence one of the biggest obstacles in the fight against poverty. Governments which have not yet decided to join this move should copy those who have already done so.

Success will only be achieved in the long term by finding points which unite rather than separate us and by endeavouring to reach a mutual understanding and to integrate Africa into the international community of nations. Nonetheless, it is clear that something may, indeed must be demanded of the governments of Africa when it comes to safeguarding human rights, basic democratic order and the rule of law. There can be no question of allowing dictatorial rule on the African continent which, as in Zimbabwe now, fosters racism, dispossession and forcible suppression and ousts an operational legal system. The Lomé Convention offers a suitable framework for consultation, political dialogue and, if necessary, the suspension of cooperation.

Still less can there be any question of allowing financial aid and food aid from the European Union to be misused in order to buy weapons. Newsreels showing wretched people starving are currently flickering across our television screens from Ethiopia, while the government is siphoning millions into new arms and has even turned down Eritrea's offer to allow its ports and transport routes to be used for aid for Ethiopia, despite the continuing state of war. That is immoral and an important chance to make a move towards reconciliation may have been wasted.

Banning the NGO meeting from Cairo was a most unpleasant side effect. The countries of Africa will have to get used to the fact that non-governmental organisations have an important status as part of the civil society and can act as mediators in the development of an autonomous civil society in these vulnerable countries on the path towards stability and peace.

2-150

Marset Campos (GUE/NGL). – (ES) Mr President, the Cairo Summit has been genuinely significant, an historic milestone. It has been significant in terms of its meaning but also in terms of its lack of achievement. It is historically significant because it is the first time that Europe, which was the colonising power and is responsible for the underdevelopment and poverty of Africa, has met with the countries which are the consequence of that, the African countries which are seriously under-developed. It is also significant insofar as its conclusions could not have been more feeble.

It has been noted that it had been prepared hurriedly, as a cosmetic exercise, without taking responsibility for the past and without preparing comprehensive and solid programmes on the future of relations between the European Union and Africa.

It is truly illogical to lament the constant instability and warfare, when there is a real battle for power and control of resources in Africa which, in turn, increases the cycle of poverty and sends waves of immigrants towards Europe. It is also contradictory for us to lament the problem of Aids when it has been caused by the instability and precariousness created in those countries by the structural adjustment plans imposed by us, the IMF and the World Bank.

Therefore, Europe owes an enormous historical debt, centuries old, to Africa, and should repay it, not only by means of asking forgiveness, but also by forging social, economic, political and cultural links in order to show an indispensable form of solidarity.

2-151

Zimmerling (PPE-DE). – (DE) Mr President, the EU/Africa summit was reported in the press under the headline: Kiss and make up! Unfortunately a unique opportunity to reconcile different ways of looking at current problems and find a solution was wasted. First, it is astonishing and highly unsatisfactory that the European Parliament was not included in this

allegedly forward-looking conference. The members of the European Council appear to have overlooked the fact here that the people of Europe are represented first and foremost by this Parliament. Obviously no one was particularly interested in apprising the African states of this fact.

So it was certainly not a mobilisation summit, as the press described it. As far as the content was concerned, it is perfectly understandable that the developing countries are interested in seeing their debt burden wiped out, but there can be no question of complete remission with no conditions attached. We found out at the last meeting of our ACP/EU assembly in Abuja that in Nigeria, for example, which has restored democracy, one of the last dictators diverted several billion euros to private accounts. One can only emphatically advise the developing countries to prosecute these offences, which are also punishable in Africa, and confiscate the money.

Then some, and it is a great deal, of the money would again be available to repay debts. We would be able to recognise the good intentions of the developing countries and could then negotiate writing off and ignoring the rest of their debts. In my view, this is all part and parcel of the good governance to which the countries of Africa have committed themselves if they are to receive more development aid.

On the other hand, I totally fail to understand why the German chancellor, for example, is treading a path which goes in the opposite direction of the other EU countries, by saying that the poorest of the poor countries should have all their debts written off first. This rather flashy and, in fact insubstantial gesture contradicts the resolutions of the G8 summit last year and is in keeping with his departure from the conference. It does not help matters if, instead of attending working meetings, one prefers to talk to Gadaffi for 10 minutes. What the topic of conversation was, one may only speculate.

The chancellor of the media, as he is called at home, made his entrance and what came out of the final declaration adopted hours later was obviously a matter of indifference to him. This is not the way, in my view, to formulate development policy nor is it the way to bring about the urgently needed reconciliation of national development policies. I think that we, the European Parliament, must continue to denounce these national solo efforts and increase the responsibility of Member States' governments.

(Applause)

2-152

Van den Berg (PSE). – *(NL)* Mr President, it appears that some MEPs here are trying to attribute the problems in Africa mainly to the Africans, while others seem to attribute the blame mainly to Europe and the former colonists. This seems to be the pattern for the Summit in Cairo too. Some think it is a missed opportunity. They are extremely disappointed and can think of all sorts of reasons to support this view, while others deem it a unique and historic event.

The fact that, for the first time in history, such a meeting has taken place between the African and European leaders is, of course, an historic event. The fact that contact has been maintained mainly with Latin America and Asia is indicative of the fact that, evidently, there is something wrong with the normal relations between Africa and Europe. This is true, of course, because very often it is not the Ministers for Foreign Affairs who travel to Africa but rather the Ministers responsible for emergency aid who then pursue their policy from there. In connection with the African continent, policy has always been biased towards all kinds of funding for trade, agriculture, foreign affairs and, of course, development cooperation and there has been insufficient room for normal policy. This is undoubtedly down to our dual approach of pity on the one hand and *miser cordia* on the other, in other words the inability to snap out of the old colonial relations between Europe and Africa. This is as much our fault as it is Africa's. In the light of this, I consider the Summit more as a good opportunity and a new moment to create a new beginning, despite all the attendant misery – inevitably, there are dictators and there is some European policy which is inappropriate. I would like to praise the Portuguese Presidency, because they could have quite easily opted out, or it could have quite easily dragged on for a while longer, but they took the bull by the horns. No, I am certainly not expecting tangible, huge successes, but what matters is what happened at a deeper level.

Parliament received a letter from Mr Prodi in which he says, on behalf of the Commission, that he has ordered proposals to be made for granting countless African products access to the European market at a zero rate. Such a step is significant. It has been stated that we want to make a large contribution and take part in a much more far-reaching debt burden initiative, provided we can link this in with social development. Mr Nielson is in favour of a complete overhaul of the development policy in which attention will focus much more on social development and poverty, both within the ACP-EU Treaty and within the EU. You cannot develop the African people from within Europe. The African people have their own plans and want to develop themselves, but want help in order to achieve this. A new framework such as this really creates opportunities. Within this framework, room must be made for conflict prevention. Ordinary, regular contacts cannot work miracles. They will not bring about marvellous new results, but they are necessary. I am pleased to hear from the Portuguese Presidency that it intends to ensure that a Summit like this will take place again in the foreseeable future. They should become the norm. In a normal relationship, we can be tough and businesslike with each other and we can adopt a result-orientated policy.

I would like to add one more point. I hope that our budget for 2001 – and the Commissioner is only too aware how heavy this weighs on me, because I am the budget rapporteur for that component – will also accommodate some of these promises. If 45 million children in Africa have never seen a schoolroom before and if we managed to double the education budget next year – not the budget as a whole but if we simply shifted some figures around – then this would be a welcome bonus. Apart from in this final note, I made my contribution on behalf of the entire Group of the Party of European Socialists.

2-153

Mantovani (PPE-DE). – *(IT)* Thank you very much, Mr President, for allowing me to speak. This is my maiden speech in this Chamber.

I, too, welcome the initiative of a first EU-Africa summit. The need for it has been felt and discussed for nigh on 50 years. However, as a member of the Committee on Development and Cooperation, I must express my reservations at the lack of support from the European Parliament. I also condemn the fact that Agenda 2000 did not tackle the issue of the future responsibilities of the European Union towards developing countries. There are two sides to the issue: the request from Europe for African countries to respect human rights, good governance and democratic institutions, and the appeal, loud and clear, from the African countries for the cancellation of their debt, which is seen as responsible for stifling the development, economic growth and welfare of the communities.

A balance has to be found, and some common ground. Parliament has tried to tackle this issue several times in the past, apparently without ever achieving tangible results. We need a powerful, sincere, widespread initiative; there are calls from several different quarters, including the Holy See during this Jubilee year, for a substantial reduction, if not the total cancellation of the third world debt, by such means as to facilitate the inclusion of the most heavily indebted countries in the world production and trade circuit. In my view, we need to set up a structure to analyse the situations of the various different countries and assess their political situations, in order to establish by how much to reduce their debts or whether to cancel them. This would take into consideration the extent to which past financial aid has been put to good use, and therefore involve the governments, civil society, local churches and non-governmental organisations.

2-154

Khanbhai (PPE-DE). – Mr President, ordinary people in most African countries are poorer today than when their countries became independent. Poverty, therefore, is a disease inflicted upon innocent populations by evil dictators, greedy and corrupt politicians. Natural disasters, including climate change, have aggravated the problem. The Touareg in the desert in northern Niger, the Makonde in Tanzania or Mozambique take their families and put their meagre possessions in a little basket if they wish to move. They are poor, insecure and exposed to the elements. They have no water, sanitation, energy, medicine, education or reliable shelter. Such desperate people cannot think of democracy and human rights in the way we do from our houses and leafy suburbs in the West. They have no stake in their village, regional or national economies. Such rootless people, desperate people, are easy prey to evil political manipulation, and that is why we see so much conflict and civil unrest in those countries.

We here in this Assembly offer these people open and free access to our EU markets. We invite them to be part of the global economy, so that they can come and sit at the tables in Seattle for the WTO discussions. What does this mean to these poor people, the majority of whom live in the bush, who have no knowledge, no means of efficient cultivation, harvesting, processing, packaging even what little they grow? They cannot even market it in their own countries let alone sell it abroad.

So I suggest, let us teach them to be self-reliant and independent, by teaching them the means to grow and harvest what there is in those countries. Let us give them the technology transfer that makes sense, before we say our markets are open to them.

2-155

Gama, Council. – *(PT)* Mr President, ladies and gentlemen, I would like to thank you for your speeches, which will encourage us to pursue this European Union policy on Africa. I would like to clarify a few points. Firstly, the question of linking parliamentary bodies, such as the ACP-EU Joint Assembly and the European Parliament. As you will be aware, this summit was negotiated with another party: it was not imposed on them, nor could it be. It was not a summit involving the European Union alone. We had a partner that had to be respected, because the consequence of not respecting our partner would have been to have had neither a dialogue nor a summit. Well, let it be said that there were even problems in including references to the ACP group in the final conclusions. Why was this the case? Firstly, because this was seen as the first major rapprochement between Africa and Europe and not all Africa's countries are ACP countries. Secondly, the ACP group is not a purely African group. It also covers the Caribbean and Asia. Therefore, you will understand that incorporating the ACP group into the summit, particularly at Joint Assembly level, would not have been at all easy, especially as the ACP group was not involved at any other level.

Secondly, with regard to the European Parliament, we understand how necessary and important it is for the European Parliament to take part in these initiatives and that is why we, the Presidency, have been involved in extensive dialogue with the European Parliament through the Committee on Foreign Affairs, Human Rights, Common Security and Defence

Policy and here today, in plenary sitting. My only regret is that attendance is low, but it is nevertheless of an extremely high calibre. We have held lengthy discussions on this summit and on the fact that its effectiveness rested on two pillars: one is the European Union, and the other is the OAU. And the OAU, for its part, does not have a parliament. There was therefore a problem in accommodating within one summit, which I repeat was a summit of equals, not a summit of parties of a different status, an institution which the other co-sponsoring organisation did not have. When we prepare the next summit, the 2003 summit, we will certainly look at ways of strengthening the European Parliament's participation in a framework that must take account of the other party, given that the other party exists. And nobody can understand anything about relations with Africa unless they grasp the fundamental point that Africa is out there and has its own opinions and ideas on issues. Let us not try to insist that all our ideas should be automatically accepted and included in the negotiations just because they are ours.

Another important point is debt. I would not be as sceptical as some of you have been in your speeches and I even think that the reaction of the Africans at the summit and afterwards to the way in which the problem of debt was addressed showed a degree of confidence. We must not forget that there is a qualitative difference. I would remind you of the commitment given by Member States in relation to the world's highly indebted poor countries to reduce and even cancel their debt, not forgetting the Union's EUR 1 000 million contribution to this programme. I would also draw your attention to the fact that in 2000, the European Union will clearly commit itself to establishing, by 2005, a programme of access to its economy, free of customs duties, for products from less developed countries. This will make a major contribution to stimulating their economies in the context of uneven trade liberalisation. This is unprecedented and has never been done by any other group of countries. It is extremely innovative and is greatly welcomed by these countries. Confirmation of these principles at the summit was generally well received by the African countries. The summit is not an international financial organisation. The problem of reducing or cancelling debt could not be solved at the summit. The summit has helped to confirm values and commitment, and it was also extremely significant that many European Union countries took this opportunity to announce publicly that they were reducing or cancelling the debts of the poorest highly indebted countries. This had an important effect in terms of synergy and precedent.

The most important aspect of what took place was in fact consistently highlighted by the Africans: for the first time the European Union has agreed to address the issue of the indebtedness of African countries with the whole of the African continent through the follow-up mechanisms of a summit. The high-level bi-regional group was charged with preparing a report on African indebtedness which will then be discussed at ministerial level. This represents a complete U-turn in this area. It is the first time that the European Union has agreed to discuss the problem of their indebtedness with all the African countries, in an institutional framework outside the international financial organisations. The African countries considered this to be one of the most important milestones of this summit.

I should tell you that the aim of the Portuguese Presidency of the European Union was to do something for Africa, not just because we had done something for other continents or regions, such as Latin America and Asia, but also because other countries or groups of countries, such as the United States, Japan and even China had begun to do so before us. It was time to put right this delay. And therefore, with the cooperation of Commissioner Nielson, the Development Council held in Lisbon in January was, for the first time in history, devoted to EU-Africa relations. It had never been done before. It was the first time. It was an excellent piece of work, which furthermore was reflected, and rightly so, in the results of the summit.

We also finalised negotiation of the ACP agreements for the second Lomé Convention and we finalised the free trade agreement with South Africa. We are also working very rapidly on the Barcelona Process and on African participation in the framework of association agreements seeking to create a free trade area by 2010. We are working to review the Mediterranean strategy, to produce a rigorous draft of the Euro-Mediterranean Charter for Peace and Stability and also to review the MEDA II regulation. We held the Mediterranean Forum in Funchal and we will be holding an informal ministerial meeting in Lisbon on the Barcelona Process, specifically to determine its good and bad points, on what needs to be improved and to prepare the summit which will be held under the French Presidency. With regard to the Cairo Summit, it was not included in our initial programme, because when we took over the Presidency, it had not been finalised, but we always said that if the problems could be resolved, we would be prepared to hold the summit. Later, we proposed the summit, we resolved the diplomatic problems and held a summit whose results were greatly welcomed by the African countries. Of course, we did not resolve all the problems of the African continent overnight, but a step needed to be taken, a step towards including Africa in the European agenda. It was necessary to hold a summit with this scope, on this scale and which would target these goals. We took that step. We must now continue, but I am sure that with the African agenda more rigorously defined in European policies, we are in a position to continue in a sustained and successful way, because the African continent requires it to be so. The situation of conflict, poverty and disease requires the European Union to boldly accept its responsibility. It is also essential for the European Union to have an African agenda. We, that is, Parliament, the Commission and the Council, are all working towards this.

2-156

Nielson, Commission. – Let me refer to some of the specific points made in the debate. Mrs Kinnock mentioned the forthcoming meeting in Dakar on basic education. As part of our preparations for that meeting I have gone through the bulk of what we are doing on primary education in Africa and I am happy to say that I am in a position to express

something positive about what I have seen in the Commission. We are doing much more than I had expected and I would be happy to inform Parliament about the portfolio of primary education activities in which we are involved in Africa. This is not to say that we could not do more but it is much better than the picture in general.

Secondly, with reference to Mr Rod, who said that the longer we discuss more people will die of AIDS in Africa, I only have five minutes. I have discussed AIDS in Africa with President Mugabe. It was quite interesting that he openly admitted to me that they are now pursuing a policy of open, honest information on AIDS and HIV, pretty much parallel to what Uganda has been doing with some success. This is not to say that the problem is over but I consider it real progress that one of the statesmen in Africa who, in this discussion, was seen for some time as part of the problem rather than the solution, is now openly saying that he knows he has to change his policy. I am not claiming to portray the whole situation in Zimbabwe but this is an important point.

Mr Miranda reminded us of the indirect effects on the budget for Africa of the concentration on eastern European Balkan problems. In absolute terms, our focusing on Kosovo and other activities has not meant a reduction in what we actually do in Africa. In relative terms this is the case, but we have been able to shield Africa from direct reductions in the volume of what we are doing. I appreciate the support from Parliament to that effect.

Mrs Maij-Weggen mentioned that development aid has progressed over the years. I wish that were true. If we look at total official development assistance, globally it has in fact decreased. We are now down to 0.23% and many governments should and could do more. Against that background it is a privilege to represent the European Union internationally in this field because we have not been part of that downward trend. In total numerical terms, it is foreseeable that we will be increasing what we do in the coming years. This Parliament, our budget, and our activities stand out as a sort of corrective measure to the global trend. We should be proud of that and we should make the most of it in political relations also.

Mr van den Bos and others talked about debt relief and these problems certainly need a lot of attention. I will remind you though that most of the EUR 1 billion, which is the EU's contribution to the HIPC II initiative, will be directed towards Africa. The EUR 680 million, which is our contribution as a donor, not as a creditor, will all be directed to the African Development Bank earmarked in the special trust fund in the HIPC initiative in order to bail out Africa and make it possible for the African Development Bank to continue servicing the poor countries in Africa. We are doing quite a lot and the problem now is to what extent the G7 countries – who started up the HIPC II initiative in Cologne last year – will deliver, not just as donors but in their more narrowly defined role as creditors.

We welcome the cancellation of bilateral debt, which is relatively easy to decide politically, the difficult part is multilateral debt. This is where the EU, as a donor – not directly involved as a creditor – has been able to lend a strong hand. This is something that should not be forgotten in the on-going discussions. It may not be enough but it is certainly more than any other group of donors has done so far.

Mr Zimmerling mentioned the problem of Nigeria and getting money back. We made some last minute changes to the text in Cairo which strengthened the views expressed and I hope that Europe will be able to give a helping hand in identifying some of this money and getting it back where it belongs. This should be part of international economic governance. Money should not be able to disappear as has been the case.

It was of real importance that the Heads of State and Governments spent two days together. They got along quite well. It was very nice to witness this, which is of considerable importance, not only for the mood between Europe and Africa, but also for the kind of partnership we want to create, which also needs these personal relations. They certainly developed quite well in those two days.

Finally, I would like to take this opportunity to express my thanks for the very good cooperation established with the Portuguese presidency during this substantial effort. It was very successful and it has been a pleasure working with the presidency.

2-157

President. – That concludes the debate.

I have received seven motions for resolutions tabled pursuant to Rule 37 (2) of the Rules of Procedure.¹

The vote will take place tomorrow at 11.30 a.m.

2-158

External relations package

2-159

President. – The next item is the Commission communication on the external relations package.

¹ See Minutes.

2-160

Patten, Commission. – Mr President, we discussed a number of issues in the Commission today, including the broad economic policy guidelines which have been the subject of a statement by my colleague Commissioner Solbes elsewhere in Parliament during the course of the afternoon. But I would like to focus on two issues touching on external relations and one of those issues in particular. Briefly though, I will first of all mention our communication on election observation and assistance, which we will now be publishing and which I will look forward to discussing with Parliament over the coming weeks and months.

I have to say straight away by way of a confession – and since Dr Paisley is not in the House I can probably make a confession – the paper does not represent a radical new approach, but it does attempt to bring order to an activity, which has become a very real growth area in recent years. We have spent EUR 150 million on this important activity. It is now clearly a first- pillar activity following the adoption of the regulations, which provide a legal basis for human rights and democratisation activity.

As Members of Parliament will recognise, the communication invites both Parliament and the Council to work with us on a more coordinated approach. It invites everyone to try to learn the lessons of the past. It is a very practical document. It suggests that we need greater coherence in what we are doing and I am looking forward to hearing the views of Members of Parliament on the document, which I hope they will regard as an important and useful contribution to a debate which is going to become more important, not less important, over the coming years.

Let me turn to a subject on which I would like to address the Parliament at rather greater length. It is a subject which is very close to my own heart – imperfect a specimen though that may be. It is the rapid reaction facility, which we have been discussing for some time and on which we have come to some conclusions.

My colleague, Commissioner Nielson, was talking a moment or two ago about the EU-African summit in Cairo just over a week ago. It is true that the President of the Commission, my colleagues Pascal Lamy and Poul Nielson and myself were all confronted during that summit with a litany of complaints about the slow delivery of European Union assistance. The people making those complaints were very often justified in doing so – not always – but very often. It is not a new problem, as Members of Parliament will know – particularly Members who have been on delegation visits to other countries. I have been frustrated at our slow and cumbersome procedures ever since I have arrived at the Commission last autumn. I want to say once again that this is not a problem created by our staff, who work extremely hard, thin on the ground as they are. It is a problem which they have been labouring under for a number of years.

The problems of slow decision-making and delivery are both structural and cultural. Our procedures are old fashioned, they are as I said 'cumbersome'. But the traditional legislative approach to Community business is also sometime ill-suited to the fast changing realities in external relations. This is particularly true for conflict prevention and it is particularly true for crisis management efforts.

Today we are criticised for being slow, today we are criticised for being overtaken too frequently by events, and I think to borrow a cliché 'history is not going to wait for us any longer', nor will our international partners, nor even will the Council, and they are right. We have to make sure that we are ready and capable of acting when action is needed, not six weeks later, not six months later. We have to do better and we can do better. Now we have embarked on an ambitious reform of our external assistance programmes, designed to bring a serious improvement in their effectiveness and in their speed of delivery. We will present our proposals in the next few weeks. Some things we can do relatively quickly, others will take longer if, for example, complex legal changes are required. The rapid reaction facility is something that in our judgement we can do fairly quickly if we have the support of Parliament and if we have the support of the Council. I hope that support will be forthcoming because we have time to lose. The Helsinki European Council called on us, in the context of development of the Union's crisis management structures within the ESDP, to set up a mechanism for rapid reaction. Inertia is only part of our problem today.

We must also be able to combine different tools more effectively and flexibly into a tailor-made mix to suit the particular situation. The rapid reaction facility responds to these needs. It is intended to allow us to draw without delay on existing Community resources and expertise to address specific crisis situations, complementing the valuable work already undertaken by ECHO in the humanitarian field. I am suggesting a mechanism with the following broad characteristics. First, there are the urgent time-limited operations in situations of crisis or emerging crisis. Action should not normally last for more than nine months. Second, where longer-term intervention is necessary, actions under the rapid reaction facility will anticipate operations under existing instruments, which can take over the action using the normal procedures. Third, as with ECHO, the procedures must be streamlined. The Commission should mostly be able to act under its own responsibility and if it has to consult Member States it will be on the simplest possible advisory basis. Fourth, the management of the rapid reaction facility will be the responsibility of a small team, the crisis coordination unit in the Directorate-General for External Relations. I do not want to build up large structures where people create work while waiting for a crisis to happen.

The added value of the rapid reaction facility is speed and flexibility in Community intervention in crisis situations. It will help us to overcome procedural hurdles which have slowed us down in the past and it will allow for the combination of several instruments within a single action and for a single purpose.

Now I have heard concerns expressed that we are taking on new responsibilities when we should be focusing our efforts. I understand that concern, but the rapid reaction facility does not create new responsibilities, it tries to get better mileage out of what we already have. It builds on existing Community instruments, putting them to concerted use in a new framework. It can cover action in areas as diverse as human rights work, election monitoring, mediation, institution building and media support, customs and border management, mine action, support for police operations, civil emergency assistance, resettlement and rehabilitation.

There is an inevitable, indeed necessary, area of overlap with existing instruments. I repeat: the facility does not create a new instrument. It provides a mechanism for drawing more effectively on the existing ones and the overlap is limited by the procedural nature of the rapid reaction facility and the time limit to its interventions.

The facility is a kind of quick-start package. It will allow us to react in time and if necessary, to take the initiative in urgent circumstances. In doing so, we will be better placed to put the wealth of Community experience and resources to optimal use in the interest of the Union as a whole. But rapid reaction facility action is not meant to last longer than absolutely necessary. If it needs to be pursued beyond the immediate time frame of the crisis situation, it should be taken over as soon as practicable by the regular geographic or thematic Community instrument most suited to manage it in the longer term. That is why the Commission proposes a rather modest budget allocation for the rapid reaction facility: about EUR 30 million for this year and EUR 40 million for subsequent years.

We need to have sufficient funding available to get crisis action started quickly, but we do not want to tie up large resources, which could and should be put to better use in regular programmes. Similarly we do not want to create a large new bureaucracy which would hang around waiting for the next crisis to happen. I have dealt with that point earlier in my remarks.

In sum, I am convinced that the facility will help us both materially – I would have loved to have had it in hand when we launched the Energy for Democracy scheme last autumn – and institutionally by providing a concrete Commission contribution to the evolving ESDP. It is not an ideal solution. My own favourite economist and guru, Jane Jacobs, points out that everything is disappointing in practice. There are rarely ideal solutions, but I do think that it is a very workable solution and if, when we review the programme in three years, we find we no longer need it because we have integrated similar rapid reaction mechanisms in the regular programmes for external assistance, no one would be happier than me.

2-161

Maij-Weggen (PPE-DE). – (NL) Mr President, I would first of all like to extend warm thanks to Commissioner Patten for his extensive clarification. I have a question pertaining to his first point. As I understand – and I am delighted to hear it – the European Commission intends to provide more structure to the way third-country elections are observed within the European Union. My question is: will this be a structure similar to that employed in the United States? I have always noticed that it is the Carter Institute which is responsible for election observation over there, and it always acquits itself of this task in a very professional and very transparent manner. The European Union, which may be present on a massive scale, is really lacking such an image. Could you explain whether you will use this American model as a gauge, because I think this is an excellent example of how things could be done and how they could be done properly?

2-162

Patten, Commission. – The honourable Member has, as ever, made an extremely shrewd observation. There is an image problem. It is one we address in the communication. We want to ensure that what the Union does is more recognisable: it is not just a question of logos or armbands but of the whole presentation of what we are doing.

I think Members of this House will have sometimes been frustrated to discover that, on the basis of European Union funding, people from other countries, even North America, and some other countries are getting all the credit and none is coming to the European taxpayer who pays for all these things. There is no such thing as European funds, there are European Union taxpayer funds, and it is an important point to remember. Image is important and we have addressed it in this document. I hope that if the honourable Member thinks we have not done so adequately, she will let us know. Part of the purpose of this document is to try to generate more ideas from Members of this Parliament who, of course, are so familiar with the important activity which we are addressing.

2-163

Swoboda (PSE). – (DE) Mr President, Commissioner. I concur with Mrs Maij-Weggen's question. I have taken part in several election observation exercises and, according to the principle of "do good and be seen to do good", we, and I do not mean just I, have often remarked that visibility was often lacking. Now I am all in favour of our continuing to work together with the OSCE and the Council of Europe. However, it is a poor show that we, the European Union bear all the costs, as is often the case, and yet nobody even notices that the European Parliament is present to observe the elections. I think that we should take reasonable account of visibility in this context.

Secondly, Commissioner, I should like to ask you when you intend to have at least the basic structure of your rapid reaction facility up and running, because it is also important for Parliament's work? What sort of timetable should we be working towards? Thirdly, Commissioner, not all, but many crises to which we must react can be prevented. Are you satisfied with the state and development of crisis prevention or do you want to couple crisis prevention to the rapid reaction facility?

2-164

Patten, Commission. – Firstly, on visibility: there is an early paragraph in this pretty lengthy communication which, in my judgement, sums up the problem rather well. It states that EU visibility is not as ever-present as one would like because of a number of factors. The first is the lack of a clear EU policy and the necessary instruments to implement it. The adoption of a CFSP joint action is no guarantee of increased visibility, as people found in Nigeria last year.

Another factor is the participation of the European Union under the umbrella of other international actors. That has often been a problem in the Balkans, and one with which the honourable Member will be familiar. In other cases, like Palestine, the lack of visibility was due to insufficient effort with the media.

Then we finish perhaps a shade provocatively: "Unlike the United States the European Union does not appoint retired high-level politicians for this kind of job." We have politicians who are actually still in the kitchen feeling the heat. Maybe we should learn something from that, though I agree that there are some important high-level retired politicians whom one would not want to see necessarily supervising elections. At which point discretion is the better part of valour.

Secondly, as far as the rapid reaction facility is concerned, I want to see this up and running as quickly as possible. I have enough anecdotes to justify my impatience. I have no doubt at all that our "energy for democracy" programme, which I mentioned in my remarks, has been an extraordinary success. The mayor of one of the towns which has benefited wrote last week to his colleagues in the Serbian opposition making that point. We are now looking at what we can do during the summer, now the winter emergency is over, to build on it.

Nor have I any doubt at all that the tortures of the damned which our officials had to go through to get the scheme launched would have been much easier to cope with had we had a facility like this. Anybody who thinks that we do not need one should just try talking to our officials who were operating pillar 4 in UNMIK in Kosovo. Again, there is a legion of almost unbelievable stories which underline the importance of a facility like this – a facility that is not a cop-out, not a way of getting round budgetary procedures but one that allows us within our existing budget to do things more effectively and more flexibly.

Of course, if you can act more rapidly, you make a contribution to crisis prevention. It is one of the oldest saws in the book that it is incomparably more expensive to fight a war than to keep the peace. Very often what is required to keep the peace or to prevent a crisis is not just doing things generously but doing them quickly and generously. We are, as the honourable Member knows because he has been in this business much longer than I, actively involved in trying to develop an intellectually respectable case for preventative diplomacy, trying to pull together all the various non-military capacity headline goals which we think are required.

There are a number of things we will be doing. I look forward to coming to Parliament with some further ideas over the coming months.

2-165

Rübig (PPE-DE). – (DE) Mr President, Commissioner, you have spoken of the lengthy payment procedures which have an adverse effect on the image of the European Union in the various actions it takes. We are currently in the middle of a conciliation procedure for the late payment directive, in other words, this is not just a problem in external relations; it is also a problem within Europe. I think that it would make sense if you as Commissioner supported the view that the late payment directive should also apply to the European institutions, because then payment could be made, if there was a legal basis, within a certain period of time, namely between 21 and 30 days or, we hope, even sooner. The idea is that the late payment directive could also be applied in these areas.

2-166

Patten, Commission. – That is an interesting and important point, which I shall follow up. It is an extremely valuable contribution.

I am also concerned about an even larger issue, which is the amount of time between our commitments and our contracting. This is a serious issue and I hope we will be able to offer some helpful thoughts about that in the course of the next few weeks and months.

2-167

Titley (PSE). – Mr President, I wish to congratulate the Commissioner on the progress he has made on the rapid reaction unit.

I should like to ask the Commissioner a couple of questions. Firstly, although I recognise that he wants to keep the budget small and use existing instruments, is he satisfied that the budget in category 4 is sufficient for the special rapid reaction unit to be able to carry out its objectives over the course of a financial year? Secondly, concerning coordination: what will the relationship be between this unit and the European Union special envoys? One of the problems we had with Kosovo was not just coordination within the Commission but also coordination among the Member States of the actions they took as individual governments. What relationship will you be able to have with Member States in order to ensure coordination of their independent activities?

2-168

Patten, Commission. – As the honourable Member knows, because a paper which the High Representative and I wrote for the European Council miraculously found its way into the newspapers, the question of better coordination of Member States' activities is one that both Javier Solana and I feel strongly about. For a start, it would be nice always to know what Member States are doing.

The High Representative and his colleagues in the secretariat are bending their best efforts to try to achieve that at the moment. They are trying to explain, for example, to the United States the full scale of what Europe is doing in the Balkans. We have had problems which should not have arisen because we have not always known in sufficient detail exactly what Member States, as well as the European Commission, are up to. So we need to work more closely and in a more coordinated way. That is an issue which the High Representative and I are attempting to take on more positively. I hope that the Stability Pact conference a couple of weeks ago was a help along that road but we will certainly continue to pursue that issue.

On the relationship between the rapid reaction facility and the special envoys who are, of course, responsible to the Council – even though we are responsible for the budget – we will want to work closely with them. There are some in particular whose activities bear on the sort of things we might find ourselves wanting to support through the rapid reaction facility, like the work being done by one of our special envoys in the Great Lakes region in Africa. We will keep in touch with them.

I do not think that the sums of money that we are talking about are going to give us budgetary problems. We can manage EUR 30 or 40 million. I am sure I shall have other opportunities to come back to Parliament and explain some of the pressures we have with much bigger items of expenditure in category 4. One of my continuing obsessions is the gap between the language of our communiqués and what is agreed when finance ministers meet to discuss these things. I am looking forward to what is called a full and frank exchange with Parliament on those issues.

2-169

Deva (PPE-DE). – I should like to begin by thanking the Commissioner for an excellent exposition of the rapid reaction facility. It is much needed. I should like to ask him how he envisages disaster relief of the kind that was needed in Mozambique recently – how would this rapid reaction facility liaise and collaborate with Member States' armies and navies?

Would he also consider whether he would extend the call for help – if the need arises – to beyond the European Union countries? For example, in Mozambique I found it quite extraordinary that the Indian navy was on the other side of the Indian Ocean and could have come to Mozambique very quickly, but nobody ever involved them in disaster relief in Mozambique, while people were hanging on trees.

2-170

Patten, Commission. – There are different sorts of crises and different sorts of disaster. The appalling floods in Mozambique were a classic case for intervention by ECHO as a humanitarian intervention. The growing food crisis in the Horn of Africa is a classic case for the deployment of traditional food aid, albeit with emergency shipment and emergency on-movement through lorries, etc.

It is very difficult to compartmentalise these crises. Very often you need to use a number of instruments. For example, we discovered very early on in the Mozambique crisis the requirement for helicopters and the importance of using some military capacities in support of civil-power operations. What we have to ensure is that there are not any "Chinese walls" between these various operations.

There need to be "Chinese walls" only in the budgetary sense. We need to make it absolutely clear that we are not using the rapid reaction facility to cut corners in our budgetary practices, which are not justified by an emergency on the spot. But the honourable Member is entirely right to say that Mozambique was a demonstration of the extent to which the various forms of intervention are interwoven and that it is very difficult to make precise categories out of different forms of support.

2-171

Van Orden (PPE-DE). – Commissioner, thank you very much for your statement. I strongly welcome this rapid reaction facility. It responds to long-held concerns which many of us have had. You are to be congratulated on the work that you have done.

I should like to elaborate on the point which my colleague Nirj Deva mentioned. We are not just talking about urgency, we are not just talking about effectiveness of action. The question of coherence is very important. You have the overall responsibility for external relations from the Commission's point of view. I am thinking again of the role of ECHO. Do you not foresee an opportunity here to bring ECHO under your policy-making umbrella so that we have a more cohesive approach to emergencies when they arise; so that we do not have this problem of different instruments; so that we are addressing the problem with one mind and can then deliver with urgency and efficiency?

2-172

Patten, Commission. – I recognise the case for coherence. It would be challenging politically, to get up and make a speech in favour of incoherence. The honourable Member is entirely right about that. But one has to bear in mind two important facts about ECHO. ECHO is justifiably jealous of its reputation for delivering humanitarian assistance without political strings being attached and without any political infusion. For example, you can distinguish very well between the humanitarian assistance which ECHO has given in Serbia and the assistance we have given through the Energy through Democracy programme. They both help to improve people's lives made miserable by Mr Milosevic but they clearly have different triggers and slightly different purposes.

Secondly, it is very often the case that what marketing managers would call the deliverables are different. Very often with ECHO one is talking about food, medicine and blankets. With our rapid reaction facility one is very often talking about advisors, mediators, observers, customs officials, police officers, and so on.

There are differences. But I totally accept that there is a need for more cohesion. It is a considerable advantage that in this Commission the external relations commissioners work together as a team. We are about to start sharing all the programming decisions together. I very much hope that, without breaking down some important distinctions, we can ensure that the Community's various instruments, which involve the expenditure of quite substantial amounts of assistance, are moving together in the same direction. It has not always been the case in the past.

2-173

Corrie (PPE-DE). – Mr President, I am sure the Commissioner would agree that writing the report is the easy bit. The practical implementation is the difficult bit. When this rapid reaction force actually comes together, will it work in certain cases at a regional basis as well as an individual nation basis? There are situations, such as that in the Horn of Africa, which cover more than one state. The problems in the Great Lakes region cover a number of countries. It would be useful if you could link these problems on a regional basis and act from that point. Would the Commissioner agree with that?

2-174

Patten, Commission. – I agree with the honourable Member on that point. I believe that we should be looking much more constructively at regional solutions in a lot of other areas as well, not least some of our trade relationships with other countries. This facility has to be used not just on a bilateral basis but in helping groups of countries with what are often common political problems, as well as environmental and other problems.

2-175

Andrews (UEN). – I just wish to congratulate the Commissioner on his replies. I am a little upset and worried about his talk of rapid reaction and the refusal of a political infusion into ECHO. Quite honestly, ECHO needs more than a political infusion: it needs somebody to see what is going on there.

When Mr Deva asked Commissioner Nielson a question on Mozambique and about the delay in getting helicopters there, it was dismissed out of hand by Commissioner Nielson. That is unacceptable.

We have a situation in Ethiopia where we knew for the past three years that there was a famine coming. The stores down there are empty. Where was ECHO? Commissioner, why did ECHO not foresee this and foresee that food was needed there when so many people were threatened? The Committee on Development and Cooperation and myself have time and time again warned ECHO and the Commission that something should be done about this. Absolutely nothing has been done.

2-176

Patten, Commission. – If the honourable Member, who has made some serious points, does not have anything else on tomorrow morning, he might come to the debate on Ethiopia in which I shall be taking part myself because my colleague has to be elsewhere. I shall be setting out the figures for our actual disbursements of food aid in Ethiopia and Eritrea.

I just wish to add two points. Firstly, I do not share the honourable Member's views on ECHO: it does a very good job in difficult circumstances. I want to make this point about the Horn of Africa. I was a development minister from 1986 to 1989 and I spent much of my time trying to deal with the food crisis then in Ethiopia and Eritrea.

I feel rather strongly that we have managed over the years, despite problems from time to time, to increase our ability to get food and other assistance to people in the most appallingly difficult circumstances. We have managed to increase our ability to deliver humanitarian assistance. What we have not done is to increase our ability to make that humanitarian assistance unnecessary in the first place. There is a food crisis in the Horn of Africa. There are two large armies dug into trenches, buying expensive military equipment from other countries with money which should be going to agricultural extension, to improving water schemes and the life chances of babies and young mothers. So I hope I catch your eye tomorrow in the debate and make some of these points.

I have great sympathy for the problems being faced by Ethiopia and Eritrea. However, I have to say that I was dealing with these problems 13 or 14 years ago and, alas, much less has happened to the good than one would have liked.

2-177

IN THE CHAIR: MR PUERTA
Vice-President

2-178

Banotti (PPE-DE). – Mr President, on a point of order. Could you let us know exactly how Question Time is going to be organised now? Will questions to the Commission – ostensibly due between 6.30 p.m. and 7 p.m. – be taken?

2-179

President. – I can inform you that Question Time will last an hour. Therefore, we will be working from seven until eight. The first part, Questions to the Commission, will last 30 minutes. We will dedicate 10 minutes to each Commissioner, instead of the usual 20 minutes.

2-180

Question Time (Commission)

2-181

President. – The next item is Question Time (B5-0216/2000). We will examine questions to the Commission.

At the request of the Commission, we will begin with the third question so that Mr Patten can answer it.

First part

2-182

President. – Question No 34 by Richard Graham Corbett (H-0306/00):

Subject: Commission participation in the Council's military committee

Does the Commission agree that its participation in meetings of the Council and all its bodies is an established part of the *acquis communautaire* and an essential element of the institutional equilibrium of the European Union?

Can the Commission comment on rumours to the effect that it is not participating in the work of the new military committee? Can the Commission explain the reasons for this non-participation? Will the Commission insist on its right to participate?

2-183

Patten, Commission. – The Commission shares the view that its participation in meetings of the Council and all its bodies is part of the EU *acquis* and an essential element of the European Union institutional framework. Commission participation is expressly provided for in the Council's Rules of Procedure, which state that the Commission takes part in all Council meetings, and in meetings of all its preparatory bodies. Only in exceptional circumstances and on a case-by-case basis can the Commission be excluded from these meetings.

In Helsinki, it was confirmed that the development of ESDP should take place within the existing institutional framework. This reflects the Commission's full association with the common, foreign and security policy and its shared responsibility with the Council for ensuring consistency in the Union's external relations. Excluding the Commission from work in this area would be tantamount to accepting the emergence of a fourth pillar in the Treaty, contrary to the Helsinki conclusions. But although the Commission has a right to attend all working structures in the Council, it does not have an obligation to do so. There are instances where the Commission decides not to participate in a particular meeting, usually because it considers that the items to be dealt with are not of direct concern to it or to Community affairs.

We have agreed arrangements without difficulty to take part in all the post-Helsinki structures, such as the interim Political and Security Committee, with one exception. We are still discussing arrangements for the interim military body. We would plainly have nothing to contribute to the interim military body when it deals with purely military business but there will equally be occasions from time to time when it discusses issues which straddle civil and military cooperation. In cases like these, I think that it is not only natural but in everyone's interests that the Commission should participate in the meeting in order to contribute to the overall coherence and effectiveness of European Union policies and actions.

2-184

Corbett (PSE). – Mr President, may I thank the Commissioner for that excellent and comprehensive answer, which goes a long way to reassuring me. May I ask him to confirm that the Commission's choice not to participate in certain meetings will be taken, as he put it, on a 'meeting by meeting' basis, not a structure by structure basis, depending on what is being discussed. To take a decision structure by structure would indeed create an unfortunate precedent, undermining the *acquis communautaire*, which is that the Commission takes part in all Council meetings and preparatory meetings. Indeed it would be counter to the Treaty, which states that the Commission is "fully associated", not partially associated, with the CFSP and that it will remain the Commission's choice whether to participate or not.

2-185

Patten, Commission. – I realise that the honourable Member is a greater expert on these institutional issues than I am. It is not therefore surprising that he is holed in one. The question is whether the choice is meeting by meeting or structure by structure and we have made it gently and courteously but firmly clear what our view is of the matter. I very much hope that it can be resolved satisfactorily over the coming weeks.

2-186

Titley (PSE). – Mr President, if the Council does not agree with the Commission, does that mean the Commission will have to take the Council to the European Court in order to participate in the military committee? Secondly, has the Commission drawn any conclusions as to the security implications of its participation in the military committee?

2-187

Patten, Commission. – On the second point, if I may be slightly irrelevant, the history of the last fifty years does not suggest that it is bodies like the Commission which usually are a problem in that regard. I certainly do not think that is an issue. There is a general issue about security, which I know the High Representative is addressing and rightly so.

As for the first point, I very much hope that we can resolve these things amicably, and I am sure that if both honourable gentlemen put the case that they have put to me with equal force to their first cousins in the United Kingdom Government, that will very much help to resolve these issues without it taking too long. I hope that we do not have to resort to the sort of measures suggested by the honourable gentleman. I hope that we can solve this in a civilised and sensible way.

I repeat, we do not have – to borrow a phrase – "ideas above our station". We are trying to follow the terms of the Treaty and to do so only when it is helpful to the overall implementation of a common foreign and security policy.

2-188

President. – Thank you very much, Mr Patten. I believe we have asked you all the questions we were going to ask you today. We therefore wish you a good afternoon.

2-189

President. – Question No 32 by Per-Arne Arvidsson (H-0293/00):

Subject: Ability of dialysis-dependent people to travel in the EU

The free movement of Member States' citizens in the EU is a fundamental right. One group of people that cannot make use of that right are those who require regular haemodialysis because of malfunctioning kidneys. When travelling, they rely on being able to obtain treatment at dialysis units other than those they normally use. This poses a major problem especially during the European holiday period, when virtually all dialysis units scale down their activities and frequently turn away 'guests' who are passing through or visiting their area. This severely restricts the ability of families with dialysis-dependent members to travel.

Does the Commission intend to take any steps before the next summer holiday period begins to make it easier for dialysis-dependent people to travel within the EU, without having to forego the treatment they need?

2-190

Fischler, Commission. – (DE) Mr President, ladies and gentlemen, I should first like to refer Mr Arvidsson to Community legislation on the coordination of individual national social security systems. According to this legislation, persons temporarily resident in a Member State other than that in which they are insured are entitled to health care services if their condition is such that they require emergency treatment. The persons in question need to obtain an E111 form from their insurance agency and submit it to the institution in the Member States in which they are temporarily resident as proof of insurance.

In order to ease the situation of temporarily resident dialysis patients and rectify the possible lack of clarity in the definition of emergency treatment, the Member States have agreed on special rules which are laid down in Decision No 163 of the Administrative Commission of the European Communities on Social Security for Migrant Workers of 31 May 1996. According to these rules, dialysis qualifies as emergency treatment, provided that the purpose of the visit is non-medical. However, as the availability of dialysis treatment may differ from one Member State to another, the patients in question are of course invited to make the necessary arrangements in advance with the hospital which is to supply the service in order to ensure that they can receive dialysis treatment while temporarily resident in the Member State in question.

As to the question of whether the Commission will take any initiatives in order to increase the availability of dialysis during the holiday period, I should like to say that there is no standardised social security system in the Community and that it is up to each individual Member State to configure its own social security system and to decide what services will be supplied, who is entitled to them and to what extent they are to be provided. It is not therefore up to the Commission to intervene here and to influence national rules on the modus operandi of hospitals and clinics in the Member States.

2-191

Arvidsson (PPE-DE). – (SV) Many hospitals do not regard *chronic* dialysis treatment as an emergency form of treatment and may therefore deny dialysis-dependent travellers the opportunity to undergo such treatment at their dialysis units.

Children, parents or young people in families where someone is dialysis-dependent are often very keen to travel. They work and are given holiday-time, but they are unable to go on ordinary tours. For such people, going abroad is an international issue and, if the national authorities do not do anything to help, their hopes lie with the EU as an organisation. Even if it is not possible to intervene on a purely legal level, there may be other options for calling attention to the need to increase the provision of dialysis facilities during holiday periods in the Member States. For example, more prominence could be given to hospitals which make efforts to provide such facilities, or attractive European prizes could perhaps be announced for those which take the relevant measures.

2-192

Fischler, Commission. – (DE) Perhaps my first explanation struck you as overly legal, Mr Arvidsson, and I should perhaps repeat myself in simpler terms: as far as Community law is concerned, the relevant committee has clarified that dialysis during temporary residence qualifies as emergency treatment. It has nothing to do with whether someone is chronically ill or an acute case. The decisive question is whether or not this is emergency treatment and the answer to this question is yes.

On the other hand, the Commission, as I have explained, can only propose or make certain information available here. The Commission departments have made such information available. But in individual cases and in relation to a specific holiday resort – and you will probably agree with me here – it would be advisable in that case to check in advance if the hospital or institution in question has dialysis facilities.

2-193

President. – Question No 33 by Pasqualina Napoletano (H-0298/00):

Subject: Measures to protect chocolate

As part of its policy to ensure the quality of agricultural products and foodstuffs, the Union has set up a system to protect traditional products of specific character, under which chocolate is eligible for recognition. Council Regulation No 2088/92¹ provides for the Commission to set up and administer a register of certificates of specific character. Under this regulation, producers of chocolate without the addition of vegetable fats other than cocoa butter can apply for a certificate of specific character (guaranteed traditional speciality) so that it can be recognised as a food product made from traditional raw materials.

Has the Commission already received from the Member States applications by producers for chocolate of this kind to be included in the register of certificates of specific character? Will the Commission take all necessary steps to give effect to the provisions laid down in the regulation and include chocolate without the addition of vegetable fats among the foodstuffs recognised as guaranteed traditional specialities?

2-194

Fischler, Commission. – (DE) Mr President, ladies and gentlemen. The Commission has received no applications from producers for a so-called certificate of special character for chocolate without the addition of vegetable fats other than cocoa butter. However, if such an application is submitted, it will be examined in accordance with the procedure provided for in Regulation No 2082/92 on certificates of special character for agricultural products and foodstuffs. The name of the special character registered on the certificate allows the words – and I quote – ‘guaranteed traditional speciality’, ‘gts’ for short, to be added, together with a Community symbol reserved for them.

2-195

Napoletano (PSE). – (IT) If I am not mistaken, the Commission is not considering this option. I would like to insist on this point because I feel that there is concern among consumers that the creation of the single market is resulting in less importance being attached to product quality. We must endeavour to allay this concern, and I therefore feel, should the manufacturers of a Member State so request, of course, that within the White Paper on food safety and in other ways, the Commission should consider protecting chocolate which is produced according to traditional methods without additional vegetable oil as a high quality European product, and refuse to set the lowest level as the standard, for this may be permitted by the market, but it is not acceptable in terms of the quality of the produce and the lives of our consumers.

2-196

Fischler, Commission. – (DE) Mr President, Mr Napoletano, as I said, no chocolate producer has yet demonstrated any interest in this form of protection. No applications have been filed. However, in order to clarify matters somewhat as you have requested, I should point out to you that the Regulation which I quoted makes provision for two possible forms of legal protection for names.

¹ OJ L 208, 24.7.1992, p. 9

One possibility is that a name can only be protected if it is connected with the Community name 'gts' and the corresponding Community symbol, in which case it is possible to find other products on the market which have the same name as the registered product, but which are manufactured using a different process and consequently are not entitled to use the Community name and the Community symbol. That is the drawback with this variation.

The second possibility is to protect the name per se if it corresponds to a single type of manufacture, namely the type registered, in which case there will be no products with the same name which are manufactured under different conditions on the market.

It would only be possible to register the name "chocolate" and issue a certificate of special character under the first procedure referred to. Registration using the second procedure would run counter to the future chocolate directive, because chocolate is redefined and may contain a certain proportion of vegetable fats other than cocoa butter.

2-197

Banotti (PPE-DE). – The Commissioner actually answered my question in the second part of his answer. As a long-time passionate lover of chocolate for more years than I care to remember, I am sure the Commissioner will agree that, if for sixty years people have been eating a product called "chocolate", they are entitled to continue to eat the product called "chocolate". I am very glad that we finally put this directive to bed in the last session.

2-198

President. – We take note of your statement in favour of good chocolate, Mrs Banotti.

2-199

President. – Question No 35 by Mary Elizabeth Banotti (H-0307/00):

Subject: Children's rights

Given the reports of sexual abuse, of child prostitution and the high number of young children living on the streets of the candidate countries from Eastern Europe, what measures are being taken by the Commission to ensure within the framework of the present accession negotiations, that children's rights and child protection are a priority and that the welfare of children is taken into account when preparing these countries for future membership of the European Union?

2-200

Verheugen, Commission. – (DE) Mr President, I should like to start by saying that I share the concern behind the honourable Member's question. It is particularly depressing to see that, in a number of Central and Eastern European countries, children are suffering from the consequences or, to be more precise, the uncontrolled consequences of social change.

However, before answering your question with the standard legal arguments, I should like to get a political point out of the way first. This is not a problem specific to the candidate countries of the European Union. Unfortunately, as you well know, I am sure, the problem encompasses many, perhaps even the majority of countries in the world. It is quite clearly a development problem, a problem which stems from poverty, a problem which stems from social neglect and, I believe, a problem which stems from the indifference or lack of decisiveness in our societies to really do something to fight this terrible manifestation of child abuse.

Allow me to tell you what we can do within the framework of accession negotiations. To get straight to the point, it is not much, but the fact remains that countries wishing to join the European Union have of course undertaken to adopt the Community acquis. That includes the legally binding regulations for the protection of children.

The most important of these is the joint action to fight the trade in human beings and the sexual exploitation of children, on which a decision was reached on 24 February 1997. The Commission also intends to submit a proposal to the Council in the year 2000, i.e. this year, whereby the trade in human beings and the sexual exploitation of children, taking special account of child pornography on the Internet, will be declared to be punishable offences. If this proposal is accepted, it will become part of the Community acquis which applies in candidate countries.

The Member States and countries seeking to join the European Union are working together comprehensively in the fight against all forms of organised and other serious crime within the framework of the pre-accession agreements on the fight against organised crime concluded by the Member States of the European Union, the Central and Eastern European countries wishing to join the Union and Cyprus on 28 May 1998. Programmes such as PHARE and MEDA and the relevant specific programmes relating to justice and internal affairs such as GROTIUS, STOP, ODYSSEUS and FALCONE also offer the opportunity to support countries seeking to join the Union in this respect and support is indeed given.

The following programmes are relevant to child protection: first the DAPHNE programme approved on 24 January 2000. This relates to the period from 2000 to 2003 and includes preventive measures to fight violence against children, young

people and women and allows funds to be provided to governmental and non-governmental organisations active in this area. The countries seeking to join the Union can also join this programme.

Then there is the STOP programme for the period from 1996 to 2000. This is a promotion and exchange programme for people responsible for measures to fight the trade in human beings and the sexual exploitation of children. This programme helps to develop coordinated initiatives to fight the trade in human beings and the sexual exploitation of children. The Commission will draft a proposal for a new edition of the STOP programme during the course of this year, which will then also be open to countries seeking to join the Union.

2-201

Banotti (PPE-DE). – The Commissioner showed us where his heart was in the opening remarks. I should like to ask him if he is aware that, notwithstanding the implementation of many of the Community programmes, in a recent BBC television programme *Newsnight* there was clear evidence that there is a systematic breeding programme in Romania in particular, where children are being bred for export and sale. It was a totally horrendous programme, although I agree social exclusion is a major factor in these dreadful occurrences. There were children who were being bred specifically to be put into an institution from which they were subsequently sold to people coming into that country to buy babies.

There is also the question of Internet pornography. Poland is one of the significant countries from which much of this is being broadcast. It is not enough that we have these small, under-funded programmes. What are we actually doing in terms of the accession discussions with these countries to make our opinion abundantly clear that this is unacceptable?

2-202

Verheugen, Commission. – (DE) I should like to explain to the honourable Member what my feelings are in this matter, not just the legal aspects. The whole problem could not have arisen and would not exist were there no demand for this horrendous supply in our rich societies, including in the Member States of the European Union. The entire problem has only arisen because there are people in our societies who will pay money for it. In Romania there are no people paying for it. These people are in this country, the country in which we live, in all the neighbouring countries, in all the countries of the European Union.

I would be most grateful to the honourable Member if, before representing one of the poorest countries of Europe in her question here, she were also to point out that the real responsibility for this terrible crime lies with those who pay for and demand it.

Now let me come to Romania. The subject of children in Romania is, as you know, one of the subjects on which the Commission is most intensively employed, including me personally. There is no single topic in the context of accession negotiations, apart perhaps from the safety of nuclear power stations, to which I personally have addressed myself more intensively than the situation of children in Romania, including the problem to which you referred.

I cannot confirm the accuracy of the BBC television report. The fact that something has been broadcast on the BBC does not automatically mean that it is true. Not that I am saying that it is untrue. Simply that we cannot confirm it. It is therefore difficult for me to answer your specific question as to whether children are being bred in Romania for the purpose of sexual abuse with a clear yes or no. What I can say is that, as Parliament's hearing on the subject of children in Romania has demonstrated over recent weeks in Brussels, the Commission is doing absolutely everything in its power to improve the lot of children in Romania.

I assure the honourable Member that we are doing far more than is our duty and, in fact, far more than what is actually politically permissible within the framework of accession negotiations. I do, however, admit that we are doing so because, in my view, it is also a human rights issue which must be considered in accordance with the political criteria governing accession. But I must again expressly state that I would guard against representing this problem – although I do not think the honourable Member intended to do so – as a problem specific to the accession or candidate countries. It is a problem that should be a cause for concern to everyone in Europe. While we address the question of what we are doing in Romania or in other countries to fight the supply, I would also ask Parliament to address the question of what we are doing to fight the demand.

2-203

President. – Question No 36 by Anna Karamanou (H-0289/00):

Subject: Albanian prostitution rings in Europe

The French newspaper 'Le Monde' recently featured a report stating that Albanian 'white-slavers' had taken advantage of the war in Kosovo and the illegal immigration networks operating between Albania and Italy and were sexually exploiting some three hundred thousand women – mostly from Kosovo, but also from Moldavia, Romania and Bosnia – in France, Germany and Belgium. The women are forced into prostitution by threats and violence, and the Albanian pimps often pretend to be Kosovars in order to acquire refugee status. Will the Commission say what measures it is taking and what policies it is promoting to combat this phenomenon, whether it has any data on the increased movement of women from Eastern European countries, what results have been achieved by various programmes and what is being done to promote the harmonisation of the penal legislation of the Member States and to coordinate efforts to combat the trade in women?

2-204

Vitorino, Commission. – (PT) Mr President, the Commission is perfectly aware, as it demonstrated exhaustively in the two communications it transmitted to the European Parliament on this matter, the first in November 1997 and the second in December 1998, of the need for coordinated and multidisciplinary action at European level, for both preventing and combating trafficking in women.

The Commission has been supporting and will continue to support various non-governmental organisations involved in this field in various applicant countries, and recently financed two prevention campaigns which we feel were very successful, one in Poland and one in Hungary. At the same time, the same type of campaign has been funded by the American government, as part of the transatlantic agenda, concerning trafficking in women for exploitation in Ukraine and Bulgaria.

In the area of police cooperation, the Commission wishes to remind honourable Members that in 1996 Europol was given a mandate by the Council to combat trafficking in human beings, with the basic aim of ensuring that all networks of traffickers working in Europe would be closed down. With regard to criminal issues, the Council would like to repeat that it intends to present a set of legislative proposals to the Council and the European Parliament by the end of the current presidency. The aim of these proposals is to go beyond the February 1997 joint action and to comply with the provisions of Paragraph 48 of the Tampere European Summit conclusions, with a view to adopting a framework decision leading to the joint definition of trafficking in human beings and the prosecution and punishment of those involved.

Finally, the Commission also wishes to emphasise that through the STOP and Daphne programmes, it has already funded numerous cooperation and training projects in the area of combating trafficking in human beings, specifically against the trafficking of women for sexual exploitation, and through these programmes has brought together the relevant bodies, namely police and judicial authorities, non-governmental organisations and social services. The Commission intends in the course of 2000 to present the European Parliament with a new legal basis for the STOP programme for the period 2001-2005. Under this new legal basis for STOP, we will also be able to fund projects for combating trafficking in human beings submitted by non-governmental organisations and by public authorities from the applicant countries themselves.

Lastly, concerning the specific situation in Albania, the Commission acknowledges that networks trafficking in human beings originating in the Balkans represent a major concern, due to the increasing number of cases being seen in European countries. We therefore acknowledge the fact that under the Stability Pact for the Balkans, priority must be given to combating trafficking in human beings. I can even answer the honourable Member by saying that a group of experts is already working on identifying the best actions for combating the networks of traffickers in human beings and that I myself had an opportunity recently, on a mission to Greece, to exchange ideas with the Greek Minister for Home Affairs, in order enlist the cooperation of his government in establishing these actions and priorities, bearing in mind the action that Greece is already developing bilaterally on the trafficking of human beings in the Balkans.

2-205

Karamanou (PSE). – (EL) Commissioner, thank you for your answer, which I find partially satisfactory as I am well aware of your personal interest in the matter and of the initiatives you have undertaken to combat prostitution rings. However, we must admit that we have not been very successful so far, since the number of rings has increased and we have recently received reports of abuse, particularly of Albanian and Kosovar women. Of course, this issue is bound up with the economic, social and political conditions which prevail in the Balkans and which have resulted in the poverty and overexploitation of vulnerable sections of the population, such as women. However, Commissioner, we must also admit that the intervention of the EU's institutions has been both inadequate and ineffective. Are you aware, Commissioner, that concentration camps still exist where women are raped before being forced into prostitution? European women are particularly concerned as to whether there is any political will to dismantle these prostitution rings, whether there is any police or judicial cooperation and whether any victim support measures are in place.

2-206

Vitorino, Commission. – (PT) I share the honourable Member's view that much still remains to be done in the fight in this area and I therefore think that what I said here earlier today is important: the Commission acknowledges the fact that under the Stability Pact for the Balkans, priority must be given to the fight against trafficking in human beings. In fact, establishing normal economic and social conditions throughout the Balkans is an essential instrument in combating social exclusion and thus combating trafficking in human beings. In any event, the Commission acknowledges that there are no completely reliable statistics on the volume of the annual traffic in human beings, and I can tell you that we have been working very hard on improving the coordination and circulation of information between the Member States' police forces and Europol so that we have a more accurate and realistic picture of the size of the problem. The future Swedish Presidency has given a commitment to proposing to the Justice and Home Affairs Council, at the beginning of next year, a set of measures for harmonising crime statistics, so that we can make a more accurate and exact assessment of the scale of this activity.

With regard to campaigns, I must tell the honourable Member that the Commission's assessment is that the prevention campaigns have been successful in the sense that they have significantly not only raised awareness of the risks and the dangers of trafficking in human beings in the countries of origin, but they have also enjoyed the cooperation and

commitment of the police and judicial authorities in the applicant countries. I admit, however, that there is a problem that is very difficult to resolve, which is that many of these countries are today not the countries of origin, but are merely countries of transit for thousands of women who are the victims of this trafficking. This requires an improvement in Europol's cooperation with police forces in the applicant countries. Only last month, the Council gave the director of Europol a mandate to develop this bilateral cooperation between that institution and police forces in the applicant countries. I think that this means that we are on the right track.

2-207

President. – I am going to ask you to be brief and I am going to be brief. This is the Rule in this House. For your information, in Annex IIB(3) of the Rules of Procedure, there are some recommendations for cases such as this when there is no time for questions. Therefore, in application of the said recommendations, we will allow just one supplementary question per subject and only 30 seconds, which may extend to 35, but no more, in order to reformulate the questions.

2-208

Second part
Questions to Mrs Schreyer

President. – Question No 37 by María Izquierdo Rojo (H-0272/00):

Subject: Agricultural budget for foreign policy activities in Kosovo

With regard to the budgetary forecasts, will agricultural funds be used to foot the bill for Kosovo? Are EUR 300m to be deducted from the items earmarked for agriculture funding to cover the costs of Kosovo?

2-209

Schreyer, Commission. – (DE) Mr President, Mrs Izquierdo Rojo, reconstruction in Kosovo and the stabilisation of South-Eastern Europe are among the most important tasks facing the European Union over the next few years. This has been emphasised in numerous Council and Parliament resolutions, most recently in Lisbon, and for the Commission, this task does, without doubt, have the top priority which it requires.

The funds required for this task need to be anchored in the budget accordingly. This task was not included in the Council resolution on the financial perspectives for 2000-2006 at the Berlin summit last spring. The resolution on Agenda 2000 was taken, I would remind you, on the same day that the war in Kosovo broke out. In the interinstitutional agreement on the financial perspectives concluded between Parliament, the Council and the Commission in May 1999, Parliament and the Council decided to call on the Commission, in view of developments in the Balkans, to submit the necessary budgetary proposals, if necessary in the form of a proposal to revise the financial perspectives. It is precisely this call that the Commission is addressing.

It has proceeded by taking the following steps: first by estimating the sum in aid needed from the EU budget; secondly, by setting new priorities within foreign policy activities, so that funds can be redeployed for South-Eastern Europe and, thirdly, by proposing a redeployment between categories, i.e. between the various political areas. One of the reasons for the proposal to redeploy EUR 300 billion from the expenditure budgeted as maximum expenditure for agriculture was as follows: the financial perspectives make provision for an increase of EUR 2.8 billion for agricultural expenditure from 2000 to 2001. Because the Council reduced the budget estimates by EUR 400 million for the year 2000 in comparison with the maximum amount or ceiling set for 2000, the maximum rate of increase for next year would have been as high as EUR 3.2 billion.

In the external aid area, on the other hand, the figures in the financial perspectives would have resulted in a reduction in expenditure next year in comparison with this year and I think that everyone is agreed that this does not really reflect the actual situation and actual requirements. The Commission therefore decided to propose a redeployment of EUR 300 billion to the budgetary authority so that the increase in agricultural expenditure would be correspondingly lower. I hope that, when faced with these realities, Parliament will support the Commission proposal.

2-210

Izquierdo Rojo (PSE). – (ES) The Commissioner confirms our suspicions that Commissioner Fischler is hiding things from us and hiding himself as well. I am not surprised that he left the chamber hardly ten minutes ago because this proposal is shameful. It takes from agriculture an amount to pay for a United Nations mission in Kosovo, in European Union resources and agricultural policy resources. And then we have a Commissioner who is denying farmers subsidies for nuts, whose production they are going to lose, and who is denying European agriculture the aid to deal with the effects of the drought.

All of this demonstrates that Agenda 2000 has been nothing but a great firework display. This is a disgrace for European agriculture. It does not surprise me that given this outrage the Commissioner responsible... This is a disgrace! A disgrace!

2-211

Martin, David W. (PSE). – Mr President, I hope I can risk Mrs Izquierdo's wrath by saying that I agree with the Commissioner. I want to put it to her that it is far better to reduce the rate of growth in agriculture in order to protect the

money that is currently going to the very poor in this world, because the alternative would be to squeeze further the budget lines in category 4. It would be unacceptable to find money for Kosovo – which I support – at the expense of the very poor in the world. Does the Commissioner agree with that?

2-212

Schreyer, Commission. – (DE) I should like to thank the honourable Member for his remarks. I should also like to clarify that it is really not in the nature of my colleague, Mr Fischler, to run off and hide. Clearly there are new priorities and new tasks and everyone here in this House must suggest how these new priorities can be funded. The Commission has taken the step for which provision is made in the interinstitutional agreement, i.e. to examine the extent to which funds can be redeployed in the relevant categories and then make another proposal. We have examined this carefully. Mr Patten and Mr Nielson have come to the conclusion that a total of EUR 1.6 billion could be redeployed in the external aid area for south-eastern Europe and I think that we really must acknowledge that this step has been taken.

In addition, there is a further funding requirement and I should like to emphasise once again that the growth rate in the agricultural policy area is extraordinarily high for next year and my colleague Mr Fischler has accurately calculated the extent to which a reduction in agricultural expenditure by what is a small amount for the agricultural budget is feasible. I should like to state clearly at this point that this redeployment will not of course have any effect on income support for farmers. I should also point out that the Commission will propose that even the expenditure budgeted for promoting and developing the countryside be increased to its ceiling next year. But I think that it is our common responsibility to find an answer, including a financial answer, as far as the important obligation that the European Union has in south-eastern Europe is concerned.

2-213

President. – Question No 38 by Göran Färm (H-0287/00):

Subject: Structural measures to overcome delays in payments

The EU budget is failing in that commitment authorisations are not being adequately matched by payments. Payments as a proportion of total commitments have fallen over many years and barely 80 per cent of commitments, reportedly, are paid out. One of the reasons for this situation is the delays in implementing the Union's projects. The absurdity of this system is becoming increasingly apparent. The Member States undertake to fund operations under the supervision of the Union, while there are delays in implementing projects which have long lost any legitimate purpose and which, under this system, preposterously, continue to receive funding. Such a situation is untenable, particularly in view of the negative public opinion prevalent in some Member States?

In the Commission's view, what structural measures are required to overcome the delays in payments?

2-214

Schreyer, Commission. – (DE) Mr President, the Commission is doing its utmost to settle proper payment applications within 60 days. The large majority of invoices can be paid within this period and the number of overdue payments is falling satisfactorily. However, the honourable Member's question obviously refers not only to settlements in the narrow sense of the word, but to the question of how many commitments from previous budget years have yet to be paid. So what we are talking about is the period of time between the first promise of funds for a project and a specific contract and the period of time between the commitment and the actual payment of funds.

The Commission submitted a working paper to the budgetary authority last year in which it made a comprehensive analysis of developments, broken down by sector and underlying factors, and suggested remedies. The Commission is currently updating this analysis. In terms of volume, commitments, i.e. sums that will need to be converted to payments in later years, were around EUR 71 billion at the end of 1999.

Developments in these old cases are influenced, de facto, by several factors and I think that it is important to make that clear here. The first factor is the ratio between commitment appropriations and payment appropriations which the budgetary authority applies to the budget every year. For the year 2000, for example, the budget contained approximately EUR 4 billion more in commitment appropriations than in funds for payments.

The second factor relates to the take-up of these budgetary funds, i.e. both commitment appropriations and payment appropriations. Finally, the release of commitments for which no more payment applications are expected, so-called sleeping commitments, a somewhat misleading term meaning commitments which obviously will no longer be converted to specific commitments and specific payment commitments, also plays a not inconsiderable role.

However, the Commission is unable to subscribe to the honourable Member's view that delays in implementing Community projects robs them of any legitimate purpose; on the contrary. As soon as the Commission comes to the conclusion that no more substantiated payment applications are expected for a project, for example because the project has been suspended or abandoned, it orders the corresponding commitments to be released. This applied to a sum of around EUR 1 billion in 1999.

I should stress that the time lag between overall commitment appropriations and their conversion to specific projects is a feature of many Union programmes. This applies, for example, to multiannual programmes and the most important in

quantitative terms are the Structural Funds, which are subject to shared administration, with the Commission making commitment appropriations which are then converted into specific projects at Member State level.

In order to reduce the time lag between promises, specific projects and payment, the budgetary authorities need to decide on a balanced ratio between commitment and payment appropriations and there needs to be real pressure to speed up the implementation of programmes. The Commission has discussed precisely this today as part of the debate on the revision of the financial regulation and I can assure you that we intend to change the rules in order to tighten up the time scale. I hope that we can count on your support.

2-215

Färm (PSE). – (SV) Thank you for your answer. I am pleased that the Commission really has taken note of the problem and intends doing what it can to ensure that the payments are made more quickly.

Commissioner Patten pointed out a while ago in the Committee on Budgets that, within category 4, there are eight and a half year-old commitments which have still not been paid out. This state of affairs indicates either that we have major problems in implementing the budget efficiently or that we ought, in fact, to have some kind of deadline or time limit which would be much tougher when it came to writing off old commitments. Perhaps both these matters are problems which the Commission ought, in that case, to do something about.

2-216

Schreyer, Commission. – (DE) I should like to inform the honourable Member that an analysis has shown that it takes approximately one and a half years to convert commitment appropriations into specific contracts. That is all well and good, but there are also old, sleeping commitments and you may be interested to know that another 20 posts were recently made available, in addition to the 60 posts decided for the SCR last December, in order to see which commitments no longer apply and can be cleared up. I should like to offer my warmest thanks for your suggestion. That is exactly the approach which the Commission will take during the revision of the financial regulation and I am therefore sure of at least one person's support in Parliament.

2-217

Rübig (PPE-DE). – (DE) Mr President, what I would like to know is, do you think that prompt payment by the European institutions, as set out in the late payment directive currently in the pipeline, might result in a clear improvement to the image of the European Union? Do you intend to use benchmarking or best practice methods?

2-218

Schreyer, Commission. – (DE) The honourable Member is right; it is in fact fundamental if the Union's reputation is to be enhanced that both the time lag which I mentioned between promises, to call a spade a spade, and specific contracts must be reduced and payments must be made when invoices, i.e. substantiated payment applications are filed. Of course benchmarking means that no more than 60 days should lapse and, as I said, more and more payments are being settled within this period. Of course the aim is to have few, if any exceptions.

2-219

President. – Thank you very much, Mrs Schreyer.

Since the time allotted to Mrs Schreyer has elapsed, Question No 39 will be replied to in writing.¹

2-220

Questions to Mr Kinnock

President. – Question No 40 by Martin Callanan (H-0332/00):

Subject: Institutional reform

In the Action Plan on Reform it is stated that an 'external legal expert' should sit in an advisory capacity on Disciplinary boards.

What is the exact definition of this 'external legal expert', and what legal expertise will this person be required to have?

2-221

Kinnock, Commission. – The Commission is at present implementing, or preparing legal grounds for implementing, the different actions set out in the White Paper on reforming the Commission.

In his question the honourable Member is probably referring to actions 57 and 58 of the Reform Strategy Action Plan which, amongst other things, specifies commitment to making proposals for the establishment of an interinstitutional disciplinary board.

The Action Plan does not, however, specify that an external legal expert should sit on the board. The Commission will be presenting detailed proposals for the modernisation of disciplinary procedures and related arrangements in a consultative

¹ See Annex "Question Time".

document which is scheduled for publication in October. The document will include recommendations for improving administrative procedures and for making relevant amendments to the Staff Regulations. Consultation on those proposals is a legal requirement and the views of Parliament and Member States, as well as those of the staff, will naturally be taken into account on all relevant matters, including the possible use of external expertise on the interinstitutional disciplinary board.

2-222

Callanan (PPE-DE). – I thank the Commissioner for his reply.

Following on from the Van Buitenen affair and the Commission's fairly lamentable reaction to it, is there not a case that these disciplinary boards – and especially those called for whistle-blowers – should be independent of the Commission altogether?

2-223

Kinnock, Commission. – I am grateful to the honourable Member for his question. The affair of Mr van Buitenen was conducted completely in compliance with the existing Staff Regulations and however tested, I am sure that any fair-minded person is bound to come to that conclusion.

So far as whistle-blowing is concerned, and as the honourable Member may know, we will be putting forward very comprehensive proposals for radical change in current arrangements which will, when they are implemented – hopefully with the assistance of this Parliament as a legislature – provide the European Union institutions with the best, fairest and most effective system for ensuring that the duty of officials to report their suspicions of wrong-doing will be fully accessible and made totally effective.

2-224

President. – Question No 41 by Christopher Heaton-Harris (H-0342/00):

Subject: Institutional reform

At present, 'whistle-blowing' means that a member of the Commission staff has to breach Articles 12 and 17 of the Staff Regulations, accordingly, if someone does come forward as a whistle-blower, he/she will almost certainly be disciplined.

Point 47 of your action plan makes reference to this situation but offers no remedy for it. How do you plan to address this? Are your staff currently examining this problem and, if so, which members of your Cabinet or Directorate-General are actively involved in finding a solution to this contradiction?

2-225

Kinnock, Commission. – Mr President, the honourable Member's question refers to the Commission's proposals on whistle-blowing in the consultative document on reform adopted by the Commission on 18 January 2000. Following that, more detailed orientations were set out in the White Paper on reforming the Commission which was adopted, published and presented to this Parliament on 1 March.

In specific response to the honourable Member's question, Articles 12 and 17 of the current Staff Regulations do not prevent members of staff from reporting wrong-doing within the Commission and it is consequently not the case that officials have to breach the regulations in order to properly report suspicions or concerns.

In addition, last June the Commission decision implementing the regulation establishing the anti-fraud office, OLAF, explicitly made the provision that officials and servants of the Commission, and I quote, "who become aware of evidence which gives rise to the presumption of the existence of possible cases of fraud, corruption or any other illegal activities detrimental to the interest of the Communities" are obliged to inform their hierarchy or the Secretary-General or the Director of the European anti-fraud office, OLAF.

That legal text also specifically guarantees that officials and other servants of the Commission shall, and I quote, "in no way suffer inequitable or discriminatory treatment as a result of having communicated such information". It follows that Articles 12 and 17 of the Staff Regulations do not prevent staff from reporting wrong-doing either within the Commission or to OLAF. In neither case would disciplinary action result from making such reports.

In the White Paper on reform and elsewhere, the Commission has made direct commitments to reforms which will further improve rules related to the reporting of suspected wrong-doing. More precise rules on the rights and obligations of officials to report wrong-doing through internal channels and to OLAF are required, and rules defining external channels for the reporting of alleged wrong-doing need to be compiled and proposed, as they will be.

These rules on whistle-blowing will be put forward for introduction into the amended Staff Regulations and officials who follow them would not be subject to disciplinary action. The Commission will present detailed proposals in a document scheduled for October of this year. As the law requires, consultations on those proposals will be undertaken with staff and with the other European Union institutions.

Preparatory work on the proposals is progressing under the Director-General for Administration. One member of my cabinet has specialist responsibility for reform of personnel policy, including whistle-blowing, and others are naturally actively involved in the overall issue.

2-226

Heaton-Harris (PPE-DE). – Further to my question, as the Commissioner has just stated, the Commission is now drawing up its "whistle-blowing" charter to a certain extent. Will this be framed, for example, along the lines of the Swedish Government's or the British Government's rules on whistle-blowing? Could the Commissioner inform Parliament as to the exact circumstances in which Paul van Buitenen now finds himself? Is he still being disciplined by the Commission and has any of his pay which was docked in the past been refunded to him?

2-227

Kinnock, Commission. – I am grateful to the honourable Member for his question. Firstly, the development of the proposals relating to whistle-blowing will take full account of best practice in several of the Member States. The Commission is acutely aware of the provision long established in Nordic democracies, recently developed also in the Public Disclosure Act in the United Kingdom, and several other comparable pieces of legislation.

As the honourable Member would expect, this institution will take account of the breadth of provision and seek to ensure that in terms of accessibility, usability and career security we provide the best possible attainable system to ensure effective whistle-blowing because we believe it to be appropriate as a complement to good conduct in an international publicly accountable administration.

As far as Mr van Buitenen is concerned, he took up employment on 1 April in the Directorate-General for Health and Consumer Protection in Luxembourg in a very responsible job, as the House would expect. He is not currently the subject of any disciplinary procedure and the honourable Member should be aware that immediately after he ended his period of suspension last April Mr van Buitenen's full pay, conditions, status and pension rights were restored, as were his rights in all other respects. I reported to this House previously that Mr van Buitenen, a short time after ending his period of suspension, was informed that he had a right to seek employment in any of the European Union institutions in a job for which he was qualified. He made a couple of applications, one of which was for a job in the Commission. He was successful in that application and I am pleased to say that he was duly appointed.

2-228

President. – We thank Vice-President Kinnock for his replies.

Since the time allotted to Mr Kinnock has elapsed, Questions Nos 42 and 43 will be replied to in writing.¹

2-229

Questions to Mr Byrne

President. – As the authors are not present, Questions Nos 44 to 48 lapse.

Question No 49 by Lone Dybkjær (H-0284/00):

Subject: Møllergårdens Vivaldi – a Shetland pony

The Committee on Petitions decided on 15 May 1997 to examine a case concerning the Shetland pony, Møllergårdens Vivaldi, from Denmark, which the Swedish authorities refused to register as a stallion in Sweden. In an answer dated 29 October 1997, the Commission concluded that the Swedish authorities were in breach of Commission Decision 96/78 of 10 January 1996² and Council Directive 90/427 of 26 June 1990³. The Swedes have since changed the rules. However, the Commission has not yet established whether the Swedish authorities are now complying with current EU rules.

Information received this year from the Swedish Shetland Society indicates that the Swedes are not complying with the rules in that a pony must still have been shown in a stallion prize competition before it can be used in Sweden. In order to be approved for breeding in Sweden, a stallion must undergo an examination of its pedigree to be entered in the Swedish national register. This must be contrary to EU rules as it is to be expected that a stallion which is already approved in one Member State should automatically be approved in another Member State.

Is the Commission of the opinion that the Swedish authorities are complying with common rules? If not, how will the Commission ensure that the Swedish authorities comply with EU legislation in this respect?

2-230

Byrne, Commission. – A first-class Danish Shetland pony stallion named Vivaldi and his progeny were denied entry into the main section of the Swedish Shetland pony stud book. The dispute between what I might describe as a courageous private breeder from one Member State and a breeding association in another Member State, reflects shortcomings in implementation by Member States of both the spirit and letter of related Community law, in particular Directive 90/427 on zootechnical and genealogical conditions governing intra-Community trade in Equidae.

¹ See Annex "Question Time".

² OJ L 19, 25.1.1996, p. 39

³ OJ L 224, 18.8.1990, p. 55

I wish to remind you that it is the responsibility of the Member States to ensure that any dispute is settled by action to be taken by the competent authorities in cooperation with the organisation maintaining the stud book of the same breed or even the stud book of origin of the breed.

The Commission, following its inquiries, was officially assured that the Swedish stud book rules had been aligned with EC legislation. However, in the light of new information, the Commission undertakes to take up the case again and to arrange for a zootechnical inspection mission, should this be required.

2-231

Dybkjær (ELDR). – (DA) I should like to thank you for your answer. I assume that the Commission will take immediate action on this matter, or will it be a case of the Commission having to be approached again before anything is done? I should like to point out that what we are concerned with here is an individual citizen whose livelihood has been affected. It is a matter costing an incredible amount of money. As some of us who have been involved with the equine trade know, there is a great deal of money at stake here. It has cost an ordinary citizen, who has made a business out of horses, an incredible amount of money because Swedish associations have not been willing to approve his stallion. I would therefore ask whether it is once again necessary to make an application in connection with this matter. Given all the talk currently of the Commission doing something for citizens, might not, rather, the Commission be expected to take the initiative directly?

2-232

Byrne, Commission. – I thank the Member for her supplementary question. As I indicated earlier, this is essentially a matter between two Member States. The Danish Breeding Association, in my opinion, should have taken up this issue with the Swedish Association. It is not really the role of the Commission to develop this issue further but it is doing so in the manner I have indicated in an effort to assist the private breeder who – I perfectly agree with you – should not be compelled to have to go through these steps to seek a result in this particular issue. As I have indicated, in the light of new information, the Commission undertakes to take up this case again and, if necessary, to arrange for a zootechnical inspection mission, should this be required.

2-233

McKenna (Verts/ALE). – The way Question Time is run is not acceptable. Firstly, it does not start on time. We had group meetings; I was watching the screen and you jumped from Question 41 to 49. That makes it impossible for Members to be here. In addition, Question Time did not start at the time stated on the agenda. How are we meant to function in this way? It makes it virtually impossible for us and is not a fair procedure.

2-234

President. – Mrs McKenna, today's Question Time has been ratified by the plenary in this House. It was explained this morning at the beginning of the sitting, we have accepted certain rules and we have skipped questions when the authors have not been present. I am therefore very sorry that we now have to conclude Question Time. We especially thank Mr Byrne who has been here all afternoon so that he could answer questions.

Since the time allotted to questions to the Commission has elapsed, Questions Nos 50 to 93 will be replied to in writing.¹

That concludes Questions to the Commission.

(The sitting was suspended at 8.10 p.m. and resumed at 9.00 p.m.)

2-236

IN THE CHAIR: MR DAVID MARTIN
Vice-President

2-237

Situation in Turkey

2-238

President. – The next item is the Council and Commission statements on Turkey.

2-239

Gama, Council. – (PT) Mr President, ladies and gentlemen, today marks a very important step in relations between Turkey and the European Union, particularly in terms of putting the Helsinki conclusions into practice. There had been no meeting of the Association Council between Turkey and the Union for three years and nor had there been any meeting of this kind after the deliberations and the criteria laid down in Helsinki. This was an important meeting with an agenda that included not only relevant points of political dialogue, but also practical decisions which will translate into a step forward in the negotiating process. They will do so specifically by establishing eight sub-committees, which will now enable the Commission, in this case represented by Commissioner Verheugen, to rigorously prepare the screening exercise and also

¹ See Annex "Question Time".

to start negotiations on public services and markets. These are negotiations which will increase the present level of trade liberalisation between the Union and Turkey.

By implementing the Helsinki criteria and having made progress in the country itself, Turkey has made significant steps towards these negotiations, which it is important to bear in mind. It has been gradually committing itself to implementing or to adopting a huge range of institutional and legislative changes. This is progress in the right direction, progress which is still of course experiencing delays and interruptions, and only seeing the process through will ensure that this progress meets with complete success. Hence the importance of holding the screening procedure that is being prepared and the importance of Turkey's commitment to incorporating the body of Community legislation and also to respecting the Copenhagen criteria. In our political dialogue with the Turkish delegation, we were able not only to assess the progress made, but also to comment on what we felt were shortcomings at institutional and judicial level and also in terms of the actual implementation of economic policies.

Today's meeting will be followed up at the forthcoming meeting of an association committee, which will study these issues in greater detail. It should also be pointed out that there was a very constructive approach to the preparations for this Association Council with regard to drafting a joint position, which was adopted by the fifteen members of the Association Council. This meant of course that very thorough work was undertaken with the Greek delegation too, which is following this issue with a sense of importance worthy of Athenian diplomacy. Now, however, the delegation is also guided by the spirit of a diplomatic rapprochement, which has been seen in relation to its neighbouring country since the earthquake that devastated Turkey and the consequent expression of solidarity by Greece. This progress in the bilateral relationship will have considerable influence on progress on this issue in the future, on the relationship between the two countries and will certainly contribute, as will these negotiations between the European Union and Turkey, to establishing a favourable framework and environment for a solution to the problem of Cyprus.

We are working in the right direction. There are shortcomings, but this right and safe direction is also the only one that will enable the great country that Turkey is to take the appropriate steps for its economic and institutional modernisation and for its complete integration into modern democratic society.

2-240

Verheugen, Commission. – (DE) Mr President, ladies and gentlemen, I welcome today's debate as an opportunity to take stock, four months after the Helsinki summit and in the run up to the Association Council which the President-in-Office has already spoken about. The Helsinki resolution brought about a net and lasting improvement in relations between the EU and Turkey. At last, it is again possible to discuss all issues openly and critically. Stronger political dialogue is again taking place at all levels.

Today's sitting has been marked by a constructive and open discussion; as a result I am able to say that the overall balance is highly promising even if, as always in such cases, there are both positive and negative aspects.

Above all, Helsinki confirmed that compliance with the political accession criteria was the sine qua non to starting negotiations. The Copenhagen political criteria concern democracy, the rule of law, human rights and the protection of minorities. Turkey does not yet meet these criteria, which is why negotiations will not start until they do. In the meantime, however, Turkey and the other candidate countries will start to benefit from a strategy of rapprochement and stronger political dialogue. The main element in this strategy of rapprochement will be the accession partnership which is currently being prepared and which will set out the short- and medium-term priorities which Turkey must meet, in accordance with the Copenhagen criteria, in the political, economic and Community *acquis* areas. We plan to submit the first accession partnership in the autumn of this year.

I think that the accession partnership will be a central instrument in speeding up the process of political and economic reform in Turkey and we made it quite clear in the discussions held in Brussels, Luxembourg and Ankara that this accession partnership must address important questions in connection with the democratisation process and human rights.

The President-in-Office has already spoken about screening and I need say no more on that subject. I should, however, like to say a few more words about the political situation in Turkey. I am sure that you will agree that a series of incidents over recent months has given real cause for concern. For example, 18 members of the pro-Kurdish HADEP Party were sentenced to three years and nine months in prison and three leading members of HADEP were taken into custody but then released shortly afterwards. The three mayors who support HADEP were released after the EU troika had expressed its serious concerns to the Turkish Government.

I particularly regret that Akin Birdal, whose health clearly continues to give cause for concern, was returned to prison on 28 March to serve his four-and-a-half month sentence. The Commission seriously regrets that Akin Birdal, an advocate of the peaceful solution of conflict and human rights, has been thrown into jail once again. I am sorry that the opportunity was not taken to suspend imprisonment on humanitarian grounds. I think that everything points to the urgent need to tackle reforms in a decisive manner and to ensure that freedom of expression is properly protected.

I should like, nonetheless, to draw Parliament's attention to something which bodes well for the future; I refer to the interministerial government committee in Turkey which is currently advising on the reforms which need to be implemented in order to comply with the political criteria. This interministerial committee will submit a report – an initial draft was published in the Turkish press recently and the final report will probably be submitted in June – containing specific proposals on political reforms and the legislative changes needed.

I think it is important for you, honourable Members, to bring pressure to bear in future contacts with the Turkish side, especially the Turkish parliament, in order to ensure that the relevant reform proposals are also accepted. From an economic point of view, Turkey is in a position to make rapid progress. It has a clear strategy for structural reform, which is supported by the IMF and the World Bank. I hope that Turkey can cultivate social dialogue and an active labour market policy still further in order to underpin the adjustment process. The country has a dynamic economy and a highly entrepreneurial population, which will benefit from a more balanced and transparent growth model based on the EU acquis.

Our relations with Turkey entered a new stage after Helsinki and making progress with the new tasks represents a challenge for both sides. Of course I shall continue to keep you informed of all aspects of these new endeavours.

(Applause)

2-241

Morillon (PPE-DE). – *(FR)* Mr President, Mr President-in-Office of the Council, Commissioner, your statements have reinforced a belief and an impression I have. I believe that the journey on which we embarked at Helsinki will be a long one and that no one is yet able to predict where it will end, except in Turkey's assuming an important position either inside or outside of the European Union. The public and private sector spokesmen we recently met in Turkey all readily agreed on this.

My feeling is that certain representatives of the Turkish people are discovering, as a result of December's decision, that accession to the Union will mean not only drastic reform of their institutions, but also radical changes in mindsets. This is reflected in the distrust shown, as the Commissioner has just reported, towards European institutions in general and the representatives of the European Parliament in particular.

Firstly, there was the refusal of the request to visit Leyla Zana, which resulted in the postponement of the meeting of the joint European Union-Turkey Parliamentary Committee scheduled for 22 and 23 February. Then, on the same day, at a time when your rapporteur was in Ankara, there was the arrest of three Kurdish mayors from the south-eastern region. Lastly, on 28 March, there was the arrest and reimprisonment of Akin Birdal, President of the Turkish Association for the Defence of Human Rights, at a time when a delegation from this Parliament was visiting Turkey.

I would ask the Council and the Commission whether it would not be appropriate, given the circumstances, to state quite clearly that while the Union is not in the business of telling anyone what to do, it is founded on the will to promote and safeguard certain fundamental values, prominent among which are respect for human rights and the rights and duties of minorities.

This is what Parliament will once again underline in the resolution, which is to be submitted for the approval of the Members next Thursday, urging the Turkish Government and the political parties of Turkey to turn to good account the constitutional review that is currently in progress in order to implement pressing reforms, in line with the Helsinki Agreements, that will enable the Turkish State to guarantee the democratic rights that we consider essential. The ball is in Turkey's court. It is up to Turkey to decide whether the first obstacles encountered on this new road are to prove insurmountable or not.

(Applause)

2-242

Schulz (PSE). – *(DE)* Mr President, ladies and gentlemen, I am pleased to hear that both the President-in-Office and the Commissioner have taken stock of the first four months and have come to the conclusion that the climate surrounding relations between the Union and Turkey and the potential for discussion have improved. We MEPs are particularly pleased because most of us – and this cut across all Groups in the House – expressed our scepticism as to whether the Helsinki resolution was the right resolution at the time.

The European Council in Helsinki did what it was entitled to do and passed a resolution which, when it was passed in Helsinki, incorporated certain expectations of the Turkish side and here the European Parliament is in agreement with the European Council. Commissioner Verheugen has just recapitulated these expectations. He has spoken of democracy, the rule of law and the protection of minorities as three basic elements in the expectations which the European Union, the Commission, the Council and the European Parliament have of Turkey and which they have formulated.

Four months after Helsinki, Commissioner, I can say on behalf of the Group of the Party of European Socialists that we fully subscribe to your view that the climate surrounding relations has improved but no progress has been made on the three points which you listed. It is difficult to discern any further democratic developments during these first four months. Even progress with the protection of minorities leaves much to be desired and we are somewhat sceptical about the question of the rule of law.

You mentioned the example of Akin Birdal and Turkey must look at this example and ask itself how it intends to make us believe that progress is being made in the areas referred to when incidents occur within the country which, in my opinion, are typified by the example of Mr Birdal. Mr Birdal advocates peace. Mr Birdal advocates solving the problem of minorities without violence. Mr Birdal's reputation as a human rights activist extends well beyond the borders of Turkey.

The way in which the Turkish Government has dealt with Mr Birdal, the way in which the Turkish judicial system has dealt with this man seems to be typical of the manner in which Turkey proposes to deal with people who stand for exactly what the European Union is demanding of Turkey. If politics contains symbolic messages then, in my opinion, the Turkish judicial system has committed a serious error four months on from Helsinki in treating Mr Birdal this way.

We in the European Parliament expect far greater efforts than those made so far and we are assuming that what we are saying in this debate here will not go unheeded.

(Applause)

2-243

Ludford (ELDR). – Mr President, when Turkey joins the European Union the impact and the benefits will be considerable. The EU will then have to adjust, and in a welcoming way. But, in the shorter term, it is Turkey which has to adjust the most, in particular to meet the Copenhagen political criteria. I am glad the Commissioner stressed these. We cannot fulfil our role of critical friend by soft-peddalling on the need for drastic change, particularly with regard to guaranteeing individual freedom and a legitimate right to the Kurds. Indeed the key to reform is ending the war against the Kurds, which gives the pretext for the state of emergency and the repression that goes with it.

The Kurds deserve a peaceful settlement involving a degree of political devolution and respect for their cultural and linguistic rights. To say this is not to be anti-Turkish. Will not other Turkish citizens benefit also?

The arrest and imprisonment of HADEP leaders like Sakharov prize-winner Leyla Zana and human rights campaigner Akin Birdal is an impediment to Turkey's progress to the EU. To allow the European Parliament to vote for Turkey's accession when the time comes, reformers in Europe and Turkey must work together to lobby for change, as the Commissioner advised.

2-244

Ceyhun (Verts/ALE). – *(DE)* Mr President, the majority of my Group supported the Commission's policy on Turkey and the resolution passed by the Council in Helsinki. It was and is extremely important to us that the candidate status granted to Turkey should bring about fundamental changes to democracy and hence the way in which human rights are dealt with within Turkey.

We were pleased to acknowledge the declaration by the Turkish Prime Minister that Turkey would meet the Copenhagen criteria as quickly as possible. The decision to defer the death sentence on Mr Öcalan was also welcomed as a step in the right direction.

However, we were then forced to acknowledge a number of incidents which we were and are unable to accept. The mayors belonging to HADEP were arrested and we rightly criticised this move. We are pleased that the Turkish Government reacted quickly and the mayors were released but we shall monitor the court case against them.

The former president of the Turkish human rights association, Akin Birdal, is again under arrest, despite the fact that he requires medical care. Unfortunately, he must serve another six months of a one-year sentence.

We realise that the measures needed to guarantee the permanent democratisation of Turkish society cannot be introduced overnight. However, a number of small steps are urgently needed in order to demonstrate that Turkey is prepared to take the path trodden by Spain, Portugal and Greece.

Turkey must at last abolish the death penalty, the only country in Europe yet to do so. And we should not have to wait for a reform policy on the Kurdish question. Today's report from Luxembourg is good news but we would say, nonetheless, that Turkey must realise that respect for human rights and minority rights are prerequisite to any accession negotiations. We are prepared to be patient as far as the speed of democratisation is concerned. But we will not accept a standstill on this issue.

When my fellow Member Daniel Cohn-Bendit visited Leyla Zana, she said to him – and I think to us too – that we should support the reforms in Turkey and that the Helsinki resolution was Turkey's only chance. In this sense we shall continue to support the Helsinki process.

2-245

Uca (GUE/NGL). – (DE) Mr President, ladies and gentlemen, whoever wants to join the EU must meet the Copenhagen criteria and abolish the death penalty. Including Turkey. Despite frequent promises by the Turkish Government, human rights violations continue there. I should like to list a few examples. The Kurdistan Democratic Party has been exposed to attack since 20 February. Three Kurdish mayors belonging to HADEP were arrested recently and then released but are not allowed to leave Turkey.

Then the former and present leaders of HADEP, Murat Bozlak and Ahmet Turan Demir, were sentenced to three years and nine months in prison together with 18 other members of HADEP. It was maintained that HADEP was supporting and helping the PKK which has opted for peace rather than war.

Akin Birdal has started serving the rest of his sentence. Thousands of Turkish troops marched into northern Iraq at the beginning of April. More than 50 000 soldiers are stationed on the border in order to fight the PKK, despite its call for peace.

Why are arms being delivered to Turkey? More than 300 000 people gathered for the Navruz festival in Diyarbakir under the banner "Peace, Brotherliness and Democracy". Having been there, my personal impression is that the people are longing for peace and democracy.

The leader of the ANAP, Mr Mesut Jilmaz, said at an event in Diyarbakir, that the way to the EU was via Diyarbakir. I therefore call on the Turkish Government to respect human rights and to find a political solution to the Kurdish question. Because the only way into Europe is via the Copenhagen criteria.

It will be the task of the European Commission and the Council to strengthen their commitment here. At the moment, the most important task is to advance the democratisation of Turkey, which is why I call on everyone to unite without hesitation and to reinforce democracy and peace.

2-246

Schori (PSE). – Mr President, all of us who have visited Turkey recently realise that the picture is very complex. The first impression is that there is a sort of EU euphoria in Turkey when it comes to the media. There is a very lively debate in the country. That is very important.

Secondly, the trade unions, popular movements, etc. all say the same thing. They think it is positive that Turkey is a candidate country. We even heard Akin Birdal, on the eve of his imprisonment, say that a new Turkey has been emerging in the last five months.

We must realise that we will have a lot of ups and downs in our relationship and that we will have both progress and setbacks. Perhaps we are seeing something new being born. But the old legal system is still there. That is what is working against democratic fighters such as Akin Birdal. But we also see the reformists who know very well what has to be done according to the Copenhagen criteria. One party leader said to us that at least 65 articles of the constitution and penal code had to be changed.

When we spoke to people in that country during the Socialist Group visit we found three different approaches to EU membership. First you have the anti-reformists, the fundamentalists and so on, who do not want membership. And then you have the reformists – within the government, administration, human rights groups and other parts of civil society – who really want it. They certainly want membership. Then you have a third group, who say that they want Turkey to become a member, but on Turkish terms. Here the Copenhagen criteria, and the Commission and our screening are very important. Almost automatically they will have to deliver if Turkey is to become a member one day.

There are two final impressions and messages received from the people we talked to during the two or three days we were there. The first was that nothing will prevail without a strong civil society in Turkey. People we met from civil society also said they appreciated the help from the European Union, but that some of it was slow. We know that and we would like the Commission to look into that.

The other and last message is that yes, we have the road-map. But we need more precision from the road-map. Help us to be more precise with the road-map because we want to follow it.

2-247

Maes (Verts/ALE). – (NL) Mr President, the question of whether or not Turkey belongs to Europe is not primarily a geographical issue, nor is it primarily an economic one. The deciding factor, however, will be whether or not Turkey will subscribe to a European set of values in which human rights, democracy and the protection of minorities are guaranteed.

This will not require any sacrifices, probably unlike Turkey's other issues, but it will be for the good of all inhabitants of Turkey itself. The political solution to the Kurdish issue would not only liberate the Kurds, it would also take a heavy weight from Turkey's shoulders. As a matter of fact, I am of the opinion that we should not aggravate the situation by supplying arms. I myself am sceptical of Turkey joining the EU, but the current process may well promote peace and stability. This is why we want to give Turkey the benefit of the doubt. Whether or not Turkey will join may therefore depend largely on how it will fare in matters pertaining to human rights, democracy and the protection of minorities.

2-248

Folias (PPE-DE). – (EL) I would like to ask both the Council and the Commission to see things as they really are and not as they appear to be. I should like to point out that in Helsinki, Greece withdrew its reservations and Turkey became a candidate country. Greece has made a great many gestures of good will and good neighbourliness, a great many. Turkey has made none. Even today in the Association Council, Turkey's Foreign Minister, Mr Cem, said that there is no occupying army in Cyprus, only the army which entered Cyprus in order to liberate Greek and Turkish Cypriots alike. I just wonder who have they been trying to liberate for the last 25 years, and from whom? Have they still not managed to do so? I would point out that, when we visited Turkey as Parliament's representatives, we asked to see Leyla Zana. We were not allowed to see her because she was in prison. Akin Birdal, who held talks with Mr Barón Crespo, was taken into prison while he was standing outside. I just wonder if the Commission's regrets will help to get Akin Birdal out of prison tomorrow? Is that such a drastic step?

Finally, I would like to say, to keep within the time permitted, that only two weeks ago, Turkish newspapers published a list of some 100 European journalists, parliamentarians and other individuals, including Archbishop Christodoulou of Greece, who are *persona non grata* in Turkey. Today, Mr Cem dismissed the list as media hype; but, at the end of the day, Turkey does in fact reserve the right to publish lists of *persona non grata*. I should like to close by saying that I hope they will not get wind of what I have said here today and include me on this list, because I love Istanbul and I like to go there quite often.

2-249

Sakellariou (PSE). – (DE) Mr President, Mr President-in-Office of the Council, Commissioner, I was a member of the delegation from our Group which visited Turkey. I do not want to recount my experiences at length, I just want to tell you what my impression was. It was one of disappointment. I am extremely disappointed that four months after obtaining candidate status, nothing serious has yet been done to move towards compliance with the Copenhagen criteria, especially the political criteria.

Commissioner, you mentioned the interministerial committee. It is true that numerous structures are being set up. I have been aware of this in Turkey since 1995. If they are obliged to comply with something, they start by setting up committees and commissions, interministerial, extraministerial, every sort of committee under the sun. The structures are superb, we can all agree on that. Except that they do nothing. For example, it would have been very easy without any committees, without any commissions, to abolish Article 312 of the Criminal Code; all it needed was a vote in the Turkish Grand National Assembly and that would have freed a whole series of intellectuals, authors, journalists and the very same Akin Birdal from jail. That is how easy it is to take the first steps.

The Turks tell us they need time, they need a great deal of time, because this reform can only be achieved one step at a time. I warned you about that. I told you that numerous fellow Members here in this very House, in the European Parliament, were prepared to allow as much time as they needed, 200 years, 400 years, even more. But I belong to a Group which enthusiastically helped Turkey to achieve candidate status, not just so that Turkey could be a candidate but to give Turkey a real chance to become a member and start negotiations.

Which is why we want to insist and want to press for Turkey to be helped on its way with a road map and a specific timetable and, of course the accession partnership which the Commissioner referred to earlier, and not just to remain a candidate.

(Applause)

2-250

Stenzel (PPE-DE). – (DE) Mr President, Turkey was granted candidate status at the Helsinki Summit, but accession negotiations must go on hold until the necessary internal reforms have been introduced and the human rights situation complies with European principles. During your recent visit to Ankara, Commissioner Verheugen, you too drew attention to the fact that continuing human rights abuses, the failure to establish rule of law and the fact that no solution had been found to the Kurdish question stood in the way of Turkey's accession to the EU in the near future.

The unequivocal shortcomings in this area contrast with statements by Prime Minister Ecevit to the effect that Turkey may be ready to start accession negotiations in 2004. A number of factors which have been listed here several times already make this sort of prognosis appear premature. Even the fact that the head of government, Mr Ecevit, described Kurdish as a dialect of Turkish, despite the fact that the two languages have fundamentally different roots, is an indication of the hardening of the political situation in Turkey. The fact that all this has been accompanied by a recent offensive against the

PKK in northern Iraq only adds to this impression. There can be no question of the European Union having any interest in increasing Islamic fundamentalism in Turkey or of wanting to encourage the Trotskyist PKK, which is also guilty of massive human rights violations, to engage in new clashes.

However, one has the impression that anti-European forces within the army and the administration are behind the recent arrests and the new offensive against the PKK in northern Iraq in order to prevent Turkey from moving closer to Europe. This demonstrates in retrospect that the concessions made to Turkey in Helsinki were perhaps premature and that the strategy towards this country, which is so important to western security, needs to be reviewed.

2-251

Swoboda (PSE). – (DE) Mr President, ladies and gentlemen, I have visited Turkey three times in the last six months, once before and twice after the Helsinki resolution. I experienced surprise after surprise and also disappointment after disappointment. The situation is in fact as a number of fellow Members have described it. There are forces which are fighting strongly to move closer to the European Union and there are other forces which reverse all their efforts by carrying out attacks and by putting Akin Birdal back in jail, thereby provoking the pro-European forces.

It is of course a good sign that the Turkish Government now has a written programme setting out the action which Turkey must take on the basis of the demands of the European Union. And it must take it, because paper alone is cheap. Changes need to be made here. The changes also affect the national security council which, according to this proposal, now needs to be reorganised as an advisory council and is no longer the final supreme instance of Turkish democracy or Turkish relations.

It is, of course, a bad sign that there is one incident after another, such as the arrest of Akin Birdal who, as Mr Schori said, has such a positive attitude to the changes in Turkey itself. It is also a bad sign that no gradual solution has been found to the Kurdish question, the prerequisites for which are much improved today although, Mrs Stenzel, I am unaware of any statement by Ecevit that Kurdish is a Turkish dialect. What Ecevit said to us was that there were several Kurdish dialects and that he could even imagine Kurdish being used as an official language in Turkey under certain conditions.

I should like to urge you, Mr President-in-Office, to work together with the other fourteen Member States of the European Union to ensure that the European Investment Bank is finally authorised to give Turkey financial support. It is not easy to ward off criticism in connection with the financial protocol to the effect that we have not kept our promises to support the modernisation and the restructuring of Turkey financially.

My last point is this: of course we are also aware in this House that the question of Turkey, including its relations with Greece, is bound up with the Cyprus issue. If we could manage to make Turkey more open and more cooperative on the Cyprus question, that would be a very positive development. However, I should like to say quite clearly on behalf of our Group and, I believe, on behalf of many others, that unless Turkey itself does what it has to on the question of human rights and democracy, even if it is cooperative on the issue of Cyprus, and unless Turkey shows that it is willing to change its internal democratic system, there can be no accession to Europe.

(Applause)

2-252

Souladakis (PSE). – (EL) Mr President, the discussion here today is quite an interesting one; nonetheless, we should see to it that Turkey is judged in light of the clear-cut European criteria and that Greco-Turkish relations are not used as a fig leaf to mask a different reality.

I would like to add two or three minor points. Turkey has its internal problems, but it has its external problems, too. It could, for instance, show willing by accepting the jurisdiction of the court in The Hague, or the Court of Human Rights. But no, this is not the case.

Secondly, in our endeavours to help Turkey integrate into the European Union, we must be strict when it comes to compliance with the political requirements we have laid down. In this sense, if we try to paint a skewed picture of reality, then of course it will be a false one. And in politics, false realities produce false results. As for the problems cited by Turkey, there is Kemal Ataturk's theory which says that "there is a danger that our unity will crumble and henceforth we should not say that we are Turks, we should say that we call ourselves Turks". There is a huge difference in meaning, because to say I am not a Turk, but I call myself a Turk leads some to reason that all nationalities should be ground together into one pulp from which a new human race can evolve. As you know, historically, such a thing is just not possible.

In this sense, it is clear that, first, the democratization of Turkey must be the most we can strive for and, at the same time, the very least and, secondly, we should put an end to Turkey's fears that it will crumble as a nation if it recognizes the rights it should be according minority groups, because there are not only the Kurdish minorities, there are also Arabs, crypto-Christians, and other minority groups. In any case, what is certain is that if we do want to help Turkey, we must

insist that the political criteria are respected, and I would like to add the following: to date at least, as far as I know, the only real forces in Turkey in favour of the European strategy are the forces of economy and we should bear this in mind.

2-253

Gama, Council. – (PT) Mr President, ladies and gentlemen, I would like to thank all the Members of the European Parliament for your contributions to this debate. I have not interpreted your opinions and points of view to be a red light for this policy, which says ‘no, this policy is wrong and we want another one. We want to refuse Turkey the right ever to join the European Union’. No! Nobody said that! And this also marks a point of consensus between us. I interpreted the speeches to be demanding ones, which insisted that this whole process must be scrutinised extremely rigorously. The European Parliament obviously has an important role to play in this. Turkey will not be admitted to the European Union without the European Parliament’s approval.

Well, the path decided on at Helsinki is a demanding one, with clear benchmarks, and we are not negotiating Turkey’s accession to the European Union at the moment. Turkey has merely been recognised as a candidate. In fact, as long ago as 1963, in the Ankara Agreement, the possibility was accepted that Turkey might join the European Union, with the development of the association agreement in its initial phase, its transitional phase and its final phase. The Copenhagen criteria are clear and Turkey must not be discriminated against, either positively or negatively. Furthermore, the very fact that we are currently making good progress with the dossiers of enlargement in Central and Eastern Europe enables us to prove that Turkey is not being discriminated against. On the contrary, it is being given equal treatment, in the sense that it must comply with a body of legislation, it must transform its own legislation and it must behave in the same way in this process as the other countries that have put forward their candidacy for accession.

I can tell you that the Commission is not going ahead with a screening even now. This has not yet started, but the Commission has been mandated to prepare it. The Commission is involved in bilateral discussions with Turkey in order to provide it with information on the *acquis communautaire*. We have not even moved beyond the negotiating phase in which the screening will be undertaken in a multilateral context, with the participation of all countries. We are, therefore, in an exploratory phase. We are giving Turkey powerful messages about the need for it to reform itself through its institutions, its laws and its administrative procedures. We in the Association Council have been very demanding of Turkey and Turkey has, to some extent, recognised shortcomings and has stated its willingness to improve them, in particular with regard to laws on the press, criminal law and the way in which rights of citizenship are recognised, specifically in the cultural and linguistic fields. I think that here too, real progress has been made, although perhaps not progress which has a clear legal form yet. There have also been steps backwards and we expressed our deep disappointment at the fate of the leader of one of the most representative human rights organisations, and that of certain council leaders and politicians who have been recently arrested.

It is obvious that the Turkish political process is a complex one. However, what we must acknowledge today is that, contrary to what used to happen previously in situations of crisis, when Turkey was always tempted to use military power or to use extremist internal forces, we have seen that, with the guidelines and the frameworks that were laid down in Helsinki, this strategy has contributed to the consolidation of pro-European forces in that country, which will, of course, have to develop a completely pro-European programme in terms of constitutional reform, political changes and new legislation. Criticism must be levelled at the Turks, not in order to prevent them from continuing in this process, but the situation must be analysed rigorously so that they can implement the necessary changes for this process to continue successfully.

2-254

Verheugen, Commission. – (DE) Mr President, I should like to subscribe to the President-in-Office’s evaluation and to say that I feel this debate was helpful and supports the line which the Commission has followed. It does not matter that Parliament has taken a more critical stance than I am able to do at present, for reasons which you will understand. I have drawn the Turkish Government’s, the Turkish parties’ and the Turkish parliament’s attention to the role of the European Parliament in ensuring that no political compromises are made with candidates during access negotiations and in Turkey’s preparations for access negotiations which contradict the Copenhagen criteria.

I should like to expressly stress here that there can be no discounts for anyone, including Turkey, when it comes to accession conditions. I should also like to repeat here what I have said on previous occasions: we must be conscious of the fact that the process which we have now set in motion will not be without its setbacks. I do not know what is easy and what is difficult to do in Turkey. But I do know one thing and that is that a debate is currently taking place in Turkey of which we only hear a part, a debate which will decide on the fate of the country and, partly on the fate of Europe too. It is in our interests that the reform-orientated, democratic, pro-Europe forces carry the motion in this debate.

I should like to close by saying that we are still just right at the beginning. We are in fact at the beginning of the beginning. We are only just preparing the pre-accession strategy. We have no pre-accession strategy yet which is why I think it is slightly premature to start talking about disappointments or about the need for a new strategy. By definition, strategies only deserve to be called such when they can go the whole course. I therefore advise on a little patience here.

We shall see things more clearly, we shall know what specific progress we can expect in the autumn, once all the elements of the pre-accession strategy have been defined and once we have received Turkey's reply. This reply must be given this year and must refer clearly and unequivocally to what we expect of Turkey and must tell us exactly what Turkey intends to do. That will be the time to say more than was possible today in this cautious evaluation.

(Applause)

2-255

President. – The debate is closed.

The vote will take place at the next voting session.

2-256

Deliberate release into the environment of GMOs

2-257

President. – The next item is the recommendation for second reading (A5-0083/2000) by Mr Bowe, on behalf of the Committee on the Environment, Public Health and Consumer Policy, on the common position adopted by the Council with a view to adopting a European Parliament and Council directive amending Directive 90/220/EEC on the deliberate release into the environment of genetically modified organisms (11216/1/1999 – C5-0012/2000 – 1998/0072(COD)).

2-258

Bowe (PSE), rapporteur. – Mr President, I think that today the European Parliament is faced with one of its more important debates in the last few years, given that it is dealing with the dangers of the release of genetically modified organisms into our environment. It seems to me that this vote could be a watershed. It would, we hope, give us a new tough set of rules that would ensure that genetically modified crops and other GMO products are used throughout Europe in a safe and sensible way that ensures protection of the environment and guarantees the safety of public health.

There are a number of critical issues which need to be addressed. The first and the most important is the issue of producer liability. The European Parliament has long called for legislation which would ensure that companies that want to produce genetically modified organisms would be totally responsible for the products they produce. In other words, under the terms of the amendments, companies would be required to take out insurance to cover any possible damage to human health or the environment caused by GMOs and could be sued if their crops escaped and created super-wheats or contaminated organic crops or if GM crops were found to damage human health.

Regrettably, instead of accepting their full responsibilities, a number of companies have been launching massive campaigns behind the scenes to try and stop this proposal from advancing.

I am in no doubt that when we have the discussion tomorrow many MEPs will be confused and perhaps split in their vote on this issue. I feel that the compromise we have found with the Christian Democrats is one that is viable and workable and I hope it will find support here. At the same time the European Commission can endorse it by giving further reassurances about their own proposals for such a liability measure.

I want to see that European Commission proposals have real teeth when it comes to this Parliament in the not too distant future. In addition to that critical issue there are also a number of other important questions. I hope that tomorrow my colleagues will renew their support, as they did at first reading, for the demands for strong new limits on the use of GMOs containing genes with resistance to antibiotics. Parliament has in the past called for a ban on all GM crops and foods containing such antibiotic-resistant genes, even those used for research.

Tomorrow we may take a softer line, but nevertheless we want to see action in this area. We want to ensure that serious consideration is given to the dangers of using these crops.

Other measures that I think we need – and on which I would seek the support of the Parliament tomorrow – include new measures to restrict the dangers of the cross-breeding of GMO plants with naturally occurring wild relatives. We need to ensure that when products are placed in the field, whether they are plants or whether they are animals, they do not cross-breed and irreparably damage the balance that exists in the natural environment around them.

We must also address an issue which was avoided at first reading, and that is the question of the control of the import and export of GMO crops and other GMO products. Here we need to go to at least as far and perhaps beyond the measures agreed in the Bio-Safety Protocol in Montreal in January. Many people fear the possible consequences of genetic pollution and it is our job to respond to those fears. Those fears have recently been heightened by the discovery of GMO-contaminated cotton-seed imported from the USA into Greece for cotton production, which for the moment at least has no approval at all for commercial planting within the EU but nevertheless has found its way across our borders and into use in at least one Member State.

We have been lobbied by very many groups during the process of developing this legislation. Not just the industry but also Friends of the Earth and Greenpeace have given their backing to various aspects of Parliament's report. They have supported us in continuing to press the Council of Ministers to agree on new GMO rules on licensing as quickly as possible, to bring to an end the *de facto* moratorium on new GMO commercial approvals, which has been in operation since the Commission published its proposal almost two years ago.

The lobbying has become quite intense in the last few weeks. The outcome of the vote in Parliament tomorrow is likely to bring a few shocks and surprises. But it should mean that in six months' time the European Parliament, the Council of Ministers and the Commission will have arrived at an agreed proposal, at a revised directive for the commercialisation of biotechnological inventions and biotechnological products. That should give biotechnology companies and others involved in the industry a clear idea of the rules that they have to adhere to and consequently a more transparent and predictable regime. That can be only good for the future development of this new technology within the European Union.

At the same time, I would hope that our governments will be able to assure their consumers and their people that GMOs released into the environment anywhere in Europe will meet the much more stringent standards that we are fixing here in Parliament tomorrow and that the public concerns regarding the protection of human health and the environment from the dangers of GMO inventions have been properly addressed. And I hope one of the significant non-legislative outcomes of this process will be a shift in the balance of power in the approval and control of GMO crops and food in favour of the public. For the biotechnology industry that can only be to the good. It will create an atmosphere, a situation in which it can work carefully, thoroughly and I hope successfully to make positive use of this very brave new technology that we should all welcome, with the appropriate safeguards.

2-259

Liese (PPE-DE). – (DE) Mr President, Commissioner, ladies and gentlemen, I should like to start by thanking the rapporteur, David Bowe, for his hard work. He really has tried to find compromises on this complicated issue but has not succeeded in finding compromises on all counts which all the Groups here in the House are able to support, which is why we shall be voting against one or two points tomorrow.

Those who know me know that I am not a blind advocate of genetic engineering. Many aspects worry me. I even have mixed feelings about the announcements which we heard last week on the almost complete decoding of the human genome because I think that we do not yet have enough strict rules in the European Union in order to apply biotechnology to human beings in this way.

However, today we are debating the release of genetically modified organisms, especially plants. And in my view, and in the view of the PPE, this is a different kettle of fish. The common position is not too weak to guarantee public safety, as some would have us believe; on the contrary, it is very, very strong. It makes provision for a great many rules for monitoring, labelling and informing the public. The common position offers an adequate level of safety for both man and the environment, which is why the PPE is against tightening up the common position, especially in certain critical areas.

If certain tighter motions are accepted, then we can kiss biotechnology in the area of plants goodbye and we can totally ban it right away, but that is not what we want to do.

Take the example of genetic transfer. All we hear about are Frankenstein plants and superweeds. However, if you study the subject in detail, you will see that it is not a fact that transfers of genetically modified plants are always an environmental disaster. I have state evidence here. The former research policy spokesperson for the Greens in the *Bundestag* once said that no Frankenstein plants were growing in the fields. Unfortunately, the Greens did not nominate him again for the *Bundestag*, but he is right nonetheless, which is why we have tabled a motion stating that we should keep an eye on these risks but not totally ban genetic transfer.

We are also against discriminating against biotechnology when it comes to liability. We do not want a specific genetic engineering liability, we want a general environmental liability. It has frequently been said that the Commission must be forced to do something at long last. I share that view but we must first praise Mrs Wallström here: she promised during the hearing in the European Parliament that she would present a White Paper on environmental liability and she has done so. Her predecessor failed to do so for several years and we should now progress on the basis of this White Paper and decide on specific liability rules in the directive.

The common position is not too weak; in our view it is too strong on certain points. The general ten-year limitation on release consents is impracticable for plant cultivation, which is why we support the motion tabled here by David Bowe that the 10-year period should only apply from the first registration of the plants.

I think that the common position gives us good control of the risks. We should not make the mistake of gambling away biotechnology's chances, which is why we shall not be voting in favour of all the proposed amendments.

2-260

Lund (PSE). – (DA) I should like first of all to thank Mr Bowe for the work carried out in connection with the Recommendation for the Second Reading concerning amendment of the directive on the deliberate release into the environment of genetically modified organisms. I think it is a very efficient piece of work, and I think some important improvements have been made on the common position. I shall highlight the points I think are most important. First and foremost, I think it is right that we should now have an actual ban proposed on the use of substances which can produce resistance to antibiotics. I think it is important for health reasons. The second point I would make is that, in contrast to Mr Liese, I am in favour of including proposals to the effect that arrangements should, if possible, be made to prevent so-called GMO contamination whereby GMO organisms are transferred to other organisms. I also think it is important that risks should not be assessed on an ad hoc basis whenever applications and requests concerning licences are examined. Instead, the attempt should be made to carry out an overall assessment of the accumulated effects of the many licences which are issued upon the fertility of the soil, the food chain, biological diversity and the health issues which are of importance to us as human beings. I think that is a major flaw in current practice in this area. In this connection, I also think that licences ought to be reviewed every ten years so that they can only be issued for up to ten years at a time. In that way, we can be properly sure that the necessary monitoring is carried out.

I also think it is right that this amendment should provide us with legislation ensuring that, whenever vertical legislation is enacted in special areas, the same conditions regarding risk evaluation and monitoring should be complied with as also apply under the general directive. Finally, I would call attention to the question of objective liability. I agree with the original proposal in Mr Bowe's report to the effect that businesses requiring licences should be made objectively liable and that liability insurance should be effected at the same time in connection with the licences. If an insurance cannot be effected to cover such circumstances, then the risk in granting a licence is too great. I hope we shall see the adoption of these amendments designed to tighten up on the common position. If so, I also believe we shall obtain a legal basis for granting future licences in the GMO sphere, a legal basis which will be in our interests and which will provide the necessary security. In that way, we shall, in actual fact, obtain the legal basis that should have been in place before the first licence for new GMO crops was duly issued. In my opinion, the present legal basis is far too weak.

2-261

Maaten (ELDR). – (NL) Mr President, I would like to underline that this is a debate on procedural questions regarding the deliberate release into the environment of genetically modified organisms, or GMOs. Although it is easy to get the wrong end of the stick, this is not a fundamental debate on the pros and cons of GMOs or its principles, for that matter. Needless to say, how we perceive GMOs will be reflected in the positions we adopt during the discussion about these procedures and the framework around them. In simple terms: in the extensive amendments to this report, which is excellent by the way, the single most important aspect seems to be that either we decide to make life easier for the GMO industry or we decide to give it sleepless nights.

But the discussion also reveals that the production of genetically modified food has prompted quite a few questions: ethical and moral questions, questions related to public health and the environment, questions as to what opportunities industry and research are given and questions regarding the freedom of choice for consumers.

The following points are key issues for the liberal group and these will also influence our voting behaviour.

First and foremost, there is the issue of the freedom of choice for consumers. It is, of course, too crazy for words, really, that if you want GM-free food, you will need to settle for food with a guaranteed maximum GMO content of 1%. This is not dealt with as such in the draft directive but public information, labelling and transparency which crop up in this context are very much part and parcel of this issue.

Secondly, we would like to see the public have plenty of opportunity to have its say during the approval procedure of GMOs.

Thirdly, we would welcome a streamlined procedure that offers security to both consumers and producers and, as far as we are concerned, better harmonisation throughout the European Union.

Fourthly, we would like to see research promoted in Europe in the field of biotechnology so as to offer more clarity regarding what is and is not feasible.

Liability on the part of producers is a controversial issue. We are in favour of the self-regulating effect this has. Ideally, we would like to see this liability included in the long-awaited horizontal regulation of environmental liability. However, some of us are tired of waiting for this horizontal regulation in which the Commission has been engrossed for some 10 years now, and we want to move forward. The present proposal is important to both producers and consumers and is welcomed by the liberal group. We too would like to congratulate the diligent rapporteur on this report.

2-262

Breyer (Verts/ALE). – (DE) Mr President, tomorrow's vote will be a litmus test of Parliament's responsibility and credibility. The main point, for us, is liability and compulsory insurance. If genetic engineering is as risk-free as industry

and Mr Liese insist, then why is there such huge resistance to strict liability? We too want a general environmental liability, but we know that no provision is made for the corresponding liability for genetic technology or for a general liability in the Commission proposal, which is why we have proposed compromise proposed Amendment No 45, containing just that. Anything else would be hiding behind a long-term wait-and-see policy, a postponement until the Greek calends.

It is ridiculous to say that all we ask is that the Commission do this by the year 2001. What will happen if it does not do so? What will happen if horizontal environmental liability does not properly cover the area of genetic technology or, Mrs Wallström, as you suggest, only covers the Natura 2000 areas?

The second main point for us is the ban on antibiotic-resistant genes. We need a clear ban here. I cannot understand, Mr Bowe why you said that we will take a softer line tomorrow. Is that your sop to the genetic engineering industry? I think that it is quite clear – as scientific studies have proven – that more and more human pathogens are becoming resistant and it would be a disaster if antibiotics were to be permanently lost as a form of treatment.

My last point concerns genetic contamination. I think that we need a clear commitment here on the part of the Member States and I hope that tomorrow's vote will send out a clear signal on environmental and consumer protection and that tomorrow will not be a black day in the history of environmental and consumer protection.

2-263

Sjöstedt (GUE/NGL). – (SV) Mr President, where the release of genetically modified crops into the environment is concerned, the precautionary principle must be crucial. At present, it ought to entail a moratorium on the release of new genetically modified crops into the environment. Scientific ambiguities, especially where the risk of dissemination is concerned, and deficiencies in legislation and in the application of international agreements are both factors which justify a moratorium.

We also consider that each EU country should be entitled to have a tougher policy than the EU in this area, and we shall therefore vote against Amendment No 6 concerning a common EU procedure governing the release of genetically modified organisms into the environment.

The proposals to be adopted tomorrow will not go anything like so far as we would have wished. We shall therefore vote in favour of as satisfactory a solution as possible to the issue as a whole. This means that we shall be voting in favour of most, but not all, of the proposals in the Bowe report. We shall be voting in favour of a situation in which those who release genetically modified crops into the environment are held fully liable under civil law. We want to see an end to the use of antibiotic resistance markers. We want to see clear, compulsory labelling, and we demand that each application should be dealt with separately, and with no use of simplified application procedures. We are also in favour of having a clear obligation for the provision of information and in favour of recipient countries' being approved in the case of exports to third countries.

2-264

Berthu (UEN). – (FR) Mr President, the proposal for a directive on procedures for the authorisation of genetically modified organisms has been returned to this House for second reading, even though events since the first reading have done nothing but heighten the fears that we originally expressed.

On 11 February 1999, at first reading, we opposed this proposal since we considered that it in no way controlled the risks that GMOs pose to the environment and to animal and human health and that a straightforward application of the precautionary principle should have resulted if not in the definitive prohibition of the release of these organisms, at least in a moratorium lasting several years. Furthermore, we were critical of the authorisation procedures stipulated in the proposal, which seemed to us too lenient and inordinately centralised.

A year on, studies have been conducted that even more clearly highlight the dangers of releasing GMOs. As recently as last week, a committee of inquiry from the French National Assembly concluded, and I quote, that it 'considered the placing on the market of new products deriving from genetically modified organisms to be premature'.

In these circumstances, we find the text which has been presented to the House for second reading increasingly outmoded. All our principled objections, including the request for an official moratorium, are all the more relevant today and, as was the case with BSE, we would like to see any country which is convinced that it is running a serious risk being entitled to take national prohibition and safeguard measures.

How is it possible, in this day and age, that we have to demand a right as self-evident as this?

2-265

Van Dam (EDD). – (NL) Mr President, in February 1999, we discussed the revision of Directive 90/220 at first reading. I would remind you that in his contribution, Mr Blokland talked about the importance of the precautionary principle. We are thus delighted that the Council has underlined this principle in the common position. Both in the main body of the

Directive itself, notably in Article 1, and in its application, the precautionary principle has been accorded an important role when it comes to weighing it up against economic interests. I mainly have the restriction of the simplified procedure and the attention to GMO traceability in mind. On the whole, we should therefore be satisfied with the present proposals.

We are thankful to Mr Bowe for his report, which once again contains proposals which we are totally behind. We are particularly delighted with the stricter wording related to reducing the risks for consumers.

Compared to Amendment No 32, the original Amendment to Article 28 (1) was more forceful, in our opinion. It very explicitly spelled out the possibility of consulting ethical committees in the case of ethical issues. The present Amendment No 32, on the other hand, only underlines the importance of being open with the public. We regret this toning down.

Finally, I would like to point out that it is not sufficient to map out and restrict the risks pertaining to these new production methods. Plants and animals are not production factors which can simply be manipulated. The biotechnology debate requires an integral ethical approach. We believe that God created the world. Based on this awareness, we need to treat the natural world around us responsibly.

2-266

Bowis (PPE-DE). – Mr President, this is a debate about plant research and plant protection from research. It is a debate about the potential of GMOs for good and their potential for risk, and how you manage that risk. You cannot abolish risk because it is part of our natural environment. We cannot prevent all man-made risk because that would end scientific progress. But we must respond to public concern about the potential and unknown dangers to our environment, to our food chain and to our health.

I believe there are four areas where we must act to reassure the public. I believe we can do so without destroying biotechnology. Firstly, antibiotic-resistant genes must be phased out. The amendment sets a realistic, but urgent date of 2005 for that. Secondly, we must be open with the public about where experimental crops are being grown. That is only right. It is fair. In return we must ask environmental action groups to show restraint and responsibility with regard to that knowledge. Thirdly, we must build on the Montreal Protocol as far as the export of GMOs is concerned, and this should be done on the basis of mutual agreement and transparency. Fourthly, as many Members have said, we must ensure liability; but it is a question of whether we need any greater liability than applies to other environmental risks. I suspect we do not, so long as we already have criminal, civil, product and environmental liability in law. That should suffice, but it is wise to add the provision on negligence as something which can be brought into play within the courts.

We can gain real benefits from GMOs if we get it right. Fewer crop sprays, for example, would benefit the environment if we grew GMO crops that did not need so many crop sprays. But we have to take the public with us, with the science. I believe these measures will help to do just that.

2-267

McKenna (Verts/ALE). – Mr President, ideally GMOs should not be released into the environment. But if it is going to happen there have to be a number of measures taken to ensure that the industries that say this technology is safe take responsibility. That is why I cannot understand why the industry and the lobbyists are so concerned about the issue of liability. If they are so sure that their products are safe then why are they afraid to take responsibility, both as regards liability and compensation?

The other issue I should like to address is the contamination of gene transfer. We have a situation where, for example, conventional farms can be contaminated with GMOs. That means there is no free choice, either for the farmers themselves – and that goes for organic farmers too – or for the consumers, in the long run. If you have contamination of conventional farms or organic farms, there is basically no free option for the consumer. This is not acceptable. At the end of the day, the GMO industry does not have anything to offer the consumer or the environment, even as regards the use of chemicals. It is ironic to think that the same industries that are promoting this so-called chemical-free agriculture are the very same ones that have bombarded us with chemicals over the years and are making those crops reliant on chemicals in the future as well.

2-268

González Álvarez (GUE/NGL). – (ES) Mr President, I would like to thank Mr Bowe for his report and, in one minute, mention four fundamental questions which have already been discussed.

Firstly, the protection of public health. It seems to us that we should strictly forbid the use of antibiotic-resistant genes. Germany, Luxembourg and Austria have shown the way by banning Novartis maize, which has a gene which is resistant to ampicillin, which is an antibiotic with a broad scope.

Secondly, the commitment to international agreements. Amendment No 1 refers to the Montreal Protocol and the need to defend biosafety and the consultation and request for authorisation from non-EU countries for exports.

Thirdly, the civil liability clause, which is clearly necessary for those who are responsible for the release of these genetically modified organisms which may have effects on health or the environment.

Finally, Mr President, the prevention of genetic contamination. This means preventing the spreading of transgenic pollen which may travel and contaminate other plants and, therefore, seriously affect the environment.

2-269

Hyland (UEN). – Mr President, I should like to start by complimenting Mr Bowe on his objective and balanced presentation. In previous debates in Parliament I have put on record my own views in relation to biotechnology. In the short time available, I appeal to the Commission and, indeed, Parliament to urgently expedite the conclusions necessary to allay consumer fears concerning the public health, environmental and ethical aspects of a technology which has the potential to make a significant contribution to food production and public health.

Of course there are concerns on the part of consumers. They are entitled to an in-depth and independent evaluation of what is a rapidly changing technology. The longer we allow the confusion to exist, the greater the delay in enabling society to benefit from its full potential. In this regard the bio-industry has itself contributed in no small way to public unease by the planned introduction of unacceptable practices such as seed-terminator technology and other ethical issues such as experimentation with human embryos. It was the vigilance of this Parliament in particular that raised a warning flag in relation to many aspects of the application of this research.

But there are now welcome indications that the industry has taken on board Parliament's concern in this regard. An indication of the potential of genetic research to make a positive contribution to food production is demonstrated by the very recent announcement by Monsanto of a significant breakthrough on the genetic structure of rice, which is the staple food on which millions in the developing world depend and about which there is considerable concern with regard to the continuity of supply.

The bottom line in relation to every aspect of the application of GMO technology, particularly in food production, is transparency, consumer information and accurate labelling. In short, the consumer must at all times be given a choice.

2-270

Bernié (EDD). – (FR) Mr President, ladies and gentlemen, European consumers are justifiably concerned about genetically modified organisms and their release. The industrial lobby continues, unscrupulously and in the name of the great god profit, to play the sorcerer's apprentice, playing a dangerous juggling game with food safety and consumer health. It is Europe's duty to pass stringent legislation that will make these alchemists accountable and to guarantee product quality whilst also providing citizens with clear information.

We totally agree with the line of thinking adopted in this report. The emphasis should be placed on the traceability facilitated by comprehensive information, including that aimed at third countries and importers and exporters of GMOs. Indeed, consumer safety calls for egalitarian treatment with a view to avoiding any deflection of trade or the export of products unsaleable on the European market. We must also require the prior approval of the recipient country before any trade can take place.

If the liability of the operator responsible for release is to be officially established, it would also be appropriate to establish this liability precisely and unhurriedly, in order to avoid establishing an over-general environmental liability. Lastly, the risks to the environment should be assessed via an annual cost-benefit analysis of these GMO releases, carried out in a transparent manner and extended to cover animal and plant health as well as public and private assets.

2-271

Trakatellis (PPE-DE). – (EL) Mr President, there has been a significant increase in biotechnology applications and they are becoming more and more important both to the economy and to society, because using applications derived from genetically-modified organisms will be instrumental in improving our quality of life. Hence, it is essential that we introduce a modern framework governing the development, marketing and exploitation of genetically modified organisms.

Europe must not be left behind the USA and Japan. This, however, does not mean that we should overlook the safety issues surrounding these innovative applications, such as public health safety and environmental protection. I must point out that we have all witnessed the ongoing war of words recently over the safety of genetically modified organisms. This has led to confusion amongst consumers and has resulted in their being unable to form a sound judgement on the benefits and dangers of biotechnology. We should therefore win consumer confidence and the way to do so is by improving safety standards. For example, we can build up public confidence by banning the creation or use of GMOs containing antibiotic-resistant genes and by providing agencies and the general public with detailed and objective information.

Parliament called at first reading for amendments to be incorporated into this directive which cover the above two objectives, i.e. the creation of a useful framework of rules for the deliberate release and trade in GMOs, accompanied by safety measures for the protection of public health and the environment and information for the public and consumers. It is

also important for provision to be made for the directive to be adjusted and amended in line with new developments resulting from the fast pace of change in biotechnology and its applications.

In closing, I should like to dwell on one point, Mr President, which I stressed in the Committee on the Environment and which deserves our particular attention, and that is the issue of safety. We are awaiting a more general proposal from the Commission on product liability and safety. We must not overreact if we want this directive to promote and support such a promising sector.

2-272

De Roo (Verts/ALE). – (NL) Mr President, to genetically modify food means to break through the barrier that divides different species, for example by introducing a fish gene into a strawberry. This is not possible in conventional agriculture. Tinkering with genes holds unknown risks. This is why measures are needed to prevent gene transfer so that this fish gene cannot contaminate conventionally or organically grown strawberries.

According to the gene tech industry, the risks of such unwanted contamination are negligent. If these risks are so negligent, why is it then that the gene tech industry refuses to accept any legal liability? But maybe there is a risk for the environment and human health and in those cases, such a liability clause is most definitely needed. The Christian Democrats are playing a dangerous game. Whilst they are in favour of a liability clause in the directive on disposing of dangerous waste, they suddenly want to wait five years when it comes to gene technology. If liability pertaining to gene food is not regulated now, suspicion among the public regarding this type of food will only grow.

The Christian Democratic position will rebound perfectly off the gene industry.

2-273

Sommer (PPE-DE). – (DE) Mr President, genetic engineering and biotechnology are the key technologies of the future. If we in the EU hamper or even block the use of genetically modified organisms, we shall be manoeuvring ourselves into a backwater in this important area. We are already lagging far behind other countries. The resultant competitive disadvantages for researchers, breeders, seed growers, farmers and even consumers would be immense. But it is precisely these obstruction tactics which several groups within the European Union are applying. They of course appear to be rather ideological in nature because generally there are no material grounds for them.

This attempt at obstruction can be found in a series of proposed amendments in the Bowe report. They are distinguished by the fact that they demand the impossible, knowing full well that these demands cannot be met and can therefore block the release of GMOs in general. This applies in particular to genetic transfer, which simply cannot be prevented in the open air, and to the question of liability. The call for special liability means that farmers dare not use GMOs. I also think that keeping a register of cultivated land beyond the experimental stage is unrealistic because I assume that 80-90% of farmland would be entered in such as register in a few years' time.

No one wants to play down genetic engineering, including me. But nor can we demonise it. Farmers have always endeavoured to use targeted breeding and cultivation techniques in order to develop efficient plant and animal material. Techniques continue to develop, including in breeding and cultivation and one new technique is genetic modification. It is our task to ensure that this technology is used responsibly, not to prevent it.

(Applause)

2-274

Evans, Jillian (Verts/ALE). – Mr President, I would urge colleagues to strengthen this report by insisting on environmental liability. Producers of GMOs should be required to take out insurance against any damage to human health or to the environment from the release of their products. The Commission promised the introduction of horizontal legislation over ten years ago. But even though we now have a White Paper, the actual legislation is some years away. This means that, if it is not accepted into this directive, the victims will have to pay for any damage instead of the companies that are making the profits.

Thousands of people across Europe have chosen not to buy products containing GMOs because of the evidence of health and environmental damage. We must address those very real issues.

I would urge colleagues to accept my group's amendments on liability insurance, GMO contamination and the ban on antibiotic-resistant genes. Consumers are demanding the strictest controls and will be satisfied by nothing less. It is vital that all the necessary safeguards are now included in this directive.

2-275

Rovsing (PPE-DE). – (DA) Mr President, I am pleased that Parliament, in collaboration with the Council, is now finally in a position to give Europe a chance to make its influence felt in the sphere of GMOs. We must be careful, however, that we do not now just sit back and believe that the work is done. We have selected an approval procedure which is more restrictive than its American equivalent, and this will of course be significant in terms of our ability to hold onto the best

companies and researchers. The processing deadlines we adopt should not, therefore, be applied as the rule but, instead, constitute the absolute maximum deadlines. We are to reject the proposal that the entire liability for any damage should be shifted onto whoever releases the GMOs into the environment. It must be a natural consequence of Europe's strict approval procedure that the authorities should assume a portion of the liability. Only by in this way sharing the liability between the authorities and businesses will it be possible to offset the competitive disadvantages presented by the laborious approval procedure, and only in this way will be able to compete with the Americans.

2-276

Wallström, Commission. – Mr President, when I started at the Commission last autumn I realised very quickly that the directive on the deliberate release of GMOs would be one of the most sensitive dossiers under my responsibility.

Genetically modified products and biotechnology give rise to a number of questions and concerns. The most important are perhaps: what are the benefits? What are the risks? How do we best avoid possible negative effects? How do we ensure that we have access to all the relevant information?

To tackle these three concerns raised by our citizens we need a wide and open debate where all key players participate and the discussion cannot be limited only to the experts. Here the European institutions, the Member States, industry and science all have to take their responsibilities.

The basis for meeting these new challenges has to be an efficient and transparent legislative framework.

I should especially like to thank the rapporteur, Mr Bowe, and the Committee on the Environment, Public Health and Consumer Policy for their hard work in making a rapid and important contribution.

Our role as European policymakers should be to provide for a balanced response to these new challenges. We need a regulatory framework, based on safety and the precautionary principle which ensure a high level of protection for human health and environment. At the same time, it has to allow society to benefit from the development of modern biotechnology.

Our European legislation on GMOs guarantees an individual and thorough risk assessment of each GMO product placed on the European market.

We are here today to strengthen and improve the existing framework. The sensitivity and complexity of the matter might explain why we are confronted with a total number of 52 amendments at second reading.

The Commission can accept in their entirety Amendments Nos 9, 17, 19, 29 and 47, which improve the quality and the clarity of the texts. The Commission can also accept in principle Amendments Nos 1 to 4, 8, 11, 24, 35 to 38, 46, 48, 49 and 52. They further strengthen the intention of the Commission to establish an efficient transparent and balanced regulatory framework for GMOs.

Let me comment further on Amendment No 1 and Amendments Nos 13, 14 and 28, which all relate to the biosafety protocol and obligations for imports and exports of GMOs. The European Community was one of the driving forces in the successful adoption of the Cartagena Protocol on biosafety in January. The Commission therefore welcomes the spirit of Amendment No 1. This refers to the need to submit the appropriate proposals for the implementation of the protocol when ratified – work has already begun. However, the Commission cannot accept the inclusion of provisions on import and export obligations in the text of the directive. We believe that the implications of the protocol on the overall European Union legislative framework have yet to be fully assessed. Amendments Nos 13, 14 and 28 are therefore not acceptable in the present revision.

Let me now turn to the issue of liability, and I know that this is an important political subject for all of you. When I made my presentation to Parliament in the autumn I promised that I would make particular reference to GMOs in the White Paper on environmental liability. The Commission did exactly that when adopting the White Paper this year. The Commission is of the opinion that a horizontal approach is the most efficient way to guarantee a comprehensive responsibility regime for environmental damage. This will provide clarity for complainants and prevent loopholes. This is also the best way to complement the existing horizontal system for product liability already covering GMOs.

I can assure you that I will do my utmost to be able to present a proposal for legislation on liability before the end of 2001. I can therefore accept Amendments Nos 2, 36 and 46 in principle, as far as they refer to the Commission White Paper. Let us be clear, if this is put in this directive, rules will have to be made to ensure legal clarity, and how long will that take? It must be seen in that context.

However, I cannot accept Amendments Nos 33, 40 and 45. I am also fully aware of the political importance of certain other aspects raised by the proposed amendments. It is clear that antibiotic resistance marker genes need to be phased out and be replaced with alternatives as soon as practically possible. A phase-out is already foreseen in the common position.

The Commission agrees to strengthen this political message. The Commission cannot agree to a general ban of GMOs containing antibiotic resistance marker genes. At the moment there is no scientific evidence that all GMOs of this type present adverse effects to human health and the environment. Instead, we should continue to carry out a comprehensive case-by-case risk analysis.

Within these limits, Amendments Nos 11, 37, 48 and 52 are therefore acceptable in principle. The Commission can also accept in principle Amendments Nos 3, 4, 8, 24 and 35 to the extent that they are in line with the logic of the texts and fit within the overall legislative framework. The Commission can therefore agree to a recital concerning socio-economic aspects which refers to the reporting obligation of the Commission. This will be done every three years under Article 30.

The Commission welcomes Amendments Nos 38 and 49 concerning gene transfer. They constitute a balanced approach between a total prevention and a permissive approach. However, the wording should be aligned with the text of the directive. In addition, the Commission reference should be deleted since the Commission does not necessarily play a role under Part B – national consent.

However, the Commission cannot accept Amendment No 12 concerning the prevention of gene transfer. Gene transfer between organisms is, as we know, a common phenomenon in nature. Instead we need to ensure that potential risks from gene transfer are thoroughly assessed before GMO products are released for research or placed on the market.

The Commission cannot accept Amendments Nos 22 and 23 as they stand, since the provisions foreseen in these amendments would not be workable within the authorisation system established by the directive. This is both for administrative and legal reasons.

The Commission, however, acknowledges that these amendments aim at addressing the possible problems that certain industries might face with strict time-limited consent. This concerns in particular the plant breeding industry. The Commission will therefore consider how due account can be taken of these concerns while ensuring political, legal and administrative consistency. In this context, Amendment No 26 is also not acceptable since this would limit the flexibility of the optional time limitation of consent for the renewal.

Amendment No 25 seeks to introduce a provision which allows for the introduction of differentiated procedures under Part C of the directive. This builds on the original proposal as presented at first reading in Parliament. However, this amendment goes beyond the Commission proposal and is therefore not acceptable to the Commission as it stands. The Commission is, however, willing to reconsider this amendment in the light of its original proposal and within the framework of an overall compromise.

Finally, I should like to deal as a package with the amendments I have not yet addressed. The Commission cannot accept Amendment No 21 since the legal basis of future legislative measures is subject to its content and cannot be established in advance by this directive.

Amendment No 6, concerning a centralised Community procedure, is not acceptable. However, I should like to stress that careful evaluation of a centralised procedure would be done in the Commission report required under Article 30 of the directive.

Access to the work of the European Group on Ethics and their opinions is an important part of the general evaluation. The Commission is, however, of the opinion that this is already appropriately covered in the Rules of Procedure of the Committee. Amendment No 32 is therefore not acceptable.

Amendments Nos 5, 7, 10, 15, 16, 18, 20, 27, 30, 31, 34, 39, 41 to 44, 50 and 51 are also not acceptable since they would introduce legal and technical uncertainty or jeopardise the overall balance achieved in the common position.

To conclude, we urgently need a revised Directive 90/220. It has to ensure a high level of protection for human health and the environment and, at the same time, allow society to profit from the benefits of these new technologies. To strike the right balance between these two justified concerns we need a transparent process, a wide dialogue and strong political leadership. We all have to take our responsibilities in achieving this, and this is the only way in which we will win the trust and confidence of our citizens.

2-277

Breyer (Verts/ALE). – (DE) Mr President, I think that tomorrow's vote is so important that I should like to ask the Commissioner to clarify two points so that we know what we are voting on tomorrow.

Commissioner, my first question is this: have I understood you correctly, can you promise that you are making provision for an environmental liability with compulsory insurance, yes or no? I just want a yes or no. Or is it correct that you only agree to liability as set out in the White Paper, i.e. just for Natura 2000 areas and with no compulsory insurance. In plain text, this means that if damage occurs and the person responsible cannot be held liable, the general public, i.e. the taxpayer

will pay for it. Can you give Parliament a guarantee – and I should like a yes or no – that compulsory insurance is contained in a horizontal directive?

My second point is this: unfortunately, you did not go into proposed Amendment No 42. Can you confirm that there is no EU legislation for GMOs in contained use? You know that the contained use directive excludes this and, at the same time, Article 2 (4) of the common position makes no provision for regulations on GMOs for contained use. There is a gap in the legislation here and I think that this is very important for tomorrow's vote. For example, transgenetic fish in contained use would not be covered by the two directives. I should like a clear answer on this.

2-278

President. – I am not reopening the debate. I will give the floor to the Commissioner if she wants to respond to these two specific points, but I thought the Commissioner's response was very clear and comprehensive.

Commissioner, do you wish to reply?

2-279

Wallström, Commission. – Mr President, I shall start with the second part of Mrs Breyer's question. It is true that there is no specific Community legislation for the contained use of genetically modified plants and animals. However, Article 2(4) of the common position obliges Member States to ensure that these GMOs are handed over to a third party only if stringent containment measures are in place, otherwise notification under Part C of the directive is necessary. Amendment No 42 would prevent any exchange of genetically modified plants and animals for research activities under contained use until Community legislation is in force. That is why we cannot accept Amendment No 42.

As you know, we have now issued a White Paper on environmental liability. It is now open for comments and views and we are ready to discuss it because I want to ensure that this environmental liability paper covers GMOs. Your views are also welcome. I intend to ensure that this paper covers GMOs. It already covers product liability. Insurance is one thing we will have to look into in more depth and also get the views of other parties on the practical aspects. The White Paper is a first step, as you know. That has to be discussed in depth and I will come back with a proposal. I believe it will be possible to put an insurance system in place.

2-280

President. – The debate is closed.

The vote will be taken tomorrow at 11.30 a.m.

2-281

Identification, registration and labelling of beef

2-282

President. – The next item is the report by Mr Papayannakis, on behalf of the Committee on the Environment, Public Health and Consumer Policy, on the proposal for a European Parliament and Council regulation establishing a system for the identification and registration of bovine animals and regarding the labelling of beef and beef products and repealing Council Regulation (EC) 820/97, (COM(1999) 487 – C5-0240/1999 – 1999/0204(COD)).

2-283

Papayannakis (GUE/NGL), rapporteur. – (EL) Mr President, we all know that the bovine spongiform encephalopathy crisis, the mad cow crisis, is yet another crime which has not been punished, and I doubt it ever will. But aside from this serious issue, it has left us with an institutional crisis, a market crisis, a drop in sales of beef products, a drop in prices and, most importantly, a consumer confidence crisis.

The regulation under discussion has come too late, much too late in my opinion, but all the same it will help to provide some answers, some solutions and it will help us to take some action to restore consumer confidence. As you will recall, Mr President, we fought a hard battle over this regulation last December in order to protect the rights of the European Parliament. We also fought a battle to push through the implementation of the measures laid down in this regulation as swiftly as possible. In short, we all know what we are talking about. On the basis of this regulation, very soon, this year, all bovine animals will, by law, have to be identified and monitored right up to slaughter. The meat from bovine animals will carry a label indicating the origin and history of the animals from which the meat is derived.

During our analysis of this regulation, we tried to cater for a great many demands and a great many opinions. We wanted the provisions included in the regulation to be kept as simple as possible so that they could be applied, and applied as quickly as possible. Let us not forget that the system we are going to implement is an extremely complex, extremely technical system, and concerns approximately 100 million animals throughout the EU. So we are talking about an extremely complex operation. The system therefore needs to be simple and practicable and it needs to be comprehensible to the consumer; this is of utmost importance to us. Above all, it must not contain exceptions or what we call loopholes, i.e. ways in which the regulation can be contravened either through complex wording or because of local or special exceptions or applications. I believe that we have managed to achieve this. The system that Parliament is endeavouring to

establish though its amendments could be applied from 1 September 2000 onwards and we insist on this because one demand of the entire House was that specific dates and deadlines should be set at long last and that we should get started.

I would just like to look at two amendments, at two categories of amendments. First, your rapporteur is calling, with the greatest respect, for a report, a Commission proposal, within the year, on the application of this system to meat products. If we want to be taken seriously, we should also take account of consumer confidence in all meat products, of which, as we all know, there are a great many. And secondly, some amendments deal with how permits are to be granted to enterprises, operators and so on to apply the labels, to label the meat. The provisions recommended by the Commission are, to my mind, extremely minimal. The interested party submits an application and, after a period of time, the system which he wishes to apply is applied. I propose that we change this system. Anyone labelling meat must have explicit approval from the competent public authorities. This may seem a little more laborious, but we already have a laborious system and we must, at all costs, have state approval for meat labelling. If not, then I am afraid that the system will become too lax and may even become corrupt, and, as a result, we will not achieve our main goal of winning consumer confidence in the system.

2-284

Kindermann (PSE), *draftsman of the opinion of the Committee on Agriculture and Rural Development*. – (DE) Mr President, as draftsman of the Committee on Agriculture, I should like to recapitulate a number of the committee's main causes for concern on this question. The most important objective of the Commission proposal – and I should like expressly to stress this once again – is the traceability of beef or bovine animals from birth through to processing and sale.

This is one of the consequences of the BSE crisis and we must bear the objective of this proposal, i.e. traceability, in mind when debating what information should appear on the label. We want labels which are practicable, simple, safe, cheap and easy to control. Labels must be easy for consumers to understand, which is why the information needs to be kept to a minimum. Consumers want information, not a novel.

Information on the fattening process and, where applicable, on antibiotics or other stimulants administered, as demanded in proposed Amendment No 48, have absolutely no business to be on the label. Information which does not come under compulsory labelling but which is requested by market participants or is already included on labels in the Member States can continue to be included within the framework of voluntary labelling. This applies in particular to information on the region of origin of the meat.

As far as the entry into force of the regulation is concerned, we agree in principle with the Commission's approach that compulsory labelling should be introduced in two stages, but we do not agree with the timetable insofar as we think that the date of 1 January 2003 has been put far too far back.

We shall have problems explaining this to consumers. The Committee on Agriculture agreed on the wording "by 1 January 2002 at the latest" in a compromise on the introduction of compulsory information on origin, i.e. stage 2. Now the Committee on the Environment has opted for 1 September 2001 and I think that we can agree to this date. It is only a matter of four months. But we are emphatically against making all the information, including the indication of the place of birth, compulsory when the regulation enters into force in September 2000, rather than in two stages. That makes no sense, as the electronic database on which traceability depends is not yet up and running in the majority of Member States. A compulsory labelling system for beef can only be as good as the system for registering bovine animals and all their movements.

2-285

Goodwill (PPE-DE). – Mr President, beef labelling has two distinct functions. Firstly, traceability in the case of a food safety incident – the recent E. coli outbreak in Scotland for example – and, secondly, to give consumers information about the origin of beef at the point of sale. The two should not be confused. For traceability we need maximum information made available to the authorities as and when required but the consumer label should be simple, concise and unambiguous.

The need for information sprang from the BSE crisis. Member States have differing levels of BSE incidence but there are also variations in the measures to eradicate the disease and protect human health. Although the United Kingdom has the highest incidence of BSE, it also has the most comprehensive control measures. Other countries, which admittedly have lower declared levels of BSE, operate a whole-herd slaughter policy which entails the risk of the under-reporting of cases. Therefore people want to know which country their beef comes from.

Reference to regions should not be an alternative to country of origin but a voluntary addition. Even regions like Yorkshire, Britain's premier region and coincidentally the region I represent, are not known by every citizen throughout the EU. From a marketing and promotional point of view smaller areas and localities could be used, as well as regional breeds such as Aberdeen Angus. The well established description of Scotch beef should continue to be used.

Small traditional butcher shops that sell beef unpackaged should be allowed to display information as an alternative to labelling each item. Many consumers would be confused if given information about hanging or maturation, which could be mixed up with sell-by dates in their minds.

I would draw attention particularly to Amendment No 41 which seeks to exclude farmers from Community aid schemes if the regulation is not strictly adhered to. I have already had cases drawn to my attention regarding other EU schemes where honest errors by farmers, who are not professional bureaucrats, have resulted in punitive sanctions which often threaten the future of a family farm. We should not go down this road. The listing of antibiotics and stimulants that might have been administered would, if adopted, create a two-tier beef market. Animal welfare would be compromised as farmers would be reluctant to treat animals therapeutically. Similarly, reference to fattening methods should not be introduced.

I hope that in amending this regulation Parliament can for once simplify rather than embellish and make the labelling of beef consumer-, butcher- and farmer-friendly.

2-286

Whitehead (PSE). – Mr President, my group welcomed the report by Mr Papayannakis and salutes him for his persistence. I say that because he comes from a small political group – and it is often hard to make headway here – and he comes from one of the southern Member States, which will in some ways have to make sacrifices and introduce regulations to bring about effective, proper beef labelling throughout the Community.

He has also had to face the obfuscation and delays brought about by the Council. The fact that we have had to wait two years for this proposal to become a practical reality is a poor comment on the urgency with which they regard it, although the situation was plainly critical from the time of the outbreak of the BSE crisis onwards. However, we are not here today for recriminations but for looking ahead. This is our chance to put right this sorry process of delay.

Parliament has the opportunity, if it is willing to grasp it, to set a realistic timetable for the two-tier implementation of a comprehensive process of labelling for beef and for beef products.

In the Committee on the Environment, Public Health and Consumer Policy, we supported most of the amendments from the rapporteur and others and we do so again today. We do that on the basis that the key proposal plainly has to be the issue of timing. Some of the versions of this report in themselves have been contradictory in the dates that they gave. We are now talking about implementation of the first stage in September 2000 and the second stage in September 2001. I was glad to hear the representative of the Committee on Agriculture and Rural Development say that they would settle for the four-month advance that would involve coming forward from January 2002. We believe that this is necessary because we should now get the whole European Union on the move.

That is why we want the second stage as set out in Article 13(5) to be distinct and a commensurate advance. Why do we want that? There are some here – certainly some from Member States that have very effective traceability and labelling possibilities already – who would like to do the whole thing at once. They would be able to say to others: look – you cannot do it, you are at fault. Our job is to bring all 15 Member States together so that the process of traceability throughout the whole of the food chain, from the birth of the animal to its slaughter and disposal, would be universally applied throughout the European Union. We say to those who are resistant to this: please remember that it is necessary to bring everybody on board. What everybody wants – whether they are farmers, citizens or consumers in the United Kingdom or anywhere else in the Union – is to feel that they have equal confidence, wherever they are, in the safety of the product that they are consuming.

We have struck out the second subparagraph of Article 13(5) and all other amendments which follow the same line of allowing imprecise mixed origins or an indication such as "EU origin". One day "EU origin" may be assurance enough but it is not at this moment. We need to know from which state a product has arrived. I know that there are people in the Netherlands who disagree with that and I would be interested to know why. I cannot see that "EU origin" is currently sufficient in the way of labelling and we are opposed to that proposal.

We are also opposed to the derogation for minced beef, which might apply to something like 30% of the beef output, which ought to be open to labelling. Minced beef is as much, if not more, at risk as any other form of beef since it frequently comes from a variety of sources. It is the case in my country that we have seen minced beef and lamb and other meats mixed up together. We need traceability and labelling there as much as anywhere else.

We agree with the rapporteur's intention to stiffen and speed up the compliance provisions in Amendments Nos 42 and 43. We also agree that supplementary information should and can be provided for those Member States that need it and for those special regions which have important information to communicate.

My last point is to end where I began. My country, Mr President, and yours – if I can call Scotland my country too, as I certainly would – have suffered the horrors of BSE. We know we bore a large part of the responsibility for it. It was

incumbent upon us to make special provisions by way of food safety as a result. After our years of effort to that end, we can now justifiably say to the Community as a whole that what we want for ourselves we want for everyone else as well.

2-287

Paulsen (ELDR). – (SV) Mr President, rapporteur, ladies and gentlemen, it is important to reinstate market confidence. It is, however, still more important to restore citizens' confidence in the food they buy and eat – in actual fact, it is perhaps in that way that the market will be strengthened. The crucial factor is that it should be possible to trace with certainty the origins of what we eat.

Amendment No 29 is very important for producers, above all perhaps for small producers in vulnerable areas. This Amendment would entitle producers to provide information on the label in addition to the name of the nation where the goods concerned originate. There would be the option to state, for example, the particular area from which the meat comes or the fact that a particular breed of cattle or special breeding methods have been used. However, there should be no legislation on this matter, other than a ban on lying.

I am very pleased about Mr Whitehead's remark about minced meat. I fully and wholeheartedly support Amendment No 30 from the rapporteur. For me, the most important aspect of this whole issue is that no exceptions should be made for cheap food. We who sit in this Chamber, for the most part middle-aged and well-to-do, know perfectly well that it is young people and families with children who buy and eat the cheapest food – sausages, hamburgers etc. In all social systems and at all periods in history, the most vulnerable groups have had the least purchasing power. It is our absolute moral duty first and foremost to make cheap food safe before we do the same for fillet of beef.

2-288

Graefe zu Baringdorf (Verts/ALE). – (DE) Mr President, Commissioner, the European Parliament has proven its far-sightedness on this matter and I should like to thank the two rapporteurs from the Committee on the Environment and the Committee on Agriculture for their work. They have approached the issue with the same consistency demonstrated by the European Parliament. Allow me to refresh your memory: compulsory registration has applied for a long time, because Regulation No 820/97 entered into force on 1 January 2000. The postponement adopted is not lawful. The European Parliament has filed charges against the Council because the postponement was not within the Council's discretion.

Nor did the Commission come up smelling of roses here. It was the Commission which proposed this seemingly elegant but legally dubious procedure. If nothing is done, compulsory labelling will enter into force on 1 September 2000. The Commission is therefore urged to accept the European Parliament's proposals in this codecision process by 1 September. We have tried in our suit to ensure that no equally elegant attempt will be made to implement an extension on 1 September – and I hope that we shall succeed in putting a stop to this.

If we cannot agree on Parliament's proposals by 1 September, then the old regulation with the compulsory system will enter into force. I therefore hope that you will implement Parliament's reasonable proposals and that you will give up your plan to postpone this once again until the year 2003. It will confuse our citizens and will certainly meet with decisive resistance here in Parliament.

2-289

Fiebiger (GUE/NGL). – (DE) Mr President, ladies and gentlemen, consumers can be given a guaranteed indication of origin for the majority, I repeat the majority of foodstuffs and for beef in its many and varied forms, if they so wish. The basis for this was and still is the passport for each individual animal which provides information on place, origin and birth.

Thanks to comprehensive controls of and the wealth of data on the animal trade, the place of origin and rearing can be proven. What I mean is that we are not starting from square one and, as a producer of several tonnes of beef a year, I know what I am talking about. The latest crisis in the foodstuffs sector may justify the introduction of stricter standards, as contained in the report; however, where possible, red tape should be reduced.

I agree with all the proposed amendments which are predicated upon greater promotion of regional marketing and processing of agricultural products and which help to build up regional markets and create greater transparency, irrespective of the date on which they are introduced.

2-290

Souchet (UEN). – (FR) Mr President, the people who will be most shocked to learn of this evening's debate must surely be European consumers. They will be astounded to learn that, so many years after the start of the BSE crisis, the European Union still does not have a reliable traceability system for beef. Quite clearly, though, consumer confidence must be restored, as a matter of urgency, by guaranteeing the consumer perfect traceability from the stable to the table, so that any potential risk to human health can be efficiently eliminated at an early stage.

Fortunately, the appropriate initiatives by the most enterprising Member States have compensated for the extraordinarily slow reactions of the Community apparatus. It is therefore all the more deplorable that they should have been deprived of this possibility by the Treaty of Amsterdam. I am thinking in particular of the compulsory labelling system which was

drawn up in France together with livestock farmers and distributors, which has been in force since 1996. This system has proved very effective. It has made it possible to restore consumer confidence.

France's legitimate wish not to lift the embargo on British beef prematurely, since Britain did not offer the same guarantees of traceability, was in order to maintain this restored level of confidence. France had simply forgotten that it no longer had the right to do this. What a decidedly strange Europe it is that penalises Member States which take the necessary initiatives and action to restore consumer confidence and protect citizens' health!

If legal action can now only be taken at Community level, then let us at least act quickly and stop indefinitely postponing the implementation of the commitments made in 1997 with a view to providing the consumer with transparent and comprehensible information.

Compulsory labelling indicating the origin of goods must therefore be introduced as soon as possible, and it must certainly not be postponed until 1 January 2003, as the Commission proposes. We must not agree to any exemptions, again as the Commission proposes, for minced and cut meat, which would be tantamount to excluding 30% to 50% of beef, according to the country, from the need for mandatory labelling. Nor must we agree, as the Commission is once again proposing, to adopt an over-general EC-type generic designation of origin. Consumers want to be certain of the operators' ability to monitor the origin of meat accurately. The Member State of origin must therefore be indicated. Furthermore, beef imported from third countries must be subject to the same labelling regulations as Community beef, and if it does not comply with European Union regulations on traceability, this must also be clearly indicated.

This, Mr President, is the intention of the amendments which Mrs Thomas-Moreau and I tabled on behalf of the UEN Group, which we are proposing to all our fellow Members who are keen to contribute to bringing about genuine traceability of beef.

2-291

Martinez (TDI). – (FR) Mr President, Commissioner, ladies and gentlemen, fourteen years after BSE first appeared, we have finally got around to doing something about labelling meat in order to protect consumers and ensure traceability.

This protection is undoubtedly belated in principle but, above all, illusory in practice. Firstly, in the draft regulation, 50% of European meat is effectively exempt from compulsory labelling if it is minced or cut. For the remaining 50%, labelling is not compulsory until 2003, which means that we have three years to dispose of British surplus stocks. And after 2003, the designation of origin may be limited to a simple indication of 'EC origin' with no mention of the country. What is more, to bury the prion under even more details, the label is laden down with indications of: the place of birth, the farm, the slaughterhouse, the site of boning, with the State of origin, the region of origin, the farm of origin, a total of twelve items, plus the price and the weight, making a total of fourteen elements, which is simply too much to digest.

So, Mr Papayannakis is improving the system, the deadline for compulsory labelling has been brought forward from 2003 to 2001, if not 2000; labelling is to be simplified, the national labelling systems mandatory in France, Belgium and Finland are to be retained. This is a good move. The amendments will be adopted. The unwillingness of the Commission is, however, with apologies to the Commissioner, apparent to everyone. As a solution, labelling is not such a good idea. Labelling is no safeguard against GMOs, chocolate containing vegetable fats or, tomorrow, GMO fats, or, at a later date, American hormone-treated beef, or prion-infected meat.

The only effective protection would be control, and this requires States and frontiers. We have, however, eliminated frontiers, and this is the price we have to pay for Europe: freedom of movement at the expense of safety. I just hope, ladies and gentlemen, that no one will have to be punished in future. Previously one could have been punished at the stake, now punishment would mean a steak, a British beefsteak.

2-292

Esclopé (EDD). – (FR) Mr President, this debate on the labelling of beef is closely akin to our previous concerns on the subject of food safety.

By means of this report and its conclusions, if they are adopted, we will be raising a number of concerns among consumers, in a very sensitive area where the mad cow syndrome is still predominant.

As far as the EDD Group is concerned, product traceability provides a guarantee both for the protection of consumer health and for the promotion of quality products which all producers, large or small, are capable of producing if they favour quality over base commercial and financial interests which have little regard for human health. In our view the important and essential thing in this report is that all meat industry products should be covered by compulsory labelling, from basic butchered meat to derivatives, minced meat, cut meat, etc.

In the same way, the consumer must absolutely be provided with a complete set of information, with labelling which gives full details on the way the animal was reared and slaughtered: its place of birth, farming and slaughter, as well as feeding and farming techniques, not forgetting any antibiotics or growth promoters which may have been administered.

Finally, it is essential that these measures should be implemented as quickly as possible, since it is a matter of consumer rights. Let us not delay, especially as this is no recent matter. It is high time we took action. Consumer confidence cannot be decreed, it must be earned.

To that end, as I already stated in our discussions on 5 October 1999, the CPNT party members within the EDD Group will therefore support any measure in support of complete traceability, which can only be of benefit to everyone concerned: the consumer, who will be informed, and the good producer, who will be protected.

2-293

Paisley (NI). – Mr President, I wish to put firmly on the record tonight that the farmers in Northern Ireland are exceedingly angry at the UK Government for not seeking European funding to help promote beef labelling. Other states have taken up this money to the tune of some £4m. – the Irish Republic to the tune of £100 000 – yet the disgraceful attitude of the London Government is to keep this from the UK farmers.

I want also to say that the place of origin mentioned in any labelling system should be the real place of origin, because any idea of stating where meat is processed as the place of origin is not acceptable. That is a very fundamental question that must be made perfectly clear in any law that we pass. Any food labelling policy must be accurate and dependable for both the producers and the consumers. Whatever may be the policy of this Union in regard to an open market economy, those people who want to buy home-produced meat should be given the right to know it is home-produced. Farmers deserve to have a guarantee of that, and so should the consumers.

2-294

Maat (PPE-DE). – (NL) Mr President, the discussion on labelling beef has reached a point at which it is crucial to restore confidence among producers and consumers. The report focuses on the traceability of beef, i.e. knowing its exact origins, but at the same time, this cannot be detached from consumer confidence, as consumers want information.

It strikes me that this Parliament insists on also making national labelling possible and obligatory, while the Commission places the emphasis on labelling which states “originates from the EU”. I am convinced that one day, we will be proud again of a label which states: produced in the EU, and that we will have a food safety bureau in the European Union with a forceful, supranational mandate which can act promptly as and when problems arise. This must be our ultimate goal. We will then be where we need to be. Until such time, we need to be able to find out exactly what is happening, we need to be able to give the consumer sound information and until such time, we will need to use stop-gap measures to do this. One of these measures is most definitely the use of a label indicating the Member State. This is good, because in this way we can start restoring confidence in the producer, especially at a time when food safety is so much in the public eye. We simply need this.

Another positive step is if it could also be pointed out that there can be a time when confidence will be restored. In this sense, I have to say that my delegation and some in my group support Amendment No 61 tabled by Mr Maaten and Mr de Roo, in which the times are indicated when assurances can be given with regard to BSE inspections and other matters and which states that there can also be a time when the EU label will be applicable. I consider this to be an interim step, and ultimately I can see one key goal: to restore confidence, to produce a forceful EU label and ultimately a forceful food safety bureau, because these discussions are interconnected.

2-295

Myller (PSE). – (FI) Mr President, Commissioner, food safety gets people talking perhaps more than any other issue, and, for that reason, it is good that it also gets us talking here in Parliament. But the most important consideration is that it does not just get us talking, but that we should also do something about it. We have already praised here the work of Mr Papayannakis. I would like to express my thanks too: it is a good basis for better standards of consumer safety throughout the European Union. We have plenty of examples of consumers not having always been given priority when it comes to food production.

The Single Market and the free movement of goods provide more freedom of choice for the public and better markets for producers. As the issue here is about food, it is even more important than ever to ensure that this freedom is also responsibly restricted, that consumers are protected, and that they have a right to know what they are eating. In this case, it is especially important that meat and processed meat products are among those products whose origin the consumer knows. Many have mentioned here that the EC label is not enough and that more detailed information is needed. I agree with this. It is absolutely essential to know what country the products are from. In addition, the origin, not only of meat products, but of the ingredients used in processed meat, must be shown as clearly as possible. Labels must also be made compulsory as quickly as possible. The timetable that the Committee on the Environment, Public Health and Consumer Policy is proposing is not too pressing. The Member States should have already prepared themselves for it.

2-296

Busk (ELDR). – (DA) Mr President, this regulation cannot be postponed any longer, and I fully support the stricter timetable that the European Parliament is proposing in the amendments to the Commission's proposal. Consumers require information about where the animal was born, bred and slaughtered, and cattle should be identified and registered so that their traceability can be guaranteed. The Commission must be far more vigorous than it has been so far in putting the screws on those countries which have not established databases, so ensuring that the countries concerned become fully operational in this respect. The issue is also one of credibility when it comes to implementing joint resolutions in all Member States. It is also about citizens' confidence and belief that food quality is everything it should be. A bit of drive needs to be shown, and no exceptions should be made in the case of cattle which graze in the mountains. Where registration is required, what, in any case, is the difference between cattle which graze in the mountains and those which graze in valleys or in fields? I am in favour of beef being labelled with the name of the country or countries it comes from and I am strongly against introducing a common EU label from which consumers cannot see which countries are involved. The purpose of the regulation in question must be to achieve a situation in which consumers have confidence in meat from all EU countries. Until this is a reality, consumers need to know precisely which country their meat comes from. I have tabled an amendment to the effect that the slaughterhouse's authorisation number should not be shown on the label. In this way, I wished to ensure that small and medium-sized slaughterhouses could continue to supply meat to butchers. The authorisation number does not provide the consumer with any useful information and has no bearing upon traceability.

2-297

Schierhuber (PPE-DE). – (DE) Mr President, Commissioner, ladies and gentlemen, I should like to start by thanking everyone who has worked so constructively on this report. The compulsory registration system for bovine animals due to enter into force is the sine qua non for a reasonable beef labelling system. As a farmer, I am concerned that every consumer should be able to trace where his schnitzel has come from. All farmers are proud of the quality of their products and it is therefore in the farmers' interests for everyone to know whom they have to thank for their extremely safe and healthy food.

Such a system must be practicable if it is to achieve its objective. We must take account of how the procedures will be applied in practice. Because of the varying topography of Europe, its farmers must apply different working and production methods. Take the example of summer pasturing in the Alps. As you know, every spring a total of 400 000 cattle are driven on to the Alps in Italy, Austria and Germany, where they remain for the summer, i.e. for about three months. Consideration must be given to the pasturing lists which are already in use and which take account of this situation in order to avoid forcing additional unnecessary administrative costs on farmers.

As we have said, traceability must be guaranteed in all cases. But the regulation must be adapted to actual and local circumstances if it is to be seen as anything other than EU harassment, which merely triggers abuse and if it is to gain acceptance among the people. I therefore hope that proposed Amendment No 19 to Article 7(1) second indent will be adopted by the entire House. It has already been adopted by the Committee on the Environment and in the Committee on Agriculture.

2-298

Corbey (PSE). – (NL) Mr President, the discussion on labelling beef is quite loaded. An important question is whether the "Origin: EU" label should be permitted as an added option. The Commission thinks it should. Many in Parliament believe that it is the country of origin that should be on the label. The background to this is the food crises.

I could not agree more that beef should be completely traceable and that this should be the case as soon as possible. I also understand that consumers increasingly want information on the country of origin or region of origin concerning their food. This is often a matter of taste. Furthermore, I agree with the analysis that the "Origin: EU" label could be abused by countries where food safety is not regulated. But I do not advocate scrapping the option of including "Origin: EU" on the label either. In my opinion, we should choose another approach. We need to prescribe conditions for the use of the "Origin: EU" label. One condition, for example, could be that the identification and registration system must be fully implemented and observed. There are, of course, other means of enforcing compliance, but this method is far more direct. Parliament has to keep an eye on compliance with the directives it produces. This approach has the added advantage that the "Origin: EU" label has a positive ring to it. Rather than being a cover-up for countries where food quality needs to be regulated, the "Origin: EU" label is thus a quality guarantee. If the producer prefers to indicate the country of origin nonetheless, this is possible too.

There are a number of additional arguments as to why "Origin: EU" labelling should be possible. For example, the meat industry and retail trade have raised all kinds of practical objections and pointed at the red tape which too detailed information would entail. I will not spend any time on this argument, as it is not of key importance, in my opinion.

However, I would like to ask your attention for a question of principle. The internal market is a large entity. The principle of mutual recognition is fundamental. Mutual recognition requires trust, and trust requires common standards, especially in the case of food safety. If we prohibit the use of the "Origin: EU" label, we would be resigning ourselves to a kind of re-nationalisation of the internal market. We would then be accepting that we have more confidence in certain countries than others and this is a sign of little faith in our own food safety policy. This is unacceptable in my view. All EU Member

States need to guarantee safe meat. "Origin: EU" is then a symbol for quality and I therefore advocate backing Amendments Nos 60 and 61.

2-299

Pesälä (ELDR). – (FI) Mr President, Commissioner, in my view, at present this is not a matter of confidence in the safety of food alone: it is very important that we also look to the near future. We must put our own house, our own part of the world, in order. The EU is expanding eastward, and we all know the capacity and volume of meat and beef production there, for example. This should also alert them to the fact that they must now start to put their own affairs in order, so that they can adapt to the model that exists here. If we are not ready, how can we expect others to be? For this reason, labelling must be kept very simple: the labels must show the country of origin, and, if one wishes, the region of production. But a label showing the country of origin of a product is very important to us, particularly if we want consumers to have confidence in food safety in the future.

2-300

Daul (PPE-DE). – (FR) Mr President, Commissioner, the beef industry has signed a contract with public opinion, based on the transparency claimed and, I might even say, demanded by the citizen. Today, this transparency is applicable, within the beef industry, to two different but indissociable areas: BSE and labelling.

France is stepping up its precautionary measures for specified at-risk materials and is implementing an extensive protocol to evaluate ESB tests on bovine animals. Tomorrow, the European Union is preparing to outline a test programme for all Member States. In this context, consumers would not understand the delays in the matter of labelling. I am therefore particularly concerned to ensure that the operators in this industry are not confronted with a legal vacuum which would lead public opinion, quite legitimately, to wonder whether there is a real desire for greater transparency.

How else is it possible to explain the fact that at European level we have managed to obtain an agreement on chocolate but that we are unable to meet the deadlines we set ourselves in an area as sensitive and important as beef.

Let us make no mistake as to what is at issue here. I am convinced that the subject of beef labelling is no mere technical issue. I should like to point out that if labelling is of such great importance to consumers it is because it is their guarantee that product traceability has been tightened up, that the operators in the industry and also the European and national public authorities have become more accountable, and that control systems have been improved.

Finally, what our fellow citizens are demanding is the right to information. This right to be informed is the natural counterpart to the development of trade and the proper exercise of competition. By virtue of the transparency it conveys, labelling makes it possible to improve the freedom of movement of beef, providing assurances to consumers and guaranteeing their freedom to make an informed choice. In the beef sector, improving consumer information through labelling represents a strong message from Europe to its trading partners: it demonstrates its intention, over and above product health safety, to safeguard the consumer's freedom of choice.

2-301

Mulder (ELDR). – (NL) Mr President, I agree with the many speakers before me that what we need more than anything at the moment is a system which enables traceability at all stages of production. Fortunately, integral chain control (ICC) is already a concept in many countries. In my opinion, this is not related to national borders. If certain conditions are met – and I would like to refer to Amendments Nos 60 and 61 concerning the inspection of BSE, as others have done so before me – then the designation "Origin: EU" is sufficient as far as I am concerned. This does not preclude all the other information being added to the label on a voluntary basis. Mentioning the relevant country, region, town, village, and so on and so forth, is fine but let the consumer decide where he wants to buy the product. But it should not be an EU stipulation. If this were to be the case, then this would be a re-nationalisation of Europe's common market in a sense, and that would be a step back.

2-302

Lynne (ELDR). – Mr President, I am very disappointed at the delay, though I am delighted now that we are going to have clear compulsory labelling. I hope this will restore consumer confidence in beef, especially after the BSE crisis.

I would like to see not only the country but also the region of origin on the label. I represent the West Midlands which has some of the best beef in the world – Herefordshire beef and Shropshire beef. I should like to see that go on the label. I would oppose very strongly the idea that "EU" should be on the label and not the country and region of origin.

I am also concerned about some of the words that might go on the label. One of those words is "slaughtered". That will not help with consumer confidence and might put some of the consumers off if they actually see where the animal was "slaughtered". I wish we could find a new word for it. Generally speaking, I am delighted that at last we are going to have clear labelling and, as I said, I want it to be the country and region of origin.

2-303

Nicholson (PPE-DE). – Mr President, I wish to begin by saying that I welcome the report. A European Union-wide identification system for cattle is long overdue. The system is certainly very necessary, if nothing else than to achieve a level playing field within the European Union and to ensure that all countries reach the same standards.

I want to sound a note of caution. I come from an area in Northern Ireland that has a standard of identification and traceability which is as good as any ever will be. No system is a hundred per cent perfect, so do not think you can bring that about. There will always be people out to abuse the system. That has been the case for centuries – and will continue. You can only try to develop the best possible system of traceability.

I have a number of concerns. The first is: who pays? The problem to date has been, in my experience in Northern Ireland, that the consumer has borne the brunt of the cost of the extra traceability, and this has been substantial. It has not been borne by the retailer. The consumer will perhaps ultimately pay – but he or she may not. From that point of view it is expensive for those people.

I have one further question of the Commission. Is it wise to renationalise the beef market? Or even to regionalise it within countries. I seriously question that point. We have fought for years within the European Union to achieve a single market and now we are renationalising that market. I challenge the Commission tonight to answer that question. Is this a wise move? Let us not look to the short term, let us look to the long term, because the long term is the challenge – not five years but ten, fifteen years from now. What is going to be the situation on the beef market?

As I said, in Northern Ireland we have full traceability and our measures go beyond the regulations. I have to say to the Commission, and to producers in other Member States, that my producers have to date not seen any financial benefit from that which they have suffered.

2-304

Attwooll (ELDR). – The proposal, as Mr Goodwill has said, has two important aims. First to ensure the traceability of beef, second to allow consumers to make a fully informed choice. Unfortunately, although the two aims are compatible, there is some tension between them where the details of the regulation are concerned. This is particularly the case in relation to Article 13 and Article 13(2) primarily serving the first and Article 13(5) the second aim.

Amendments Nos 26 and 28 to 13(5) therefore seemed rather confused – one seeking less and one seeking more detailed information for consumers. For this reason, whatever the final form of Article 13, I regard Amendments Nos 15 and 29 as being of the first importance. Amendment 29 in particular will allow areas of the EU that are justifiably proud of the quality of their product to identify it as such. For my own constituency of course, Aberdeen Angus beef is already justly renowned throughout the world but I am sure the same is true for other regions in the rest of the UK and other Member States.

2-305

Fischler, Commission. – (DE) Mr President, ladies and gentlemen, I should like to start by thanking the rapporteur, Mr Papayannakis, and Mr Kindermann, the draftsman of the opinion of the Committee on Agriculture, for their constructive contributions to the debate on the draft regulation under discussion. A whole series of amendments to the Commission proposal have been tabled, 44 of which were accepted by the Committee on the Environment, Public Health and Consumer Protection on 22 March. A further 18 proposed amendments were subsequently submitted for this plenary sitting.

I should like to start with the Commission's views on the first 44 proposals. The Commission is able to accept 18 of them. This includes proposed amendments which are accepted in full or in part and amendments which require minor editorial changes. In another 12 proposed amendments I can see what your concerns are but the Commission is unable to accept these amendments. However, I shall ensure that the Council is informed of your point of view. This applies, for example, to proposed Amendment No 20.

A number of the proposed amendments which the Commission is able to accept, such as Amendments Nos 2, 3, 4, 18 and 19 first part, and 21, 33, 35 and 42 tighten up the wording. I also accept proposed Amendment No 19, second part, which makes provision for a simplification for cattle pastured on the Alps in the summer. The improvements to the definition of labelling are also acceptable. The same applies to the information to be included on the label and to the interpretation of the concept of origin. I am therefore prepared to accept proposed Amendments Nos 22 and 23, insofar as they concern labelling, and the parts of proposed Amendments Nos 25, 26 and 28 calling for information on individual regions to be scrapped.

As we are all concerned that the labelling system should be introduced as quickly as possible, I welcome proposed Amendment No 39 reducing the deadline set for the Member States to appoint the competent authorities. Finally, proposed Amendment No 44, under which the regulation would enter into force on 1 September 2000 heads in exactly the same direction. I think the new recital suggested in proposed Amendment No 6, whereby Member States must ensure that their databases are operational as quickly as possible, is also a good idea.

I am also able to accept the parts of proposed Amendments Nos 25, 26 and 28 making information on the region optional, whereby I assume, if no decision is made to the contrary, that this information will come under the voluntary system. As I too take the view that the possibility of confusion with protected geographical indications governed by Regulation 2081/92 must be excluded, I agree unreservedly with the new recital in proposed Amendment No 15. Nonetheless, we must still investigate how the stated objective is to be reached, whereby I envisage a more comprehensive solution than that suggested in proposed Amendment No 29.

The question of when compulsory indications of origin need to be introduced is an important point. As the obligation to enter the place of birth and all stopovers in the animal passport and database has only been introduced for animals born on or after 1 January 1998, it will be difficult to trace the complete origin of bovine animals over the next five years. According to our calculations, this problem will apply to just under half the beef produced from 2003 onwards, which is why I have reservations about introducing compulsory indications of origin earlier or even, as suggested in proposed Amendment No 26, as early as 1 September 2001. I would point out in this respect that the Committee on Agriculture has recommended that they be introduced on 1 January 2002.

I also note that you insist that indications of origin must state the country, even if this means listing several countries on the label. I am sorry that you find the simplified indication "Produced in the European Union" unacceptable, despite the fact that it is in keeping with the principles of the internal market. As far as labelling of minced meat is concerned, we must bear in mind that the production of minced meat, for example of hamburgers, is a continuous process. The obligation to provide a complete indication of origin for this meat would therefore give rise to technical problems and may well bring the entire intra-Community trade in processed meat to a virtual standstill.

I would therefore suggest that you reconsider the simplified labelling system. The proposed labelling regulation makes provision for the possibility of combining animals in groups rather than entering each individual animal with producers who take the trouble to guarantee the traceability of each individual animal given an incentive in the form of a special logo.

I must admit that I do not fully understand why you demand in proposed Amendments Nos 14 and 31 that we should let go of the only instrument which guarantees real and complete traceability.

As far as the Commission's powers to react to unusual and unforeseen circumstances are concerned, I am, unfortunately, unable to accept proposed Amendments Nos 16 and 38 because they prevent a practicable solution. Finally, I think it is premature to commit ourselves to extending the labelling system to processed products containing beef, as suggested in proposed Amendment No 40. Let us gain some experience with the system being proposed now and then we can consider this idea at a later date.

As far as the proposed amendments tabled subsequently at the end of last week are concerned, I have already explained in connection with proposed Amendments Nos 45 and 46 that the Commission agrees with you that the first stage of the compulsory system should start on 1 September this year. If proposed Amendment No 44 is accepted, the regulation automatically enters into force on this date. Proposed Amendments Nos 45 and 46 are therefore superfluous for technical reasons.

As far as proposed Amendment No 47 is concerned, I should like to advise against continuing the national compulsory beef identification system as soon as the full EU system has been introduced. In the end we would have 15 different national systems, which runs completely counter to the internal market.

Proposed Amendment No 48 refers to information on the use of antibiotics or stimulants and to fattening methods. This idea may look simple on paper, but it is in fact extremely complicated to administer and, more importantly, to control. In addition, there is no definition of the various rearing methods and every animal will certainly be fed using various methods, rather than one and the same method, during its lifetime. As far as medication is concerned, it would be much better to maintain our high veterinary standards, thereby guaranteeing that only safe beef reaches the market. The Commission would therefore prefer not to adopt this proposal.

As far as the voluntary system is concerned, which is to be set up alongside the new compulsory system in order to include all the information which is not being made compulsory, the Commission can accept two of the four amendments adopted by the Committee on the Environment, namely proposals 33 and 35.

It is obvious from the vote in committee that Parliament is not in favour of amending the Commission's basic attempt to simplify the approval procedure. However, I see that a total of nine new proposed amendments have been tabled for this plenary sitting which were not adopted by the Committee on the Environment. These amendments seek to re-introduce a formal approval procedure for voluntary information on labels.

Let me assure you that such amendments do not cause any particular problem because their purpose is to reinforce the administrative procedure. For the rest, recent discussions in the Council have gone in the same direction. I am therefore convinced that these proposed amendments will be taken on board by the Council.

From now on, the Commission will be acting as go-between between the two decision-making institutions on this matter. With just over three months, we do not have much time left for a final decision. Given the speed with which you have worked here in Parliament, hopefully the Council will decide on its common position as quickly as possible.

2-306

President. – That concludes the debate.

The vote will be taken on Wednesday at 11.30 a.m.¹

(The sitting was closed at 12.10 a.m.)

¹ Agenda for the next sitting: see Minutes.