

## TUESDAY, 16 MAY 2006

IN THE CHAIR: MR BORRELL FONTELLES

*President*

### 1. Opening of the sitting

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

**Giles Chichester (PPE-DE).** – Mr President, yesterday evening you announced to Parliament that the Council was not going to be present after 7 p.m. tomorrow evening. According to our agenda, after 9 p.m. tomorrow evening we are due to debate whether to grant a cent to the Energy Community Treaty and put an oral question to the Council with regard to this Treaty. If the Council is unable, or unwilling, to be present to answer this oral question, I see little point in considering either the Treaty or the oral question. I ask you, therefore, to gain an assurance from the Council that it will be present. Otherwise I will move that we defer this item until the next part-session of Parliament.

**President.** We will try to ensure that the Council is here. We will do everything we can between now and then. You are right that there is not much point in dealing with this item on the agenda as planned if the Council is not present. We will make a last effort, and if that does not work, we will discuss how to proceed, but we must not lose hope, which is the last thing that should be lost.

### 2. Documents received: see Minutes

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

### 4. Commission contributions to the June 2006 European Council (debate)

**President.** The first item on the agenda is the Commission's statement on the Commission's contributions to the June 2006 European Council: a plan for citizens, producing results for Europe, the discussion period and 'Plan D'.

**Margot Wallström, Vice-President of the Commission.** Mr President, honourable Members, the first message I would like to deliver today is that the Commission is listening to citizens. We want to base our actions on and deliver on their expectations and concerns. Listening is at the very heart of Plan D. The Commission has implemented a series of activities to stimulate the debate in all Member States and has given support to those countries which requested it.

We can draw some important lessons from the national debates, which are fully supported by the Eurobarometer surveys. Firstly, citizens are concerned about the high rate of unemployment and the negative effects of globalisation. This is no surprise to most of us. Social protection is at the very core of the debates and the request for comparable living standards is high almost everywhere.

Enlargement is the second predominant issue. More and more citizens question, if not the principle itself, the scope and pace of future accessions. We need to show that enlargement does not happen by default and why it is necessary.

The third lesson we can draw is that Europeans want more not less Europe. But they want to see results and to be more involved in the policy process. They perceive the Union as an entity that can protect them. They are asking for more security, as well a higher level of environmental protection, food safety and a more stable energy supply. The Commission intends to respond to these concerns. That is why we have adopted a citizens' agenda for Europe.

We are not suggesting a completely new strategy. Our work remains rooted in the three building stones of prosperity, solidarity and security, with a continued emphasis on jobs and growth, in line with the Lisbon Strategy. We are, however, focusing to a greater extent on citizens.

What do we propose? Deeper economic integration should go hand in hand with solidarity. Europe is not just a marketplace; it also has a social dimension. Next year, we will therefore launch an agenda for access and solidarity. We have also discussed the idea of an 'entitlement card', to facilitate citizens' full access to their rights and to make these rights more visible. We will also continue to implement the sustainable development agenda.

In addition, we will launch a comprehensive review of the single market, to be completed next year. The single market has brought huge benefits for citizens, but it is still unfinished business in the areas of energy, banking charges and roaming fees, for instance. We need to remove the remaining barriers.

European Citizens rightly expect Europe to be a fair and safe place to live in. But Europe is not always capable of combating terrorism and organised crime. The existing decision-making tools create undue delays and, even more regrettably, do not ensure proper democratic scrutiny. The Commission proposes improving the decision-making process in these areas. We can do that by using the provisions of the current treaties.

Before addressing the institutional questions, I would like to mention two more areas where further action is proposed. While honouring our commitments on enlargement, we must not lose broad public support for this important part of the EU project. The Commission will take forward the debate on enlargement and its added value, and this will be part of the Commission's enlargement strategy report, to be submitted in the autumn.

Last but not least, the Commission is willing to improve the coherence and efficiency of the European Union's action in the international arena. We will present concrete proposals next week.

In all of our actions, our commitment to subsidiarity, openness and transparency, as well as our efforts towards better regulation, will be vigorously pursued. We will seek to involve national parliaments more in the process of policy formulation. However, the Commission's main interlocutor remains the European Parliament.

Let me now turn to the institutional issues. Five countries that had not ratified the Constitution before the start of the period of reflection have now done so. Furthermore, Estonia's Parliament voted in favour of the Constitution on 9 May, which brings the number of countries to have ratified to 15. We are pleased that Finland, which will hold the incoming Presidency, is also planning to ratify the Constitution. We welcome the new ratifications. They show that Member States are attached to the principles and values of the Constitution. We have to listen to the views and the positions of the countries which said 'no', but it is equally important to listen to the voices of those who say 'yes'.

I hope that there is no misunderstanding among us on the following point. The Commission continues to endorse the principles and improvements the Constitution would bring. The Constitution would definitely make the Union more effective, more open and more democratic. This is natural for a Constitution where parliamentarians were the majority voice. Of course we would like to see the Constitutional Treaty ratified in all 25 Member States. We stand with Parliament on this.

Many options have been floated on how to overcome the current deadlock. Many ideas are being discussed. Yet no consensus exists on the way forward. Is the time ripe for a solution to be presented? To use wording that is familiar to us, is it now time to work on the text or still time to work on the context?

We need to rebuild a climate of confidence and trust. We need to reconnect with citizens and prove, with firm results, that the Union can address citizens' needs and aspirations. Let me be clear: delivering results for citizens through key policies is not an alternative to tackling the institutional issues. It is part of a twin-track approach, where progress on one track makes it easier to move ahead on the other.

We propose that, next year, the three institutions should jointly adopt a declaration. This should serve as a basis for European Council decisions on a process leading to a future comprehensive institutional settlement. I see the declaration as firm proof of Member States', Parliament's and the Commission's firm will to solve the constitutional deadlock. I expect the European Parliament to play an important role here. Like you, I hope that together we can achieve a constitutional settlement by the 2009 European elections.

The listening exercise proved to be successful and should continue. Plan D was not a one-off operation. I have promised the Commission that after the June Summit I will address what our next steps should be – if you wish, the second phase of Plan D.

Our citizens' agenda will demonstrate the added value of the Union and thus help to restore citizens' confidence. It is by reconnecting with citizens that we can create the conditions for a future comprehensive institutional settlement.

Looking forward to the debate with you today, I would like to thank the political group chairmen for their contribution to the Commission's policy formulation.

*(Applause)*

**Íñigo Méndez de Vigo**, *on behalf of the PPE-DE Group*. – (ES) Mr President, Mrs Wallström, Vice-President of the Commission, my group supported the Commission's Plan D because it believed, and still believes, that it is a good way of responding to the challenges facing Europe at the moment. We therefore encourage you to keep going.

You said that we were going to move on to the second phase of Plan D; the Group of the European People's Party (Christian Democrats) and European Democrats is going to make a proposal to you: we are no longer calling it a discussion, because a discussion that lasts for too long can give the impression that we are having a rest and not doing much more; let us call it an analysis, because I think that what follows an analysis is a proposal, which is what you are referring to with the joint declaration by the three institutions.

I think that this joint declaration by the three institutions is a good idea, Mrs Wallström, firstly because it marks the symbolic anniversary of the Treaties of Rome, which were the starting point for the Community, but also because it means that the Council, the Commission and Parliament want to put forward proposals together for a way out of the situation of the Constitutional Treaty.

You can therefore count on the European Parliament for this institutional declaration, but this means that we want to take part in drawing it up, not just sign it at the end.

I think that the fact that the process of ratifying the Constitution continued in Estonia and that the Finnish Parliament decided to ratify it is good news, which proves that all those who are prophesying that the Constitution is dead are wrong. No one ratifies something that is dead.

I think that the task that we have at the moment – and when I say task, I know that what I am asking is not simple – is to convince European citizens of what we could call 'the cost of non Constitution'.

Remember many years ago, when the Single European Act was being debated, there was a report called 'The cost of non Europe', in other words, what it would cost people if the Single European Act did not come into force and the internal common market was not created.

I believe that what we need to do in this debate on the Constitutional Treaty is something similar: to explain to people, with examples, what would be lacking in their lives if there were no European Constitution. I am certain that this is a good task for the second phase of analysis, because it could produce proposals that will ultimately help to achieve what all of us, the Commission, the Council and Parliament, want: for Europe to add value for people, for Europe to defend our common values and for Europe, ultimately, to make people's lives more effective, fairer, freer and better supported.

**Martin Schulz**, *on behalf of the PSE Group*. – (DE) Mr President, ladies and gentlemen, many thanks, Commissioner Wallström. You are one of the really prominent people in the Commission who are speaking up not only for Plan D but also for the democratisation of Europe as a whole and for greater effectiveness in the Commission's activities. You are – and I say this on behalf of our group – one of the personalities who can be described as an asset for progress in Europe. Your speech once again made it clear that you, as the Vice-President of the Commission responsible for Plan D, are someone in whom we can trust and on whom we can rely.

What recognisable results have so far come out of this period of reflection, which, as Mr Méndez de Vigo said, is continually threatening to degenerate into a siesta?

What the citizens of Europe want is more transparency. They want a better understanding of what happens in the institutions. They want a clearer division of competences: who does what, where, when

and on what legal basis? They want greater effectiveness in legislation and administration. They want the subsidiarity principle to be strengthened. Not everything has to be done in Brussels – some things can be done at home. Not everything, though, can be solved at home, and those things should be regulated by Brussels. That is a clear message. The people therefore also want the EU to have a stronger presence in international politics. They want the EU to be effective in fighting crime. We know all of that, and it is up to us, the Council and the Commission to achieve it. It is all in the Constitution, though. We all know that we need the Constitution if we are to meet these demands from the public. At the end of the period of reflection, it is now clearer than ever that it is not possible to meet the demands of the public on the basis of the Treaty of Nice. It was not possible with 15 Member States – which is why Nice needed to be amended and replaced by the Constitution – and we will soon have 27 Member States and still do not have the Constitution. How can it be possible now? The Commission is the guardian of the Treaties. Without a shadow of a doubt, nobody should be fighting harder for the Constitution than the President of the Commission.

I should therefore like to thank you, Mrs Wallström, but I would also say one thing quite clearly to the President of the Commission: How can you go into an interparliamentary conference like the one last week, where the overwhelming majority of the national and European parliamentarians present spoke out in favour of the Constitution and the next President-in-Office of the Council Mr Vanhanen declared that, during his Presidency, Finland would symbolically ratify the Constitution, and then, as President of the Commission, raise doubts – and these doubts do exist – as to whether you yourself are prepared to say to the Heads of State or Government: if you do not join with me in implementing the Constitution, the expanded Europe will grind to a halt? I will give you an example: 25 ministers of labour, and representatives of the Commission and the European Parliament, were present at the last informal Council meeting in Luxembourg, at which the Services Directive was discussed. After the initial two and a half hour long debate, each minister could speak for three minutes. That is a long time in comparison with the European Parliament, but was out of all proportion to the matter on the agenda. Europe cannot make any sensible policies in an elephantine body like the Ecofin: it is quite the opposite of good management, clear legislation and efficiency. We are reaching the limits of the current structures. If we want to make Europe more democratic, more transparent, more efficient – if we want to deliver to the people – we need to act, not talk. That is why we need the Constitution. As long as the Bureau of the Commission, and in particular the President, is sending messages that raise doubts about whether that institution is really determined to implement the Constitution, the opponents of the Constitution could well believe that we have given up. No, those who support the Constitution are behind you, Mrs Wallström, and they are in the majority. There are those in this Parliament who oppose the Constitution.

*(Heckling)*

Those people now raising their voices are in a minority. The overwhelming majority of this House are in favour of the Constitution. The overwhelming majority of the Member States are in favour of the Constitution. The overwhelming majority of the Commission are in favour of the Constitution. We therefore all have opportunities, so let us fight together, and that goes for Mr Barroso too.

*(Applause)*

**Marielle De Sarnez**, *on behalf of the ALDE Group.* – (FR) Mr President, Europe is undergoing a serious crisis, probably the most serious in its history. We see it every day – Europe is not moving forward, or even standing still, but going backwards, and at the same time national egos are growing and the feeling of sharing a common destiny is in retreat.

Ahead of the next European Council, you have put forward a number of proposals in an attempt to respond to this crisis. Our group has taken note of a few timid steps forward among those proposals.

For example, you are going to send all of your legislative proposals directly to the national parliaments at the same time as you send them to the European Parliament; that is good, but it does not change anything.

You are going to propose to the Member States a reform of the decision-making process in the field of judicial and police cooperation. That is better, but did it really need to take a year to come up with it? Do you really think that these proposals are going to recreate a climate of trust between the citizens and Europe?

Your revival plan, be it in the field of policy or of the institutions, is not up to the challenges with which we are faced. You seem to be happy with taking very small steps, but what we need is a giant leap forward.

First of all, your Europe of results is singularly lacking in ambition when it comes to policy. I should have liked to have heard you advocating new common policies, which are vital in order to prepare better for the future. This is particularly true when it comes to research, where we are losing ground all the time, to the United States and Japan today, and to China and India tomorrow. It is also true with regard to energy: it is clear that the issue of energy and energy supplies will be one of the major challenges of this century.

The issue of immigration is also relevant. We need a common policy in this field, because it is clear that issues of migration and co-development need to be dealt with at European level.

Moreover, we should have like to have heard some proposals on the issue of economic governance. If we want to generate growth, and therefore employment, we obviously need to strengthen our economic, budgetary and industrial coordination, at least within the Eurozone. This really is a matter of urgency.

The lack of proposals from you regarding the institutions is, in my opinion, even more serious. With regard to the basic issue of the future of our institutions, and therefore of our democracy, you contented yourself with commenting that there is currently no consensus between the Member States.

Mrs Wallström, the Commission's role is not just to make observations, but to present proposals. It was incumbent on the Commission to define a path, and to defend and carry a vision, and you have failed in that.

We must stop lying to ourselves. Even though the ratification process is continuing symbolically, we all know that this Constitution will never see the light of day. We need to rewrite the Constitution, to produce a new text that is shorter, simpler, more readable and more tightly focused on the major principles on which the European Union is founded.

This text should say who we are, what we want and what values we espouse and defend. If we want to be in a position to ratify a political project of that nature in 2009, when European elections will be held in all the Member States, we must start preparing for it right now.

Those, Commissioner, are the regrets of the Group of the Alliance of Liberals and Democrats for Europe.

Last week, Mr Barroso quite rightly called on the Heads of State or Government to take responsibility for the European project before their citizens. Today, we call on the Commission to revive the inspiration without which nothing much can ever be achieved.

*(Applause)*

**Johannes Voggelhuber**, *on behalf of the Verts/ALE Group.* – (DE) Mr President, Commissioner, in Ancient Rome, when a high-ranking man was condemned, he had the right to have someone else punished on his behalf. It rather looks as if you are in that position today, and you do not deserve it.

However, the President of the Commission should hear the verdict of this House on his role in the constitutional process, and I hope you will ensure that he does so. He has played a quite disastrous role: cowardly, unimaginative, contradictory and deeply counterproductive. Perhaps he applied for a job as the grave-digger for the European Constitution; he certainly has every chance of getting it. I know that the President of the Commission is a master of misunderstanding: we have certainly always misunderstood him. One can hardly quote him without him claiming the exact opposite in the same speech, and whenever one tries to pin him down he claims to have meant something quite different.

Interestingly, however, the whole of Europe has understood the same message from this master of misunderstanding: no chance. Nothing will happen for years. Nice? Oh, it was not as bad as all that! As he said, the world will keep on turning without the Constitution. And the worst thing is that the citizens still expect results, not rhetoric. That is yet another misunderstanding, of course, but the citizens have understood perfectly well.

Since the start of his time in office, the President of the Commission has not made the slightest effort to find a solution to this constitutional conflict. At no point has he acted as an advocate for the European

Constitution. For him, it is a glass bead game for political elites, institutional European navel-gazing – a phrase from Mr Blair, variations of which he continually drops in.

Commissioner, we will not make any progress this way. Parliament has adopted a decision. Right from the start there was a lack of support from the Commission, and there have been some significant misunderstandings. Nice may well allow some steps towards integration, Commissioner: we know that there are 'bridges'. There are possibilities for silent, almost discreet integration, but is that really what you want? Without a Charter of Fundamental Rights? Without the comprehensive democratisation of the EU? With no capacity to take action? Without the 'pedal to the metal' of unanimity in many areas? Do you really want it without social rights? Do you want it without a constitution to create the political environment in which the interests of the people of Europe can be better taken into account? Greater legitimacy, introducing more representation into decisions, more transparency and openness to the citizens, greater accountability to the citizens, more checks and balances, more parliamentary and judicial controls: that is what the constitution contains! It is not just formulas or pure rhetoric, as the President of the Commission keeps trying to suggest in this debate.

You say he is listening to the people. I was very surprised by the Eurobarometer surveys following the referendums in France and the Netherlands, which clearly showed that more than two thirds of those who had voted 'no' were in favour of improving the constitution, and that they wanted those improvements to aim for a social Europe. In other words, this conflict is about a European democracy and the social dimension of Europe as a response to globalisation. And what is Mr Barroso doing? He is listening to the people and hearing something completely different. He is increasingly becoming the advocate of a Europe of governments.

The crux and the cause of the crisis is the Europe of governments. Did he not understand that the people were protesting against the democratic deficit, against the lack of transparency? Did he not listen? They did not mention terrorism. Yes, the Austrian Presidency is talking about subsidiarity and bureaucracy and the Court of Justice, but the citizens are not. While the governments are clinging on to their claims to power, the citizens want a European democracy, they want a social dimension, they want their basic rights, and they want a better constitution.

It is the President of the Commission's historical responsibility to initiate and support this improvement process, and he would be well advised to assume it.

**Gabriele Zimmer**, *on behalf of the GUE/NGL Group*. – (DE) Mr President, Commissioner Wallström, ladies and gentlemen, the Commission and a significant proportion of this Parliament have really distanced themselves from the citizens of Europe. The people do not just want to understand better what is going on in the institutions – they want greater participation. They want to be asked what they want, they want to make decisions, they want to be involved in the discussions on the future of Europe, and they want that to be taken into account.

I therefore have a rather different conception of the term 'listening' of which Mr Barroso is so fond. Precisely in this respect we need to make changes, so that we can ultimately have a real discussion on the future of the European Union. On his scores of trips, the President should not have just preached, but actually listened. All of those involved could have heard, from many people, quite specific conceptions of what the European Union should look like in the future.

A few days after the European Social Forum in Athens, the European Commission held a press conference to present their initiative for a Citizens' Agenda. However, if you expected any reference to the discussions during the European Social Forum, in which 35 000 people participated, you would have been disappointed. The members of my group take this forum seriously, though, and both before and during the forum they were involved in the discussions regarding a European appeal – Europe gives the citizens their say – and regarding the Charter of Principles for a Different Europe. This refutes all those insinuations that the Left within the European Union is not prepared to join in discussions on the future of the EU or on the Constitution.

I share the ideas used as starting points in both papers. We need to have a truly democratic debate on the future of Europe and the path we are going to take, and this debate must be based on the assumption that the dignity of every person must be sacrosanct and must be respected and protected. In my opinion, it is therefore quite grotesque for the President of the European Commission to state, as he did on 10 May 2006, that we must deliver results for Europe through a citizens' agenda.

Today we adopted our proposal for a citizens' agenda; the communication proposes 11 initiatives relating primarily to the internal market. President Barroso is remaining particularly loyal to that topic. He is sticking by his basic conviction that the objective of the European Union must be to remain competitive as a whole in the global market. However, that will never result in a true social Europe of solidarity with social cohesion at the forefront, and that is what the citizens of Europe are so critical about. That is the path they do not want to be taken down. They want different priorities to be set, and I think it is time for this to be taken into account. That is what we need to discuss within the European Union, in the context of the constitutional process and the discussion on Plan D.

**Nigel Farage, on behalf of the IND/DEM Group.** – Mr President, oh dear, oh dear, oh dear! What a sad, inward-looking, almost ostrich-like speech that was from Commissioner Wallström. I can only conclude that Plan D stands for 'delusional'. You really ought to get out more, because it seems to me that you are surrounded by Commissioners, officials, sycophants and parliamentarians here, who clearly do not represent the view of at least half the citizens of Europe. Mr Barroso himself is no better, because when he is not working in the Commission he is off on luxury yachts, holidaying with the super-rich.

I think perhaps I have a remedy for you. I should like to invite you, Commissioner Wallström, to come to my local pub one Sunday lunchtime and meet some real people. I can do even better than that: I could invite you to the Oval to watch a test match. Come and watch some cricket and, again, meet some real people! If you do not have time for any of that, you could read your own Eurobarometer poll, which shows that less than half the citizens of Europe now think that the European Union is doing a good job. You are ignoring all these things; in fact, you are developing a bunker mentality, and perhaps that is a good thing, because at least it shows that the end is in sight!

An organisation with any sense of honour would have respected the French and Dutch referendum results and there would have been a complete halt to further integration. Instead, you have all conspired against the French and Dutch people; you have conspired against your own rules, when you said here that it would have to be unanimous, and you are pressing on with this crazy project. The gap between the political classes and the real peoples of Europe is getting wider by the day. Shame on all of you!

**Ryszard Czarnecki (NI).** – (PL) Mr President, I think that Commissioner Wallström prefers hockey to cricket, and I am bound to agree with her in this respect.

If I am to be honest, Plan D seems to have more to do with a democratic deficit than with democracy, and more to do with a lack of dialogue than with dialogue. There is superficial discussion rather than real debate. The European Commission, which emphasises that Plan D is not an operation to save the European Constitution, reminds me of the Soviet agency TASS, which always denied that disasters occurred in the Soviet Union or that poverty existed.

What you are doing, in fact, is comparing apparent actions so as to ride out the storm for a while and hold out until the Constitution is accepted, almost certainly in an unadulterated form, in just a few years. If the Commission really and truly wanted to introduce a real Plan D, its first decision would be to call for constitutional referenda in the countries where the European Constitution was adopted by parliamentary decree, frequently by acclamation. Only four out of a dozen or so countries have so far held referenda. Two of these countries ratified the Constitution, whereas two rejected it. This reflects the real debate taking place in society and the lack of a real debate within the structures of the European Union.

Let the European Commission finally stop resembling a Chinese opera chorus, which sings 'Let us flee, let us flee' for three whole acts, but does not budge an inch. Commissioner Wallström has the opportunity to play a more significant role than that of the conductor of this chorus.

**Timothy Kirkhope (PPE-DE).** – Mr President, the paper 'Citizens' agenda: delivering results for Europe' is to be welcomed in the emphasis placed on policy delivery rather than on institutional grand designs. Even if I do not agree with all the proposed solutions, in particular I welcome the commitment to a comprehensive review of the single market. I hope that this review will be heavily accentuated towards the opening of markets, liberalisation and tearing down economic barriers that still exist in Europe. I know that the President of the Commission is personally committed – as I am – to economic reform and liberalisation as the only way of ensuring growth and greater prosperity.

I do not, however, welcome the proposed agenda in the field of justice and home affairs. It is true that people in Europe want to see greater cooperation between Member States to combat and defeat the

threats we all face in the modern world – particularly terrorism – but I want to see more intergovernmental coordination in tackling crime and terrorism, rather than trying to make such issues the subject of qualified majority voting. They are matters that go to the very heart of the nation state and its responsibilities to its citizens in each case. The national veto should remain in those areas. The British Government is currently playing with fire in its ambivalence on the subject.

Instead, I urge the Commission to concentrate on delivering the economic reform agenda. People in Europe want action; they want action on growth and they want action on jobs. There is no appetite for endless debate on Constitutional, institutional structures. They do not want grand projects that erode the sovereignty of their nations or affect their chances of getting a job. So my message to the leaders for the June summit has to be simple: they should focus on people's priorities, particularly the plight of the 18 million who have no job in the Union. There is nothing for them in the current European Constitution. Europe needs to demonstrate clearly and unambiguously that it has learned some lessons from the votes on that. It needs to show that it is ready to move on to an ambitious reform programme that tackles those very issues that I referred to of low growth, high unemployment and threats to our environment. The social model needs to be reformed drastically. How can one speak of a social model that consigns so many to the misery of joblessness?

My opposition to the Constitution currently is not based on dogma, but it is known – as far as I am aware – that it would not be good for the people of Europe. I believe that is what the people of Europe have said, particularly in France and the Netherlands. The time has now come for the governments of Europe to wake up. We need reform. We need to be accountable, more transparent, and we need to reform priorities. We need to respond to the wishes and needs of the citizens, which was what we were charged to do at Laeken and where we have, unfortunately, currently failed the test. As we move forwards to an EU of 27, let us celebrate the diversity of the modern European Union; let us harness that diversity to work together for a true Europe of nation states.

**Hannes Swoboda (PSE).** – *(DE)* Mr President, Commissioner, I fully support what you said today, and I know how committed you are to Plan D. However, what you said today about the Constitution is not in the papers. I am talking in particular about the citizens' agenda. I therefore share the criticisms made by Mr Schulz and many others that, reading these papers, one gets the impression that the Commission has given up on fighting for the Constitution. I think that is a great shame, because you have severely disappointed not only many citizens who have also fought for the Constitution – for example in the referendums. That really is worthy of criticism. There are two major deficits to which you barely refer in this paper. The first is the institutional deficit: this could be dealt with through the Constitution, and I agree with Mr Méndez de Vigo that the costs of not having the Constitution have not been stated. The second deficit relates to the lack of financial resources. That, too, has barely been mentioned.

I now come to my main problem. I agree with you, Mrs Wallström, that it is absolutely vital not just to wait and to fight for the Constitution and for better funding, but also to take action now. I am referring in particular to the problem of unemployment. You have said some very pretty things here, with which I can agree, but where are the concrete proposals in addition to what we have discussed in the past with respect to Lisbon and so on? Where are the concrete proposals regarding, for example, coordination in economic policy, which is absolutely vital, especially in the euro area but also outside it, in order to create better economic conditions?

The President of the Commission has agreed to make an effort to ensure that public investment in infrastructure is better coordinated, because we do not have enough money to fund everything from Europe and much will have to be funded at national level. None of this is in the papers, though. If I may turn to energy policy, we have discussed the fact that, independent of the Constitution – which also gave Europe more competences in energy policy – we need to take some significant steps, particularly with regard to infrastructure. None of this is set out specifically in the papers on the table. It is a similar case for foreign and security policy, in which it can be said, on the one hand, that we need to go as far as we can without Constitution, but also that it is very important to have a Constitution so that we can go still further.

You call for a European response to globalisation, but in this respect too there are far too few indications of what this European response could look like, in order to develop a European social model whilst at the same time pushing forward with modernisation and keeping up with the competition. That, too, is a citizens' agenda, and it is precisely what many of the citizens expect from us. Therefore, I would ask



you once again to clarify the Commission's attitude towards the Constitution. We must not just stand still; I am absolutely in favour of taking appropriate steps in parallel with that. However, do not neglect the institutional conditions, because you will disappoint the citizens if you do not clearly say to them that a Constitution is also necessary so that their interests can be implemented globally.

**Cecilia Malmström, (ALDE).** – *(SV)* The period of reflection is coming to an end, but it does not feel as if very much thinking has been done around Europe. The lively debate that was to be launched in all the Member States and that all the prime ministers promised at their summit on 18 June of last year has mainly been conspicuous by its absence. The Presidency clearly does not think it worth taking part in this debate, either.

This is not because people do not want to talk about Europe. You know, as I do and as do all of us, that people want to debate Europe. In schools, at workplaces and in debates, people everywhere are committed to discussing the issue and have views and ideas about what our European cooperation should consist in, about how it can be changed and improved and about what it should not include. What is missing is leadership. European leaders are too absorbed in their internal problems to be able to raise their sights to European level. Now it is time, however, to pull ourselves together and show the required leadership. If the prime ministers and foreign ministers do not wish to show leadership, then we ourselves must do so.

A certain amount needs, of course, to be done in the institutional sphere. A number of your proposals are extremely constructive. I believe that, if more transparency is introduced in the Council and greater scrutiny exercised and if the way in which subsidiarity is applied begins to be monitored – all things that can happen without a change to the Treaty – then that would be a step forward. We have high expectations of the Finnish Presidency. On this issue, the light appears to come from the east.

We do, of course, need a Constitution in the sense of a set of regulations providing legitimacy. I too believe that, in the end, there will be a revised Constitution different from that which we have at present, but it should ideally be founded on the same basic ideas. We need to be proactive and committed in foreign policy and the fight against crime and to stand up for enlargement. I hope that we can produce practical proposals within the very near future. We all know that the period of reflection will be extended. We must show that the EU is needed for the sake of jobs and the economy and in order to bring about continued internal market reforms. We must show that the EU is needed in the world and we must point out the advantages of enlargement.

Among the matters debated a lot in Europe and featuring among the top subjects on the Commission's web site are institutional issues and the issue of Parliament's seat. A huge number of people throughout Europe find it bizarre that the European Parliament meets in two locations. It costs a lot of money for it to do so and gives Parliament an air of the ridiculous. I do hope that this citizen initiative will soon land on Mrs Wallström's desk with a million signatures.

**Bastiaan Belder (IND/DEM).** – *(NL)* Mr President, this is not the first time that this House has debated the future of Europe. The Commission's contribution to the European Council of June 2006, which is the topic of this morning's debate, offers little in the way of analysis, unfortunately. I would like to make one observation and three recommendations.

As the Commissioner knows from internal reports, one of the main reasons for the Dutch 'no' was the loss of sovereignty. It is perplexing that the Commission should subsequently attempt, through the back door, to extend the European Union's powers in the areas of freedom, security and justice.

I am all in favour of extending this period of reflection, provided that time is actually spent on reflecting on Europe's future. We must move away from the text of the constitution, and a reorganisation of existing treaties must lead to a user-friendly institutional framework. This framework – call it a basic treaty if you like – must put concrete policy before the setting up of new institutions, such as an EU foreign affairs minister. This course of action will ultimately benefit the citizen more than a meaningless signature by a prime minister of the kind suggested by Mr Barroso in a declaration of loyalty. This will really not help us any further and will not impress the Dutch voter – something which my Dutch fellow Members do not need to be told.

**Alexander Stubb (PPE-DE).** – Mr President, I have three points. Firstly, I agree with Mr Kirkhope that the Constitution is alive and kicking and we should be happy about it.

Last week was great: we had the Interparliamentary Forum, the Commission produced a paper, Estonia ratified the Constitution, Finland gave a clear signal that it would ratify and Mrs Merkel gave a great speech. Mr Farage is no longer here, but it was interesting to see that his message to the 'cricket people' was that he wants France and the Netherlands to decide for everyone else how the Constitution should be dealt with. It is an interesting message to give to the British people.

My second point, echoing what Mr Méndez de Vigo said, is that we have five phases in this debate. The first phase was reflection, not siesta, as some would have liked to say. Now we are moving to the second phase, which is analysis. The Austrian Presidency needs to move the reflection phase on into a period of analysis and take on board Mr Méndez de Vigo's excellent idea that there should be a study on the cost of not having a Constitution. Thirdly there will be a proposal phase and, fourthly, a negotiation phase. Finally, much like the Commissioner said, we will hopefully have a ratification phase in 2009.

My final point concerns the blame game. It seems to me, from listening to Parliament's debate and the public debate, that we are playing a blame game. It appears that the Member States are blaming the European Parliament and the Commission for everything that goes wrong. The Commission has a tendency to blame the Member States, and the European Parliament blames both the Commission and the Member States. We need to get out of this blame game and start looking at this more as a team. The idea of a joint declaration, in which the European Parliament also participates, is a good one.

May I just point out that we are talking about the future of the Union, in preparation for the European Council, and only one group leader is present in this Chamber: Mr Poettering. Mr Schulz is no longer here, but he mentioned meetings of the Council of Ministers, in which each of the 25 Member States is given three minutes to speak, which makes a total of 75 minutes. If you take that example and apply it to our Chamber, with two minutes for each of the 732 MEPS, the total is 1 464 minutes. The debates in the Council are not necessarily sexy, but we could also make improvements in this area.

My final point is directed at the Commissioner. You have just said that it is great that some Member States are ratifying the Treaty. Five have done so since the negative referendum results and a sixth ratification is on its way. I urge you to tell your Prime Minister, Mr Persson, that it would be great if Sweden ratified it as well. This is not a statement in view of the Ice Hockey World Championship. It is a simple statement that Sweden should do it too.

*(Applause)*

**Jan Marinus Wiersma (PSE).** – *(NL)* Mr President, the debate about Europe's future is set to continue for some time yet. In fact, the discussion on the EU's course and policy will be a permanent fixture. The Commission is right to point out that Plan D is not just linked to the debate about the constitutional treaty, however important that may be. It is a first exercise in more open, more pro-active European communication. More and more communication is an essential pre-condition for successful European cooperation.

Last week, the Commission presented the first results of operation 'Plan D', which I welcome with open arms. The Commission clearly indicates the concrete action that has been taken, which, in itself, proves that the Commission sets great store by sending out a clear message. At the same time, we have to be careful we do not fall into the trap of communicating for communication's sake. In communication, less is often more. Moreover, the way it is done is only one of the two components of successful communication. We must also ask ourselves what exactly we want to say about the future of Europe and, above all, how this message relates to the action which the European Union has taken.

The information which the Commission's activities have produced so far is in this respect very interesting. Public surveys – I refer in particular to Eurobarometer – have revealed that Europeans have high expectations of the European Union in many areas, which inevitably leads us to conclude that a negative vote on the EU is in any event partly attributable to the fact that the European Union does not perform the way it should. I do not, then, have any problem with the Commission focusing on a concrete agenda of policy. Does this, though, sufficiently highlight the context in which we have to operate? I have a few observations to make.

Firstly, the citizens' agenda must be sufficiently substantial in order to meet the citizens' expectations at least to some extent. Has the Commission in this respect achieved enough or has it only considered policy that is already in the pipeline? Moreover, we must not only consider the expectations – which the Commission has clearly done – but also the citizens' perception of the environment. Should we not

carry out studies into the way in which the citizens experience Europe and ask ourselves whether the citizens' agenda can make a positive contribution to day-to-day life?

Secondly, an agenda such as this creates expectations which we need to meet. Indeed, if we clearly state what we want to achieve and then fail to deliver, then this will only contribute to a negative opinion about the European Union, which brings me to my last point.

Which is the question as to the direction of the debate about Europe's future in the different Member States. Whilst the Commission, based on what emerged from the Eurobarometer survey, has managed to indicate the topics that are of concern for the Europeans, how does it assess the state of affairs in all those national discussions about European cooperation, the direction in which we are going, and the constitution? Is some degree of convergence kicking in, or are we still no further down the road than we were in July 2005?

All institutions have a role to play, but certainly as a Member of this House, I should like to draw the Council's attention to its particular responsibility for the execution of a substantial policy agenda that is necessary to get the public to back the European project.

### IN THE CHAIR: MANUEL ANTÓNIO DOS SANTOS

*Vice-President*

**Sarah Ludford (ALDE).** – Mr President, what we learned from the Dutch and French referenda was that many people, sadly, see the EU as part of the threat of globalisation, rather than offering a safe haven from its colder winds. We need to stress how the EU offers both security in the classic sense and an internal strengthening and dynamism, which makes us able to compete in the world and deliver prosperity. The Commission action on mobile roaming charges is excellent, by the way.

I want to concentrate on security in the justice field. The single most visible demonstration of the EU's usefulness to my London constituents that I have experienced came last summer. Under European arrest warrants, a suspected murderer was brought back from Latvia in four weeks and a suspected terrorist back from Italy in six weeks. That was a real illustration of the EU delivering the increased security from crime and terrorism our citizens want. The British Conservatives, incidentally, are playing a weak hand on law and order in opposing the European arrest warrant. So I strongly support President Barroso's push to improve decision-making on justice matters, with laws on police and judicial cooperation and legal migration progressed through more effective and democratic and open methods.

But the EU should also be united, solid and active on human rights. There is a lot of support for the EU playing a strong role in the world, promoting peace, democracy and the rule of law. But there has never been a Council common position or joint action under the CSFP calling for the closure of Guantánamo Bay or even just for the return of our own citizens and residents.

Recently, our Temporary Committee on Extraordinary Rendition heard Javier Solana say he had no power to check whether Member States were upholding their human rights commitments. I said that this conveyed a pathetic image of the EU. Now Tony Blair, far from leading a national debate on the benefits of Europe, is conniving disgracefully in a dangerous and populist attack by Conservatives and the media on the European Convention on Human Rights.

Let us concentrate on delivering a real citizens' Europe, security from terrorism and organised crime and from abuses of fundamental rights and discrimination, and promotion of Europe's soft power in the world.

**Georgios Karatzaferis (IND/DEM).** – *(EL)* Mr President, we are talking about the future of Europe. What Europe? The Europe whose borders we do not know? Who here in this House knows the borders of Europe? None of us. What Europe? The Europe which has no foreign policy, but is led back and forth by the Americans? What Europe? The Europe which has no army of its own and has a European army with an American commander-in-chief like NATO? What Europe? The Europe with no energy policy? Are we conspiring against Putin, who will give us gas, and getting embroiled in the trouble the Americans want in the Gulf so we cannot have cheap oil? What Europe? The Europe without enough democracy? Talk to me about a single electoral system! You have one set of electoral rules, I have another, someone else has another. What Europe? The Europe which cannot have a single referendum because in some countries parliaments are in charge and in others the people?

Consequently, we are not one Europe with a future, because for one country, one nation, one union to have a future, it must know what it is and where it wants to go. Fortunately, however, we received a lesson yesterday: a lesson in patriotism and culture from an Indian, Mr Morales who, of course, escaped the ethnic cleansing we Europeans carried out in his country. It was a big day for Parliament when it heard that passionate patriot.

**Elmar Brok (PPE-DE).** – (DE) Mr President, Madam Vice-President, ladies and gentlemen, in response to what the previous speaker and a number of others have said, I have to say that I did not have a vision only yesterday; on the contrary, the European ideal is the vision, for it is an ideal that has for decades brought us the peace and prosperity that only few parts of the world have experienced in the course of history. That is what we should call to mind, and it is a crucial point; it is something that is now simply taken for granted, rather than being – as it once was – regarded as a positive gain. Nor is ‘no more war’, and the fact that there has been none, enough any more, although it is still decisive. Even though we know how thin the ice of civilisation is, we are unable to communicate to our citizens the real reasons for European integration, because what we talk about never rises above the trivial, and by ‘we’, I mean the governments in particular. When I think back to how some talked about nothing but their own status as net contributors, while others, who had got five billion, nevertheless complained about not getting ten billion more, so that that ten billion became the sole subject of discussion and was taken as evidence of a lack of European solidarity, then we cannot be surprised to find the state of affairs that we do at grassroots level at the present time.

I would like to urge the national governments to at long last get back to telling the truth and giving the people comprehensive information, and the Commission not to dispense them from this obligation and not to be over-cautious in this regard. I hope that the document submitted for our consideration today will be a first step in this direction.

It has to be said, though, that misunderstandings in this respect need to be avoided. True though it is to say that what matters is that this Europe of ours, as it is presently constituted, should be got moving again, with progress – which alone is convincing – in important areas, the impression must not be given – as it is being to some extent in the media – that this is an alternative programme to the Constitution. It has to be made clear that we want, by doing this, to put the case for the Constitution and to make good use of the time remaining before it enters into force, but also that it is indispensable to achieving certain crucial objectives, not only in the institutional sphere with such things as voting rights, numbers of seats, and foreign and security policy, but primarily for the public good. It has to be made plain that it is the Constitution alone that puts the citizen centre stage; that this is not merely a union of states but also a union of citizens, and that those citizens have rights; that the Charter of Fundamental Rights is of fundamental significance in terms of the future conception of the European Union; and that the European elections have something to do with the President of the Commission being chosen by the citizens and the Commission thereby being harnessed to the popular will. These are the crucial points where we have to make progress, and it is in this respect that we are sometimes lacking in courage.

I was put in a very optimistic mood when a young Member State, two years after its accession to the European Union, on Europe Day – Schuman Day – ratified the Constitution by a 73:1 vote, and the country of which I speak is Estonia. Something that is equally remarkable is the tremendous achievement on the part of the Finnish Parliament last week. I hope this will be an incentive for the countries – such as Portugal – that will succeed Finland in the presidency of the Council. Further to what Chancellor Merkel said in the *Bundestag* last week, I take it as read that the German Presidency will discharge the obligation placed upon it by its coalition agreement. We want this constitutional treaty, and we will do everything possible to see that it is ratified; I hope, Madam Vice-President, that the Commission will join in this endeavour with all the courage at its disposal.

*(Applause from the right/centre)*

**Richard Corbett (PSE).** – Mr President, I welcome the Commission’s Plan D. We need debates and I know from experience in my country that the more people are informed about the European Union, the more positive they tend to be with regard to it. That is why people like Nigel Farage and UKIP have consistently opposed Plan D, the funding of it and its stimulation of debates about Europe. They want people to rely on their ill-informed prejudices about Europe. We must counter that. We must stimulate the widest possible debate.

I think it is right for the debate on the future of Europe to be prolonged. We need at least another year. We need wider and deeper reflection. It is right to say that so far the reflection has been less about the text and more about the context. However, we also know that we will, in due course, have to address what to do about this text. The debate will need more structuring and more focus, perhaps along the lines on which Mr Méndez de Vigo and Mr Stubb spoke just now. We will have to address this issue.

It is far too simplistic to say, as Mr Farage and Mr Kirkhope did, that the people have spoken and they have spoken against the Constitution. That is simply not true. We have different answers across Europe. A majority supports this Constitution, even in countries which held referendums. If you add all the referendums together, more people voted 'yes' than voted 'no'. Overall, as Commission Wallström said, we will soon have 16 States in favour. In fact, if you add Romania and Bulgaria, 18 ratifications will be in the bag by the end of next month. That is going on. It is a question of divergence, not opposition to the Constitution. When we have divergence in this Union, we talk it through to find a solution to make it acceptable to everyone, recognising the majority trend and trying to find out what adjustments might be necessary to make the minority able to accept it as well. We have a duty to the minority to talk it through and find a compromise, but we cannot ignore the will of the majority either.

**Alexander Lambsdorff (ALDE).** – (DE) Mr President, Vice-President Wallström, ladies and gentlemen, the fundamental question is this: what do the public want from political institutions? What they want is solutions to problems, and, from time to time, a vision – yes, that as well – and they want their problems, fears and worries to be taken seriously.

What the results from France and the Netherlands show is that this European Union of ours has not, so far, been successful enough in doing this. This rejection did not, however, plunge the European Union into a crisis; rather, it did no more than make it clear that the EU was already in one. According to Eurobarometer, even in Germany, only 38% of the public believe that their vote counts, so we need to make an active effort to seek the public's approval for the EU, and now we have the chance to do it, for the fact is that the first step is very simple. We have to make it credible that the 'no' uttered by two countries in the EU is actually accepted as such.

What is worse than a 'no' vote is a 'no' vote that politicians do not take seriously. This does not mean that the constitution is dead, but it is a reason why we cannot vote again on a constitutional treaty in unamended form. The Constitution must be revised, with its component parts kept separate from specific policies. The simple fact is that it has to be made clear that, for example, the EU's goals and values are not the same thing as policies on fisheries or electronic waste.

As for argument – day-to-day political argument – well, we need that too. Most of it has to do with the sectoral policies; if the whole debate around the services directive showed anything, it was, no doubt, that the public are actually interested in what goes on in this place. Arguments are the salt in the democratic soup; many in this House will be aware that I was not happy with what happened to the services directive, but I was pleased that 30 000 people were here in Strasbourg demonstrating, for that is real dialogue with the citizens, in comparison with which Plan D has something artificial about it.

It must also be clear to us that we have to hold fast to the separation of the powers, and that is why I want to spell it out to the House that anyone who promises, here in this House today, that national models of the welfare state will be transposed to the European level, is trying to hoodwink the public. We have neither the money, nor the legal basis, nor the powers to do that. If you want to make social policy – and it is quite acceptable that you should – then please use the national parliaments as your base for doing it. If we make empty promises, then the 20 million unemployed will be given no hope, and everyone else will make us aware of how they have become more – rather than less – disenchanted with Europe.

So I urge you that what we should be doing is to democratise the European Union's powers, perform its functions well and make sure, at the next European elections, that we get a Europe-wide referendum on the revised text of the Constitution, and also elect the President of the Commission from among our own number.

**Jens-Peter Bonde (IND/DEM).** – (DA) Mr President, put the Constitution to one side and start afresh. Let us elect, by direct means, a convention to be given the task of producing a democratic constitution and a cooperation agreement between democracies. Let the voters then choose between them in a referendum in every country on the same day. In this way we can attain the ground rules that our people want. Until then we should introduce practical reforms characterised by openness, democracy and

proximity to the people. Create new rules of procedure in the Council and the Commission so that, from now on, all meetings are open and all documents public unless there are good arguments for sitting behind closed doors or otherwise dealing with a matter in secret.

Let the national parliaments question their Commissioner each Friday, and why not let the voters choose their own Commissioner directly next time around. Resolve that we will never vote in favour of an EU law that has not obtained a majority in either the national parliament or the European Parliament. Last year, the EU adopted 3 124 regulations. The European Parliament was involved in just 57 of them. Put an end to this democratic deficit now, and also listen to those who voted 'no'. Mr Barroso and Mrs Wallström will be visiting Copenhagen on Friday. The official programme provides for not a single speaker representing the French and Dutch 'no' votes. You listen largely to yourselves, while the Commission pays for events, think-tanks and movements in favour of the failed Constitution. Close the purse strings to propaganda, or give funding only to events that are pluralist.

**Stavros Lambrinidis (PSE).** – *(EL)* Mr President, at last the time has come, one year after the 'no' in France and the Netherlands, but the 'yes' from the majority of Member States and citizens of Europe, to finally start to 'de-demonise' the European constitution and push Europe forward.

We decided then – and rightly so – that after the 'no', we should focus the debate more on the environment prevailing around the European constitution; in other words, we should focus on the context and leave the text to one side a little. Unfortunately, however, we spoke little about the context and, by contrast, we allowed a school of thought to burgeon that the problem was actually in the text. If, however, we look, for example, at the area of freedom, justice and security, we can see that, over the last year, it is the context rather than the text that is the problem.

Thus, the European constitution protects democracy in the European Union by giving Parliament a codecision role on most matters in the area of freedom and security. The incorporation of the Charter of Fundamental Rights demonstrates that we do not consider fundamental rights as a 'bolt on' to the necessary protection of the security of the citizens, but as a central part of our policy.

Unlike the text, the context has become more and more problematic over the last year: we have a series of laws that increase anti-terrorist cooperation. At the same time, however, the Council still contends that the much desired and necessary framework decision for data protection in the third pillar will probably not even be approved by the end of 2006.

We must not allow the context to turn into a pretext not to debate the text. Europe needs leaders today; it does not need evasions.

**Jo Leinen (PSE).** – *(DE)* Mr President, Madam Vice-President, the agenda for the citizens of Europe is a well-intentioned initiative, but, in the final analysis, a missed opportunity and hence a disappointment too. It is a missed opportunity because you give the impression that the whole programme could be realised by the existing Treaty of Nice and that the constitutional treaty could be put on the back burner. That, at any rate, is the impression that Mr Barroso has given in his speeches and statements, and that is what the people of Europe have come to believe.

The new 'plan D' ought to do both. You ought to be setting out the great challenges and suggesting ways of resolving them, while also telling people what works with the present Treaty and what would work better with the new one. This is what you are failing to communicate; instead, you are hiding behind the governments and letting us here in this Parliament do most of the work, and that is not enough.

All your posturing about the completion of the internal market will not help to defuse the prejudice against the new treaty, which is prompting people to spread rumours about this being a superstate, a neoliberal concept, about the unbridled centralisation and militarisation of the EU, and this 'plan D' is doing nothing to lay these prejudices to rest. When the day of truth comes – which it will – we will have to get the treaty accepted in the remaining Member States, and all I can say to you is that many small projects for Europe are no substitute for the great European project that is the Constitution. I hope you will succeed in combining the two; only then will you have done your job.

**Carlos Carnero González (PSE).** – *(ES)* Mr President, I think that the period of discussion and debate is now really beginning, as so far it had been a period of discussion and silence. It is beginning thanks to the parliamentary forum that we held in Brussels last week, which was a real success. It is also being encouraged by Estonia's decision, the announcement made by Finland, the statement from the Irish

Prime Minister, the speech made by Mrs Merkel before the *Bundestag* and the words of President Napolitano who, when he took office yesterday, stated clearly that there was no alternative to the European constitutional process.

It is being encouraged by all these factors, Commissioner, but not particularly by the words of Mr Barroso. Mr Barroso should be capable of providing the political leadership of a President of the European Commission who helped to draw up the Constitution and is in favour of it. That he should not be so is unbelievable.

Yesterday I read your Communication to the Council very carefully. To be honest, it would be more interesting for any citizen to read the first and second parts of the Constitution, which are obviously easier to understand, than this document. Despite all of your good intentions, no one will understand it. What is its objective? What is its purpose?

There will be solemn declarations next year saying that we need a Europe of plans rather than a plan for Europe. No, there is no Europe of plans, but a plan for Europe, and that plan is the Constitution. The objective can be nothing other than bringing it into force within the right timeframe, in other words with the changes that need to be made and in a different political context, but without losing our way.

**Brian Crowley (UEN).** – Mr President, I should like to welcome the Commissioner. I should also like to inform my colleague, Mr Stubb, that there was more than one group leader in the Chamber for the duration of the debate.

When we look at what has happened in Europe and when we consider all the words, emotions and print pages that have been published on the future plan for Europe, one key element is missed. That is that what the people across the European Union have said, not just in the referenda on the Constitution but also in previous European elections, was a cry for help. They wanted a greater understanding and a greater knowledge of what Europe is. The people we meet on the streets every day are not afraid of Europe or of the European Union. They are not even afraid of further development or enlargement of the European Union. However, there is a lack of engagement with the European Union and often a lack of trust about where they see the European Union going. When we speak about Plan D for democracy and so on and we put forward these plans, they must be based on what people want.

Many of my colleagues have spoken about the blame game and who is more to blame, because President Barroso did not say this or a government did not say that. Let us be realistic. Some Member States have agreed a text on the Constitution for the future of Europe and it is ultimately up to them to deliver on their agreement, to make sure they convince their people. I would never dream of going to France, Holland or Germany and telling the voters there what they should be doing. It is up to the representatives of those countries themselves to be realistic and not hypocritical, not to play party politics and hide behind doublespeak.

Never was that more highlighted than with the Services Directive. Governments previously agreed in the secrecy of the Council to have a Services Directive, it was put together and then suddenly pressure was applied and they all backed off and said it must be changed. Ultimately that played into the hands of Parliament, because it made us look strong. We could take the concerns of citizens on board and force a change in those amendments.

Plan D must be about proper debate and engagement with people; it must be about respecting the diversity in the European Union; it must be about giving definition to European Union. But, most importantly, it must be about debunking the myths, not just those in the media but the ones we ourselves perpetuate.

**Margot Wallström, Vice-President of the Commission.** Mr President, honourable Members, thank you all for your contributions as well as your criticism. I think it will help in the ongoing discussion.

When I entered politics many years ago, I learnt that there were three basic tasks for any political party or organisation. The first: to be able to describe reality, so that people will recognise reality as it is and agree that is the correct way to describe the world in which they live. The second task is to be able to put forward a vision, to say 'this is where we want to go, that is what we want to achieve one day'. And, thirdly, to be able to change reality, to implement or enforce the changes that we want to achieve.

I think that is still valid. It is exactly the Commission's line. We have a plan. We are willing to show leadership, first of all by being able to describe the reality we live in. Indeed, we have tried to help by describing what we have heard through our Plan D activities and from the Member States and all the

institutions involved in these activities, including visits to pubs. I was in London last Friday to listen to the fears the British people expressed about the European Union.

Secondly, we have been repeating that we want solidarity, prosperity and security, the values that we have set out in our treaties. Thirdly, we have been showing the way, by changing the reality of the world in which we live. That is the way to engage people and to prove the added value of the European Union: by working together to change people's everyday lives. This we know from the Eurobarometer surveys and from all our contacts. That is what people expect from us. That is how we can come back and approach the constitutional issues, because that is the way to prove that we have to change the way we take decisions. We must prove that we have to make the European Union more open and democratic. We cannot stop that work now and say that we will just wait for a constitution. We have to do both things. We have to move in parallel on both those tracks. That is the only way to regain citizens' trust.

I feel a lot of frustration, as you do, at having lost a project of the kind the Constitution represents. But the way to remedy that is not through personal attacks or attempts to engage only in bold rhetoric. There has been a lack of concrete suggestions as to what to do in France and the Netherlands, where we have had a 'no' and where we have to engage with citizens again to regain their trust in any constitutional project. That is really what we ought to discuss. What kind of agenda can we establish to rebuild trust in those countries that are experiencing many problems?

One idea was mentioned has my strong support. Mr Méndez de Vigo suggested looking at the costs of a non-Europe. I think that is an excellent idea and worth exploring. Let us see if we can do that together and subsequently describe our findings. We have a number of examples to describe to people the costs of non-Europe: energy policy and the fact that we do not have a foreign affairs minister, etc.

It will make us less effective, less visible, less democratic and less open. We definitely have to end the blame game, because we are not alone in this: we need the Member State governments. Why should the Swedish Government, or any other government that has not yet ratified, engage in a project or stick their necks out in a situation where they see that there is no solution? Nobody has presented a solution so far, but there are at least seven or eight different ideas on how to take this project forward. The Commission's idea is, therefore, to begin by proving the added value of the European project by changing reality and doing our best to respond to citizens' concerns. Whether it is energy policy, tackling unemployment or fighting crime and terrorism, we have to take action. Meanwhile, we should also point out that a constitutional settlement would help us greatly to act even more effectively. At the same time, we must engage with governments to ensure that we sign up to the things we want to see realised in the future and that we share the same values and ideas for the future. That is a step towards finding a constitutional settlement.

We do not want a two-speed Europe or core groups. We believe that Member States should act in unison and that we should hold the European project together. This means moving on both these tracks at the same time.

We have demonstrated here that we have heard what people have told us regarding the priorities, and I think you agree with me. The first issues people raise when we speak to them in pubs, universities or elsewhere are the tangible issues. They want policies to be settled; they want us to take action on things that affect their everyday lives. That is what they expect from us. This also makes it easier to return to the constitutional issues.

We can definitely follow up the idea of describing the costs of non-Europe. We should also establish a timetable for a constitutional settlement. That is why we pointed to the opportunity next year, when we celebrate the 50th anniversary of the Treaty of Rome, for Member States to agree on the way forward. This is our response to citizens' concerns. Being able to explain a citizens' agenda – the people's priorities – is a step forward.

Mr Kirkhope is not here, but let me say that the fight against terrorism is a very important argument. Are we really convinced that national vetoes should remain? The European Evidence Warrant is one example, and it is still blocked in the Council. This is a very important proposal that would help our law-enforcement authorities to do their work more effectively. We will move forward with these proposals. The Constitution is not dead. The Estonians explained that they ratified it, not because they think that this issue will be solved immediately, but as a political statement. That was their purpose. However, they also realise that we have to look for solutions that satisfy both the French and the Dutch people and the other Member States, including those who said 'yes'. It is not that easy to tell those



countries that they have to do it again because we have made some changes. Today we see no immediate solutions to this problem, but we will continue to show leadership on the constitutional issues as well as changing people's reality and will set a policy agenda, a citizens' agenda.

*(Applause)*

**President.** The debate is closed.

## **5. Improvement of the environmental performance of the freight transport system ("Marco Polo II") (debate)**

**President.** The next item is the report by Mr Rack on behalf of the Committee on Transport and Tourism on the proposal for a regulation of the European Parliament and of the Council establishing the second 'Marco Polo' programme for the granting of Community financial assistance to improve the environmental performance of the freight transport system ('Marco Polo II') (COM(2004)0478 C6-0088/2004 2004/0157(COD)) (A6-0408/2005).

**Jacques Barrot, Vice-President of the Commission.** *(FR)* Mr President, ladies and gentlemen, I am here today to present to you the proposal for a regulation on the Marco Polo II programme. This regulation is the successor to Marco Polo I, which was adopted in 2003, and has the same objectives. The new programme, like the old one, aims to reduce congestion on the road network, to improve the environmental performance of the transport system, and to strengthen intermodal transport in order to contribute to the implementation of an effective and sustainable transport system.

The programme will run from 1 January 2007 to 31 December 2013, and will have a budget of EUR 400 million, which is higher than that for Marco Polo I. The programme is structured around the granting of direct subsidies to companies to launch intermodal services; it is the most efficient way of providing public funding. This programme was designed, in the impact assessment, such that one euro of subsidy granted under Marco Polo II will generate more than six euros in terms of social and environmental benefits for society.

Although it is based on the mechanisms of the current programme, the regulation provides for two new types of action: those relating to motorways of the sea and those relating to traffic avoidance. These actions should help to reduce the volume of international road freight, and thus respond to the strong expectations of our citizens.

The Marco Polo II programme incorporates the concept of motorways of the sea, which has also been incorporated into the framework of the trans-European networks. It puts forward objectives that are appropriate to services related to these motorways of the sea. The calls for proposals between Germany and Finland, and between France and Spain, are now in progress. The actions related to the motorways of the sea aim to reduce road traffic in a specific corridor. This clearly visible Community added value will be of benefit to European citizens and, due to that, it deserves a Community contribution based on projects planned by consortia involving shippers, transport operators and infrastructure providers.

It is time to get the production sector and logistics systems more actively involved in a coherent sustainable development strategy. That is why the Commission has also provided for traffic avoidance actions. The industry has already taken an interest in this problem, in order to rationalise its supply chains and to reduce distribution and transport costs. Thus, we can see that the measures to improve industrial efficiency and the political will to reduce the negative effects of transport simply by trying to avoid it serve the same interests.

Marco Polo II also extends the scope of the programme to include all of the European Union's neighbours. Today, Europe as a whole, and not only the Union of 25 Member States, will find itself at the spearhead of an integrated transport market. Our neighbours to the East - Russia, Belarus, Ukraine and the Balkans - and those in the Mediterranean region form part of a huge integrated market for transport services. Production and the characteristics of the supply chain do not stop at the borders of the 25 Member States of the European Union.

The Council agreed on a partial general approach on 21 April 2005. I am delighted that the rapporteur and Parliament's Committee on Transport and Tourism have tried to achieve agreement at first reading. This constructive approach taken by the two institutions should enable us to adopt the regulation quickly

and to launch an initial call for tenders under Marco Polo II. I should like to thank you, Mr Rack, and the Committee on Transport and Tourism of which you are the chairman.

With regard to the compromise that has been reached, four points are worth emphasising: aid to small and medium-sized enterprises, the funding thresholds for the various actions, the possible impact of traffic avoidance actions and the particular attention paid to sensitive and metropolitan areas. Parliament was quite right to underline the difficulties that small and medium-sized enterprises have in accessing this programme, and the new text will quite specifically make it easier for them. I am grateful to Mr Rack for stressing this point. The minimum subsidy thresholds for the various types of action have been reduced in comparison with those proposed by the Commission, and we will look into how we can deal with the increase in assessment and monitoring work that will result. I believe that the fear that the traffic avoidance measures could potentially have a negative effect on employment and cohesion in certain regions has been satisfactorily addressed. The new regulation also aims to give greater attention to sensitive and metropolitan areas.

Mr President, I apologise for taking such a long time in explaining this proposal. I should like to repeat how happy I am that Parliament has taken a very constructive approach to this report, with the result that, in my opinion, today's text is most satisfactory. I should like to thank you all, in particular the rapporteur and the Committee on Transport and Tourism.

**Reinhard Rack (PPE-DE), rapporteur.** – (DE) Mr President, Mr Vice-President of the Commission, ladies and gentlemen, not even the Committee on Transport and Tourism thinks it makes sense to reinvent the wheel, and that is why we welcome the Commission's action in consciously flagging up its intention to follow up the success of the Marco Polo I programme by attempting, with this proposal, to continue the approaches that made Marco Polo I successful, and to do so with seamless continuity, which, among other things, means, in particular, ensuring that we will, in time – that is to say, on 1 January of the coming year – be in a position to launch Marco Polo II.

Vice-President Barrot has already described in detail what Marco Polo II is intended to achieve, and so I can, quite deliberately, keep this brief. In essence, the object is to continue the old programme, but with added value in two respects, in that a great deal more money will be available for Marco Polo II than was for Marco Polo I, and so we will have the chance of even greater success than before in moving traffic onto environmentally safer modes of transport.

Although we have not managed to get the 47 million on which we originally set our sights, I do believe that the compromise – which had to be reached within the limits of the general financial perspective – does show that the Commission, like the other two institutions, the Council and Parliament, regards Marco Polo as an important programme.

Another 'plus' is that we have taken quite deliberate account in the programme of the expansion of Marco Polo I in response to new and changing circumstances. We are working on the assumption that all the EU's neighbours to the East, as well as those around the Mediterranean, are meant to enjoy the benefits of Marco Polo II, since it makes sense to intercept traffic, and transfer it to environmentally safer modes of transport, as near as possible to the point from which it started out.

If I may keep to the analogy with the wheel, we have also given the actions a slight 'spin' by adding two new ones – the motorways of the sea, about which the Commissioner has already spoken in detail, and traffic avoidance, although it has to be said that we have had very intensive discussions among ourselves about how this issue might be better addressed. The Vice-President has already pointed out that the object cannot be to use European funds to move jobs around within the EU or out of it, and quite possibly in large numbers; the measures we are proposing must not have that effect and are not meant to.

The Marco Polo II programme has, then, in essence had an advance green light from all three institutions, and that has prompted us to make the attempt to complete this legislative project as early as first reading and have it ready for use, and it is thanks to a great deal of willingness on the part of the Commission in particular, but also of the Council of Transport Ministers, that we have succeeded in this. In the ordinary way of things, the Transport Committee does not regard the Council as a partner with whom it has had a long and affectionate relationship, but we have, in this specific instance, managed to work together very constructively.

This House regarded the Marco Polo II draft as already satisfactory and saw little need to make any fundamental alteration to it. We in this House saw it as important that we should ensure better opportunities for small and medium-sized enterprises, too, or at least opportunities equal to those that Marco Polo projects gave them. We have put forward a number of what I hope are sensible proposals, which have to do, in particular, with reductions in the threshold values applicable to the original Marco Polo I objectives.

It is now for all of us to give what we have worked on tangible form, to foster greater efficiency and cut down on red tape. With this project we are sending out a proper and vital message, and I would like, in conclusion to thank all involved – the Commission, the Council and my fellow-Members of this House – for their constructive cooperation.

Finally, there is something technical to be considered: because we wanted to wrap this up at first reading, we had to ensure that the two documents – from the Council and from Parliament – were technically compatible. There is still work for the lawyer-linguists in both services to do on this, and for that I ask the House's indulgence.

**Rodi Kratsa-Tsagaropoulou**, *on behalf of the PPE-DE Group.* – (EL) Mr President, Commissioner, ladies and gentlemen, it is a fortunate development in the transport policy of the European Union that we are debating today the Marco Polo II programme to promote alternative and environmentally-friendly forms of transport, which will contribute to the competitiveness of our economy and, at the same time, to the quality of the environment and our quality of life.

The new Marco Polo II programme provides many opportunities in this direction. It extends to our entire neighbourhood, as far as Russia and our Mediterranean partner states, it provides opportunities for maritime transport by creating a separate category of actions, motorways of the sea, and it promotes the rationalisation of international transport.

Thank you, Commissioner, for the decisiveness with which you worked on the conception and structure of the programme. My congratulations in particular to the rapporteur, Mr Rack, because his proposals strengthen the added value which the programme gives to the economic, social and territorial cohesion of the European Union and its neighbours. It gives new room for intervention in small- and medium-sized enterprises, something in which the Committee on Transport and Tourism has often expressed an interest. Mr Rack also intervenes in promoting and strengthening the balance between transport efficiency, reductions in costs, pollution and road traffic, thus contributing to the objective of drastically reducing accidents, which is a primary objective of the European Union.

I am convinced that the development of motorways of the sea will constitute a dynamic element in our planning and in the efficacy of our objectives. The sea is a force and capital that has not yet been developed in our policy and we must work in this direction.

To close, I thank the rapporteur because, with his proper handling and negotiations with the Council, he made it possible for us to have an acceptable text which we believe will quickly be put into practice.

**Jörg Leichtfried**, *on behalf of the PSE Group.* – (DE) Mr President, Mr Vice-President, ladies and gentlemen, I would like to start by taking this opportunity to thank my compatriot Mr Rack, the rapporteur, for the good cooperation, and also the Members belonging to my own group for their patience with me and the confidence they have shown in me in this matter, for, as Mr Rack said at the end of his speech, the Council's rather roundabout approach to this has, time and time again, made amendments necessary at short notice. I really am, then, most grateful for your trust.

As we are all aware, the European transport system will face major challenges over the next few years, and they need to be addressed right now. It is to be expected that there will be an increase in traffic of up to 60%, along with the predictable consequences in the shape of traffic jams, damage to the environment, accidents and the risk of a loss of competitiveness on the part of European industry. The Marco Polo II programme is, in this respect, certainly capable of meeting the requirements of business and industry on the one hand, but also those of the environmentalists on the other, meeting the needs of the environment and all that is associated with that; that is one reason why I was very glad that it was possible relatively quickly to draft an extended and adapted Marco Polo programme.

There were of course positive and negative aspects to this. One negative aspect is the budget, which, having originally been quite generous, was then reduced to EUR 400 million, which is particularly

disappointing when one considers the cuts that will have to be made right across the transport sector, and it appears that the EU has set itself the wrong priorities where the figures in the budget are concerned.

Most of what can be said about Marco Polo II is, however, encouraging; it is in those terms that one can describe the reduction in the minimum grant thresholds, since the programme did not previously apply to small and medium-sized enterprises. It is also important that the programme covers one aspect in particular, namely the shift onto rails and the modernisation of rolling stock.

I also regard it as a particular breakthrough that, in contrast to the former Marco Polo programme, it is not only the tonnage that counts, but that, for the first time, the volume can be taken into account as well. This amounts to a considerable step forward.

Finally, I think it particularly significant that the text addresses the jobs issue and that we have taken the initiative on this front too. I now look forward with eager anticipation to see how this turns out in practice and hope that the programme will be a good one.

**Josu Ortuondo Larrea, on behalf of the ALDE Group. – (ES)** Mr President, Commissioner, the transport of goods on European roads will increase by more than 60% between now and 2013, and by 2020 it will double in the new Member States. In addition to the congestion that this is going to cause, it will have a major impact on our environment: what we call 'external costs'.

The Commission estimates that, for every euro spent on this programme, six euros will be saved on these external costs. We are not, therefore, happy about the cuts made in the 2007-2013 financial perspective to the budget of EUR 740 million requested by the Commission for this programme for the next seven-year period.

We are going to support the proposal and the compromise amendments achieved as a result of considerable efforts by Mr Rack, but we would have liked projects to have been eligible for subsidy if they would have brought about a net reduction in road congestion, whether or not they transferred goods to other modes of transport.

We would also have liked to have achieved even lower minimum thresholds for the indicative amounts per euro of subsidy, so that a greater number of small and medium-sized enterprises might have accessed the aid from the programme.

However, we welcome the fact that the criterion of the volume of the cargo has been taken into account when evaluating the results of the measures that are subsidised, because it is not the weight of the goods themselves that pollutes and causes congestion, but the volume that they occupy, and consequently and definitively the number of lorries that are needed to transport them.

We also welcome the fact that measures carried out in only one Member State are accepted as eligible for subsidy, provided that they represent at least a 50% improvement in cross border traffic with other States.

Finally, as I do not wish to go on for too long, I would like to reflect on something, although this might be part of a different proposal: we believe that there also needs to be a discussion regarding our current model of production and subsequent distribution of goods. If we were really incorporating all the external costs of transport without exception, as well as the repercussions of that model on the distribution of the population and land planning, we might have to change the model.

**Eva Lichtenberger, on behalf of the Verts/ALE Group. – (DE)** Mr President, Mr Vice-President, ladies and gentlemen, let me start by saying that the Greens will, of course, support this programme, even if there is too little money for it; that must be made clear. It was because we hoped that one result of the negotiations might yet be the extension of the programme that we did not immediately give our assent to everything. The hope may have been there, but it was, unfortunately, not fulfilled.

I have to say quite frankly that the halving of the figures originally proposed was, in my view, a setback, but the programme itself has come out of the evaluation in a positive light, and it is for that reason that we will – as we must – support it. The fact is that Marco Polo, as a programme, had the potential to – and indeed does – play a core role in addressing the problems to which transport gives rise, and would not only actively help improve modal shift, but also boost intermodal transport, for, this time, the focus is on inland waterways and on short-distance sea transport – which I will not call 'motorways of the sea', since that always strikes me as a rather peculiar term – and we have had to accept that certain

switches from one mode of transport to another are made impossible by the absence of key points and interconnection points between them. I regard intervention in this area as crucial and important.

The programme would also send out a message to the general population, who suffer from the adverse effects of goods transport by road, such as emissions, noise, and the other hazards to health and the environment that people talk about, which they regard as tragic and which they wish to reduce. It is for that reason that this programme is so important to me right now. It has, unfortunately, appeared to us from some interventions by representatives of the Commission that consideration is being given, in the course of the mid-term review of the White Paper, to regarding the switching of transport to environmentally friendly modes of transport as no longer an objective of the European Union, and that I would regard as absolutely the wrong thing to do.

If we regard the protection of the environment and public health as things to be aimed at, then what is needed is not just a programme costing EUR 400 million, but rather the sort of focused determination that intervenes and says clearly that transport cannot simply be allowed to trundle along as it is doing, but must be guided – which it now is being, albeit in the wrong direction. If the mid-term review really does entail the abandonment of the ‘modal shift’ change, we will lose credibility in the eyes of the public. Merely giving way to the interventions of the most powerful lobbyists and forgetting the interests of the people who live along roads constitutes an abandonment of policymaking; such a thing is no longer worthy of the name, for it amounts to nothing more than allowing the economic interests of a small economic sector to prevail.

**Erik Meijer**, *on behalf of the GUE/NGL Group*. – (NL) Mr President, the huge development of the motorway network and a reduction in prices for the customers have resulted in the enormous growth of freight transport by lorry, to the detriment of the environment and pressure on public space. The White Paper on Transport is right to mention the shift of freight transport from the road to rail and inland shipping as an important objective. Even after the forthcoming update of the White Paper, this should remain a priority, because without a modal shift, our transport cannot meet the demands of sustainability.

It is likely that, since the financial wings of Marco Polo II, which is to run up until 2013, have been drastically clipped by a reduction from EUR 740 million to EUR 400 million, this objective may not be achieved as effectively or on time. Despite this, my group remains of the opinion that the present programme is of huge importance in order to improve the environment and to curb the growth in road transport that has got completely out of hand.

My group is in favour of extending the programme to include the European Union’s neighbouring countries and also the extra attention for shifting more of the freight that is being carried along coastal roads to the Motorways of the Sea. At least as important is the reduction of unnecessary transport by achieving better logistical harmonisation. The number of miles driven can be reduced by preventing empty runs, by shortening the distances between the different processing stages as much as possible and by higher loading factors. We have always argued in favour of the principle of transport prevention that was introduced here. The lowering of the subsidy thresholds will produce additional red tape. Whilst the proposed volume equivalents are a positive addition to the calculation of saved tonnage miles, the 1 on 1 coefficient that was given for this could lead to a situation in which from hereon in, all applications are submitted in volume units, because this is more profitable for business.

**Johannes Blokland**, *on behalf of the IND/DEM Group*. – (NL) Mr President, the agreement with the Council about the Marco Polo II Programme mainly translates into better access to this programme for smaller enterprises. Since a huge number of those are active in the transport industry, that is a major advance, which is mainly attributable to projects being combined and a restriction of the financial and administrative burden.

The only fundamental observation I should like to make with regard to this programme is that there is no assessment of Marco Polo I. The lack of such an evaluation means that it is impossible to say whether Marco Polo II will have the desired effect, simply because the link between goal and resources used is unknown. I am therefore pleased that an assessment will be carried out next year, the findings of which will, hopefully, reinforce the set-up and implementation of the programme. I should like to finish off by thanking the rapporteur for the result achieved which I will certainly be backing.

**Fernand Le Rachinel (NI)**. – (FR) Mr President, Commissioner Barrot, ladies and gentlemen, I should like to congratulate the rapporteur on the proposals and advances that he has put forward in his report.

As a French Member of the European Parliament, and in view of the geographical position of France as a real crossroads in the European road network, I fully support all the initiatives aimed at reducing congestion on our roads, at promoting ways of transporting goods and persons other than by road and at improving the environmental performance of the transport system in general.

I am also delighted at the position given to motorways of the sea in the Marco Polo II programme, as the development of these motorways will have a positive influence on reducing international road freight. As the rapporteur stressed, if nothing is done to reduce congestion on the roads, goods transport by road will increase overall by more than 60% by 2013. We will be faced with an increasing number of accidents, with greater congestion, with more environmental damage and, ultimately, with higher costs for European industry as a whole, which, to the extent that it depends on reliable and profitable supply chains, will become less competitive.

That is why we must focus all of our efforts on developing intermodal transport. With the enlargement to the East, Europe's maritime borders have been pushed back, and we now have new conditions and opportunities for developing the motorways of the sea. We must make the most of them.

**Corien Wortmann-Kool (PPE-DE).** – (NL) Mr President, first of all, I should like to warmly congratulate Mr Rack on getting the agreement reached at first reading and, at the same time, thank him for the way in which he has achieved this fine result. This success is due to much perseverance on his part, so let us count our blessings. Despite the on-going ups and downs surrounding the financial perspectives, an amount to the tune of EUR 400 million is available for this new Marco Polo programme, which is double the amount that has so far been available annually.

All credit to the Commission for extending the scope of Marco Polo II in its proposal to include motorways of the sea actions and a reduction in transport, and also for the fact that there are more opportunities for inland shipping, so that a whole range of alternative and environmentally-friendly modes of transport can help promote the modal shift via this programme.

I am pleased that Parliament, in its negotiations with the Council, has managed to carry out a number of important improvements in the proposed programme, the most important of which is a substantial reduction in the thresholds for awarding support, which, in many cases, have been reduced by half, for in practice, it still proves difficult for small enterprises to use this programme. I am also pleased that inland shipping has been given a more important position than in the original proposal. Thirdly, it is a good thing that public bodies, including regional and local governments, can also take part in consortiums. This too can give small enterprises a helping hand.

The Commission has pledged to look into the possibility of awarding support to small infrastructure projects for the benefit of modal shift actions. Minor improvements, such as building quay walls, can be decisive in the success of those modal-shift actions. That is why I would like to ask you if you can inform us of the results of the study and whether you will actually include this possibility of small infrastructural projects in the programme.

I would like to end on a practical note. The Commission, in its policy programme, has given priority to the reduction of the administrative burden and an improvement of rules and regulations. Practice, however, has shown that those who submit projects are asked to submit such elaborate details that very often, they do not even know where to start. I hope that in this respect too, the changes that have been made by Parliament via the rapporteur will lead to an improvement and can encourage enterprises. I would ask you to keep the finger on the pulse, though, because your services will need to be accessible and accommodating to those who want to apply for projects.

**Ulrich Stockmann (PSE).** – (DE) Mr President, Commissioner, I, too, wish to thank the rapporteur for his considerable expertise and cooperative approach to the job. Since he has set out in detail what Marco Polo is all about and has also evaluated it, I propose to focus on just a few aspects of it.

What is to be seen in a positive light is that the programme is markedly better funded and equipped than its predecessors, ranging from PACT 1 to Marco Polo 1, but it has to be said that its funding and equipment are not going to be equal to the challenge of modal shift, and that is why we need, first of all, to be vigilant in ensuring that the projects are, firstly, genuinely cross-border in nature, so as to ensure an added value for Europe, and, secondly, in ensuring that the reduction by half of the minimum threshold values for grants really does put SMEs in a stronger position and increase their share. Thirdly, more inland waterway transport projects must be completed than have been in the past, and, fourthly,

those national programmes that are either already in place or needed for the future must, at long last, be coordinated. Fifthly, attention should be paid to reviewing the instruments' sustainability, which will involve the Commission in evaluating which projects are still operational after a period of between six and ten years, with the Commission – sixthly – reviewing which of the rejected projects are completed even without support, so that the induced effects of future programmes may be minimised.

Mr Rack's report is, overall, uncontentious, and should be implemented as policy with the greatest possible speed; the added value of these measures will be immediately visible to the public, and that is something for which time is needed.

**Jacky Henin (GUE/NGL).** – (FR) Mr President, faced with risks to safety and the environment, with the practices of a sector that too often treats its employees as modern-day slaves, and with the expected major increase in traffic flows, the Commission seems to be realising that the problem is a serious one and that something needs to be done about it. Free and fair competition is leading us into disaster. We have before us a proposal to develop the motorways of the sea, rail and intermodality and to help industrial and non-industrial SMEs. In parallel to this, however, the Commission is continuing its crusade to privatise the railways, without even reviewing ten disastrous years. This direction is the right one to take, but there are not enough resources to make it credible.

That is why my group is calling for a separate vote on Mr Rack's report and on the opinion of the Committee on Budgets. We will be voting against this opinion, because it can be summed up as 'tell me what you are missing, and I will tell you how to do without it'.

**Luca Romagnoli (NI).** – (IT) Mr President, ladies and gentlemen, the Rack report clearly highlights the challenges and expectations of European society faced with the unquestionable and continual increase in road traffic that we witness every day on so many roads and in so many cities of our continent, and goes so far as to predict the 'imminent gridlock' – to borrow the term used in the report – of road traffic.

It is therefore the duty of the legislator to promote alternative and more environmentally-friendly modes of transport and, above all, to better integrate intermodal transport and to make it as functional as possible, for the purposes of both safety and quality of life, while of course seeking to mitigate the demands of the economy. In this regard, Mr Rack's excellent report presents timely proposals for the Marco Polo II programme, which I hope the budget allocation will make it possible to subsequently carry out.

The party that I represent, the *Fiamma Tricolore*, has always supported the idea of the so-called 'motorways of the sea', which Italy itself designed for the Mediterranean as far back as the first half of the last century; such motorways are rightly taken into consideration and relaunched in the Rack report as part of the Marco Polo II programme.

I clearly support – and I call on my fellow Members to do the same – Mr Rack's amendments, which are aimed at revising the Marco Polo II programme for the purposes of reducing the administrative formalities required for intermodal transport. I believe that this is an excellent report, which I hope will gain the support of Parliament as a whole.

**Luís Queiró (PPE-DE).** – (PT) Mr President, Commissioner, ladies and gentlemen, I should also like to begin by congratulating Mr Rack on his excellent report. I believe that his objective and that of most Members who contributed to the debate in committee was to address the need, above all, to rebalance the distribution of means of transport in a sustainable manner and to develop intermodality, addressing the congestion problem with efficiency.

There is no other way to combat the anticipated increase in road freight transport, which is forecast to reach over 60% by 2013 in the EU alone. That being said, the excessive transport of freight on our roads is simply the most visible problem. Its costs in economic, security and environmental terms are huge. It is therefore essential to take consistent measures to offset these negative effects. Reducing road freight transport and transforming intermodality into a competitive and economically viable reality is the right way forward if we are to reverse the current trend.

Against this backdrop, and fine-tuning the previous programme, Marco Polo II contains a broader and more complete range of necessary and welcome incentives and measures, which will be applicable not only on EU territory but also in neighbouring regions, and this is to be welcomed.

It will make it possible to boost investment in rail transport, inland navigation and in the use of motorways of the sea more effectively, making use of European maritime islands and the outermost regions as

thoroughfares between those routes – the motorways and inland navigation. It is also vital to promote the development of technical innovations that could bring competitive benefits for alternative modes of transport, especially as regards trailing loads. The objective of reducing international road transport, especially that of freight, implies pushing to the fore projects located in sensitive areas, such as urban areas in which traffic is mainly concentrated.

Lastly, Mr President, I shall turn to the issue of funding. This programme, as we know, has been the subject of delicate negotiations in the context of the financial perspective, the result of which is an overall sum of EUR 400 million, much less than that proposed by the Commission. This is regrettable as it is indicative of less strategic ambition. As it is not possible to obtain greater resources, as the Commission rightly proposed, it will be the use and distribution of this sum of money that will dictate the success of the programme.

I must therefore commend Mr Rack, the rapporteur, on the proposed reduction of the eligibility ceiling for some products. This will make this programme more accessible for SMEs, which make up a significant portion of the business world and which employ a significant proportion of the European workforce.

Mr President, ladies and gentlemen, the objectives contained in this report and the solutions that it puts forward will certainly have a decisive impact on the future of Europe's freight transport, in terms of its fluidity and its sustainability. It is therefore vital that it obtains Parliament's support.

**Ewa Hedkvist Petersen (PSE).** – *(SV)* I wish to say thank you, and particularly of course to the rapporteur, Mr Rack, for the work done by the committee. As many have said in this House, we must obtain a more environmentally friendly transport system in Europe. We have a very great deal of environmental pollution. At the same time, transport is extremely important for our regions and for companies out in the regions. Combined transport will become extremely important in the future if transport systems are to operate throughout the territory of the EU.

The Marco Polo project also reveals the different conditions under which we live in the various regions of the EU. In many regions, there are long distances to be travelled. Companies in these regions are in many cases subcontractors for larger companies in more heavily populated areas. They are very important for employment in those regions that are a long way away. The Marco Polo project ought not, therefore, to lead to employment in the EU being relocated. I have proceeded in the committee on the basis of this view and can now accept the compromise relating to Article 1 of the report to the effect that the Marco Polo project should create added value for the EU without damaging economic, social or territorial cohesion, as well as the future Article 2 to the effect that the project should not adversely affect production or employment.

**Bogusław Liberadzki (PSE).** – *(PL)* Mr President, I am pleased to express my gratitude to the Commission by thanking Vice-President Barrot. I would like to thank him for this proposal, for this initiative and for his speech confirming the positive steps being taken. I would like to express my appreciation to Mr Rack for his work, as we have received a document which could make a significant contribution to more effective use of the transport infrastructure by means of active support for intermodal solutions.

We are well aware that the European Union budget, including that for the period 2007-2013, will have much less funding available for transport than we would have wished to receive. This means that it will be better all round if the solutions based on using the existing infrastructure are as good as possible. I would also very much like to stress that this is a historical moment: an enlarged European Union, perhaps with two more members from 1 January 2007. We therefore have the opportunity to involve the new Member States in shaping a new European transport and logistics system. It is very important to maintain the role played hitherto by the railways in the new Member States. Finally, I am pleased that we see an opportunity and a new role for small and medium-sized enterprises, and that we are moving in the direction of stabilising the transport and logistics systems.

**Inés Ayala Sender (PSE).** – *(ES)* Mr President, first of all I would like to cordially congratulate the Commission on its excellent proposal, and also the rapporteur and other colleagues, who have improved it in an exemplary and cooperative manner and achieved an early agreement with the Council.

I would also like to congratulate us, the European Union, on the existence and improvement of this Marco Polo programme, which is achieving effective results through its efficient, although possibly too discreet, work.



I value its achievements compared with other programmes and projects due to, among other things, its activities, which are on a small scale but add significant value in return. In addition, access for SMEs is being improved, along with short and medium-term plans, which gives an immediate visibility to the value of the European Union. This is a tool that is driven by demand and therefore produces effective and consolidated results. Finally I would like to highlight its strength as a means of proposing and driving forward innovative measures and policies.

Regarding the addition of motorways of the sea, I must refer to the example of the successful relationship between Valencia and the Italian coastlines and the avoidance of traffic through the integration of logistics, and in the last few days we have learnt that a company like Mercadona – which is now achieving ratios close to those of Carrefour in Spain – is in discussions with RENFE regarding a permanent transfer from lorries to trains. We think that this is another example driven by this type of programme.

To conclude, I would like to express two wishes: from the experience of Marco Polo I and this improved Marco Polo II, and looking to the review of the White Paper on Transport, I hope that the successes and achievements of this programme will help us to maintain a firm commitment to modal shift from roads to more sustainable modes of transport, and logistics will obviously be the key to this.

Also, and for this I trust in the Commission and the Commissioner, who have the necessary ability and enthusiasm, I hope that the successes and formulas of Marco Polo are incorporated into the discussions on the trans-European networks, which ultimately have the same objective but on a very much larger scale, which sometimes makes them difficult.

**Robert Navarro (PSE).** – *(FR)* Mr President, I will keep my comments very brief. I will simply remark that the Commission envisaged EUR 740 million to fund 'Marco Polo II' and that the European Parliament's Committee on Transport and Tourism voted in favour of that sum and restated its keenness to secure proper funding for the programme.

However, we now have a proposal for EUR 400 million over seven years, with new priorities that need to be funded, eligibility thresholds 50% lower and twice the geographical scope. Just as in the case of the trans-European transport networks, we are spreading ourselves very thinly.

I rather doubt that, under these circumstances, the hoped-for trigger and lever effects will materialise, and I find that deeply regrettable, all the more so because 'Marco Polo II' is a programme that has already proven itself to be effective.

Now more than ever, Europe must keep its promises if it is going to regain people's trust. We are not going to manage it with this kind of budget, though.

Even though I welcome the efforts made by the members of Parliament's Committee on Transport to limit the reduction of this funding, I cannot vote in favour of this report, and I will be abstaining in the final vote.

**Nikolaos Sifunakis (PSE).** – *(EL)* Mr President, Commissioner, road freight transport in Europe has increased enormously over recent decades and will increase by more than 60% by 2013. This is a huge figure.

This increase certainly has numerous negative consequences which we all know about: pollution, congestion of the roads, accidents and particularly high infrastructure maintenance costs. The way to cut this spiralling increase in road transport and limit its negative consequences is to develop alternative forms of transport and, in particular, to strengthen short-distance maritime transport by creating motorways of the sea and rail and inland waterway transport. However, this must be done in conjunction with the harmonisation of the networks of areas bordering the European Union, because a great part of the burden comes from there.

The Marco Polo programme may help in this direction, by financing appropriate actions to prevent the risk of our road transport system collapsing. Certainly, like other programmes for the next period from 2007 to 2013, the budget is ultimately reduced in relation to what we had proposed.

Finally, I too wish, for my part, to congratulate the rapporteur, Mr Rack, on his report.

**Jacques Barrot**, *Vice-President of the Commission*. (FR) Mr President, I will be brief. First of all, I should like to thank Mr Rack and your Committee on Transport and Tourism, and also Parliament in general, for this work, which will allow the proposal to be adopted at first reading.

The Commission supports the compromise reached during the informal trialogue with the Council. We accept the amendments adopted by the Committee on Transport and Tourism, which reflect the Council's position, and the new compromise amendments proposed by Mr Rack and supported by the various political groups. They reflect the compromise from the informal trialogue with the Council.

Mr President, honourable Members, I have been struck by the level of agreement in the views expressed by the various speakers. We are indeed quite determined to avoid the dangers and risks of a continual increase in road traffic on Europe's roads and motorways. To achieve this, we need, particularly through the Marco Polo II programme, to actively promote all the alternative solutions: motorways of the sea, river navigation and a truly European rail network.

Like you, ladies and gentlemen, I regret that we do not have more funds, but, as one of you said, I think we need to make the best use of the funds we do have. That is why I rather hope that, thanks to the promotional measures set out in Marco Polo II, we will be able to achieve positive results. I would add that the same philosophy will inform our decisions regarding the programmes for the trans-European networks. Ladies and gentlemen, thank you once again for your work.

**President.** The debate is closed.

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

**IN THE CHAIR: MR McMILLAN-SCOTT**

*Vice-President*

**6. Agenda: see Minutes**

**7. Membership of political groups: see Minutes**

**8. Voting time**

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

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

- 8.1. Arrangements for importing rice (vote)**
- 8.2. Aid for processing flax and hemp grown for fibre (vote)**
- 8.3. EC-Albania Agreement on certain aspects of air services (vote)**
- 8.4. EC-Serbia and Montenegro Agreement on certain aspects of air services (vote)**
- 8.5. EC-Former Yugoslav Republic of Macedonia Agreement on certain aspects of air services (vote)**
- 8.6. EC-Romania Agreement on certain aspects of air services (vote)**
- 8.7. EC-Moldova Agreement on certain aspects of air services (vote)**
- 8.8. EC-Morocco Agreement on certain aspects of air services (vote)**
- 8.9. Protocol to the fisheries agreement with São Tomé and Príncipe (vote)**
- 8.10. EC-Angola Agreement on fisheries (vote)**
- 8.11. Place of supply of services (VAT) (vote)**
- 8.12. Request for waiver of the immunity of Tobias Pflüger (vote)**
- 8.13. Nutrition and health claims made on foods (vote)**
- 8.14. Addition of vitamins and minerals and of certain other substances to foods (vote)**
- 8.15. Recovery of the stock of European eel (vote)**

*- Before the vote:*

**Albert Jan Maat (PPE-DE), rapporteur.** – (NL) Mr President, I should like to thank the Commission for its positive response to the own-initiative proposal of the Committee on Fisheries. The response has been so positive that there will even be a change to the EU's trade policy. At long last, we will be able to adopt our own sustainability policy, even in our export policy with regard to fisheries products.

Secondly, this proposal gives all regions in Europe and civil-society organisations scope for implementing policy, something which will be brought to a close in the Commission proposal and probably also in the Council proposal. I am grateful to the Commission for taking that line.

- 8.16. EC-Morocco Fisheries Partnership Agreement (vote)**
- 8.17. Monitoring the application of Community law (2003-2004) (vote)**
- 8.18. Better lawmaking 2004 (vote)**

*- Before the vote on Amendments 8 and 16:*

**Godfrey Bloom (IND/DEM).** – Mr President, I wish to raise a point under Rule 151(3) of the Rules of Procedure. I wonder whether you can help me. Should you declare Amendments 8 and 16 of this

Doorn report inadmissible, since the Treaty of Nice is the only treaty that is in force? There is no such thing as the 'Constitutional Treaty'. Although there are many here who wish to forget that, the French and Dutch voted 'no' in their referendums. No treaty has replaced the Treaty of Nice. These amendments should therefore be declared inadmissible.

*(Applause from the IND/DEM Group)*

**President.** I am sorry, Mr Bloom. I got your name wrong. I called you Mr Berlato. I apologise. How could I have failed to recognise you?

*(Laughter)*

Your point is essentially political and very well made. We all take note of it, thank you.

#### IN THE CHAIR: MR BORRELL FONTELLES

*President*

*(The formal sitting was opened at 12 noon)*

### 9. Formal sitting - Palestinian Authority

**President.** President Abbas, honourable Members, the European Parliament is very honoured that you are here today with us, and the massive attendance at this plenary sitting is evidence of that.

I would like to thank you for returning to Strasbourg so quickly following your disrupted visit when events forced you to cut short your visit to Strasbourg in March.

You have been in the eye of the storm ever since, because the storm is still raging in the Middle East, and these weeks and months are, and will be, decisive for the future of the Palestinian people and for the Israeli people, and they will also have a very significant impact on the whole region, and consequently also on the European Union.

Mr President, all of us here want to do everything possible to bring about a viable peace process, and we are fully aware that if we do not act correctly, we run the risk of the world being driven towards a period of holy wars, religious wars, brought on by the election of potentially aggressive parties throughout the Middle East.

Therefore, President Abbas, the European Parliament wants to listen to you: because of all your experience and your long, constant quest to bring an end to the conflict through dialogue with the enemy.

No one in Europe has forgotten that, since the 1970s, you have paved the way for negotiations for peace, even way before the majority of your people were ready to accept it. You negotiated the beginnings of peace with Matiyahu Peled in 1977, and those agreements pointed the way towards a solution based on the co-existence of the two States.

You led the negotiating team in Oslo, you were the person who signed those agreements on behalf of the PLO, and after your election as President last year, you sought to restart the peace process, giving rise to a truce between the armed groups in the territories.

No one can therefore have the slightest doubt as to your commitment to peace and your will to negotiate, on the basis of international law and respect for the agreements already made. In addition you have the legitimacy of having been elected by 62% of the Palestinian electorate, on the basis of that commitment.

Then came the legislative elections in January, which were a fresh opportunity for the Palestinian people to show their firm commitment to democracy, but at the same time, the results of those elections, which Europe respects and fully recognises, created serious concerns in the international community.

That international community is, however, beginning to realise the dangers of suspending aid to the Palestinian people. The meeting of the Quartet last week gave the European Union the responsibility to find a mechanism for channelling aid to the Palestinian territories and therefore at least maintaining essential public services.

The plenary of the Euro-Mediterranean Parliamentary Assembly, which I had the honour of presiding over until a month ago, has made an appeal, which was reiterated by the bureau last week in Tunis, in response to the chaos that could result from the lack of international financial support and from the illegal withholding of customs duties that the Palestinian people have a right to.

Mr President, you have the opportunity to talk to the representatives of the people of Europe about all of these matters and you can do so in the knowledge, which we all have, that you are the only person who is capable of talking to all the parties involved. You are the umbilical cord that can still take us from conflict to peace, and this is why we are so interested to hear your proposals and to help you to find the way to overcome these difficult times.

You have the floor.

*(Applause)*

**Mahmoud Abbas**, *President of the Palestinian Authority*<sup>(1)</sup>. In the name of God the merciful, the beneficent; Mr President, Ladies and Gentlemen, allow me first to express my gratitude for the invitation. It is an honour to address this Assembly, which represents a unique success story for the peoples of the Europe; a story that contains various lessons that can be used as a paragon for many countries and peoples across the world.

When I speak to you today, I convey the message of the Palestinian people to the peoples of a continent we have always been linked to with relations of neighbourliness and as a result of our historical links of cooperation and friendship and partnership and association in numerous sectors. We would like to launch this cooperation through fruitful dialogue between civilisations and cultures which can enrich both sides of the Mediterranean and help all of us to defuse extremist views in order to ensure that our historically close links continue, and for us to be able to achieve peace in the Mediterranean area.

As I speak to you today, I realise that I am addressing legislators who are very familiar with our problems, and many of whom have been eyewitnesses to the problems and the suffering of the Palestinian people during visits to our country. Only yesterday, the Palestinian people commemorated the 58th anniversary of the Palestinian Nakba in 1948, which represented the historical injustice when we, the Palestinian people, were uprooted from our land, forced into a Diaspora; when many of us were displaced and forced to become refugees.

Throughout the political course and national struggle of the Palestinian people under the leadership of the Palestine Liberation Organization, and following the establishment of the Palestinian National Authority in 1994 in the aftermath of signing the Declaration of Principles, the desire for a major, effective and active European role has always been a fundamental pillar in Palestinian policy and diplomacy. Our people have never forgotten the positive positions adopted by numerous European countries since the early 1970s in support of the Palestinian people's rights and its national liberation movement led by the Palestine Liberation Organization. Our people have not forgotten either the European countries' generous political, financial and technical support for building Palestinian institutions and a national assembly, and in helping us to deal with the consequences of the policies of occupation, besiegement and destruction. This support has strengthened our people's confidence in the justice of our cause and in international law. At this point in time, another difficult time, we are quite logically looking to Europe, in that our region is open to all options, and that is why we seek and are waiting for Europe to play a leading role in the area.

Despite the horror of the historical injustice inflicted upon our people, we have always been able to formulate a realistic policy to restore the rights of our people to self-determination. In early stages, European capitals were places where secret, semi-secret and public meetings between PLO officials and Israeli activists from the peace camp took place. It was in a European capital, Oslo, that the first official contacts took place between the PLO and the Israeli Government. The initial signature of the first agreement in history between the two sides in 1993 also took place in Oslo, before its official signing in Washington that same year.

When the Palestine National Council approved in 1998 the Palestinian peace initiative and accepted United Nations Security Council Resolutions 242 and 338, it offered an opportunity to achieve a historical reconciliation. I must honestly say that this was not easy for our people. But here I must recall the role

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<sup>(1)</sup> *President Abbas spoke Arabic. This is a translation.*

played by our historical leader Yasser Arafat. It took courage to take these decisions; it took courage to put forward a peace formula enjoying the support of our people on the basis of establishing a Palestinian state on only 22% of the land of historical Palestine, which represents the land occupied by Israel in 1967. Following the establishment of the Palestinian Authority, we have continued our intensive search for peace. We repeatedly emphasised that the core of the process had to be based on the principle of partnership, a partnership committed to agreement and to the resolution of problems imposed by the legacy of a long, bitter and bloody conflict; a partnership that understood the legitimate concerns of the other and that could lay the foundations for a new and different future for both Palestinians and Israelis.

The severest blow to the peace process, which was supposed to have reached its final stages within a few short years, was a result of the Israeli rejection of the logic of partnership and its insistence on practising destructive policies, particularly on building settlements, constructing walls and confiscating land to create a reality on the ground that would prejudice and pre-empt the outcome of negotiations. The abandonment of commitments and agreements and the rejection of international patronage have become a main feature of Israeli policy, and have resulted in the loss of momentum of the peace process and the consequent shaking of people's belief in its usefulness. This policy has developed in recent years to the level of attempting to completely destroy the Palestinian National Authority and its institutions, and to the systematic destruction of our basic infrastructure, which your countries contributed in developing.

For our part, and despite the state of frustration and suffering of an extent that I am sure you will realise and appreciate – particularly those of you who have witnessed it closely – we have been careful not to allow our national struggle to be diverted from its course and to make sure that it has complied with international law. We have rejected and condemned *all* attacks against civilians. We have rejected terrorism in *all* its forms. We have emphasised the importance of building a culture of peace instead of a culture of war, and we have done everything peaceful that we could to resist occupation.

*(Loud applause)*

Sixteen months ago, the occupied Palestinian territory observed presidential elections after the death of President Arafat, in which I stood with a clear platform: to declare a truce and emphasise that negotiations were the only way to resolve the conflict. I also wanted to introduce a policy of reform in various fields, to strengthen democracy, to achieve a period of calm, to foster security, and to promote the rule of law.

I am proud that the Palestinian people trusted me with this task. Our work started immediately, with the agreement of all the groups and factions, who agreed to respect this truce. It was the first time in years we had seen an almost complete halt in armed attacks by Palestinians. But our Israeli counterpart responded with the continued construction of the apartheid wall in the West Bank that divides our territories into scattered cantons. It has continued with its assassinations, arrests and military incursions into our towns, villages and refugee camps. It has continued its tightened and suffocating sieges; it has continued to reject agreements and understandings, including the understanding reached in Sharm al-Sheikh after the presidential elections in Palestine. And in spite of all this, we agreed to Israel's plan to withdraw from the Gaza Strip. We ensured that it was implemented smoothly and calmly, and proved our ability to assume our own security responsibilities, especially in the border areas where monitors from the European Union have assisted us in ensuring the proper functioning of the first border crossing in history that is fully administered by Palestinians.

The Israeli policy of rejecting our extended hand, of rejecting the opportunity of negotiating and giving peace a chance, has increased the frustration of our people. Israel's policy has also exacerbated the deteriorating economic conditions in Palestine, and has made movement between one town and another long and dangerous because of checkpoints spread throughout Jerusalem and the West Bank. These checkpoints oppress and humiliate individuals who only want to lead normal lives, reach their places of work and their fields, travel to their hospitals and universities, take their children to schools or go to mosques and churches.

The frustration and disappointment created by the practices of the Israeli occupation and the absence of a positive outlook for the peace process formed the background for the legislative elections that took place last January. The whole world witnessed how the transfer of power was smoothly and democratically implemented, and how we established the foundations and the tradition of a democratic process that we have no choice but to follow. We would reiterate once again that democracy remains without soul in the absence of people's freedom and in the continued occupation. Over the past four months, we have been going through an unprecedented situation. The declared platform of the party that won the elections

and formed the government does not conform to my platform and the commitments and prior agreements of the Palestinian Authority.

Our approach to dealing with this situation is underpinned by the same principles that led us to carry out elections on time. We are addressing this problem inside our institutions and in accordance with our laws and regulations. The political activity in Palestine over the last few months is gradually producing a public opinion that emphasises respect for the agreements and commitments undertaken by the Palestinian Authority, and commitments to international law. I have asked the new government to amend its platform in order to conform to these international commitments. We are in a constant and continued dialogue that will take us to an expanded national dialogue in just a few days' time. I hope that this will lead us to the required process of amendment.

Our approach needs the support of the international community. The new government must be given the chance to adapt to the basic requirements of the international community. Stopping assistance to the Palestinian Authority, cutting aid to the Palestinian Authority, will only further exacerbate the deteriorating economic and social situation in the country, and will weaken the network of efficient and working government ministries, administrations and institutions that the countries of the European Union played a vital role in building and developing in the first place. Here, I would like to take the opportunity to thank the Quartet for its latest decision to resume providing assistance to the Palestinian people on the basis of a mechanism that will be developed under EU leadership. In that regard, we call upon Israel to fully release our tax and customs revenue immediately. The European Union can play a leading role here, and we would ask for your assistance in ensuring that Israel fully releases the tax and customs duties that are owing to us immediately.

*(Loud applause)*

The Israeli Government is yet again repeating the slogan 'No Palestinian partner'. You will recall that the Israeli Government used this slogan in the past as an excuse to abandon agreements and to refuse to return to the negotiating table. We are gravely concerned for the future of peace in our region as we hear about Israeli projects that aim to draw the final borders of Israel inside occupied Palestinian territory. These projects will foreclose any possibility of implementing the two-state solution because they will annex large portions of occupied Palestinian territory and will turn that which remains into scattered islands that lack geographical contiguity and vital water resources – water resources that the Israelis wish to claim as their own. This attempt to implement unilateral projects will destroy any remaining hope of reviving the peace process. It will also lead to another bitter period of tension and conflict, for which peoples in this region have already – for decades – paid a heavy price.

The claim that there is no Palestinian partner or counterpart has no basis. I reiterate that, based on the constitutional power granted to me by our basic law, which entrusts the PLO Executive Committee, its President and its Negotiations Affairs Department with the responsibility of negotiation, we remain fully committed to returning immediately to the negotiating table to reach an agreement to end this long conflict. That is a fact I stressed when I spoke to Ehud Olmert by phone to congratulate him on taking office a few days ago. During that conversation, I stressed our true desire to immediately return to the negotiating table to negotiate peace. The whole world demands this of us, and we ask that the international community act immediately to support us, in order to prevent the region from sliding into an abyss and a new cycle of conflict that will have a negative impact not just on the Middle East, but on the world as a whole at a time when the region is experiencing other tensions too.

We want action based on international law and the roadmap. We want negotiations between partners as an alternative to the Israeli policy of unilateralism, diktat and the negation of the other side. All of this is extremely important for us, because it is only through negotiations that we can in fact unify people in our region, while providing them with the principles of peace, development and modernisation that we share with the people of Europe.

I once again thank you for this invitation and for your hospitality. I believe that I have just spoken before friends who share with us the dedication to promote the values of freedom, democracy, tolerance and dialogue. I am confident that you will continue to support the just cause of the Palestinian people until we gain our freedom and build an independent state in the Holy Land on the basis of the 1967 borders with the State of Israel.

Thank you for listening to me.

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

**President.** Thank you very much Mr President. You saw how intently the European Parliament listened to your speech. Your last words are also our own, as we remain committed to the solution based on the existence of two States.

I am also sure that your words will have encouraged many MEPs to dedicate more time and thought to the Middle East problem.

Since your ruined attempt to be here we have not adopted a new resolution on the subject, but we have held many debates. The debate that is about to take place in the Conference of Presidents will also help Parliament to be able to better define its positions on the conflict.

Thank you again, Mr President, we wish the best for you and your people.

*(Applause)*

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

**IN THE CHAIR: MR McMILLAN-SCOTT**

*Vice-President*

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

**President.** We now resume the vote.

### **10.1. The implementation, consequences and impact of the internal market legislation in force (vote)**

### **10.2. Strategy for simplification of the regulatory environment (vote)**

### **10.3. Outcome of the screening of legislative proposals pending before the Legislator (vote)**

*- Before the vote:*

**Jacek Protasiewicz (PPE-DE).** – *(PL)* Mr President, this information is only for my PPE-DE colleagues, as there were some minor problems with the first amendment. First of all, we did not have time to discuss the matter in committee. Secondly, both in the Polish and other language versions, Mr Buzek is mentioned as one of the authors of the amendment. This is incorrect. Although it is contrary to our voting list, I would nevertheless like to ask my honourable colleagues to vote in favour of this amendment as well as in favour of the whole report in the second vote.

**President.** That concludes the vote.

## **11. Explanations of vote**

*- Report: Daul (A6-0142/2006)*

**Charlotte Cederschiöld, Christofer Fjellner, Gunnar Hökmark and Anna Ibrisagic (PPE-DE), in writing.** *(SV)* The Commission proposes removing customs duties for certain varieties of unpolished rice from India and Pakistan, a development we think is excellent. We Swedish Conservatives are therefore voting in favour of the proposal.

At the same time, retained quotas are proposed for a number of other varieties of rice from the United States and Thailand in accordance with the agreements concluded by the Commission with the individual countries.



We believe that all the customs duties on rice should be removed, since duties are to the detriment of the exporting country, consumers within the EU and general economic development.

**Duarte Freitas (PPE-DE), in writing. (PT)** The text of Council Regulation (EC) No 1785 needs to be amended in order to incorporate the amendments to the arrangements for importing rice arising from the agreements established between the Commission and India (Council Decision 2004/617/EC of 11 August 2004), Pakistan (Council Decision 2004/618/EC of 11 August 2004), the United States of America (Council Decision 2005/476/EC of 21 June 2005) and Thailand (Council Decision 2005/953/EC of 20 December 2005).

These agreements established customs arrangements for imports on the basis of the nature of the product and the quantities imported, authorising the Commission to derogate Regulation (EC) No 1785/2003 for a transitional period. As this derogation was due to expire on 30 June 2006, there is a pressing need to amend the text of the regulation in force.

I therefore endorse the Commission's proposal and support the Daul report.

**Hélène Goudin and Nils Lundgren (IND/DEM), in writing. (SV)** We have voted against this report. We believe that, in principle, the trade in rice should be free, thereby reducing consumers' household expenditure.

- Report: Guerreiro (A6-0133/2006)

**Duarte Freitas (PPE-DE), in writing. (PT)** Broadly speaking, I am in favour of the adoption of this document.

The collapse of the Fisheries Agreement between the EU and Angola was inevitable in view of the obligations created when the new legal framework came into force in Angola, which run counter to the EU's principles on fishing agreements with third countries.

I support the idea of making the current Financial Instrument for Fisheries Guidance more flexible and the derogation measures put forward in this proposal. I also feel however that, in the name of reciprocity, the EU should be aware of the fishing activities of Community vessel owners who stand to benefit from these measures.

**Hélène Goudin and Nils Lundgren (IND/DEM), in writing. (SV)** The Commission's proposal differs from most proposals concerning fisheries agreements with third countries because, instead of extending the agreement or introducing a new protocol, the EU is cancelling the current fisheries agreement with Angola. The June List consistently votes against extensions to fisheries agreements and thus welcomes the cancellation of this agreement. We have thus voted in favour of this report.

The reason why the agreement is being cancelled is that the Commission has certain views on the Angolan legislation concerning biological aquatic resources. The rapporteur regrets that the Community and the Angolan authorities have not succeeded in reaching an agreement. We regret, rather, that the EU still intends to conclude destructive new fisheries agreements and to extend existing agreements.

The Commission and the European Parliament do not appreciate that the fisheries agreements with third countries have harmful consequences for the populations of the countries in question. We thus have a quite different perspective to the rapporteur when it comes to our approach to the EU's fisheries agreements with third countries.

**Pedro Guerreiro (GUE/NGL), in writing. (PT)** In addition to the loss of fishing opportunities, of jobs and of the added value associated with fishing activities, the denunciation of the agreement will mean that vessels that depend on fishing off Angolan waters will have to be converted.

Regrettable though this denunciation is, we must look into other viable possibilities for the vessels in question to be able to operate in other areas or under other fisheries agreements. New fishing opportunities or opportunities already in existence that are not being used must be negotiated. Alternatively, vessels in Angola could stay by means of setting up joint ventures. That way, jobs can be kept and vessels saved from scrapping.

Measures must therefore be taken to facilitate the conversion of these vessels, for example by exempting them from having to pay back construction or modernisation aid obtained during the previous ten years, and temporary tie-up aid awarded under the Financial Instrument for Fisheries Guidance.

Joint enterprises or other types of joint venture with a third country should be based on genuine cooperation projects that are mutually beneficial. The relocation of the fleet and the fishing industry from Community countries should not be encouraged, with the loss of jobs and economic activity that that implies, both upstream and downstream.

- Report: Karas (A6-0153/2006)

**Othmar Karas (PPE-DE).** – *(DE)* Mr President, the report on the place of supply of services has to do with the taxation of services for persons who are not liable to tax, and resulting as it does from the Commission's report – submitted as long as three years ago – on the amendment of the rules relating to the taxation of services rendered to taxpayers, it relates to the business-to-business sector.

There are a number of reasons why this House has not made any substantial amendments to it. The first is that the Commission proposal constitutes a coherent framework for the amendments to the sixth Value Added Tax Directive, which were proposed all of three years ago. Secondly, this framework achieves a good compromise between taxation at the place of consumption and European businesses' ability to administer this tax. Thirdly, the proposal is an important step towards the reform of the European VAT system in a changed environment. Fourthly, we hope that the Council will adopt this regulation together with the proposal for the establishment of a one-stop shop for businesses, which will make it possible for European businesses to have less bureaucracy to deal with.

**Astrid Lulling (PPE-DE), in writing.** – *(FR)* Following the rather inglorious episode involving the Services Directive, another attack on the country of origin principle, this time with regard to the VAT payable on services, would be one more step in the wrong direction. If the ideas set out in Mr Karas's report are put into practice, this will have negative and dangerous repercussions, because the Commission and many of the countries in the Council want the place of consumption to be the determining factor for the provision of services, rather than, as now, the place from where the service is provided. However, abandoning the country of origin principle would create a complex, bureaucratic, uncontrollable and therefore impracticable system.

Taking account of the place of consumption goes against the principles that, until recently, governed the VAT system applicable at Community level. The Member States need stability and predictability so that they can manage their public finances. Given that Community legislation was put in place very recently regarding, for example, e-commerce, it is quite unreasonable to suggest turning it all upside down.

I therefore voted against the Karas report.

- Report: Speroni (A6-0156/2006)

**Esko Seppänen (GUE/NGL).** – *(FI)* Mr President, Police Officers Michaelis and Proske claim that our fellow Member Mr Pflüger used the word 'shithead', or '*Arschkopf*', in connection with a demonstration in Munich. Mr Pflüger says that this word is simply not in his vocabulary. Accordingly, I would like to say that Mr Michaelis and Mr Proske are real shitheads – *Arschköpfe* - in claiming that our fellow Member said this. For that reason, I voted against this report.

**Pedro Guerreiro (GUE/NGL), in writing.** *(PT)* The decision taken by the majority in Parliament to lift the parliamentary immunity of Mr Pflüger, an MEP from the German Party of Democratic Socialism and a Member of the Confederal Group of the European United Left/Nordic Green Left, is highly significant.

This is an unprecedented, blatantly political decision, which sets an alarming precedent, as it came in response to Mr Pflüger's participation in a demonstration about the so-called 'Munich Security Conference', which takes place every year in that German city.

This is the fourth time that Mr Pflüger has had accusations levelled at him in relation to his participation in this demonstration. In 1999, the Munich Court withdrew its allegations. In 2003, the proceedings were cancelled. In 2004, the police went as far as to offer a formal apology. This case refers to 2005, when Mr Pflüger took part in the demonstration for the first time as an MEP.

The application to lift parliamentary immunity was submitted by the Ministry of Justice of the Federal Republic of Germany. Subsequently, Parliament adopted this application via the proposal tabled by

Mr Speroni of the Italian *Lega Nord*. Reading the report by the Committee on Legal Affairs reveals how incomprehensible and alarming this decision was.

Hence our vote against.

- Report: Poli Bortone (A6-0122/2006)

**Richard Seeber (PPE-DE).** – (DE) Mr President, while I, in principle, welcome the compromise on which we have voted today, it must not be forgotten that primary responsibility for addressing the problem of obesity, especially among children, rests with the state. Consumers do, of course, need to be mature and well-informed if they are to take the right decisions, but even so, we should not seek refuge in unrestrained regulation at European level and end up imposing things on business and industry that they cannot actually afford. So, let us say ‘yes’ to information, but, please, can the state now take some action to address the obesity problem in a rational way?

**Andreas Mölzer (NI).** – (DE) Mr President, it is surely also the task of the European something-or-other Union to do something to counteract the spread of illnesses closely connected with the way we eat, but I do believe that what the European Union needs to do in the face of Europeans’ pronounced scepticism about genetic engineering and the ruling recently handed down by the WTO is to push for studies of the medium and long-term damage to health done by genetically modified food, in order that the public may be, at last, rather less in the dark about it.

While we are on this subject, we cannot of course overlook the contamination of some foods by radioactivity, which persists even twenty years on from Chernobyl, and the effects of which have as yet not been sufficiently researched.

**Jan Andersson, Anna Hedh, Ewa Hedkvist Petersen, Inger Segelström and Åsa Westlund (PSE), in writing.** (SV) We Swedish Social Democrats should ideally have liked to have seen Parliament support the stronger proposals in both the Commission’s original proposal and the Council’s common position. It has not, however, been possible to reach an agreement containing these proposals.

We believe that the compromise reached is the best outcome we can achieve right now. The compromise considerably strengthens consumer protection and makes it simpler for consumers to make healthy choices, if that is what they wish to do. We therefore supported the compromise and voted in favour of all aspects of it.

**Gérard Deprez (ALDE), in writing.** – (FR) Today, following a real battle, we have been able to reach an agreement between Parliament and the Council for regulating the claims made on food products and, contrary to all expectations, to have done so no later than at second reading.

I am delighted about the fact.

The wording we have voted in favour of has – at least – a dual objective: that of preventing certain improper claims or forms of advertising and that of preventing obesity.

It is a practical achievement to have adopted the wording concerned. It demonstrates to Europeans, who appear increasingly to doubt the value of our project of European construction, that our continent is making daily progress and producing practical rules to improve their daily lives – in the event, by enabling them to make conscious choices about what they eat. In short, it shows people that Europe is actually of some use.

The fact is, appropriate labelling is indispensable to consumers and, personally, I am delighted that, from now on, the packaging of a product that may be ‘low in fat’ but that also has a ‘high sugar content’ will have to have both facts stated on the same side, equally visible.

**Ilda Figueiredo (GUE/NGL), in writing.** (PT) The report adopted today represents an improvement on the text adopted at first reading, in that it tightens the conditions for using nutrition and health claims. A varied and balanced diet is a prerequisite for good health, and products taken separately are of less importance than diet as a whole.

Nutrition and health claims, however, must be scientifically substantiated, in light of all the available scientific data and the testing that has taken place, which formed part of the adopted proposals, and to

which our group lent its backing. We regret, however, the adoption of an exceptional amendment on nutrient profiles.

Although the adopted compromise fell short of expectations on certain points, it does offer some protection and information to consumers, and seeks to safeguard the rights of SMEs.

**Christofer Fjellner, Gunnar Hökmark and Anna Ibrisagic (PPE-DE), in writing. (SV)** Explanation of vote in relation to the report by Mrs Poli Bortone on a draft regulation of the European Parliament and of the Council on nutrition and health claims made on foods.

The Commission's draft regulation on nutrition and health claims is based on a number of assumptions about which we have our doubts: the assumptions not only that what is healthy is a matter of absolute truth and that sales pitches and advertisements are harmful and should be regulated but also that people's eating habits can be controlled through political decisions. Finally, there is an assumption that the EU has a political task to perform in this area.

None of these assumptions is valid. There is no absolute truth about what is harmful or beneficial. New discoveries are made, and old truths are re-examined, which is why it is quite inappropriate to use political decisions to force people into behaving in a particular way. Political decisions can neither guarantee that people have a balanced diet nor determine how beneficial or otherwise individual products are in their contexts. Each person must accept responsibility for his or her own diet on the basis of his or her own assumptions. Products based on new discoveries must be given a chance to establish themselves in the market so that they might compete successfully with existing products.

At present there is no opportunity for voting against the Commission's proposal. That is why we choose to vote in favour of the European Parliament's proposal, which contains fewer regulations than both the Commission's proposal and the Council's position.

**Duarte Freitas (PPE-DE), in writing. (PT)** The purpose of this proposal by the Commission is to plug gaps and to propose a European strategy for the coming years as regards information to consumers on the food products that they consume.

Clearer, more accurate and more concise information could help consumers to alleviate problems such as cardiovascular conditions and obesity.

The compromise amendments adopted have substantially improved an initial proposal that I felt was inadequate and insubstantial.

The inclusion of imported products, the special attention to products for children, the facilitated access for SMEs, the exclusion of fresh foods sold unpacked and the ban on health claims for alcoholic beverages (more than 1.2% by volume) will make this a tougher and more complete directive.

I endorse the Commission's proposal and the Poli Bortone report.

**Christa Klab (PPE-DE), in writing. (DE)** Despite long debates and a great deal of effort at persuasion, we have not managed to regain our grip on reality. What is crucial is not the composition of a particular food, but the whole picture involving the interplay of healthy and balanced diet suitable for people when considered in terms of their specific situation as regards activity, age and gender.

Any profile ought to take all these things into account, but, as these factors are constantly changing, we have to realise that there are no such things as nutrient profiles and that, instead, the only way open to us is that of education and upbringing, what rural German women call 'learning to handle everyday life', and which is best communicated through the family and school and general education. I also hope that the 'traffic light'-style labelling to which consideration is still being given is no more than a witless joke.

Who knows, though, what can occur to 'such clever people'? One example of this approach's divorce from reality is that no such information may appear on drinks, such as wine, with an alcohol content in excess of 1.2% by volume. On the one hand, then, scientific profiles are demanded, while on the other, the dissemination of scientific knowledge is prohibited.

Wine is also governed by existing EU regulations, and that must also apply in this case. Our debates may well have been lengthy, but it is evident from the compromise that they did not go on long enough. I supported the amendments in the hope that they might make this squalid compromise tolerable.

**Marie-Noëlle Lienemann (PSE), in writing.** – (FR) Although I approve of the compromise wording in relation to the directive on nutrition and health claims, which contains a number of improvements – in particular, Article 4 which requires a scientific analysis to be carried out before any health claim is made – I have nonetheless been anxious to vote against all the Amendments (90, 66, and 17) presenting genuine risks to public health. It would be dangerous for food products still to bear claims that, by not presenting the complete picture, could mislead consumers.

Thus, it is unacceptable to highlight on a product the words ‘sugar-free’ when this same product might prove to have a high fat content.

There is an ever-increasing incidence of obesity in Europe, affecting more and more children. It is vital to fight this scourge by not encouraging people to overeat and by no longer pulling the wool over the eyes of consumers. On the contrary, consumers should be directed towards balanced products.

**David Martin (PSE), in writing.** I welcome this report, which should lead to more honest and understandable food labelling. It should also make it difficult for companies to brand their products in a misleading way.

**Jean-Claude Martinez (NI), in writing.** – (FR) It is a good thing to want to monitor nutrition claims in order to prevent the purveyors of cholesterol and diabetes from selling their highly sweetened drinks and high-fat food under cover of excessive claims concerning the energy they provide.

It is, however, unacceptable to do as the Commissioner did yesterday and also to target wine in one’s efforts to promote health and to combat obesity and alcoholism. Wine is emphatically not a form of alcohol manufactured through industrial processes but a drink produced through the natural fermentation of fresh grapes. In Europe, wine is not water plus chemicals plus flavourings, as it is in the self-styled wineries of California or Australia, but a food produced from fermented grapes.

It must, then, be possible to say so. It must be possible to make claims about the nutritional and health benefits of wine, with its antioxidants. Otherwise, what is the explanation for the fact that the geographical area covered by vineyards is also the area in which civilisation has taken root, while the geographical area covered by the health-obsessed, eugenically inclined Nordic countries is also the home of drunkenness, skinheads and cyclical depression, a place where not a single cultural miracle of any significance has taken place?

**Linda McAvan (PSE), in writing.** Labour MEPs welcome today’s agreement on nutrition and health labelling of foods. We accept that this is a compromise package and there are some elements, particularly on Amendment 66, where we have reservations. We would have preferred the common position text, which allowed no derogations. However, the new law represents a major step forward in food labelling for consumers and improves the overall regulatory framework. It is on this basis that we supported the compromise package.

**Angelika Niebler (PPE-DE), in writing.** (DE) I reject the regulation on nutritional and health information in the version adopted by the Member States.

The regulation provides that, in future, nutrient profiles must be compiled for all foodstuffs. Food must then be advertised with claims relating to health and nutritional value only if those claims have previously been verified in a procedure standardised across Europe.

It has to be said, though, that the rules that are intended to combat wrong dietary habits represent a major technical and bureaucratic imposition for the food manufacturers, without going to the roots of the problem. Obesity cannot be combated effectively by means of regulatory intervention, but only by changes in eating habits and lifestyle; what is called for is less time spent in front of the television or the computer, and more movement.

Taken as a whole, the regulation also treats consumers as if they were helpless and concedes them no capacity to take decisions for themselves.

The European Food Authority’s standardised procedure for approving health-related claims is objectionable, being a superfluous bureaucratic monster and, above all, a burden on our small and medium-sized businesses. Large companies find it much easier to cope with the extra outlay involved in applying for approval, but the additional costs jeopardise small and medium-sized businesses’ very existence.

This law frustrates all efforts at reducing bureaucracy and the proposals for 'better lawmaking'.

**Frédérique Ries (ALDE)**, *in writing*. – (FR) I had the opportunity to express my point of view yesterday evening during the debate on Mrs Poli Bortone's report. I wish, however, to explain why I voted as I did on Amendment 66, the notorious disclosure clause.

I am opposed to calling Article 4 and the nutrient profile into question in any way. In my view, this compromise is therefore the worst sort of hypocrisy whereby it is permitted to make nutrition claims for food with high sugar, salt or fat content as long as the high content of these substances is indicated on the label. To put it bluntly, it makes it legal to give false descriptions.

For example, 'non-fat' lollipops can happily be described as such, even if they are also 'pure sugar'. And who cares if they give children tooth decay?

If, in spite of that, I have abstained from voting, it is because of what is contained in the remainder of the report. Firstly, we have come a very long way indeed from our vote at first reading which purely and simply killed off the nutrient profile. Moreover, many uncertainties have been removed, especially for SMEs. What is more, there is still a ban on health claims for alcoholic products. Finally, I am convinced that we should not obtain anything better by the end of a long and expensive conciliation procedure. Politics is partly about accepting compromises.

**Karin Scheele (PSE)**, *in writing*. (DE) This has been a highly contentious issue ever since the Commission submitted its proposal, and the majorities for it in this House have been very narrow, going right back to first reading. I am among the minority that regards the Commission's proposal as a very good one and has supported it from the very beginning of the debate. The Common Position is very good too, and the compromise on nutritional values now achieved at second reading is the lowest common denominator still capable of being supported.

**Kathy Sinnott (IND/DEM)**, *in writing*. The Parliament has voted to eliminate unsubstantiated claims on foods and drinks, especially products marketed to children.

The EU was concerned that a food would, for example, be advertised as 'low fat' which might have lots of sugar or salt in it or conversely as 'low salt' which was high in something else.

The aim is truth in advertising. In an ideal world it would be achievable but the problem is that producers must give evidence of health claims made for their product. Scientific evidence as understood by the legislation involves expensive trialling which will cost more than small producers can afford.

Another problem is that though the nutritional profiles that will be required by law on all products will be a step in the right direction they will fail to distinguish the quality of the fat, sugar and salt in the food or drink.

The nutritional profile will not distinguish between the bad fats that damage us and good fats necessary for health and growth, and similarly with salts and sugars.

For myself, I want a complete list of ingredients and a mention of any nutrient-damaging process like irradiation, bleaching, saturation etc. to which the ingredients were exposed.

**María Sornosa Martínez (PSE)**, *(in writing)*. (ES) The Spanish Socialist Delegation welcomes the adoption of this report, which will reconcile various requirements for health protection and correct information for consumers with the aim that the industry should not bear excessive costs.

We do, however, wish to declare that our intention was to vote in favour of Amendment 49, which ultimately failed, as we think that it is an amendment of crucial importance to the Spanish Socialist Delegation, because of what it means for fermented drinks of agricultural origin (beer and wine) and for food use in a country such as Spain.

**Marc Tarabella (PSE)**, *in writing*. – (FR) This report, on which we have voted at second reading, entails improvements where health considerations are concerned, but a number of the amendments amount to a real retrograde step.

This is clearly the case with Amendments 17, 66 and 90, which are aimed not only at legalising products high in fat, sugar or salt but also authorise claims that mislead consumers.

I am very sorry that the aforesaid amendments, which significantly undermine the relevance of the document, have been adopted, and I regret their having been the subject of a compromise that I have no hesitation in referring to as dubious.

**Marianne Thyssen (PPE-DE), in writing. – (NL)** As a fledgling MEP, my very first phone call to the Commission was about a proposal in preparation of a European law on health and food claims. This was 14 years ago now. Even then, it was realised that legislative action was needed at Community level, and so an agreement about a specific legal text so many years down the line is not a day too soon.

The result is one to be proud of, for it strikes the right balance between, on the one hand, the consumer's interest and right to health protection and information and, on the other, the requirement not to place an excessive burden on industry.

Both the solution with regard to food profiles and the notification procedure prove that we achieved this in an adult manner.

Consequently, this result receives my unqualified support.

#### - Report: Scheele (A6-0078/2006)

**Ilda Figueiredo (GUE/NGL), in writing. (PT)** We voted in favour of the compromise proposals at this second reading, because we feel it is important that there should be a high level of protection for consumers regarding the addition of vitamins, minerals and other substances to foods, which we must ensure do not pose a danger to public health.

In December 2005, the Council did not incorporate into the common position that it adopted some important amendments adopted by Parliament last May. We therefore deem it important to enshrine once again the bio-availability – meaning available to be used by the body – of vitamins and minerals. Otherwise, consumers will be misled and may even put their health at risk.

Furthermore, safe maximum quantities for vitamins and minerals must be set and information for consumers must be made easy to understand and useful.

We regret the fact that other positive amendments were not adopted, but we hope that they will at least be taken on board by the Council.

**Jörg Leichtfried (PSE), in writing. (DE)** I endorse the directive on the addition of vitamins, minerals and certain other substances to foods.

I believe it to be vitally important that the various national regulations on the addition of vitamins and minerals, and of certain other substances, to foodstuffs, should be harmonised. What has become evident from these long drawn-out debates is that the Member States differ very strongly among themselves not only as to the necessity of the addition of such nutrients for a balanced diet, but also on the basis of their own differing traditions.

Although this report deals only with the voluntary addition of vitamins and supplements, it is important to remember that the manufacturers' sole intention in adding vitamins and minerals must be to do so with nutritional and health considerations in mind.

The 'other substances' must be defined specifically and, with the protection of the consumer in mind, it follows that a negative list must also be drawn up.

What is required – and will continue to be required – most of all is that the consumers be protected and kept informed, since it is they who, in cases of doubt, will be harmed, whilst the manufacturers will make a profit.

#### - Report: Maat (A6-0140/2006)

**Glyn Ford (PSE), in writing.** I welcome this report on the measures needed to protect the elver industry in Europe. Changing tastes and a collapse in stock have transformed what was a local, cheap seasonal delicacy into a luxury product, almost exclusively for export to the Far East. The life-cycle of elvers is still not properly understood with gluts and shortages alternating in a not fully understood pattern. Yet the drop of stock levels over past decades seems to be outside the normal range of variation. If action is not taken, this small but locally important industry may die. I support the restriction on fishing, while

agreeing with the Commission the need to identify when bans will fall needs investigation, as yields vary with the phases of the moon and not days of the month. I also support limits on exports to protect stocks, which I am sure the WTO will support, and financial help from the EU to ensure rivers remain open for the passage of elvers. We may have to revisit this issue in future, but at least we are finally taking some action.

**Duarte Freitas (PPE-DE), in writing. (PT)** I welcome this report, although I feel that it could have set itself more ambitious objectives.

First and foremost, I should like to highlight the fact that there is great variation between the river basins in the different Member States where this species exists. Consequently, different strategies and measures are needed to ensure the effective recovery of these stocks.

Accordingly, I welcome the fact that it has been left to the Member States to propose their own recovery plans.

I also believe that the EU must support the measures that each Member State deems appropriate for repopulating the various river basins. This includes, for example, the construction and/or adaptation of barrier-crossing mechanisms along rivers.

**Pedro Guerreiro (GUE/NGL), in writing. (PT)** The Commission's main objective in tabling this proposal for a regulation to recover eel stocks is to set up national Eel Management Plans.

The proposal is intended to guarantee a 40% escape rate of adult silver eels from each river basin, an objective that will be difficult to meet. The proposal also treats all Member States in the same way, without taking account of their particular characteristics.

It is also proposed that there be a ban on fishing eel during the first 15 days of the month, which is excessive and would have a major socio-economic impact. These measures would have to be met by July 2007, a relatively short space of time.

In this regard, Parliament's proposals strike a better balance and rectify some of the worst aspects of the Commission's proposal, thereby helping to contribute towards the recovery of eel stocks.

The report replaces the ban on fishing in the first half of every month with a season in which the fishing effort is reduced by half. It also raises the 40% escape rate objective. It gives Member States the opportunity to operate solely in relevant river basins. Furthermore, the deadline for implementation has been extended to 2008. All of which gives greater powers to the Member States.

#### - Report: Varela Suanzes-Carpegna (A6-0163/2006)

**James Hugh Allister (NI), in writing.** I voted today against the EC-Morocco Partnership Agreement on fisheries because I am not satisfied that all steps were taken in respect of this agreement, which could and should have been taken to protect the sovereignty and rights of Western Sahara. Instead, intended ambiguity prevails so as to facilitate Morocco's abuse of Western Saharan waters and to avoid facing up to its illegal claim to the territory.

**Jan Andersson, Anna Hedh, Ewa Hedkvist Petersen, Inger Segelström and Åsa Westlund (PSE), in writing. (SV)** Today, the European Parliament voted in favour of the EU entering into a fisheries agreement with Morocco. We Social Democrats voted against the agreement. We believe that the fisheries agreement should not extend to include Western Saharan territory because Morocco has been occupying Western Sahara since 1975.

We believe that the agreement contravenes international law because there are no guarantees that it will benefit the Western Saharan population, which has not helped design the agreement.

**Luis Manuel Capoulas Santos, Fausto Correia, Edite Estrela, Emanuel Jardim Fernandes, Elisa Ferreira, Manuel António dos Santos e Sérgio Sousa Pinto (PSE), in writing. (PT)** The Fisheries Partnership Agreement between the European Community and Morocco sets out the principles, the rules and the procedures governing economic, financial, technical and scientific cooperation in 'Moroccan fishing zones' (Article 1).

Article 2(a) defines the term 'Moroccan fishing zone' as 'the waters falling within the sovereignty or jurisdiction of the Kingdom of Morocco'.



The vote in favour by the Members who have signed the report before is naturally based on the definition in Article 2.

**Duarte Freitas (PPE-DE), in writing. (PT)** Broadly speaking, I am in favour of the adoption of this document.

The new agreement provides for a significant reduction in the number of fishing licenses awarded to the Member States. The number is to fall from 500 to approximately 100, with the loss of some important categories of fish, namely crustaceans and cephalopods.

In any event, I still believe it important for the Community fleet, and the Portuguese fleet in particular, to continue to be able to fish in Morocco under a Partnership Agreement.

In this regard, the broader interests of the common fisheries policy in the area of international fisheries have been safeguarded, and some important commitments have been made in the area of managing fisheries resources and the fight against illegal fishing.

**Ana Maria Gomes (PSE), in writing. (PT)** I should like to vote in favour of a Fisheries Agreement between the European Community and Morocco, but I must vote against it. This is because amendments were not adopted that were aimed at excluding from the scope of the Agreement the waters and fisheries resources of Western Sahara, a non-autonomous territory under United Nations Resolutions 1514 and 1541, which has been occupied illegally by Morocco since 1974. Consequently, to my mind, the Agreement – and the corresponding legislative proposal by the Commission – violates international law.

**Hélène Goudin and Nils Lundgren (IND/DEM), in writing. (SV)** The EU is again to enter into a fisheries agreement with an African state. We have on several occasions pointed out how damaging these agreements are. Those countries with which the EU enters into such agreements are deprived of the opportunity to develop their own efficient fishing industries. What is more, the EU's fishing fleet is partly responsible for depleting fish stocks, something pointed out by both Swedish authorities and environmental organisations. Moreover, these agreements are expensive for taxpayers in the EU Member States. They amount, in actual fact, to direct subsidies to the fishing industry.

This agreement in particular is especially objectionable because Morocco has been occupying Western Sahara illegally for many years. The International Court of Justice in The Hague has pointed this out. What it means is that Morocco has no ultimate control over its natural resources, including its fisheries resources.

By entering into a fisheries agreement with Morocco, the EU is indirectly recognising this occupation and the human rights violations constantly committed by Morocco in Western Sahara.

We have voted against the report in today's vote.

**Pedro Guerreiro (GUE/NGL), in writing. (PT)** We regret the rejection of two amendments, which, in compliance with international law, specifically excluded the waters off Western Sahara from the fisheries agreement before us, restricting the Agreement to the waters north of the 27°40' N" parallel.

An even more worrying aspect of its rejection is the fact that the Commissioners involved and some MEPs consider Morocco to be the *de facto* administrator of Western Sahara, a view that runs counter to international law. Furthermore, experience of previous Agreements has shown that ports in Western Sahara have been captured and used without the rights and interests of the Sahrawi people being safeguarded.

I wish to emphasise, as the Polisario Front has done, that the United Nations reiterated condemnation of the exploitation and looting of natural resources and of all economic activity taking place to the detriment of communities in colonised or non-autonomous territories where such people are denied their legitimate rights to their natural resources, in its legal opinion on Western Sahara and its natural resources of 29 January 2002. As far as the UN is concerned, this exploitation and looting is illegal and a threat to the integrity and prosperity of these territories.

Hence our vote against.

**Mary Honeyball (PSE), in writing.** The European Parliamentary Labour Party is concerned over the impact of the proposed fisheries agreement on the position of Western Sahara and the prospects for resolving that long-running conflict.

For this reason Labour MEPs supported the amendments that would exclude Western Sahara from the scope of the agreement and voted against the agreement when the exclusion amendments fell.

**Jamila Madeira (PSE), in writing. (PT)** Following the report on the Partnership Agreement between the EU and the Kingdom of Morocco on fisheries resources, I should like to vote for the most appropriate regulation for the area's environmental sustainability. In this respect, the Agreement is crucial. Both for the EU and for me personally, however, the issue of human rights is also crucial. That being the case, United Nations resolutions must always take precedence in this regard. It is clear to me that the purpose of this Agreement is to cover sea areas and territories that are not under dispute and concerning which there are no sovereignty issues, and no others, because no state should be allowed to make use of resources that are not under its sovereignty or jurisdiction, to the detriment of the self-determination of other groups.

**David Martin (PSE), in writing.** I voted against the EC-Morocco fishing deal because the people of Western Sahara are still under Moroccan occupation and have had no say over the agreement which allows fishing in their territorial waters. I believe that the Saharawi people should have rights over their territorial waters. It is for this reason that the EC-Morocco fish agreement should not include the waters of Western Sahara, as the people have no power to opt in or out of the agreement. I do not support an agreement on trade that violates the rights of other communities to determine the use of their own resources.

**Claude Moraes (PSE), in writing.** In voting on this report I am extremely concerned about the impact of the proposed fisheries agreement on the position of Western Sahara and the prospects of resolving that long-running conflict. This is a campaign which some of my London constituents have been working with me on, under the guidance of the UK-based War on Want charity. For this reason I supported amendments that would exclude Western Sahara from the scope of the agreement and voted against the agreement when the exclusion amendments fell.

**Luís Queiró (PPE-DE), in writing. (PT)** I wish to make two brief explanations as regards this vote.

I should first like to speak about Western Sahara. Mindful of the fact that this agreement addresses the issue in the usual manner, that is to say, following the tradition of not tabling any amendments to the European position, and the fact that the Commission's legal services have decided that it does comply with international rules, I feel that it is inappropriate to raise objections regarding the Western Sahara situation here.

As for the actual question that we are addressing, the fact that it has finally been possible to reach agreement on this issue is to be welcomed, although I must express my disappointment that the final outcome is not very favourable to Portuguese interests. All in all, however, everything points to this being the best solution, because it is a workable solution. I therefore voted in favour.

**Karin Scheele (PSE), in writing. (DE)** In omitting from the fisheries agreement any reference to the territories of the Western Sahara occupied by Morocco, the European Parliament is sending out an important political message. I tabled amendments to that end, but, as these amendments have not been adopted, I have voted against the report.

**Kathy Sinnott (IND/DEM), in writing.** Because of the rejection of all amendments which would have prevented European illegal fishing in the waters of Western Sahara I have voted against this resolution.

I am concerned that this agreement in its current unamended form will allow European boats (including Irish boats) to fish in the waters of Western Sahara, a territory illegally occupied by Morocco. If the agreement is implemented, the EU will be violating international law and helping to prolong a conflict which has already lasted for 30 years.

The International Court of Justice and successive UN resolutions have made it clear that Western Sahara is Africa's last colony, with a right to self-determination for its people. Morocco is not recognised as the administrative power. It has been clearly stated that no other country has a right to exploit the Saharawi resources without the permission of the Saharawi people.

**Alyn Smith (Verts/ALE), in writing.** Mr President, the plight of the people of the Western Sahara will not be improved by the exporting of our own disastrous fisheries policies to their territory, under illegal occupation by Morocco. It is a poor show that the EU, usually a guardian of the rule of law, is in this case using technicalities and weasel words to justify making ourselves in effect complicit in an illegal occupation. I voted against this poor report and am saddened that the House approved it.

- Report: Frassoni (A6-0089/2006)

**Jean-Pierre Audy (PPE-DE), in writing.** – (FR) I voted in favour of the report by my fellow Member, Mrs Frassoni, on the recent reports by the European Commission on monitoring the application of Community law. This report was keenly awaited in the wake of the Interinstitutional Agreement of December 2003. Known as Better Lawmaking, the agreement was aimed at reducing the volume of Community law at the same time as simplifying it and was designed to ensure that the legislation was properly applied everywhere, this being a necessary condition of creating an area of justice. Unfortunately, it has to be said that the Member States are bad at transposing Community law. Worse, they apply it badly and do so with an impunity in which the European Commission is complicit. It should be remembered that it is the Member States that are responsible for monitoring the application of Community law. Everyone can see the degree to which the present system does not work and how it helps create a gulf between, on the one hand, European integration and, on the other, Europeans, who are aware of the injustice of this situation every day. I wonder if the time may not have come to consider creating a European body of independent inspectors with the task of monitoring the application of Community law in the Member States.

**Bruno Gollnisch (NI), in writing.** – (FR) What the reports voted on today reveal are the growing number of difficulties in applying Community law and the proliferation of cases submitted to the European Court of Justice.

On 31 December 2003, it emerged from the 21st report of the Commission that 3 927 offences were being examined, compared with 2 270 in 1999 and only 124 in 1978. This is partly because of the large amount of Community law but also because of the large quantity of sanctions that the European Commission can impose on any Member States reluctant to apply Community legislation.

The issue of applying Community law is, above all, a political issue and not a legal or technocratic one as a number of people think and state that it is. In fact, what mainly happens is that the problem of existing conflicts between European power and forms of national sovereignty is concealed. In this connection, the recent decision - of 13 September 2005 - by the Court of Justice of the European Communities which, for the first time and independently of any legal basis, has made criminal law a Community matter is symptomatic of the way in which this institution has developed. It is, then, understandable why Member States are reluctant to apply Community legislation that they have not chosen.

**Sérgio Marques (PPE-DE), in writing.** (PT) The monitoring of the application of Community law falls to the Commission, as 'guardian of the Treaties'. The Commission is informed of any case of non-compliance with the Community Treaties, and cautions and sanctions the Member States responsible.

The Commission's annual reports on the application of Community law indicate the progress made by the Member States in transposing directives, with the purpose of ensuring efficient monitoring of the application of the law. This monitoring does not consist solely of an assessment of the transposition in quantitative terms, but also an assessment of the quality of the transposition.

As regards the objectives of improving European policy by making it more transparent, the Commission has stated that its objective is to reduce the volume of legislation and to get rid of ineffective legislative acts, which is not the same thing as deregulation.

I agree with the rapporteur that the Commission's services need greater human and financial resources if it is to enhance its ability to deal with violations. I also welcome the creation of coordination points in each Member State for issues relating to transposition, the application of Community law and coordination with national ministries and regional and local authorities.

**Luís Queiró (PPE-DE), in writing.** (PT) Although there is an extraordinary amount of Community law, both in force and at the preparatory stage, sometimes of doubtful need, it is possible to monitor both the transposition stage and the entry into force stage of new law.

As the report says, it takes the Community institutions, and in particular the Commission, an extraordinary amount of time to monitor the application of European law. This is especially regrettable given that it reduces the effectiveness of the mechanism, and deprives it of virtues as important as enabling Member States to honour their obligations within the time allowed.

Another important aspect of this process is that close monitoring of the difficulties of transposing/applying the law should represent an opportunity to improve the quality of Community law, especially as the process of so doing is already under way, as the report underlines.

**José Ribeiro e Castro (PPE-DE), in writing. (PT)** In view of the number of cases in which the transposition of Community law into national law has been delayed or has not taken place at all, the legislator needs to ensure that its application is monitored appropriately, and, more importantly, to simplify it and to ensure that the subsidiarity principle is upheld.

I feel that the application of Community law will remain inadequate until Community law is made clear and comprehensible, and until the Community *acquis* as a whole is made easier to understand. Without good Community legislation, it will be very difficult to apply Community law properly.

I warmly welcome the Commission President's proposal to promote a major drive to cut down the amount of legislation and to make law-making more efficient on the part of the Community's institutions. Sometimes less is more.

**Alyn Smith (Verts/ALE), in writing.** Mr President, I congratulate my group colleague Mrs Frassoni on this excellent report, which while perhaps not the talk of the town nonetheless deals with a crucial area of the Union's competence. It contains a number of sensible proposals to make our law making more effective in terms of how it actually affects our citizens, which at this time of increasing scepticism over the workings of the EU is often not paid sufficient attention, and I was pleased to support her today.  
- Report: Doorn (A6-0082/2006)

**Francesco Enrico Speroni (IND/DEM).** – (IT) Mr President, ladies and gentlemen, I voted in favour of this report, albeit while expressing my doubts about the amendment that refers to the Treaty establishing a European Constitution.

That Treaty was not actually approved, but rather rejected by means of popular referendums in France and the Netherlands, with the leave of Mr Napolitano, the newly elected President of the Italian Republic, who, in his inaugural speech, championed the cause of that Treaty, having forgotten that he was above the parties. That Treaty, in fact, was indeed approved by the Italian Parliament, but not unanimously. He who declares himself above the parties should not support something that has divided the Italian Parliament.

**Jean-Pierre Audy (PPE-DE), in writing.** – (FR) I voted in favour of the excellent report by my colleague, Mr Doorn, on a motion for a resolution of the European Parliament on the application of the principle of subsidiarity. The way in which European legislation is applied continually creates a gulf between European integration and the nations. It is therefore a matter of urgency to bring about the vitally needed consistency between Community law, its transposition by the Member States and its practical application. Any pointless legislation should be repealed, and necessary legislation properly applied. I am in favour of the idea of the European Parliament being closely involved in monitoring the application of European law by the Member States.

**Luís Queiró (PPE-DE), in writing. (PT)** Of all the issues raised in this report, the one that deserves the greatest attention is the impact assessment of Community law.

As I have previously stated, in spite of constant and perhaps excessive amounts of legislative output, it is possible to monitor closely the Community institutions' legislative output and more importantly the impact thereof. This is an area that should always be high on the agenda.

In this regard, subsidiarity is very much a relevant factor, which, in its broadest form, should be one of the cornerstones of lawmaking in the EU. This is perfect for subsidiarity, whereby the needs of each country are catered for, and close links between the authorities and the citizens are maintained.

That being said, this principle is obviously inappropriate for a great many situations that should be approached at Community level. Yet this is also a key feature of this principle. I should lastly like to

mention the importance of recognising the role of the national parliaments, which is vital to a good legal outcome. Without prejudice to the other elements, these are the key elements for better lawmaking.

**José Ribeiro e Castro (PPE-DE), in writing. (PT)** As I have said on previous occasions, in addition to having long been a vital requirement and one that ought to be given greater prominence, the subsidiarity principle is a cornerstone that sorts out the true pro-Europeans, those who are loyal, both in word and in deed, to the theme and the motto of the draft Constitutional Treaty – ‘United in Diversity’.

The EU must give the highest prominence to decision-making at the level closest to the citizens, must assess the new laws it adopts and must ensure that existing laws are simplified on the basis of intelligibility, appropriateness and proportionality.

I feel that the EU will benefit if it opts to make laws based on quality rather than quantity, and properly involves the national parliaments, and any other directly interested parties, in the process, in such a way that they can make their opinions heard at the appropriate time and can table alternative proposals.

**Alyn Smith (Verts/ALE), in writing.** Mr President, I congratulate Mr Doorn on this report as I believe subsidiarity, properly applied, could make the workings of the EU so much more transparent to the citizen. Coming from Scotland, it saddens me that the Scottish Parliament is responsible for so many areas of life yet is effectively shut out of the EU deliberations as the definition of subsidiarity too often effectively stops at the member state capital. I believe this report represents a step forward, but we in the EU still have our work to do.

- Report: McCarthy (A6-0083/2006)

**Jean-Pierre Audy (PPE-DE), in writing. – (FR)** I voted in favour of the report by my fellow Member, Mrs McCarthy, on a motion for a resolution of the European Parliament on the implementation, consequences and impact of the internal market legislation in force. The way in which European law is applied continuously creates a gulf between European integration and the nations. It is therefore a matter of urgency to bring about the vitally needed consistency between Community law, its transposition by the Member States and its practical application. Any pointless legislation should be repealed, and necessary legislation properly applied. I am in favour of the idea of the European Parliament being closely involved in monitoring the application of European law by the Member States. Given the problems there are in applying Community law, I also wonder if the time may not have come to consider creating a European body of independent inspectors. Directly attached to the European Union, it would have the task of monitoring the application of Community law in the Member States, and this with a view to ensuring that the internal market operates as it should.

**Bruno Gollnisch (NI), in writing. – (FR)** One of the reasons why European directives and other documents are not applied by EU Member States – a reason that, curiously enough, has not been referred to in any of the reports – has to do, in particular, with the way in which they are adopted. Indeed, such non-application is the unfortunate effect of extending qualified majority voting to the Council, as states that have been in a minority in refusing, for reasons of their own, to adopt a text will, quite naturally, have difficulty in applying it within their own territories.

All this obviously creates genuine legal insecurity for all the institutions, countries and peoples. Priority needs to be given, then, not only to rapidly codifying the Community legislation in force but also to defining and limiting the powers of various EU bodies, the European Court of Justice included, which have created such large quantities of law. In that way, the Member States would no longer have to suffer the consequences of too large a number of unduly constricting legal or jurisprudential standards.

**Luís Queiró (PPE-DE), in writing. (PT)** The Commission’s ‘better lawmaking’ initiative is a vital factor in obtaining the trust of EU citizens, consumers and businesses. This trust is based on their experience or on their understanding of European law and the impact thereof on their day-to-day lives. Accordingly, in the context of the internal market this must be translated into effective, high-quality lawmaking that does not hamper innovation or give rise to unnecessary distortions and costs, in particular for SMEs, the public authorities or voluntary groups.

Our lawmaking should therefore help to open up trade opportunities for businesses, to broaden the options for consumers and the citizens, and to protect environmental, social and consumer rights. If we do not do this, we shall be swimming against the tide, against the Lisbon Strategy, against growth and jobs and against the internal market.

I therefore voted in favour of the McCarthy report.

**- Report: Gargani (A6-0080/2006)**

**Ilda Figueiredo (GUE/NGL), in writing. (PT)** We endorse the repeal of irrelevant and obsolete acts in Community law, the purpose of which is to simplify the regulatory framework, so that decisions are appropriate, clear and effective and do not undermine the subsidiarity principle. I feel that the subsidiarity principle ought to be brought more to the fore in this report so that there are no doubts that it is being upheld throughout the process.

We trust, however, that this objective will not be used to undermine certain principles that protect the citizens' fundamental rights, including social rights and workers' rights.

We also advocate an amendment of the current interinstitutional agreements governing the quality of EU law.

We therefore voted in favour of the report, although we have some reservations on some points, and actually oppose others, on account of their ambiguous wording, as has already been mentioned.

**Luís Queiró (PPE-DE), in writing. (PT)** Broadly speaking, I warmly welcome the report we are discussing and voting on, and the Commission communication on which it is based.

The endeavour to analyse and review the Community's legislative framework is a proposal that should be promoted with the aim of simplifying the regulatory environment, a vital prerequisite for greater legal certainty for both the citizens and lawyers. It also represents an opportunity to simplify the regulatory environment, a crucial factor in the development of economic activity.

There is one point in the report and the Commission communication with which I do not entirely agree. The notion, put forward in both texts, that legislation via regulation is increasingly more virtuous than via directives is not one that I accept. On the contrary, despite the difficulties involved in transposing directives, I take the view that they are a means of lawmaking that uphold an idea of Community that I hold dear. This view does not mean that I reject regulations or fail to recognise their obvious usefulness.

**Carl Schlyter (Verts/ALE), in writing. (SV)** I am abstaining from voting. There are certainly positive aspects to the report, for example its call for the Council to become more open, but it otherwise focuses too much on growth and reduced costs when it should instead highlight sustainable development and greater cost effectiveness. Reducing costs is not an end in itself because it may lead to a constant undermining of public budgets. Cost-effectiveness is a better objective.

**- Report: Kaufmann (A6-0143/2006)**

**Bruno Gollnisch (NI), in writing. – (FR)** It is excellent that useless and harmful legislative texts that contradict other Community provisions or that, above all, are incompatible with the much touted principles of subsidiarity and proportionality can be withdrawn from the legislative world. Any satisfaction that might be felt evaporates quickly, however, faced with a description of the exorbitant legislative powers wielded by the Commission. This institution – which, I would take this opportunity to point out, has absolutely no democratic or electoral legitimacy – can, as and when it sees fit, withdraw or modify a legislative proposal, inform or not inform Parliament of the reasons for its decision and take account, or not take account, of Parliament's opinion. In short, it can do what it wishes.

Worst of all, Parliament is happy with this state of affairs, which it acknowledges. Admittedly, it vaguely threatens to censure the Commission in cases where the latter might genuinely go too far. We know, however, that, even at the worst moments of the scandals that tarnished the Santer Commission, it has never had the political courage to disown the institution symbolic of the European superstate. The fact that a technocracy is exercised with the tacit agreement of a parliamentary assembly does not change the nature of that technocracy.

**Hélène Goudin and Nils Lundgren (IND/DEM), in writing. (SV)** We have chosen to abstain in the final vote on this resolution designed to display an opinion.

Our basic view is that the Council of Ministers should be a stronger political force than the other EU institutions, since the Council of Ministers represents the Member States in an EU that we see as a form of intergovernmental cooperation. This means that, in our view too, the Council of Ministers should have the right to put forward legislative proposals, just as the Commission has.

Nor do we share the view expressed in paragraph B of the draft report, which calls on the Commission to think twice before withdrawing 68 legislative proposals thought not to be in keeping with the objectives of, for example, the principles designed to produce better legislation. We believe, as a matter of straightforward principle, that it is good for the Commission to try to slim down its huge catalogue of legislative proposals at EU level.

**Luís Queiró (PPE-DE), in writing. (PT)** The issue raised by the communication before us deserves a broader scope and should not be confined to the issue of legal basis and the Commission's limits on the withdrawal of legislative proposals.

I feel that the main issue before us is that the previous situation led to a range of legislative processes in a state of limbo that no longer had any reason to exist, but that had also not been repealed.

In addition to a debate on the powers of the different institutions, what is needed is an investigation into what is routine and bureaucratic in the Community's legislative procedures. What is more, the fact that between them Parliament and the Council have more than 500 documents awaiting the attention of the legislators is an issue that is worthy of our attention and concern. The EU does not need to legislate a great deal in order to be relevant. What it needs to do is to legislate well in order to be useful.

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

*(The sitting was suspended at 12.50 and resumed at 15.05)*

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

*President*

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

## **14. Progress report on the accession of Bulgaria and Romania (debate)**

**President.** The next item on the agenda is the Commission's statement on the report on progress made by Bulgaria and Romania in the enlargement process.

**José Manuel Barroso, President of the Commission.** Mr President, I am delighted to have the opportunity to present to you today the results of our assessment of Bulgaria's and Romania's preparations for accession and I look forward to discussing this with you.

I would like to thank Parliament, in particular its Committee on Foreign Affairs, the chairman Mr Brok and the rapporteurs Mr Van Orden and Mr Moscovici for their contribution to this important exercise. I very much appreciate the concerted spirit of our frequent discussions on this subject. As you know, the decision that the Commission has taken today is the result of an extensive process of review and dialogue with all the major stakeholders. The starting point of our approach is that the European Union must honour existing commitments. At the same time, we need to be rigorous as regards the criteria to be met by acceding countries.

I should like to make a few brief remarks before, with your permission, giving the floor to Mr Rehn, who will comment in more detail on the Commission's findings in the monitoring report.

Since October, the Governments of Bulgaria and Romania have worked extremely hard to deliver on their outstanding commitments. They have continued to make progress in their preparation for membership. Let us give credit where it is due. However, there are still some important issues which need to be addressed. I would highlight, in particular, the need for further progress in the area of justice and home affairs. The Commission considers that Romania and Bulgaria should be ready for membership by 1 January 2007, provided that they address a number of outstanding issues in the course of the next month.

Let me first turn to the situation in judicial reforms and the fight against corruption. We expect any acceding country to have in place a fully functioning judicial system equipped to fight corruption and organised crime. This is of paramount importance, since it underpins the functioning of the whole society and the economy. Both countries have shown determination to undertake the necessary remaining

reforms and our reports give them full credit for the results already achieved. Bulgaria still needs to demonstrate clear evidence of results in the fight against corruption, in particular high-level corruption, notably in terms of investigations and subsequent judicial proceedings. It also needs to further reform the judiciary and remove any ambiguity regarding its independence. We also expect Bulgaria to step up efforts on the investigation of organised crime networks.

Romania needs to continue its efforts and demonstrate further results in the fight against corruption, notably in terms of further investigations and subsequent judicial proceedings. It needs to consolidate the implementation of the ongoing judicial reforms.

Turning to the level of alignment of Bulgaria and Romania with the *acquis communautaire*, we have registered further progress. However, we still have serious concerns about a few sectors: agriculture and food safety, justice and home affairs and public finance. Any acceding country needs to be in a position to implement the European Union policies properly upon accession. The rules of the club must be respected. We expect Bulgaria and Romania to take immediate corrective action in those problematic sectors.

No later than early October, we will review the situation with those outstanding issues. On that basis, the Commission will consider whether it is still possible to adhere to the accession date of 1 January 2007. It is practicable for the two countries to be ready in 2007, but they must take decisive action.

At the same time, the European Union needs to give a clear signal that it stands ready to honour its commitments. That is crucial, in order to keep up the momentum. Practical preparations for accession need to continue. I count on the support of all governments and parliaments that still need to complete their procedures to ratify the accession treaty.

Our approach is based on strict conditionality and adherence to undertakings. That approach has allowed us to gain strength and confidence from each enlargement. Like the previous enlargements, especially that in 2004, the forthcoming enlargement will be a success.

Enlargement has always been Europe's response to strategic challenges and history has shown that this response has been the proper one. Time and again, it has been accompanied by a dynamism that has given the enlarged Europe a greater capacity to make its mark in the world.

In the situation in which we find ourselves today, it is more important than ever to preserve the spirit of openness and ambition that has always inspired us to press ahead with the construction of Europe. That is precisely why Commissioner Rehn and I have decided to go to Bucharest today and Sofia tomorrow to explain these issues and give the two countries a clear message of encouragement.

*(Applause)*

**Olli Rehn, Member of the Commission.** Mr President, on 1 May we celebrated the second anniversary of the latest enlargement. Looking at the past two years, we have every reason to be satisfied and proud, even though at the time there was no lack of doomsday scenarios. Yet the Cassandras have been proven wrong.

We can succeed equally well in the cases of Bulgaria and Romania. Both countries are working hard to tackle the remaining shortcomings to fully meet the criteria of accession.

The Commission's duty is to assess the progress made by the two countries to see if they are truly ready for accession. It is our goal to welcome Bulgaria and Romania as members in 2007 and it is our duty, as the guardian of the Treaties, to ensure that once they join they really meet the conditions. Hence, when we last met in late April, I promised you a carefully calibrated decision that maintains the momentum of reforms up to and beyond accession. Now you have such a decision: Bulgaria and Romania may join in January 2007 on condition that they show the necessary resolve, mentality and results in tackling the outstanding shortcomings. By early October, we will report on their progress and consider whether the date can be maintained.

Bulgaria and Romania have indeed undergone a monitoring process that is unprecedented in its scope and intensity. Concerning the political criteria, while much has been achieved, there is still room for further progress. It is necessary effectively to implement the reform of the judiciary and to reinforce the fight against corruption, particularly at high level.



Bulgaria needs seriously to intensify its efforts to crack down on organised crime and corruption. It also needs to demonstrate clear evidence of results in the fight against corruption, in terms of investigations and judicial proceedings.

Building on the progress made so far, Romania needs to continue its efforts and show further results in the fight against corruption.

In the area of human rights and the rights of minorities, further efforts are needed by both Bulgaria and Romania.

On the economic criteria, the transformation of the two countries is a remarkable success that is a win-win situation for everybody in Europe. Both countries have registered robust growth in the last years, creating a zone of much-needed economic dynamism at our south-eastern corner.

As to the *acquis*, our legal order, significant progress has been achieved and most of the areas are unproblematic, provided that the current pace of preparations is maintained. However, in some areas the preparations require increased efforts, and we also have certain issues of serious concern. Unless the countries take immediate and decisive corrective action, they will not be ready in these areas of serious concern at the envisaged date of accession.

Since October last year, the areas of serious concern have been brought down from 16 to 6 in Bulgaria and from 14 to 4 in Romania. They still include certain agricultural, food safety and veterinary issues, as well as the control and management of EU funds. Should these serious concerns persist, we would not hesitate to use all our remedial tools. Our report specifies the safeguards and other protective measures under the existing legislation that we have at our disposal. These safeguards could be invoked if certain limited problems persist at accession in the areas, for instance, of the internal market and justice and home affairs, where we can also establish a monitoring mechanism based on the Accession Treaty.

On the use of EU money, the *acquis* will require a suspension of payments in case of serious problems. In agriculture, we even propose novel, stricter measures, based on the Accession Treaty That sends a strong signal that we are careful with our money.

I trust that today's carefully calibrated decision and its rigour will convince the national parliaments that have not yet ratified the Accession Treaty to do so. The Treaty itself includes the conditions, safeguards and monitoring mechanisms that ensure the countries can join only once they are ready, and that once they have joined, they must respect their obligations as members.

Let me express our appreciation for the support of the European Parliament for the accession process of Bulgaria and Romania. As agreed between President Barroso and President Borrell last year, we have listened carefully to your views before presenting our position on whether or not to postpone the accessions. I am sure this constructive, transparent and rigorous approach will bring the best results for Bulgaria and Romania, and for Europe.

*(Applause)*

**Hans-Gert Poettering**, *on behalf of the PPE-DE Group*. – (DE) Mr President, Mr President of the Commission, Commissioner, ladies and gentlemen, I would like to start by assuring the Commission of how much I appreciate the presence of its President and, of course, of the responsible Commissioner, when such an important issue is being debated. The chairmen of the Groups are here, as are the Members of this House – there could be more of them, but today's turnout is more or less acceptable. I cannot fail to observe, though, that there is nobody here to represent the Council of Ministers, any more than there was when the President of the Palestinian Authority was speaking, and I do not think it is acceptable that the Council should fail to be represented at such an important debate.

*(Applause)*

I would encourage you, Mr President – and this has to do not only with the presidency, and it is not only they whom I am addressing, for this is also a matter for the General Secretariat of the Council – to use your influence on the Council to get them to actually be present for such important debates. You, Mr President, will have our support if you press this point home as clearly as possible to the Council, to its General Secretariat, and also to the presidency.

Moving on to the matter in hand, Bulgaria and Romania are on their way into the European Union. We look forward to their arrival, and I would just like to say something by way of appreciation. The

impression has been given in many quarters that we – the existing European Union of 25 States – are the ones from whom they have to learn. What a colossal effort it must have involved for Romania and Bulgaria to undo the damage done by 45 years of mismanagement under Communist dictatorship in order to become democratic states under the rule of law; we should, for once, acknowledge what a long road these countries have had to travel.

*(Applause)*

Whilst we often – and often quite rightly – criticise the administration we have at every level in the European Union and in our own Member States, I would like say what a great benefit it is that the systems of administration we have in the European Union and in our Member States are founded upon law, so that it is possible, through the justice system, to contest any administrative measure or any action by an official. Nothing of the sort exists in the former Communist countries, and that is something they will have to develop. It is for that reason that it is so important that we should develop a legal system with the character of a state under the rule of law, and that will demand an enormous effort.

To the governments, the parliaments and the people – not least in Bulgaria and Romania – I have to say that they should not take our debate and our concerns about the lack of progress as an indication of our desire to teach them a lesson; on the contrary, we want to work together to make the accession of Romania and Bulgaria a success for us all – for the two countries themselves and for the European Union as a whole.

While we are not questioning the data, I do think that you, Mr Barroso and Mr Rehn, are well advised to say that we want to encourage both countries to address the remaining deficits by way of legislation and practical implementation in such a way – although they will be unable to get everything out of the way in the next few months – that we can hope, in the autumn, to be able to tell them, with a good conscience, that they will be welcome on 1 January 2007. That is why your decision – which we endorse – is an astute one and one that gives these two countries the encouragement to continue down the road on which they have set foot.

Today, everything fits together. It also has to be pointed out that the people of the present European Union have their worries about this too; they have not yet quite got used to our now being a community of twenty-five members. Ten countries joined us on 1 May 2004. We have to take a positive line on this with our citizens and say that having Estonia, Latvia, Lithuania, Poland, the Czech Republic, Slovakia, Hungary, Slovenia and of course Malta and Cyprus too, joining us was a massive success, for the rule of law, democracy and the social market economy have prevailed in these countries, and that helps to keep the whole European continent stable. That is what we need to tell our people, rather than always focusing only on the criticisms and challenges, and it is on this basis that we still have a lot of work to do in order to enhance approval of the European Union.

Over the past few months, this House – and I think, even though we must always be capable of criticising ourselves, we can take a bit of pride in this – has achieved a great deal, in the shape of the great compromise on the services directive, followed by the adoption of the Financial Perspective, to which we had managed to make significant improvements, but there is still more to be done, in that, where the REACH chemicals legislation is concerned, we must succeed in achieving a balance between economic and environmental considerations.

Today, we discussed with Commissioner Wallström – who spoke on behalf of the whole Commission and indeed of its President – the most important matter for concern, second only to the improvement of the European Union's political and psychological environment, which is that we should not allow there to be any doubt about the fact that the majority in the European Parliament wants the constitutional treaty to become a reality, and it wants that because we need the constitution if the European Union is to have ground rules for decisions and common values to bind us together.

I hope that the Commission will take all that into consideration. Mr Barroso, I think it a good thing that you should have come to your decision today and then, immediately, justified it to the European Parliament. Tomorrow, you travel to Romania and Bulgaria. I hope that you have a good journey and that we can all share in a good European future.

*(Applause)*

**Martin Schulz, on behalf of the PSE Group.** – (DE) Mr President, ladies and gentlemen, I, too, am glad that the President of the Commission has joined us today, for his presence here underlines the importance

of the debate, and the reason why it underlines the importance of the debate is that what we are debating is important. The dramatic nature of the decision that we will have to take, that the Council will have to take, and that you have yet to take, not only in terms of its internal effect, but also of its effect on the two countries we are discussing is not to be underestimated.

We in the Socialist Group in the European Parliament, the social democrats in this House, stand by the wish that we have expressed, namely that, if there are no major obstacles, then 1 January 2007 should be the accession date for Bulgaria and Romania. That was, and still remains, our position, and I note that the President was very precise in the way he expressed it in his speech, saying that the Commission was working on the basis that the two countries should be ready for accession to the EU on 1 January 2007. Now you, Mr Rehn, and you, Mr Barroso, have chosen to express yourselves in forms of words that indicate the presence of deficits – deficits that you have described superficially rather than naming them one by one. If you are now, after seven years, going to travel to Sofia and Bucharest, then I have some good advice to give you: it is that, when you get there, you should use more precise language when talking to the governments there about what you have told this House, describing exactly where the deficits are to be found, and saying precisely what you expect by way of improvements, for that is the only way in which the governments there will have a chance of doing what they have already been doing, namely working hard to ensure that all the criteria expected and demanded of them are actually met. To do so is only fair, for, as you yourself – both the President and the Commissioner – have said, these governments are doing a great deal. The process of transformation that these countries have undergone – and this is where I agree with Mr Poettering – has been going on for all of one and a half decades and has made great demands on people. Now, in the final stage, when we need to take account of the hopes of the people of Bulgaria and Romania, of their hope that they will be able to join the European Union, this is a time when great precision is of the essence.

We can accept what you – Mr Barroso and Commissioner Rehn – have said, but by saying it, you are shouldering a great responsibility, and so I want to spell out in no uncertain terms what that responsibility is. You will be telling the governments in Sofia and Bucharest which criteria have yet to be met. You will be describing what is to be demanded of them, and you have talked to us in terms of an October date. What that means, then, is that you, in October, will have to tell the Council and the European Parliament in very precise terms whether or not you think these things are as they should be, and, if they are not, then by the logic of your own argument the decision ought to be different from what you, today, expect. You are thereby taking upon yourself a great responsibility, and I want, today, to again impress upon you what that responsibility is. It is for that reason that today's debate is a very weighty one and one to be taken seriously.

Bulgaria and Romania are indeed to become Member States of the European Union, and we social democrats would like them to accede on 1 January 2007. We are well aware of the improvements that have yet to be made. We are confident that these countries can make them, so that the deadline can be met. We take it as read that you will keep a watchful eye on them as they do so.

There is, though, one thing I would like to add: it is that this is not just about accession, any more than it is just about the treaties on the basis of which they will accede. We also need to consider why this accession is so important in the historical context. These two countries, constituting the Black Sea Region, have made enormous advances. Quite apart from the things you so rightly criticise, both Romania and Bulgaria have stabilised to an enormous degree, and this stability on the borders of the European Union is of great significance, for this region is also bordered by others that are also our neighbours and which are far from being as stable as we would wish them to be. It follows that we have a vested interest in these countries achieving stability – economic, social, political and cultural stability – as Member States of the European Union, and so, the sooner they meet the criteria, the sooner they will be ready for accession, and the better it will be for all concerned – not only for the countries in question, but also for the European Union.

The social democrats in the European Parliament have taken note of what the Commission has proposed; although we regard its approach as acceptable, we would advise you to be more precise in Bucharest and Sofia than you have been today. What we would like to see is both countries fulfilling the criteria in such a way that they will be able, on 1 January 2007, to become Members of our Union.

*(Applause)*

**Graham Watson**, *on behalf of the ALDE Group*. – Mr President, I would like to pay tribute to Commissioner Rehn for his balanced and thorough assessment and his competent handling of this

dossier. I also commend Anca Boagiu and Meglena Kuneva and their predecessors as Ministers for EU Integration for their unstinting hard work.

The author Mark Twain observed, 'We can change the world or ourselves, but the latter is more difficult'. Tearing down the Berlin Wall was the easy part. Building a new democratic culture takes much longer. But the bricks of effort and the mortar of persistence are working. The decision to proceed in 2007, with appropriate provisos, is the right one. The Commission should not, in my group's view, revisit its decision in the autumn, except in the gravest of circumstances.

We are concerned that Romania and Bulgaria should be judged no more or less harshly than previous newcomers. Our monitoring must be in line with current treaty provisions and legislation in force. We therefore take very seriously the Commission's expression of serious concern about continuing corruption and failure of the rule of law – areas which need urgent further action. Ill treatment of Romany people, too, continues to offend, which is why the Decade of Roma Inclusion launched by six heads of state and government is so important.

In many other areas the Commission identifies failings. These must be put right without delay. But accession cannot be an examination in which candidates fail. For failure would be at least as much a failure of the Union as of the candidate states. What is most important to the health of a society is the direction in which its face is set. Bulgaria and Romania are looking and moving in the right direction. Can that be said of all current Member States? Imagine, colleagues, that last autumn Romania's Interior Minister had proposed detention of suspects for three months without charge or that the Bulgarian Prime Minister had used the secret services to spy on his colleagues. There would have been outrage.

My group has always been wary of those who would pander to the fashionable anxiety about enlargement, making strangers of peoples who will soon be fellow citizens. I was delighted, therefore, to hear that Mr Poettering has defied some in his own party and thrown his weight firmly behind future enlargement. It gives added salience to his group's decision to meet last week in a city called Split.

I appeal to the faint hearts on the right to look at what has been achieved. Has not enlargement been the European Union's greatest success story, its crown jewels? Commissioner Spidla's report on transitional arrangements shows that enlargement has brought more jobs and higher economic growth, particularly in those countries that gave open access to their labour markets. But far beyond economic considerations, welcoming new Members has enriched the culture of our Union. Bulgaria and Romania will be treasured assets, if only we give them half a chance.

It seems that many of their people believe it is all a matter for government. On the contrary, winning the war against crime and corruption is a matter for each and every citizen. So I urge all Bulgarians and Romanians to work together with government to ensure the best possible outcome and avoid any delay to entry, not least because reform demanded to join the Union is the means to raise standards of living, quality of life, and security at home. I urge all colleagues in this House to show solidarity and demonstrate to the Bulgarians and the Romanians that they do not walk alone.

*(Applause)*

**Daniel Marc Cohn-Bendit**, *on behalf of the Verts/ALE Group*. – (FR) Mr President, ladies and gentlemen, I did not know that my fellow MEPs, Mr Watson and Mr Poettering, embraced the attitude of young people of my son's age who, when there is a problem, can be relied on to say: 'but everything will be all right; really, it will'. For years, we get the same reply on the subject of enlargement: 'but everything will be all right; really, it will'.

I, for my part, hope that it will indeed be all right. The only thing is, Mr Schulz, that responsibility has not been accepted by the Commission alone. It is you too who accepted responsibility when, a year ago, you decided in favour of enlargement when we all knew at the time that neither Romania nor Bulgaria was ready for this enlargement. It is you, then, and not only the Commission, who has accepted this responsibility.

So, stand to your responsibilities.

– (DE) Or, to put it in German, Do as you have promised! You share responsibility for this!

(FR) Because what is in the process of being done today is too easy. It is too easy.

I have read what the Commission has said and repeated: Progress has to be made in various quarters. Mr Watson, what you say about Germany is true, but what ought to be said about Poland is just as true: Mr Haider is a democrat in comparison with a figure like Mr Lepper, who is a notorious racist, anti-Semite and homophobe. Today, it is in Europe – and, more specifically, in Poland – that a far-right government is in power. What has this Parliament, which rightly criticised Austria, said to denounce Poland? Nothing. It no longer dares to say anything where enlargement countries are concerned.

I am going to tell you something very simple. I am in favour of enlargement.

I am for enlarging Europe!

(FR) Not, however, in just any old way. Otherwise, the time will come when we shall make the Balkan countries and Turkey pay for our attitude towards Bulgaria and Romania.

Why should they be made to pay? The fact is, it is not a question of rejecting Romania. It is not a question of rejecting Bulgaria. It is simply a question of saying that, at the present time, neither Bulgaria nor Romania can be integrated, given the prevailing situation in those countries. Instead of talking constantly of monitoring, you should state that these countries will be integrated into the EU in 2008 and you should introduce programmes that will genuinely make it possible to integrate the Roma, or travellers, into Romania and Bulgaria.

Last week, I was in a Roma quarter. What I saw there was unbelievable. You are going to integrate these countries and have allocated funds to finance these programmes. What has happened to the money? Ask the Bulgarian Government what has happened to the money. Please do so. It will be unable to reply to you. What it will say is that it has promulgated a new law. Making new laws is a very good thing to do.

What, however, I, for my part, want to see is a change to the situation on the ground. That is why it is not enough to say that we are in favour of enlargement or that we are good Christians or good Jews or people who care about the world. No; the world has to change. The fact is, the attitude you have is not one that will cause the world to change. There is therefore a need to be clearer and more precise: yes to enlargement, but not on just any terms. Although it has the necessary instruments at its disposal, the Commission is not helping us enough.

(Applause)

**Jaromír Kohlíček**, *on behalf of the GUE/NGL Group.* – (CS) I would advise my fellow Member to look at the integration of the Roma in Italy, and the integration of minorities in other Member States, in the old Member States and then to talk further, without interruption – perhaps.

Ladies and gentlemen, when the then French and German leaders, President Mitterrand and Chancellor Kohl, decided in 1990 to address the countries of Central, Southern and Eastern Europe, they said: ‘Welcome to a European Union free of borders. We are inviting you to participate in a common project that is open to all the countries of Europe. We want to assist you in catching up rapidly with our technical standards and with bringing your legal norms into line with those of the other states.’ Several years later in Copenhagen three conditions were passed, which the states interested in joining the EU would have to fulfil. The economic component of the Copenhagen criteria is obscure and is usually interpreted as including acceptance into the WTO (World Trade Organisation), as well as an EU Association Agreement.

The political component talks of the peaceful settling of relations with neighbouring states and of the politics of nationalities. That is something the old EU Member States have yet to master. In 1993 there was still no talk of selling off national assets, of liquidation quotas for agricultural products, or of the dismantling of nuclear power stations. The one fundamental requirement at that time was not to undermine conditions for the exchange of goods between the candidate countries and the EU. At the time, the Commission opened negotiations with 12 states. The negotiating agenda was technically broken up into 29 chapters, a section headed ‘Various’ and a section headed ‘Institutions’. After the end of negotiations, two years ago, 10 states were accepted as members. Up to this day there are some conditions – for example, those for drawing on funds – that have yet to be finalised for them. Their terms of accession include a whole series of discriminatory measures, and the fact is that these have been very poorly evaluated, especially in the areas of agriculture and the food industry. The inequality between the inhabitants of the old and the new Member States is all too apparent.

We find ourselves today in a curious situation. An entire agenda has been negotiated with Bulgaria and Romania, there has been agreement on all of the chapters, and now a new set of strange and discriminatory measures are appearing. These involve restitution demands, the dismantling of modern generator plants at the Kozloduj power station and unequal terms for agriculture and the food industry. People talk of corruption, of reforming the judiciary, of the situation of children, human trafficking and so on. Everything that applies to the old states applies to the new states. I understand the fanatical opponents of nuclear power. It is clear to me that their views will not change and that they could not care less about the energy situation in the Balkans. What surprises me is the position of Italy and Greece. They rely on Kozloduj for some of their power supplies. This means that after the plant has been shut down, Italy will be more dependent on imports from France and other countries. How will Greece make up for the missing power? Probably by burning more coal, regardless of agreements made under the Kyoto Protocol. They can always purchase emission permits. As for the Bulgarians, they will just have to burn candles, as the power station at Belene is still in the early stages of planning, unless the European Commission perhaps has another environmentally-friendly but workable solution. Just think for a moment, please, and try to explain how the EU is really contributing to the development of these two countries. Perhaps it is simply a matter of ensuring that they are not accepted into the Union on reasonable terms? My group is wholly in favour of their being accepted within the deadline of 1 July 2007.

**Bastiaan Belder, on behalf of the IND/DEM Group.** – (NL) Mr President, the two Dutch Protestant parties for which I can speak in this House have been consistently in favour of healing Europe's post-war division. At the same time, we have always advocated a solid enlargement of the European Union, and hence an emphatic enforcement of the recognised accession criteria, the well-known Copenhagen criteria. We were saddened by the fact that Romania and Bulgaria were unable to join in 2004 during the Union's biggest enlargement round in history.

After all, following the revolution of Europe's magic year of 1989, church and civil-society contacts were strengthened between our grassroots support and both candidate countries. We could, at the same time, completely relate to the delay of 2004. How do we feel about the two present accession dates of 1 January 2007 and 1 January 2008, respectively? As I already said, my party is in favour of the 'solid' accession of Sofia and Bucharest, that is to say on the basis of a separate assessment for Bulgaria and Romania. The word 'solid' refers to facts and actual steps of reform rather than intentions.

Finally, it was not for nothing that the Council and Commission added two specific safeguard clauses to the three regular clauses in the accession treaties with Bulgaria and Romania. This also mirrors our message to the Commission. We would like a clear signal in October about Bulgaria's and Romania's readiness to accede on 1 January 2007, for such clarity will be to the benefit of all parties in Europe.

**Brian Crowley, on behalf of the UEN Group.** – Mr President, I would like to thank the Commissioner for his presentation and congratulate him on his work on this very difficult topic, one on which I have had many discussions with him in the recent past.

I would firstly like to make my key point and then we can discuss the wider issue. With regard to Romania and the situation of children in Romanian institutions, orphanages and foster homes, more work needs to be done; more action needs to be taken to treat those children as individual human beings with human rights. If sometimes that means allowing for international adoptions, then that should be the case. I know of many parents in Ireland who are willing to and wish to adopt children from Romania, especially children with mental and physical disabilities, and want to bring them to loving and caring homes in Ireland, but because of the difficulties they run into major problems. So I would ask the Romanian authorities to look at that again.

However, we are back to where we are because of the statement from the Commission today and also because of the underhand moves taking place in certain capitals around Europe to try to prevent or slow down the accession of Bulgaria and Romania. Let us not forget that this is not just about those two countries living up to commitments that they made to us under the Copenhagen criteria and under their accession agreements. It is also up to us to live up to our commitments.

We held out the hope and the desire and the wish that those countries could become part of the European Union. The first time we said to them: no, you are not ready, you cannot come in with the ten other countries on 1 May 2004; you have more work to do. They have progressed greatly in the recent past in changing laws, in amending systems that are decades old, to try and bring about a more realistic approach. It is now up to us to be generous in our praise of those countries, to give them genuine

encouragement and not lectures on how their systems should operate, to give them our experience with the open method of coordination, under which you look at practices in other countries and take the best of them and try to achieve the best possible result.

We all know what the basics are. The basics are the rule of law, the rule of democracy, the separation of powers, the rights of the individual and human rights and fundamental freedoms. Everything else can be sorted out by simple legislation. At one stage people said that politics is not that important. Politics is important because it affects people's lives. We in this Chamber are often criticised for not being radical enough in our opinions and our viewpoints.

What we need to do today is not just to tell the Governments of Bulgaria and Romania to continue with the work they are doing and achieve the goal they are trying to achieve; not only should we speak to the governments of our own countries and say they must be clear and even-handed and give a real response to those countries; we must speak directly to the citizens and the people of Bulgaria and Romania and say to them that within the European Union they have a home, they have a right, they have an entitlement, and we will defend those rights and those entitlements for them.

*(Applause)*

**Andreas Mölzer (NI).** – *(DE)* Mr President, there is no doubt about the fact that ending the European division by welcoming into the European Union those countries that had, for decades, suffered under the Communist yoke, was a great and historic accomplishment. It has to be said, though, that the justified concerns and fears of the European public have for far too long been taken insufficiently seriously, so that the mechanism of enlargement has been, so to speak, put in place without reference to them. The current debate about the various scenarios involving Bulgaria and Romania – with their deferments and means of exerting pressure – is the consequence of what I regard as an ill-starred development.

If you are honest, you have to concede that it was in fact the inclusion of a rigid timetable in last year's accession treaties that laid the foundation for our present dilemma, for it was only the prospect of accession that spurred Bulgaria and Romania on to renewed exertions in the hope of being accepted into the EU, so we have yet again denied ourselves the opportunity of exerting influence on prospective members in order to make them as well prepared as possible.

While it is not a matter for doubt that Romania and Bulgaria belong to the European family of peoples, these countries cannot be expected to resolve their manifold problems – such as corruption and organised crime – within the space of a few months. It is in the interests not only of the European Union, but also of the peoples of both candidate countries, that their accessions should not be overhasty, for, if they are, so that conditions in them are painted in the best possible light, then there is plenty of evidence from the past that it is the people in the accession countries who will end up footing the bill.

The intention is, no doubt, that the accession of Romania and Bulgaria should complete the reunification of Europe, but both countries must really be ready for accession, and ready for Europe.

**Elmar Brok (PPE-DE).** – *(DE)* Mr President, Mr President of the Commission, Commissioner, ladies and gentlemen, enlargement is the most successful of the EU's policies, and much of the peace, stability, freedom and prosperity that we enjoy is attributable to it, but it can work only if it is conducted in accordance with proper rules, or else it will have an inherent tendency to unravel and the whole exercise will be doomed.

I have to say to Mr Watson – although he is no longer here – that my party has always argued in favour of enlargement, and that my own country, unlike the United Kingdom, has never asked for a rebate in order to fund it. I would, however, like to say that action of the kind that the Commission is proposing will satisfy the requirements of the Treaty. If conditions laid down as binding in the accession treaties are not met, then the application of these rules does not amount to discrimination against a country, but is nothing other than the fulfilment of an agreement between the contracting parties.

Reading, as I do, about the major problems that there are with corruption and organised crime, about the considerable differences that there are between the two countries, and looking closely at what the Commission has had to say about this, which is to the effect that Romania should press on with its efforts at consolidation, while Bulgaria has yet to produce any evidence of doing anything at all on this front, it strikes me that this is an important communication, and here we must act on the basis of 'everyone on their own merits'.

The second thing to be said is that we can make European funds available only if the structures in these countries are so organised that the money can get to its intended recipients in a way that will pass muster with the Court of Auditors. Until such time as they fulfil this requirement we have a problem on our hands. Reference has been made to a number of other similar examples, but always with considerable differences evident between the two countries.

I would like to encourage the Commission to put the proposal into effect with the utmost rigour, to review the situation between now and October, and to give the countries in question a chance to address the specific deficiencies that they have. I hope that they will take this in a constructive spirit, thus making it possible for a better report to be submitted in October, failing which the relevant safeguard clause will be put into effect in the manner provided for in the Treaty. I would like to remind the Commission of this, and to congratulate them on the report they have submitted.

*(Applause)*

**Pierre Moscovici (PSE).** – *(FR)* Mr President, Mr Barroso, Mr Rehn, firstly, I should like sincerely to thank Mr Rehn, whose work as Commissioner for Enlargement is appreciated by us all for its rigour, good sense and thoroughness. Thanks to him and to the work he has done, cooperation between the European Parliament and the Commission and between the European institutions and the Romanian and Bulgarian authorities has been effective and fruitful. The process of Romania's and Bulgaria's accession is now reaching a crucial stage: that at which our institutions have to take a decision confirming or, instead, postponing the date – initially set at 1 January 2007 – on which these two candidate countries are to join the European Union.

I endorse the spirit of Mr Rehn's report. As in the past, the tendency is to favour accession in 2007, but accession subject to precise conditions. I have been pointing out for many months that our friendship for Romania and Bulgaria and our support for the process of their accession always goes hand in hand with a precise demand, namely that there be respect for the criteria and for the reforms needed if the countries concerned are to move towards accession. However, I would go further than Mr Barroso and Mr Rehn regarding the judgment to be made today concerning the outcome of the efforts made by these countries to respond to our demands. Indeed, I firmly believe that, only seven months before the anticipated accession date of 1 January 2007, it is our duty finally and clearly to confirm this date or say that it no longer applies. Moreover, I am now, unlike Mr Cohn-Bendit, entirely convinced that this date should be confirmed.

In expressing a more precise opinion on Romania in my capacity as European Parliament rapporteur, I have on several occasions had the opportunity to state that, in my opinion, the postponement clause should only be regarded as a last resort and emergency measure. I have on many occasions pointed out in this Chamber how dangerous it would be for us to trivialise this clause or to use it as a pretext for drawing attention to a variety of real concerns and one-off causes of dissatisfaction, so rather losing sight of the overall picture. I do not think that that is what is happening now.

The Commission's report emphasises that Romania now satisfies the political criteria and those to do with the market economy and that the *acquis communautaire* has continued diligently to be applied, although, admittedly, there remain a number of points in relation to which the country will have to make further progress. The Commission's recommendations in this connection are valuable and must be put into practice. However, the report published today leaves me feeling certain that the country's current situation is not so significantly wanting that a measure as radical as a postponement of the accession date would be the appropriate response.

As for less serious concerns, the oral question that I submitted together with Mr van Orden and Mr Brok was designed to promote the other safeguard clauses of a quite different, and clearly less dramatic, nature. They offer the possibility of more continuous, sustained yet still very stringent monitoring, if need be accompanied by sanctions during the first three years following Romania's accession to the European Union, and it would be the job of these clauses to respond to the various concerns that might remain regarding specific points. I also think it important to emphasise now what the cost would be of hesitating too long about giving a clear yes or no to Romania's accession on 1 January 2007.

May was set as the deadline by which the European institutions had to take a decision on the date for Romania's and Bulgaria's accession, and that seemed wise to me. I still think it is wise. Postponing accession would present practical problems. The time allocated to ratifying the accession treaty would be restricted and would perhaps even be too short. The debate on enlargement would become still more



tense. That is why, while keenly appreciating the rigour of the work done by the Commissioner for Enlargement and while concurring with his analyses and demands, I propose that we proceed on the basis of this work and of the very encouraging results that he emphasises and finally formulate our clear agreement to, and support for, Romania's accession on 1 January 2007 on the conditions specified by the Commissioner.

*(Applause)*

**Nicholson of Winterbourne (ALDE).** – Mr President, I am delighted that I do not have to play cards against Mr Rehn, because he holds his cards so close to his chest and plays his trump card – his last card – at the very last minute! Mercifully, in this instance, he is playing the cards on behalf of Romania and Bulgaria. He is willing them to win and it is absolutely clear that they are going to do so. I am confident that 1 January 2007 will be D-Day – delivery day – for Romania and Bulgaria, when they will receive full membership of the European Union. In fact, I am so confident that on 31 December 2006 I shall be buying my ticket to Bucharest in Romania.

I want to thank and pay tribute to Fokion Fotiadis and to Jonathan Scheele, who succeeded him at the Commission delegation in Bucharest, to Mr Rehn himself and to Mr Verheugen, his predecessor. They have taken up the task of working hard to get both countries into the Union, fighting corruption and human trafficking, addressing all the different issues regarding the free market, the rule of law and transparency: everything that has been mentioned so many times over the last six and a half years that is now coming true. It is a hugely exciting moment.

I am so pleased to have been able to work alongside several Romanian prime ministers, including the current Prime Minister, Mr Tariceanu, several presidents, including the current Head-of-State, President Basescu, as well as a huge variety of Members of Parliament. Here today in the Distinguished Visitors' Gallery are Alin Teodorescu, as well as the Secretary of State for Adoptions, Theodora Bertzi, Gabriela Coman, responsible for child protection, and, of course, the Minister for Europe, Mrs Boagiu. All are so welcome and now they are to become our permanent brothers and sisters inside the Union.

Inevitably, there are problems. The geographical location of both countries makes them vulnerable, particularly to trafficking, from eastern Europe especially and from Russia. Romania and Bulgaria were highlighted in the UN human trafficking report last week.

It is true that there is more to be done and there always will be more to be done, but within moments they will be here beside us and they will be full members. I thank the Commissioner for all his work.

*(Applause)*

**Joost Lagendijk (Verts/ALE).** – *(NL)* Mr President, Commissioner, ladies and gentlemen, I agree with the Commission's conclusions where Romania is concerned. Since that country has indeed made substantial progress over the past year, a case can be made for it to accede in 2007. That is why it would be wise to do a kind of final check in the autumn and that it would be very wise, following its accession, to closely monitor it to ensure that this progress that we have seen is also taking hold, although I must say that the sanctions for non-compliance are not very impressive.

I also agree with the Commission's reports where Bulgaria is concerned, because that country is not so much enjoying substantial progress as it is steeped in substantial problems, particularly where the fight against organised crime and corruption are concerned. That is why I do not yet agree with the Commission's conclusions about Bulgaria. I think it is unfair to lump Romania and Bulgaria together and to say that 2007 is feasible for Bulgaria too. I have to say to the Commission that, if it takes its own reports seriously, then I do not believe that those weighty problems that it has flagged in them can be resolved in five months' time. I am in favour of coming clean at this stage and saying to Bulgaria that, regrettably, they will not be able to join until 2008.

I can see the Commission's political dilemma, because there is no majority for this option in the Council, the body to which the Commission issues an opinion, but I think it unfair to lump Romania and Bulgaria together until the last moment.

Why is it so wise and why would it be good to draw a distinction between the countries based on their own achievements? This is about sending out a message, not only to our own people, but also to new candidate countries such as Croatia and Turkey. The message should be that it makes a difference whether you carry out reforms or not. If you carry them out, it pays off, if you do not, as is the case in

Bulgaria, then penalties follow. At the moment, it very much looks like it does not matter what you do, and that the decision for accession depends on internal developments in the EU, opinion polls and votes, rather than on the candidates' achievements.

The lesson we should learn from this procedure is never to mention any more dates, for that then takes the pressure off. If there is cause for any doubt, we would be better off not mentioning a deferral date and we should not give the candidate countries any guarantees to the effect that they will be able to join if they meet the conditions. If they fail to live up to this, they will have to live with the consequences.

*(Applause)*

**Erik Meijer (GUE/NGL).** – *(NL)* Mr President, the pioneers of the European Union started with six states, mainly under the direct sphere of influence of Brussels and Strasbourg. Nobody could then seriously foresee that these European communities would grow into an overarching cooperative of 27 or more European states. Since the early 70s, those pioneers have nonetheless managed, gradually, to build a monopoly position when dealing with European states. States that used to belong to the European Free Trade Association (EFTA) or the Council for Mutual Economic Assistance (COMECON) now form part of the European Union. The forthcoming accession of Romania and Bulgaria more or less puts the finishing touches to this development.

It would benefit their membership if this enlargement could partly be explained as a victory in the Cold War against the old adversary. This will yield support that would otherwise not be there. It was partly for that reason that this Parliament decided last year that those two states that were not ready with the preparations in 2004 should still be admitted in 2007 or 2008. I was one of those who voted in favour of that idea.

Despite this, the domestic situation of those two newcomers has come in for some widespread criticism. To this day, Roma people are driven out and their houses razed to the ground. To this day, nature and the environment are under more serious threat there than in other parts of Europe because motorways are built and minerals extracted in the cheapest ways possible. There is still no ready insight into the way governments spend their money and the companies that benefit from this. There are also doubts about the judiciary's independence and objectivity. There are still ethnic peoples who feel they are being treated as second-class citizens, and people are still leaving those countries in their droves.

The odds are, then, that their accession, will, with the benefit of hindsight, be seen as a huge mistake and a failure. Whilst those shortcomings may not change anything about their membership, they will generate additional arguments against further enlargement. The first country that will be at the receiving end of this is Croatia, a country that already meets those criteria better than Romania and Bulgaria, and has much in common with current Member State Slovenia, but may have to wait for a very long time nevertheless. That is even more the case for the candidatures of other countries such as Macedonia, the rest of the Balkans, Moldova and Ukraine. How can we stave off such a negative outcome? Sustained solidarity may be better served with more active support in order for those countries to be brought up to speed quicker than the swift admission or more free market.

In the Dutch Parliament, both my party, the Socialist Party, and the Christian Democrats, have concluded that the risks of enlargement in 2007 are too great.

#### IN THE CHAIR: MR ONESTA

*Vice-President*

**Nils Lundgren (IND/DEM).** – *(SV)* The issue of Bulgaria's and Romania's membership of the EU has, of course, already been decided in practice. The only matter that we can formally debate in this House is that of whether these two countries are to be admitted in January 2007 or January 2008.

There are two reasons why the June List welcomes enlargement to include new Member States. Firstly, the more of us there are the more difficult it is to imagine Brussels' being able to regulate the European Union's development in detail. That constitutes considerable progress. Secondly, our admitting new countries to the EU is a great success for democracy, for the principle of the rule of law and for peace in Europe. We are, in that sense, adherents of what is usually called the EU's soft power.

In actual fact, the EU contributes to democracy and the principle of the rule of law in the countries on its doorstep for the simple reason that such countries wish, for all sorts of different reasons, to join the

EU, and, before they join, we in the EU require them to fulfil important conditions, known as the Copenhagen criteria. That being the case, we must, however, take these considerations seriously. It is obvious that Bulgaria and Romania do not fulfil those requirements we chose to set down from the beginning. For the same reason, we can see that it was a mistake to begin membership negotiations with Turkey right now. Its treatment of the Kurds and of women and its attitudes to, for example, freedom of expression show that we should not have done so. We were right, however, to decline, for the time being, to enter into negotiations with Serbia on the grounds that General Mladić is still at large.

What we can now do regarding the issue we confront today is at least to postpone Bulgaria's and Romania's accession to January 2008. With the future in mind, we should in that way be sending the correct signal to Europe, including Croatia, Serbia, Turkey, Ukraine and Belarus.

**Konrad Szymański (UEN).** – *(PL)* Mr President, every time we discuss the issue of enlargement, we touch upon the historical dimension of our work. For the Union, each enlargement represents not only a formal celebration, but a necessity and an opportunity.

A significant problem posed by enlargement is the way in which it is perceived by the outside world, as it is easy to calculate the costs of aid transferred to new, usually poorer countries. However, this image is far from complete. One cannot see the extent to which enlargement can boost trade and investment and create opportunities for modernisation. Without enlargement we would not be able to boast today that we, as the European Parliament, are the point of contact for 450 million citizens. There would be 75 million fewer of us and Europe would be a correspondingly smaller player on the global stage, which we so eagerly aspire to appear on today.

The greatest political lie being spread across Europe today by has-been politicians who did not succeed at home is to accuse the enlargement process of causing all the problems we currently face. The opposite is the case. The consequences of a lack of reform would be all the more serious were it not for enlargement. That is why I enthusiastically greet the prospect of two new Member States joining the European Union, Bulgaria and Romania, which have reformed their national political culture with much effort over the last few years.

As a Member from Poland, a country that owes a lot to the European Union's aid policy in recent years, I am enthusiastic about the prospects for membership of these two new countries, although we will soon have to share our dwindling Union budget. As a Polish Member, I would also advise you to pay no heed to the warnings issued by Mr Cohn-Bendit. It is difficult to believe advice concerning enlargement that comes from someone with as little knowledge of other Member States, such as Poland, which has been a Member State for two years. Perhaps political emotions impair the ability to rationally assess the new Polish Government. However, Mr Cohn-Bendit, we must be careful with our emotions, or we may say something foolish.

Sometimes one could get the impression that the doors of the Union are closing like the doors of a lift, and that extra passengers are having difficulty squeezing through them. I hope that that is either an illusion, or a temporary fault in this lift called the European Union, as I would not want anyone to travel in a lift whose doors do not open.

**Ryszard Czarnecki (NI).** – *(PL)* Mr President, I was 18 when I took part in one of the longest student strikes in Eastern Europe. It took place in Poland during the 'Solidarity' period. I remember the posters that we pinned to the walls of my university. They stated: 'Banning is banned'. Today such a poster could well be hung up on the European Commission building, reading: 'The banning of Romania and Bulgaria's accession to the European Union as soon as possible is banned'. Yes, that poster which stated 'Banning is banned' was a reference to the student uprisings in May 1968 in Paris.

Even then I knew of the role played in these protests by my colleague Mr Cohn-Bendit. For many of us at the time, Mr Cohn-Bendit was a kind of contemporary Robin Hood figure. Robin Hood could not be killed. What I did not know was that, a quarter of a century later, Robin Hood could commit political suicide by talking nonsense, as he has done in this House today. Mr Cohn-Bendit did not speak about the huge effort made by the Romanian and Bulgarian nations, which want to fulfil the European Union's accession criteria. He did not dedicate much time to the measures taken by the governments of both these countries in this field. He used the debate as a pretext for talking rubbish about my country, Poland.

If I were him, I would prefer to focus on racism and anti-Semitism in Germany and France, countries he is very familiar with, or perhaps on the social problems in France. These are the real threats to Europe,

not the political fiction that Mr Cohn-Bendit deigned to present to us today. It is a good thing that Romania and Bulgaria are joining the Union in 2007, as I hope they will. We should not set up a new 'Iron Curtain' for these countries, a new version of the Berlin Wall. They do not deserve that. Let us encourage them to meet the Union's accession criteria, but let us not create unfair barriers for them. Let us acknowledge the considerable efforts made by the societies and governments of both these countries in this field. I appeal to the European Commission to do just that.

**Geoffrey Van Orden (PPE-DE).** – Mr President, I should like to thank Commissioner Rehn for the serious way in which Bulgaria's progress towards accession is being monitored. According to the Accession Treaty, Bulgaria will accede on 1 January 2007 unless the Council unanimously decides, on a Commission recommendation, to postpone entry for one year. The Commission has made no such recommendation. Let us be clear on this. Bulgaria fulfils the political criteria for membership, she has a functioning market economy, economic progress has been maintained and the Bulgarian unemployment rate, while still high, is now lower than that of Germany. In relation to other matters, I note that the 16 areas marked as of serious concern in October have now been reduced to 6. Of course, these must not in any way be underestimated.

Firstly, there is the need for more effective action against organised crime, fraud and corruption. That is the area that most perturbs the people of Bulgaria as well as our own citizens. There has been progress since October. I spoke about that in this House last month, but many of the crime bosses are still at large and there is concern about how far their tentacles spread. Over the coming months, we need to see dramatic results as well as further steps to improve the effectiveness and resources of the police, investigative and judicial services. The Commission must specify more precisely what outcomes are required.

Secondly, not unrelated to the first point, is the need for strengthened financial controls for the future use of structural funds. That is vitally important. There must not be any possibility of what is effectively our taxpayers' money going into the wrong hands or being wasted. As we have seen from the Court of Auditors' consistent refusal to sign off the EU accounts, it is an area where the EU itself needs to put its house in order. It is up to the Commission to ensure that effective financial management structures to guarantee the integrity of the funding system are in place and, if necessary, to withhold funding until that is the case.

I believe that the European Council, at its summit in June 2006, should endorse the decision for the accession of Bulgaria on 1 January 2007, at the same time confirming the remedial action that is required of Bulgaria in the months ahead and the nature of possible post-accession monitoring.

In other words, it is 'yes ... but'! To a certain extent, I believe that is what the Commission is trying to say. For its part, the Bulgarian Government must take urgent action to deliver tangible results, particularly in the fight against organised crime. Much has been achieved in the last six months. It is vitally important that even better results are delivered in the next six months.

**Jan Marinus Wiersma (PSE).** – (NL) Mr President, I will try to keep to the three minutes. I completely endorse the analysis which my group chairman gave a moment ago in a reaction to the Commission's reports. My group, the Socialist Group in the European Parliament, has always been, and will continue to be, consistent where support for Romania's and Bulgaria's membership is concerned.

Whilst I can imagine that people in Sofia and Bucharest are disappointed about the Commission's ongoing refusal to commit itself one way or another, it may also be important to draw your attention to the good news in the Commission's report, namely that according to the Commission, it is definitely possible to meet the target date of 2007. That is also our group's ambition.

Secondly, we are against separating the two countries in the way referred to by other speakers a moment ago. With Romania and Bulgaria actually being treated in the same way, we prevent those countries from entering into a race against each other. Another important point to make is that, according to the Commission, both countries have, to a large extent, adopted the *acquis*. The number of red flags has significantly decreased in both cases: from 14 to 4 in Romania and from 16 to 6 in Bulgaria. People have worked very hard and achieved a great deal in a short space of time.

It is also important for the Commission, in its reports, to refrain from using the wording that one of the countries is clearly badly prepared in a certain area. That is phraseology that would immediately lead to a discussion about deferral. I think that the progress that has been made in both countries demonstrates

the governments' determination and the fact that we can use that as a basis for our optimism that 2007 is very much possible.

As Mr Schulz has already indicated, this also requires an effort on the part of the Commission itself, which, indeed, shoulders a heavy responsibility in that it must specify what is exactly required from the governments in both countries. Particularly where Bulgaria is concerned, I noticed that there have been a few misunderstandings between the Commission and that country's Government about what the exact criteria are. I think that both the Government and Parliament in Sofia do not want to leave us in any doubt as to their willingness to do the things that need to be done as quickly as possible.

The difference between Romania and Bulgaria has mainly to do with implementation. In the fight against corruption, Romania swung into action earlier. I have no doubt that, now that legislation is in place in Sofia too, we will very soon see progress in the area of tackling serious crime and the fight against corruption.

We have noticed that the Commission has decided in favour of a certain timeframe, and I think we have to resign ourselves to this and accept it. It is to be hoped that this timeframe is in synch with the ratification processes that are currently taking place, or are yet to take place, in a number of Member States. What is, and will remain, important is that the agreed accession date is respected. We trust that Romania and Bulgaria will succeed in this, and I think that both Sofia and Bucharest realise that this trust must also be earned.

**Alexander Lambsdorff (ALDE).** – (DE) Mr President, Commissioner Rehn, ladies and gentlemen, Bulgaria and Romania will join the European Union on 1 January 2007. That is beyond question. Both countries have made progress in their reform efforts, but this work will continue for some time yet. We all know that. Mr Cohn-Bendit is right there. However, he is throwing the baby out with the bathwater, and that is irresponsible. It is the Commission that is acting responsibly here. It is right not to issue a blank cheque right away. It is also right to develop a perspective for continuing to monitor the reform processes, if necessary even in the years after accession. There are still shortcomings in some areas, some of them serious; they have been mentioned here. We must ensure that the laws are not only adopted there but also applied. I am thinking especially of the EU resources that will be spent there.

Fair monitoring by the Commission can help here and should be accepted by both countries. Pierre Moscovici has said so. That is far less drastic than postponement or the like.

The citizens of the EU and of future candidate countries will be keenly interested in enlargement policy in the future, too. That makes it all the more important that the EU should pursue a consistent and credible enlargement policy. This enlargement has shown that in future, we in the European Parliament must be careful to vote on enlargements close to the time of accession and not 18 months before. I want to make clear again that this is not the accession candidates' fault, it is our own fault. There is moreover no point in including in treaties postponement clauses that actually have no teeth, like Article 39. The Commission cannot recommend a postponement of accession at all. What would happen if its recommendation were not followed because of just a few votes in the Council? The Commission would be repudiated and there would be two countries sitting at the table of a Council, the majority of which had previously voted against both countries' participation. No, that will not do. We will therefore need better instruments in future.

The accession of Bulgaria and Romania is beyond question. Both countries have achieved a lot, but we too still have something to do in order to improve our enlargement policy. I also believe we should be holding this debate in Brussels and not in Strasbourg.

**Milan Horáček (Verts/ALE).** – (DE) Mr President, ladies and gentlemen, Commissioner, this recommendation is wrong. The decision is being deferred more and more. Why do we not honestly say that both countries fail to satisfy the criteria? Much is only on paper and unfortunately the reality is different. If we take a wrong decision and allow these two countries to join prematurely, we will pay for it. Our trips to Romania and Bulgaria, talks with NGOs, members of parliament and government representatives from both countries in Sofia only last week have confirmed my opinion that, despite all their efforts, neither country is ready for accession yet – not in 2007, and not even in 2008!

Three examples from Sofia: crime, corruption, Kozloduj! 173 contract killings since 1990 – none of them have been cleared up. Corruption – universal. The Kozloduj nuclear power plant is dangerous and has still not been shut down. I do not have time to go into the problems of minorities – the Roma – and

the conditions in prisons, homes for the elderly and disabled and much more besides. If we persist with this wrong decision, it will have repercussions both internally and externally. We will lose what credibility we still have with the Union's citizens. Countries like Croatia, which are making great efforts and in my opinion are further on in many respects, will be blocked. Here, the liberals are supporting the liberal prime minister in Romania, the socialists the socialist prime minister in Bulgaria. We are not forced to stick to this wrong decision. Corrections must be possible. This self-deception is cowardly and dangerous.

**Vladimír Remek (GUE/NGL).** – (CS) Commissioner, ladies and gentlemen, reasonable accession agreements have been concluded for Bulgaria and Romania, and the Union was to have been enlarged to include these states from the first day of next year, but the deadline has again been thrown into doubt. Allow me to make a few observations from my own experience, on the grounds that we were under the same sort of pressure that Bulgaria and Romania face today prior to our accession to the Union. We too were told that the Czech Republic was not fully prepared, that it had not yet sufficiently fulfilled this or that requirement. The outcome is that we still do not enjoy the same conditions as the so-called old Member States. Furthermore, I would venture to add that more than one member of the old Union of 15 might find it difficult to meet the conditions offered, for example, to the Czech Republic.

The requirements placed on Bulgaria and Romania are tougher still. By casting doubt over their accession date and by imposing unequal terms we are increasing insecurity and providing ammunition to those forces in both states that oppose EU accession. In addition, we are creating for ourselves sharp internal divisions for the Union in the future, by which I do not mean to say, of course, that we should turn a blind eye to failures over tackling corruption in Bulgaria and Romania or to the issue of organised crime, any more than we should in other Member States. Yet it is not good for new states and their citizens to be joining the Union with the feeling that they are second-rate and unequal. In connection with this, I feel that it should not be our aim to bring about a repeat of the situation in the Czech Republic, where a majority of people, according to a public opinion survey, now believe that equality and justice do not prevail in the Union and that the so-called old Member States continue to enjoy advantages that are denied to the new Member States, in the form of subsidies that are withheld from the latter. In the case of Bulgaria and Romania we are, at the very least, going down the same route. I will give you one example of this. The Kozloduj nuclear power station – already mentioned several times – is just as safe as many others in Europe, according to international experts. The Union, however, is obliging Bulgaria as a condition of entry to shut down part of its nuclear capacity, which will turn it from an exporter of electricity into an importer. The question is who really benefits from this. When all is said and done, we have raised the hopes of the inhabitants of Bulgaria and Romania regarding membership of the Union and we should therefore not treat them like hostages and quibble over their accession date. It is possible that we, as Member States with our own economic interests, might have more cause for regret than Bulgaria and Romania if the enlargement does not take place by 1 January.

**Nigel Farage (IND/DEM).** – Mr President, well, isn't it all lovely? Virtually everybody agrees – the Commission, the group leaders in Parliament – that it is jolly good that two more countries are joining. But could we please stop this farcical pretence that it has got anything to do with the criteria of dealing with the justice system or them fulfilling the *acquis communautaire*. Romania and Bulgaria will join on 1 January next year for political reasons. This has to happen, because you need a diversion. The peoples of Europe have lost confidence in you and in these institutions.

All today's statement represents is a victory for the political classes, the classes in the European Union who want this to be a world superpower to take on the United States of America, and of course a huge victory for the politicians in Romania and Bulgaria, who will enrich themselves enormously and give themselves jobs in perpetuity. So welcome to Romania and Bulgaria; let us welcome their politicians onto the EU gravy train.

But what of the implications for the rest of us? Well, I am all for free trade. I am all for the free movement of goods and services. I am all for us having the opportunity to work in each other's countries, but to have an open-door immigration policy between countries with differing GDPs is madness. Already Britain has taken in over a third of a million people from the ten countries that joined in 2004 and it is now estimated by Migration Watch in the United Kingdom that when Bulgaria and Romania join we will take in another third of a million over the next three years. Our public services simply cannot stand mass migration on that scale, and Romania and Bulgaria will lose many of their brightest and best young people into the bargain.

So you may have your diversion today, Commissioner, but the EU is failing, public confidence is falling and it will all end in tears.

*(Applause from the IND/DEM Group)*

**Hans-Peter Martin (NI).** – *(DE)* Mr President, yes, it will end in tears; the question is, which? I do not believe you have taken the European Union forward with your decision, which you have announced today, certainly not towards being a superpower, but you have taken another step towards implosion. Because you are again acting quite contrary to what you claim are your criteria, there will now be a disastrous marriage between the cultures of corruption of Brussels and Strasbourg and those of Bucharest and Sofia.

The people who are pushing you to do that, namely the British and Polish Governments, will have to answer to their electorates for it. I wonder whom the Commission will answer to? The day before yesterday, the *Frankfurter Allgemeine Zeitung* wrote: ‘The real problem is not the supposed dependence of the judiciary, but on the contrary its almost complete independence from all means of control. Judges and public prosecutors need fear no supervision, because so far there has been none. The judiciary enjoys great freedom, frequently even freedom from justice and the law. There is plenty of scope for buying judgments’. Yesterday’s *Standard* reports that the head of the Federation of German Detectives said on his return: ‘It is pointless. Whenever I tried to go into details they said disclosure was against the national interest’.

The mistake was to promise them accession too early. Why are you still making even more mistakes by continuing to talk as though you wanted to take the Union forward?

**Francisco José Millán Mon (PPE-DE).** – *(ES)* Mr President, Commissioner, I will read the report that you have just outlined very carefully, but allow me to make some preliminary comments on Romania.

Firstly, you acknowledge the significant progress made on reforming the judicial system and fighting corruption, although you say that the efforts need to be maintained. I think that this is an area of serious concern, as has already been said. It was a real priority area, in which we now all acknowledge that the progress made in Romania has been very significant and we should celebrate that.

Mr Rehn, you told us that there are still four areas of serious concern regarding the *acquis communautaire*, for example on some agricultural and veterinary matters. In short, in any case they are areas on which I know that the Romanian authorities are working very hard, as I had the opportunity to see a fortnight ago, when I visited Bucharest with a delegation from my Group.

Commissioner, as I said at the plenary on 26 April, I was personally in favour of making the timescale for accession clear as soon as possible, because this would remove the uncertainty for the governments concerned as quickly as possible. However, I can see that the Commission, although it recognises that Romania is working adequately towards the objective of 2007, prefers to wait, for the sake of rigour and prudence, until autumn to confirm whether accession will actually take place in January 2007, as I hope it will.

I am convinced that the Romanian authorities will maintain their firm commitment to the common objective of 2007. In the October 2005 report the Commission mentioned a high number of areas, fourteen as you told us, affecting seven chapters of the *acquis communautaire*, that were causes for serious concern.

Now I understand that these areas have been reduced to four, as you told us, and they affect very few chapters. The progress is therefore evident. And with these precedents, with the serious Europeanism of the Romanian authorities, I think that they will pay the utmost attention to your recommendations. I am sure that in the autumn you will be able to confirm the date of 1 January 2007 for accession, with no further conditions. I am optimistic.

Finally, I would also like to encourage those Parliaments who have not done so to speed up the process as soon as possible for the ratification of the accession treaty.

**Alexandra Dobolyi (PSE).** – Mr President, I too welcome the Commission’s decision on the accession date of Romania and Bulgaria. I also wish to praise the Commission for its work, in particular the work of DG Enlargement.

The European Council was right to decide to welcome the people of Bulgaria and Romania as from 1 January 2007 to our big European family – the European family to which they have always belonged since they share our historic culture and common values. Your message to the people of Bulgaria and Romania is the right one.

Both countries have worked hard and they have achieved enormous progress so far. The people of both countries strongly supported their governments in this work. These people will now be even more motivated to support the reforms that are still needed and that are described in the Commission's report. As the Commissioner has pointed out very correctly in numerous exchanges of views which we have had either in plenary and in the Committee on Foreign Affairs, Bulgaria and Romania have shown continuous progress in all the relevant areas. Both capitals are aware that they have to speed up and reinforce their efforts in certain fields and I strongly believe that they are going to be successful in fulfilling the expectations of the European Union, as expressed by its Parliament, and most of the expectations of their own people.

As a Hungarian, I should also like to say a few words about the Hungarian minority in Romania. Firstly, I should like to thank the College of Commissioners for raising the issue of the situation of the Hungarian minority in the current report. Secondly, as I have said so many times in this House concerning this issue, one of the basic failures of the current Romanian Government coalition agreement was and is to adopt a law on minorities. Although I believe that the accession of Romania will provide a solution for the Hungarians living beyond the border, and that from 1 January 2007 onwards we will be able to live in a common Europe without borders, I also wish to emphasise to the Romanian Government that it should not forget its promise to adopt a minority law; both Parliament and the Commission will follow that up closely.

**Cecilia Malmström (ALDE).** – *(SV)* Pressure has been exerted from many quarters in today's debate, and there has been much speculation about the observations to be made and, naturally, a good deal of nervousness in the countries concerned. I am therefore pleased about today's message from the Commission that we hope to be able to welcome our Romanian and Bulgarian friends into the Community at the beginning of next year. The road leading up to that point has been, and remains, long and difficult. Obviously, the consequences of the huge repression practised by the Communist dictatorships in Romania and Bulgaria and of the destitution caused there by them cannot be reversed with a wave of the hand. These countries' politicians and people have made enormous efforts and sacrifices with the clear aim of reforming and democratising their countries and leading them into the European Community.

A lot of work remains to be done, and we are painfully aware of the problems that exist: corruption, organised crime, the difficulties of integrating the Roma and the situation of orphans. We are all aware of the criteria too. They are the same for everyone, and we are relying on the Commission to carry out an objective and professional assessment and evaluation. We are also relying on you wholeheartedly to support and help Bulgaria and Romania tackle these difficulties so that we might make progress towards their becoming Members at the beginning of next year. We in the European Parliament will help out insofar as we are able to, and we are convinced that matters will progress well in the time that remains.

The Group of the Alliance of Liberals and Democrats for Europe has for a long time advocated safety clauses for us all, new and old Member States alike. We know that, in the present EU too, the Treaties are infringed and human rights violated, and it would be helpful to obtain clearer mechanisms for becoming aware of these developments and remedying them.

EU integration is like a tango. It takes two for it to work. The candidate countries must do their homework, but we too must do our own. We have internal problems in the EU with which we must get to grips, and that is something about which we talked this morning with Commissioner Wallström. We must also dare to proclaim the significance of enlargement and explain to our people why it is so important for Romania and Bulgaria now to get together with us and for Romanians and Bulgarians to sit in this House and be allowed to speak from the benches instead of sitting in the public gallery and merely listening.

**Elly de Groen-Kouwenhoven (Verts/ALE).** – Mr President, for half a century Bulgaria was under Communist rule. However, when the Berlin Wall fell it was brought under post-Communist rule. Agents of the former secret service, the Darzavna Sigurnost, continued to control the state. The West did business with them during the privatisations, which were often carried out illegally. Financial support from the West hardly reached the unemployed Bulgarians and the victimised Roma. Only the former secret agents



flourished in their roles as businessmen, judges, bankers, politicians and leaders of NGOs. Has the population ever had a fair chance under post-Communist rule?

In the 2001 progress report, the rapporteur, Mr Van Orden, urged the Bulgarian authorities to provide further information on the murder of dissident writer Georgi Markov in London in 1978. It was one of the many contractual killings left unaccounted for long ago and more recently.

The report stresses the need for greater efforts for the social inclusion of Roma. I also agree with the Commission that further efforts are needed to combat all forms of intolerance, racism and xenophobia. I appeal, therefore, to all my fellow MEPs to sign Written Declaration No 19 – initiated by MEPs from five different political groups – on protection of people in Bulgaria against neo-totalitarianism. Holocaust-deniers in Bulgaria close to the former secret service do not belong in the EU. I am also grateful that the Commission has concerns about the unacceptable living conditions of the Roma. They are scapegoats, like Jews, Turks and homosexuals.

Finally, I am very pleased that last week the Bulgarian Minister of the Interior, Mr Petkov, promised the Verts/ALE delegation that all the archives of the Darzavna Sigurnost would be opened before 20 July. Only then will we know who killed Georgi Markov, who committed other crimes and who is really ruling Bulgaria today. Let us support real reformers and free Bulgaria from its past, instead of postponing its future.

**Jean-Claude Martinez (NI).** – *(FR)* Mr President, Commissioner, on the motorway between Istanbul and Sofia, there is a border post or toll-gate called Kapitan Andreevo. Remember that name because it is going to appear in all the newspapers as from 1 January if Bulgaria joins the European Union. Indeed, that is where, every year, 300 000 lorries arrive from Turkey. The queue is five kilometres long, and the lorries wait for three days. They are used for criminal trafficking in all its forms: drug-trafficking from Afghanistan, human trafficking from Pakistan and trading in amphetamines and forged currency. To monitor all this, there is one customs official per thousand lorries. As a result, everything gets through.

There is an obvious need for at least one cargo scanner. Mr Rehn told us in this House on 25 October that radiographic equipment was indeed necessary, and EUR 8 million was paid out for this purpose. Yet there is no scanner. The fact is that everyone who liked Sangatte, Brindisi, Almeria and the Canaries is going to love Kapitan Andreevo, the gate for entering Europe from Asia and the focal point from which criminality will spread far and wide.

**Guido Podestà (PPE-DE).** – *(IT)* Mr President, ladies and gentlemen, I wish to congratulate Commissioner Rehn on the thorough measures he is pursuing in relation to the two countries in question and, from what the Commissioner has said, it is clear that Romania and Bulgaria have made progress. To have reduced the remaining unresolved points from sixteen to six and from fourteen to four in the space of a few months is, in my opinion, an outstanding result.

Well, I think that we are all aware in this House that, when ten countries joined the European Union on 1 May 2004, the ten countries in question were not completely ready to enter the Union. We also know that the efforts made by those nations complement each other over time. Can you tell me that, in some of those countries, there are not problems with regard to minorities and that the fight against corruption does not concern each of the 25 Member States of the Union? So what has changed compared to 1 May 2004? Why was the emphasis placed on photographs and flags back then, while a much firmer and also much more formal position can be observed today?

I believe that we must acknowledge the fact that, if it is true that there are in fact problems in the two countries that are about to join the Union, it is likely that the main problems exist within the Union itself. Furthermore, if we ask ourselves what has changed compared to back then, the answer is that we were unable to carry through that Constitutional Treaty, which was a fundamental element of this enlargement.

We must be careful, however, not to make those countries and those populations that have worked so hard to emerge from the historic era of Communism pay a price that they do not deserve to pay. To conclude, Commissioner, I believe that we are on the right track and I hope that 1 January 2007 will be confirmed in the autumn as the date on which Romania and Bulgaria will join.

**Hannes Swoboda (PSE).** – *(DE)* Mr President, Commissioner, ladies and gentlemen, let us be honest and realistic. We must assume that these two countries, Bulgaria and Romania, will join on 1 January

2007, firstly because they will continue their own reform work – I am convinced of that – and secondly because the required majorities in the Council are in favour.

The crucial thing for me, however, is how these countries will enter the European Union in 2007, whether they will somehow muddle through or slip in, or whether they will come in with their heads held high and we will be able to agree with a clear conscience. I agree with the Commission and with you, Commissioner Rehn, that there are things that still need to be done in both countries. Only I really would ask you to say very specifically what changes are necessary. Because you do not seem to be clear about some of the things in this report. You speak, for example, of ‘ambiguity regarding the independence of the Judiciary’. There must be reasons why that does not seem clear to you. The Bulgarians and Romanians must then each be told what they have to do.

I believe both countries’ governments are prepared to make the changes. But if we are making so much of this issue, perhaps more than the Copenhagen Criteria or the *acquis communautaire* allow – and there are good reasons for that – then we must say very clearly what changes are necessary; I must ask you to do that today, and when you are in those countries tomorrow. The changes must be spelled out specifically and realistically and they must be achievable, because there is no point in demanding things that cannot be achieved in this short space of time. If we do that, and if there is then special monitoring, in other words a precise period of observation, then I am sure that both countries will now take the necessary steps and really will be able to join on 1 January 2007. I believe they will then be able to play a big part. Some Members have maintained that crime and corruption prevail in both countries, but that is not the case. Both countries have done a great deal to improve things, and they will continue to do so. Pressure from the European Union has brought that about.

**Bronisław Geremek (ALDE).** – (PL) Mr President, I would firstly like to say that Mr Rehn’s report and his work deserve the utmost credit, especially in the context of this parliamentary debate. I do not want the clear conclusions drawn in this report to be changed in the course of parliamentary debate.

Romania and Bulgaria have, so far, done all that has been in their power to do. They have achieved what the European Union wanted of them. They have implemented regulations in the economic, political and social fields and have instituted the principle of the rule of law. The European Union and the societies of both these countries will now assess these achievements. I think that it is extremely important to stress the extent of the progress made by both of these countries, which will allow them to say that they are entering the European Union with a confident stride.

During the period since 1 May 2004, countries such as mine have shown how to navigate accession to the European Union. I think that the success of that transition for both the old and the new Member States will convince those who remain sceptical. The fact that Great Britain not only had the generosity but also the sense to open its labour market immediately to people from Eastern Europe means that now, apart from Germany and Austria, which Mr Brok appears to have forgotten, many other European countries have followed in Britain’s footsteps.

I would like to say that it is extremely important to be able to trust that, having been introduced, the rules of the game will be applied, and then to assess the situation. Poland’s example shows that the introduction of the principles set out in the Copenhagen criteria can be a good omen, but that these principles also have to be implemented once the countries have joined the European Union.

**Hartmut Nassauer (PPE-DE).** – (DE) Mr President, ladies and gentlemen, we are sticking to January 2007 as the date for accession, but attaching to that date conditions that must be satisfied by October. It is a winding road the Commission is pursuing here. It is clearly suffering under the burden of its own past mistakes. We are eager to see, Commissioner, how you will explain to us in October that the hurdles you have erected here today have now been overcome. It was a great mistake to set 2007 as the date for accession when it was still unclear whether it could ever be met. The Commission is now trying rather desperately to find a way out of this *impasse* into which it has got itself. Of course the proposal you have made today is sensible given the circumstances. That is why I am supporting it despite all its weaknesses.

I will confine myself to a few remarks about Romania, since I have been there with a CDU/CSU delegation. Under the leadership of President Basescu and Prime Minister Popescu-Tariceanu, a determined and serious reform process has begun there, affecting home affairs, the judiciary and the fight against corruption. It has not been completed yet. The conditions are not yet fully satisfied. The corruption trials have not yet been finally concluded, but they are seriously under way and it will take

time. I think it is important that we send this government a signal to continue determinedly down this road to reform. That is important.

Romania is a European-minded country through and through. It will be a good ally for us in the European Union. There is a German minority there whose rights are satisfactorily enshrined in law. The law on minorities is an example to others. That is why, Commissioner, I would urge you to encourage the government to continue its process of reform.

**Poul Nyrup Rasmussen (PSE).** – Commissioner, I would like to express my respect for your work but, as with all work, it is also necessary to have clarity. My only problem today is the lack of clarity. You are saying that our goal is to get the two countries on board on 1 January 2007. That is what we are all looking for. I cannot see any fundamental reason not to let them in on 1 January.

So what we are really talking about is how we can promote further progress with those two countries as much as possible. The appeal I am making to you has already been mentioned by the chairman of my group, Mr Schulz, and by Mr Swoboda and other colleagues. If we seriously expect further progress in the next three and a half months, before your next report in October, what can be done in that time? What do we expect? A new State prosecutor in Bulgaria? No. To what extent does immunity need to be lifted? How many cases do we need to raise? How many decisions in court do we need? Do you see what I am getting at, Commissioner?

What we need now, if these countries are to work with us, is for you to be very precise. I have a suggestion to make to you. I propose that you make a scoreboard to present to the two new governments in Bulgaria and Romania, a precise scoreboard showing what we want of them in the next three and a half or four months in particular areas. It is not enough to say that we expect progress. It is very important to say what exactly we expect of them in justice and home affairs, so that the two governments know exactly what to do.

The second thing I want to ask of you, Commissioner, with all due respect, is that there should be no extra work later. As some members of the Bulgarian Government said to me recently, 'We cannot change our constitution every other week'. What we really need now is to be precise in our demands. My final hope is that the June Council will take a clear decision. As Mr Moscovici said, it is time now to send a clear signal, and the June Council can send a clear signal that they are welcome on 1 January 2007 and that we look forward to working with them.

*(Applause)*

**Sophia in 't Veld (ALDE).** – *(NL)* Mr President, I am pleased with the Commission's proposal because it does justice to Bulgaria's and Romania's efforts and also to the concerns about lasting problem areas, the existence of which, by the way, nobody denies.

To previous speakers, including Mr Cohn-Bendit, I should like to say that as far as I am concerned, this proposal is a shot in the arm for the reformers and thus a source of frustration for criminals, corrupt folk and xenophobes. Maybe Mr Cohn-Bendit ought to consider to whom he actually wishes to give his support. The notion that reforms will end as soon as those countries accede is nonsense. That notion was already mentioned during the previous enlargement and was disproved in the end. Moreover, reforms are first and foremost carried out by the people for the sake of improving the quality of life and not just for the sake of joining the European Union.

It is, of course, also true that we must, as a matter of urgency, have an instrument by means of which we can tick off all EU Members, including current EU Members, if they fail to adhere to the rules, also where fundamental rights are concerned. I should like to argue in favour of long-term vision, for we all know that this is not the end where reforms are concerned. Corruption, crime, discrimination against minorities, and suchlike must all be tackled, also in future. One day, Bulgaria and Romania may well lead from the front in the European Union, just as they also demonstrated that economically, they are capable of much more and much greater willingness to reform than us in Western Europe. Who knows, one day, they might be the champions of fundamental rights and rule of law and may well adopt a leading role in the European Union.

Finally, I should like to urge all Members in their own countries, to give the full account, rather than populist talk that is based on xenophobia. I will welcome Bulgaria and Romania on 1 January 2007.

**Kinga Gál (PPE-DE).** – (HU) Mr President, Commissioner, while I value your work, please allow me to ask you a question. Why has the one and a half million Hungarian population, one of the largest minorities in Europe, vanished from this report? All previous Commission reports, followed by the Parliament reports, called attention to the needs of the Hungarian community in Romania. This report hardly mentions it. We are pleased that, contrary to the preliminary news, it contains at least a general reference to the Minority Act.

Commissioner, I can state with certainty that the Hungarian population of Romania has not vanished since October 2005. The issues that Parliament had expressly found to be problematic have not disappeared, either. These are unresolved matters. And it is becoming increasingly clear that there is no political willingness, either, to resolve them; for instance, there is no willingness to adopt a Minority Act based on cultural autonomy. Or to ensure higher education in the Hungarian language. Or to enforce the principle of self-governance. Or to amend the discriminatory Elections Act.

Commissioner, the European institutions have a considerable responsibility to help the citizens of Romania, including the minorities, to recognise the possibilities provided by accession. Thus, the Hungarian community in Romania must also benefit from the European Union methods and techniques for the enforcement of interests. This needs support both from Bucharest and Brussels.

Brussels has not given much help to this community today. But it can still help, it can help this community to recognise the possibilities and acquire the techniques. This will be a precondition of the competitiveness of the European Community.

Therefore now, Commissioner, I will hand over to you the letter written by Members of the European Parliament, as well as, symbolically, a few of the thousands of letters written to you by people and civil organisations in Transylvania. We are, and I am, expecting a reply to these, too, in October.

**Helmut Kuhne (PSE).** – (DE) Mr President, Commissioner Rehn, you have a pleasingly straightforward way of presenting your findings in plenary. I will therefore be equally straightforward in expressing my thanks to you. Thank you, and that without any flowery words hiding qualifications. So an unqualified thank you.

You have worked carefully, you have made the best of an unsatisfactory situation that is not primarily of your making. It would be difficult to question your findings and hence the grounds for your conclusions on the basis of the facts.

I therefore advise those who may be tempted to feel offended in the present situation not to be, but to set to work and complete the tasks that are still outstanding.

If in the autumn your report shows there are still deficits, the Commission should propose safeguard clauses. Parliament should then give the Commission its backing, although each of the two countries should be treated separately.

For me, however, this debate is also an occasion to draw further conclusions, over and beyond the two countries at issue. Some other Members have touched on it, and I will say it again quite clearly: there must never again be accession treaties without the accession conditions being fulfilled in their entirety.

Bulgaria and Romania in any case complete the list of 27 countries that were in the Nice catalogue, so to speak. There can only be further accessions if the European Union also does its homework and makes the necessary internal reforms to ensure its continued existence with more than 27 states.

#### IN THE CHAIR: MR DOS SANTOS

*Vice-President*

**Viktória Mohácsi (ALDE).** – (HU) Mr President, I am pleased that both countries have joined the Decade Programme, and they are doing everything they can to ensure that the Roma are integrated as soon as possible. However, the monitoring report describes abuses committed by the police and law enforcement authorities, in both countries. We must continue to monitor the problem areas mentioned.

Segregation in the education sector is already mentioned in the Bulgarian report, but I would very much like to see that this issue is given increased attention in the case of Romania, where the level of segregation

is just as high. According to reports of certain civil organisations, 80% of children classed as having learning difficulties are Roma.

Even as recently as a week ago, on 9 May, I received a report of abuses committed by the police. The wounds inflicted on members of the Roma community by policemen of the Romanian authority can be seen on photographs. This is the third case that I heard of within the last six months.

In spite of this, I voted for the accession of both countries. However, the significant difference between the two countries is that while Bulgaria acknowledges the problems related to the Roma population, Romania would like to conceal and deny them. I call upon the Romanian colleagues, the Commission and the Commissioner to ask the competent authorities to change this policy!

**Camiel Eurlings (PPE-DE).** – *(NL)* Mr President, the enlargement is undeniably one of the EU's biggest success stories. We do not realise enough what it means to those countries to belong to the community of values, often after decades of tyranny, but also what it means to the old countries. We would have always been worse off had the enlargement not been so successful. In order to gain and maintain support for this enlargement, though, it is necessary that it should take place in a credible manner and that the criteria should not be tampered with.

Bulgaria and Romania belong in the EU, but those criteria are important if we want to hold onto public support, if we want the enlargement to reinforce, rather than weaken, the community of values, and last but not least, those criteria are important for the citizens of Romania and Bulgaria, and that is why I would say to Mr Watson, who spoke a moment ago, but also to my fellow countrywoman, Mrs in 't Veld, that adhering to criteria is in fact, not against, but in favour of, enlargement.

Turning to the Commission's present proposal, if one considers the level of progress there, then I think that the pressure tactic has so far worked, particularly in Romania, where Mrs Macovei, in her capacity as justice minister has achieved more in a short space of time than the Nastase administration in previous years. That is worth a huge compliment. At the same time, we must realise that more pressure is needed. Yet more change is needed in Romania, but particularly in Bulgaria, where some developments appear to have been more negative than anything else.

In the light of the need for persistent pressure, the Commission's approach is the best one. If we say that 2007 will be the year, then that would take the pressure off, but if we say that 2008 will be the year, then that would equally take the pressure off, for then people will know that they can join in 2008 come what may and that they can rest on their laurels. Dangling the carrot of 2007 as still being a possibility, is important, provided this is done under three conditions.

First of all, the Council should not state that October is too late to decide. Secondly, if the countries are not up to scratch, we should really be able to say in October that they cannot join in January 2007. Thirdly, if we really talk about credibility, then we should dare assess each country on their own merit and one country should not become the victim of the other. That would therefore mean that Bulgaria and Romania would be separated and assessed individually in October.

I would thank you and would once again like to congratulate the Commission on the line it is currently taking.

**Miguel Ángel Martínez Martínez (PSE).** – *(ES)* Mr President, ladies and gentlemen, twenty years ago, like the Bulgarians and Romanians are doing now, we were finishing negotiations for Spain's integration into the Community. I recall our efforts to adapt to the Treaties and I recall the humiliation, in the face of obstacles, of leaders who at the time appeared to be much less committed than us to the project. However I remember, above all, the solidarity of many, their respect and their understanding.

A few years later, having learned from this experience and as President of the Council of Europe Parliamentary Assembly, I gave my full support at the Bulgaria and Romania Council, as a first step in the process that will now culminate in their integration into the European Union.

The Commission has put forward a report that is generally positive, but acknowledges some shortcomings. This is the Commission's role. Parliament's role, as an eminently political body of the Union, has to be different. As we represent our people, we must understand and support the people of Bulgaria and Romania, understand their difficulties and, by confirming their accession date for 1 January 2007, help them to gradually resolve the shortcomings found.

Our role is above all to understand that in Bulgaria and Romania there are two peoples with deep Europeanist convictions, much more so than the majority of the Member States, whom we therefore really need in order to move forward with the European Union project culminating in the Constitution.

Nothing would be more negative than to frustrate aspirations, spread uncertainty and mistrust and make Romanians and Bulgarians feel mistreated and discriminated against. Because we need them and because they are going to be the best of us, Parliament must give its full support to their accession on the planned date. This is the approach of my Socialist Group, the ultimate in solidarity, and of the Spanish socialists, given our own experience and the hopes and commitments that we share with the Bulgarians and Romanians.

**Charles Tannock (PPE-DE).** – Mr President, enlargement is truly one of the great stories of the EU. The fifth wave, which enlarged the Union to 25 Member States in 2004, has actually been a great success, in spite of many dire warnings that the Union would be paralysed without a Constitution and that countries such as mine would suffer unsustainable immigration flows, including from the Roma population. The new Member States have, broadly speaking, become more Atlanticist, they believe in free markets and low taxation as an approach, which I welcome. I believe that the accession of Romania and Bulgaria, which is really the fifth-and-a-half wave as initially they were supposed to join at the same time as the other 10 new Member States, will also prove to be a great success.

I still believe that the carrot of EU membership has proven the great driver of economic and political reform. Nevertheless, I do not underestimate the scale of the tasks that will face those two countries after joining in 2007. There is still a need for them to not lower their guards against public corruption, and some high-level indictments and convictions will certainly be a powerful example to deter further corruption.

The problem of organised crime has been mentioned – people trafficking and drug trafficking are still serious issues. Bulgaria seems to have made less progress, with a spate of horrendous mafia-style contract killings, which are of major concern to all of us. It is fair to say that organised crime is still a problem, even in some of our current Member States, such as southern Italy. That in itself cannot be a cause to delay Romanian and Bulgarian accession any further, although there is a case to be made for invoking the one-year safeguard clauses in regard to particular chapters such as justice and home affairs.

Let me raise two specific issues. Firstly, I call on Romania to settle its outstanding maritime border dispute with Ukraine over Snake Island. Ukraine, hopefully, will also be a Member State of the European Union one day. Secondly, I call upon the Romanian Government to reconsider its absolute ban on inter-country adoptions.

**Catherine Guy-Quint (PSE).** – (FR) Mr President, I should like straight away to thank the Commissioner for this new report, which is a very rigorous piece of administrative work on the part of the Commission. However, this very rigour is leading the Commission again to postpone its decision on Bulgaria's and Romania's accession date. In spite of the dynamism shown by these countries and although all the signs still point towards accession, the report expresses serious reservations. Once again, you recommend them to continue with their efforts in a wide variety of areas: agricultural administration, the monitoring of Community expenditure and the fight against crime, corruption and fraud. Moreover, those who have spoken in this House have added to this list: the integration of minorities, international adoption and the control of customs contraband. In my opinion, it does need to be acknowledged that Bulgaria and Romania are not alone in having these types of problem. Current events in Europe demonstrate every day how Europe falls short in all these areas.

Why then, Mr Rehn, should new demands constantly be added to the accession criteria? Why postpone a decision that gave rise to fewer difficulties for the ten countries that acceded last time round? With this decision in view, you are being extremely cautious, and this will have an impact on Bulgarians' and Romanians' hopes as they anticipate the outcome of the decision. For a year now, we have been aware of the consequences of nations' despair as they contemplate Europe's future. With each consecutive report, the Commission multiplies the demands associated with the accession criteria to be fulfilled, then backs off when faced with having to take a decision. With each consecutive report, the Bulgarian and Romanian nations feel humiliated, despite the fact that they are making progress. The people of those countries have ever more doubts about their right to occupy a place in our European democracy. With each report that is published, populism gains ground. The moment has therefore come to take a

clear and courageous decision about Bulgaria's and Romania's date of entry into the EU. In our opinion, this should be 1 January 2007, for these two countries are essential to a genuine European Union project.

**David Casa (PPE-DE) – (MT)** Mr President and Commissioner Rehn. In my last speech on Bulgaria's process of accession into the European Union, I said that there was still a great deal of work to be done and a lot of reform to be implemented. I mentioned organised crime and the trafficking of babies towards Western countries. It appears that the Bulgarian authorities are addressing these two problems, although there needs to be more consistency if we want to see more concrete results. I am informed that, apart from corruption which is deeply rooted, there is as yet not enough control on drug trafficking, especially of heroin from Afghanistan as some have already mentioned before me, which is being sold to northern European countries at astronomical prices. The Chairman of the Bulgarian National Assembly, George Pirinski, said earlier this week that the European Union should use the same scale of measurement as it did with the ten countries that joined in the last enlargement. I think that all of us can assure Mr Pirinski and the people of Bulgaria that not only will the European Union ensure that this same scale of measurement is used, but that it will do all that is possible to help Bulgaria reach its necessary criteria. We should also add, however, that the European Union will never accept any candidate country, be it Bulgaria or Romania, Croatia or Turkey, as a Member of the European Union if they do not satisfy the accession criteria. I am sorry to say, for example, that the reform in the judicial system has not made as much progress as was necessary, and certain things still need to be clarified, including the independence of the Judiciary. There is a long way to go before we reach where we want to arrive. Finally, I think, Mr President, that the Bulgarian authorities should take this opportunity to continue implementing the necessary reforms in the shortest time possible. In this way, we can welcome them here among us in 2007. Thank you very much.

**Józef Pinior (PSE).** – (PL) Mr President, the preparations for the accession of Bulgaria and Romania to the European Union are taking place during a period of crisis in Europe. Heightened populist and anti-immigration sentiments are just some of the things that have contributed to this crisis. According to recent Eurobarometer surveys, around 53% of Europeans view the enlargement process with indifference, fear, irritation or frustration. At the same time, however, we have to remember that according to these surveys, the majority – 55% – still have a positive attitude towards enlargement.

Bulgaria and Romania must not fall victim to the European crisis. We cannot increase the barriers to membership because of the emotional state of the electorate. We should not demand any more or less of Bulgaria or Romania than of other countries which took part in the accession process in previous years. We should accept and acknowledge the balanced report by the Commission, presented today by President Barroso and Commissioner Rehn. The European Union wants to uphold its obligations concerning the accession of Bulgaria and Romania on 1 January 2007. At the same time, and in order not to delay the accession date, both countries should fulfil all the criteria for joining the European Union.

I would also like to express my admiration for the efforts made by society in Bulgaria and Romania on the path to joining the European Union, and for the work and commitment of judges, prosecutors, teachers, politicians, journalists and civil activists during the last few months. I would like to say that I am convinced that this effort will bear fruit for Bulgaria and Romania next year in the form of European Union membership.

**Zbigniew Zaleski (PPE-DE).** – (PL) Mr President, as far as the criteria to be fulfilled by the two countries are concerned, everything has already been said. I would like to draw your attention to three other aspects.

First of all, let us remember that building normality in Western Europe, in spite of democracy and significant aid from the USA, took a long time. Secondly, the Union has made the decision to accept these two countries and has set a date, which I think constitutes an obligation on the part of such an important political institution. Thirdly, have we, as the European Union, given enough assistance to these countries with respect to achieving these standards?

If Bulgaria and Romania were today located in the Pacific, we could wait for the criteria to be fulfilled, but seeing as they are in Europe, we cannot remain indifferent. The Commission needs to play an active role, as do the Council and Parliament. I do not see any other solution. I would also like to add that Bulgaria and Romania are naturally a part of Europe, they are natural members of Europe, part of this body, and our common duty should be to integrate these two countries into one body.

As my speech has been quite short and I have saved some time, I should merely like to conclude by telling our colleague Mr Cohn-Bendit, who so vehemently criticised the Polish Government, that he also had the opportunity to judge his Chancellor, who represented an EU Member State for many years, on how he behaved just before leaving office.

**Csaba Sándor Tabajdi (PSE).** – *(HU)* Mr President, the delegation of the Hungarian Socialist Party supports the accession of Bulgaria and Romania to the European Union on 1 January 2007. This has been our recommendation all along, while not forgetting the numerous justified criticisms and recommendations.

Our support obviously cannot mean that the Romanian and Bulgarian government are released from their obligation to do everything in their power to eliminate the deficiencies listed in previous and current reports of the European Commission and the European Parliament. Hungary will do its best to help them in this respect.

However, I do not understand the latest report of the European Commission, of Mr Olli Rehn, which has almost entirely forgotten about the issue of minorities. Could it be that the problems raised earlier have been resolved over the past six months?

The European Commission should call to account Romania, in the spirit of the previous decisions of the government, for failing to adopt the Minority Act, to return church property and to establish a state-financed Hungarian language university.

Mr Olli Rehn, I do not ask for anything more than what you described in your October 2005 report. Commissioner, you recently stated that we cannot demand of Romania more than what we are demanding of current Member States, while in your earlier statements your starting point was different. The situation has not changed; has your position changed?

This inconsistency is only explained in part by the fact that there are no European standards for minority rights. Therefore in the future, the starting point should always be the situation of the country in question. It is wrong to refer to old Member States, some of which – and I do not wish to single out France – deny even the existence of minorities, and if they were to apply for accession to the European Union today, they would be definitely turned down.

**Fernand Le Rachinel (NI).** – *(FR)* Mr President, Commissioner, ladies and gentlemen, the accession of Bulgaria and Romania, which is scheduled for January 2007, could be postponed due to the corruption that the Commission would have us believe is rife in those two countries. Such concern is altogether commendable. Before they start preaching, however, ought not some of our governments, including the one in France, to first put their own houses in order?

Romania and Bulgaria are authentic European nations and are all the more worthy for having been subjected to the Turkish occupation between the 16th and 19th centuries, and then Communism from 1945 to 1990. That is why we are putting them on their guard against another form of oppression, which is less brutal but just as dangerous: the Europe of Brussels, which has no borders, destroys our national freedoms and identities and opens its gates to Islamic Turkey by denying the Christian origins of our civilisation. Since the vote cast by the people of France and of the Netherlands in 2005, that version of Europe no longer has any democratic legitimacy. It is time that all the European nations came together to build another Europe, the Europe of nations.

**Anna Ibrisagic (PPE-DE).** – *(SV)* Romania and Bulgaria have been promised EU membership as from 1 January 2007. They have signed the accession agreement, and we have sent signals to Romania and Bulgaria to the effect that they are doing a good job and that, if they continue to work hard, they will also become members in accordance with the timetable.

Meanwhile, there have been a number of developments in Europe that have nothing to do with Romania and Bulgaria but that have strongly influenced public opinion, including on the issue of these two countries' membership. Romania and Bulgaria were promised membership before scepticism about continued enlargement began to spread, before a number of European countries voted against the draft EU Constitution and before the fear of social tourism began to spread in the old Europe. The fact that these fears are unjustified and the fact that current political leaders did not manage to explain this and give people a sense of optimism are clear signs that there is a serious lack of leadership in today's Europe. That is not, however, something for which Romania and Bulgaria should pay the price.



I am both surprised and perturbed about the fact that no one in this House today has pointed out that enlargement is really about security. The majority of countries in the Balkans are in the throes of forming nation states, which is a difficult and delicate process that could come to grief at any time and that has to be handled with both sensitivity and knowledge. In such a situation, it would not be sensible to postpone Romania's and Bulgaria's entry into the EU, particularly because it would most certainly divert both attention and energy from much more complicated issues in the region such as the status of Kosovo, the referendum in Montenegro and the status of that country and the constitutional changes under way right now in Bosnia. Romania and Bulgaria have done a good job. Hard work is needed, and both countries will work hard in the future too, just as other countries did during their first period as EU Member States. For the sake of security in Europe, it would, however, be best if the EU were to fulfil its commitments to Romania and Bulgaria and otherwise focus its efforts on the other, much more sensitive issues that have to be solved in the Balkan region in the course of the year.

**Arlene McCarthy (PSE).** – Commissioner, I have a personal dilemma: I represent a country that is pro-enlargement but a region that is urging me to vote against Bulgarian membership. Why? Because my constituent, Michael Shields, is serving a ten-year sentence for a violent attack of which he continues to maintain he is innocent.

The Bulgarian criminal justice system has not given Michael a fair trial. His only recourse is to take his case to the European Court of Human Rights in Strasbourg. When new defence evidence came forward, it was ignored by the Bulgarian authorities; when another Liverpool man confessed to the crime, it was disregarded by the Bulgarians. I urge the Bulgarian authorities to restore our faith in their criminal justice system.

I urge the Commissioner to ask the authorities to take up the offer of assistance by the UK to interview witnesses and examine pre- and post-trial evidence that was rejected in his appeal. Any EU Member States, including mine, can make mistakes. The true test of a democracy is the will to redress any potential wrongs and ensure that real justice is served.

Commissioner, I will send you a copy of this independent documentary, which shows that my constituent did not have a fair trial and that there was a severe problem with the police investigation.

**Olli Rehn, Member of the Commission.** Mr President, it is not a question of my timetable, but of media deadlines in Bulgaria and Romania. I trust you will be sympathetic to this excuse, because we have to get the right message across tonight to both Bulgaria and Romania, where we are heading with President Barroso immediately after this sitting to pass on the message of encouragement. We shall be rolling up our sleeves to tackle the remaining shortcomings.

I would like to thank you for a very constructive and responsible debate, which also reflects the wide range of views in European civil society. That is, of course, the role of Parliament.

In this debate I sense overall support for the Commission's basic approach, which is that the target accession date of January 2007 should be possible, on condition that the countries can address the remaining shortcomings. Yes, some are more in favour than others and opinions differ as to the conditions, but the overall tone of the debate has been very clear and I can say that the Commission is in favour of the target and of sticking strictly to the conditions.

In order to have a real dialogue, I would like to comment on the points raised in various speeches. First of all, it has been said that the conditions that remain must be achievable. I fully agree with that. We would not propose a final review of whether the conditions have been met in October if we did not believe that it is feasible for the countries to meet the remaining criteria.

At the same time, it is clear that, as guardian of the treaties, we cannot recommend something that does not exist. We have to see that the conditions are really fulfilled, especially in the field of terrorism and the fight against corruption and organised crime. Otherwise, we would not be up to our task.

Secondly, there has been a request for a concrete 'to-do' list or scoreboard for the countries so that they know what is expected of them. I agree. This is included in the Commission's report and both countries are fully aware of the expectations and of the remaining criteria. That is precisely why President Barroso and I are going to Bucharest and Sofia today and tomorrow. We shall discuss what is expected of both Bulgaria and Romania.

Moreover, we have to trust in the political maturity of the governments, parliaments and administrations of these countries for them to know what the Copenhagen political and economic criteria and the *acquis* criteria mean, and plan their roadmaps of reform on the basis of these well-established criteria, which form the basis of our crystal clear report.

I can give you a very precise example of one area in which we and Bulgaria and Romania have an interest in the countries fulfilling the conditions by the accession date, and that is that Community money should be properly spent and accounted for, which, I trust, is close to the heart of this House – at least it was when I was a member of the Committee on Budgetary Control. Bulgaria needs to establish the integrated administration and control system in agriculture in order to implement the provisions and funding of the common agricultural policy. This means that it needs to take aerial photographs of all the parcels of land, digitise them and block them into a system that links them to the owners. If this is not done, I am afraid we will have to withhold direct payments under the common agricultural policy. This should work as a very strong incentive to redress this shortcoming. I hope this example is concrete enough, but I could give you dozens of other precise examples of what still needs to be done in various areas of the Union's policy and *acquis*.

Finally, Mr Van Orden said that no reference was made in the Commission's report to the recommendation of a possible postponement, which is one of the provisions of the accession treaty. To avoid any confusion or misunderstanding, this compels me say that in fact, in the conclusion of the Commission's report adopted just three hours ago, we say that by early October we shall assess whether the two countries have been able to address the remaining shortcomings and on that basis we shall adopt a position as to whether the proposed accession date can be adhered to. This means, in clear English or other Community languages, that the Commission reserves the right to consider the use of this safeguard clause of postponement unless the shortcomings are addressed in the next five months, which is, as I said, fully achievable for both countries if they really make an effort.

Our goal is the accession of Bulgaria and Romania in 2007 and our duty is to see that both countries join when they meet the conditions and are fully prepared to join the European Union. This is also a matter of the famous absorption capacity of the European Union. That is the best way to make the enlargement a success for Bulgaria, Romania and Europe. I trust that you will support the Commission in this objective.

**Árpád Duka-Zólyomi (PPE-DE).** – (HU) Mr President, 1 January 2007 is fast approaching, but the uncertainty seems to be here to stay. In Romania, in spite of the commendable efforts of the current government, there are still many serious problems waiting to be solved. The Copenhagen criteria, as in the past, apply to all candidate states equally.

Alongside the need for the reform of the judiciary and for restraining corruption and organised crime, the issues related to the observance of human rights and the guarantee of legal certainty for minorities are raising doubts. There have been several positive changes in respect of the latter, which have been significantly aided by the presence in legislation and government of the Democratic Alliance of Hungarians in Romania (RMDSZ), the political representation of the Hungarian community in Romania.

However, it is mistaken to think that, as Commissioner Olli Rehn has stated, the participation of the RMDSZ in the government coalition is sufficient to guarantee the legal certainty of minorities. The political party representing the Hungarian community will never be in majority, and results can only be achieved with the help of the Romanian majority parties and their willingness to compromise.

As a consequence of the lack of rational political will, a few basic problems are still waiting to be solved. Why is the adoption of the Minority Act delayed? Also, the mother-tongue university education of the indigenous Hungarian community, in the form of an independent Hungarian institution of higher education, has still not been resolved. Another unresolved issue is the restitution of church property. The current Election Act, which is discriminatory against national and ethnic communities, should also be amended, in line with European standards.

Ladies and gentlemen, it is imperative that the issue of minorities is given appropriate importance in the report of the Commission. What would be the right decision in the circumstances, when the Council has already promised Romania European Union membership from 1 January? The rational bridging solution would be to apply a close 3-year monitoring system. This would obviously need a precise drafting of the indispensable sanctions and of the conditions of safeguard clause activation.

**Mia De Vits (PSE).** – (NL) Mr President, the fact that neither Bulgaria nor Romania have completely finished their homework should not come as a surprise to anyone, for it is a Herculean task. The two countries should not, though, become the victim of the Union's internal problems or of a lack of solidarity. I heard the Commissioner also mention 'absorption capacity'. I really do not know the criteria against which this would have to be verified. Also, I think that the agreements that have been reached should actually be implemented. When our parliamentary committee visited Sofia, we saw for ourselves how much effort people are making in order to achieve the goal, and I think that we should support the reformers.

The Commissioner tells us that specific examples will be given of what precisely will be expected of those countries. We really hope that they will be, that the criteria will be detailed and, above all, that those who are politically responsible in those countries will be backed in any way possible so that they can keep to the 1 January 2007 deadline. The Commission should not hide behind the Council any longer. It should come to us with a clear opinion.

**Georgios Papastamkos (PPE-DE).** – (EL) Mr President, I should like by way of introduction to express my appreciation of the European Commission for the valuable work which it has presented to us today.

Ladies and gentlemen, the accession of Bulgaria and Romania does not raise questions of political, economic or cultural geography for the European Union. Certainly there are deficits in institutional and administrative adaptation, especially in areas relating to the European area of freedom, security and justice. However, we should not overlook the fact that the order to adapt is ongoing. It is inherent in and directs relations between the European Union and a Member State. The crucial question, in my opinion, has to do with weighing the costs and benefits for the European Union in the event that accession is postponed. I believe that there will be a cost to the very credibility of the European Union. It will demonstrate a lack of ability to assimilate on its part. Just a few months before accession, the European Union should not send a negative message of postponement to the people of Bulgaria and Romania.

The accession of these two countries will strengthen the homogenisation of the economic area of southeast Europe and, at the same time, will encourage the process of political and economic convergence of the Western Balkans on its path towards integration in the Union. In other words, there will also be a positive spill-over effect for the Western Balkans.

The message that we must send to Bulgaria and Romania is a message to intensify regulatory work in the period of time remaining. To the extent that European governance – European multilevel governance – affects national unification or de-unification, we have only one option: a creative convergence of opinions which will allow the move from a European Union of the 25 to a European Union of the 27. The way forward is politically preordained. Let us make sure it is institutionally prepared on 1 January 2007.

**Panagiotis Beglitis (PSE).** – (EL) Mr President, I believe that today's valuable report on Bulgaria and Romania presented to us by the Commission sets out in the most objective and fair manner the serious progress made by both Romania and Bulgaria during the final period to adapt to the *acquis communautaire*.

I believe that, with this report, the Commission does not underestimate the progress or overestimate the shortcomings of the two countries and I believe that this balanced appraisal of the current situation in both countries by the Commission lends credibility to the European Commission in defending the strategy of enlargement, which we must all defend, and makes a constructive contribution to efforts by both countries to complete the reforms.

The message which Europe is sending today is, in my opinion, loud and clear. It contains an incentive and a warning: the incentive of accession on 1 January 2007 in accordance with the timetable and the warning that this objective will be achieved if both countries intensify their efforts in accordance with the final report which will be presented by the Commission.

Today, Mr President, the responsibility for the final outcome rests with the governments and political forces in these two countries.

**Ari Vatanen (PPE-DE).** – Mr President, it is a pity that the Commissioner had to go because now our immortal speeches will not make an impact on the EU's future, but never mind. We have to congratulate him on a good job under very difficult conditions.

Today we have to play tough but fair, and I underline the word 'fair', because we are not talking about the three months to come, we are talking about three generations. That is what we need to focus on. I am not about to underestimate the problems those two countries are facing, whether it be criminality, corruption, the judicial system or minorities, be they Roma or Hungarians, but we have to remember where those countries have come from. They have come a long way.

That is what Finland has done over the last 50 years. Look at the fantastic progress Portugal has made in 20 years. Today we must say 'no' to populism and 'yes' to vision. We must say 'yes' to leadership, because the progress of those countries towards harmonisation in the bigger European family depends on political will. It depends on our will to build a more stable world. Let me remind you that we would not have had the Balkans tragedy if those countries had had the hope of joining the EU 20 years ago. This is the power of enlargement, and we must see the bigger picture and not indulge in populism.

We have lots of ways of monitoring safeguard clauses, even sanctions, to keep an eye on progress, but it is essential for us to support democratic forces in those countries. We must support those who want to enforce the rule of law. That is what matters and we must believe that the democratic forces will win. Our moral duty today is to give people horizons – not borders.

**Pia Elda Locatelli (PSE).** – (IT) Mr President, ladies and gentlemen, nothing has been said in this debate about the *acquis communautaire* with regard to equality between men and women; a guilty silence that sadly reflects the scant attention paid to this issue. Nevertheless, women in Romania have made great strides in the field of education: young women have a higher level of education than young men; in 2005, almost 55% of graduates were female, and women represent 40% of university lecturers.

These data indicate the potential of the Romanian female population, but that potential is being frustrated in the political sphere, in which men completely dominate all levels of decision making. Another positive finding concerns the commitment made to secure more resources and administrative autonomy for the Romanian Agency for Equal Opportunities.

Other measures have been undertaken in Bulgaria: the National Council for Equal Opportunities has been set up under the Prime Minister's Office; the government has signed the optional protocol of the Committee on the Elimination of Discrimination against Women (CEDAW); and with the recent elections, Bulgaria has become much closer to the European average in terms of the number of women present in parliament and in government.

There certainly remains much to be done in terms of ensuring that there is genuine equality between men and women in the two countries, but the sooner Romania and Bulgaria become part of the EU, the faster this journey towards equality will be. I am therefore in favour of their accession on 1 January 2007.

(Applause)

**Jacek Protasiewicz (PPE-DE).** – (PL) Mr President, I represent Poland, a recent member of the European Union. The memory of the large effort made by our country, the work of the citizens but also of the politicians and the civil service aimed at adapting to the exacting standards of the European Union, is still fresh in our minds. That is why I can appreciate the tremendous effort made by Bulgaria and Romania to implement reforms in preparation for integration.

I therefore think that the European Commission should not delay the decision concerning the date of accession of both of these countries to the Community. Maintaining 1 January 2007 as the date of accession will be a sign of solidarity and an acknowledgement of the hard work that has been done by these two countries. Maintaining this date is all the more important because a change may be interpreted as an attempt to block or even reject the application for accession of both these countries, especially as we have recently witnessed protectionist tendencies within the European Union, or in other words moves to prevent access to the benefits of a common market and truly free movement of persons and services.

I am aware that there are certain shortcomings which have been rightly pointed out by the European Commission in its report. I do believe, however, that the best way of overcoming these shortcomings is for the European Union and the European Commission to put pressure on the Bulgarian and Romanian governments to dispel all doubts and to solve all problems within the next six months. Indeed, I am thoroughly convinced that a clear and stable prospect of joining the Union is the best motivation for Bulgaria and Romania to make an additional effort and meet all the accession criteria. I am also convinced

that, just as the enlargement of the European Union two years ago by 10 countries proved to be a political and economic success, the accession of Bulgaria and Romania on 1 January 2007 will prove to be equally successful.

**Mairead McGuinness (PPE-DE).** – Mr President, this afternoon a very important event took place in Constanza County in Romania: the official opening of protected homes for over 100 people who currently live in unsatisfactory conditions. It came about as a partnership between the local county council, the Romanian Government and two Irish NGOs – Focus on Romania and the Aurelia Trust.

There has been a lot of debate – indeed, dispute – in this House about how Romania is caring for its most vulnerable children and young adults with handicaps. If that focus has helped to improve – as I believe it has – the plight of these people, then it will all have been worthwhile, even if it has upset the authorities.

Last week a report by Mental Disability Rights International caused huge concern and outrage because it outlined serious abuses in Romanian institutions. Today, that report is being discredited by some, perhaps too sweepingly.

The problem of trafficking has been identified by the Commission, and all Member States – including my own country, Ireland – need to play their part to stop this cruel and horrific trade in vulnerable human beings.

Perhaps, as Commissioner Rehn has outlined, we will resolve all these problems by October 2006, but these two countries must accede.

**Panayiotis Demetriou (PPE-DE).** – (*EL*) Mr President, it has been accepted by everyone that both Bulgaria and Romania have done a great deal in the direction of their accession to the European Union and I am delighted because the European Union is remaining firm in its position on the 'yes' it has given these two countries.

Of course there are shortcomings. There are shortcomings in all countries before their accession to the European Union, but they remedy them. I am certain that both Bulgaria and Romania will use the time they have, working day and night, to demonstrate that they are in a position to take what we have promised them: the 'January train' for their accession and their unification with the European family. This is the historic challenge and I am sure that, with our and the Commission's and everyone else's help, these people will prove that they are big and will join the big family of the European Union on 1 January 2007.

**President.** The debate is closed.

#### ***Written Statements (Rule 142)***

**Christine De Veyrac (PPE-DE).** – (*FR*) I should like to highlight a problem that is very distressing in human terms: that of the adoption of Romanian children by European couples.

By means of a moratorium dated June 2001, the Romanian authorities banned all international adoptions, except in exceptional circumstances: the adoption of siblings, of children aged over 6 years or of disabled children.

Despite the fact that they were among the authorised exceptions, several dozen adoption applications have been left pending since being reviewed in 2001.

Thus, 800 European families have been waiting for more than five years to adopt their children, even though their adoption applications had been validated prior to June 2001 by the Romanian adoption committee.

These children know their adoptive parents and have a bond with them. They are now suffering from abandonment for a second time. What have become of the best interests of the child?

In December 2005, the European Parliament called on Romania to deal with these adoption application cases as quickly as possible, but no breakthrough has been observed up to now.

All international adoption applications are systematically rejected. In March, applications submitted before the moratorium of June 2001 were rejected once again.

Does the European Commission plan to put pressure on the Romanian Government so that a fair and humane solution might quickly be found in the interest of the children and of the adoptive families?

**Dominique Vlasto (PPE-DE).** – (FR) In its communication of 25 October 2006, the European Commission highlighted ‘gaps in the preparation for membership which are of serious concern’.

I will mention two main examples: corruption, which remains a serious problem that may threaten the internal market, and the substantial difficulties in implementing an effective system of financial management and control that enables the Structural Funds to be executed.

There can be no denying the progress made or Bulgaria's and Romania's desire to join. Nevertheless, I doubt that the gaps of serious concern highlighted by the European Commission can be filled by the date on which these countries are due to join, 1 January 2007.

With the arrival of the ten new Member States, socio-economic disparities have doubled in the enlarged Union, while the 15 are not stimulating European growth, their economic performance remaining rather average. Therefore, before we contemplate the accession of new countries, should not we first think about consolidating the Union of 25 Member States?

I do not believe, therefore, that the European Union, Bulgaria or Romania will be ready by 2007. That is why I am calling on the Council not to confuse speed with haste when looking ahead to these countries' accession.

## 15. Commission Question Time

**President.** The next item is Question Time (B6-0207/2006).

The following questions have been submitted to the Commission.

### *Part One*

**President.** Question no 48 by **Michl Ebner** (H-0360/06)

Subject: Anti-competitive nature of mobile phone ringtone advertising

On 6 April 2006, advertising for mobile phone ringtones in media used primarily by children and young people was termed anti-competitive in some respects by the German Federal Court (judgment of 6 April 2006 - I ZR 125/03) on the grounds, inter alia, that such aggressive advertising is directed at a target group which is in special need of protection and commercially inexperienced.

However, advertising for ringtones, mobile phone games and suchlike is not confined to Germany; rather, it extends to the other Member States too.

Does the Commission intend to take action on this issue in the interests of protecting children and young people? What form will the Commission action take? Is there a timescale for any intended Commission action?

**Mariann Fischer Boel, Member of the Commission.** Mr Ebner refers to the need to protect children and young people from aggressive advertising for ringtones, mobile phones, games, etc. and asks whether the Commission intends to take action on this.

The recently adopted Unfair Commercial Practices Directive bans aggressive commercial practices and gives specific protection to children and young people. If a commercial practice is specifically aimed at a particular group of consumers such as children, its impact will be assessed from the perspective of the average member of that group. Furthermore, the directive bans direct pressure on children to purchase.

The Distance Selling Directive also protects consumers who purchase goods and services at a distance, in other words with no face-to-face contact. It includes provisions on prior information. When providing that information, the supplier must have due regard for the protection of minors.

The Commission has already launched a review of eight of the consumer directives, including the Distance Selling Directive. Issues such as those raised by Mr Ebner will be addressed in the review. A communication on the review will be published this autumn.

**Michl Ebner (PPE-DE).** – (DE) First of all, thank you very much, Commissioner, for your detailed and very reassuring remarks. You have said the first data will be available in the autumn. Is there also a further timetable that will allow us to see when the stricter rules, which from what you have said are certainly necessary in this area, will actually come into force? Could you tell me anything more about this timetable, which will be set after the autumn?

**Mariann Fischer Boel, Member of the Commission.** The deadline for the transposition of the Unfair Commercial Practices Directive into national law is 12 June 2007, and the new laws must be applicable in the Member States from 12 December 2007.

In accordance with the better regulation principles, the Commission will work closely with the Member States during this transposition period in order to facilitate timely and correct dispositions and uniform applications.

I hope that answers the honourable Member's question.

**President.** Question No 49 by **Nicholson of Winterbourne** (H-0362/06)

Subject: The need for a common minimum standard for children in Europe

According to Article 20 (1) of the United Nations Convention on the Rights of the Child, 'A child temporarily or permanently deprived of his or her family environment, or in whose own best interests cannot be allowed to remain in that environment, shall be entitled to special protection and assistance provided by the State'. However, it is clear that standards of 'special protection and assistance' provided to children in need differ widely across the Member States. Indeed some (including those that are more economically developed) continue to perpetuate outdated and poor quality child care practices, which in many cases can cause psychological and neurological damage to children. One example of particular concern is the continued and systematic use of 'caged beds' as a form of restraint in state institutions.

In this context, what steps is the Commission taking to address the need for a common minimum standard for the care of children across Europe?

**Vladimír Špidla, Member of the Commission.** (CS) Mr President, ladies and gentlemen, the UN Convention on the Rights of the Child declares that the state should provide alternative care for children temporarily or permanently deprived of their family environment or for children who cannot, in their own interests, be allowed to remain in that environment. The Declaration also supports the use of options other than placing the child in an institution, wherever such options arise.

There are many reasons why children remain in institutions away from their families. It may be because their parents are unable to look after them due to illness, death or imprisonment, because the children need protecting from abuse or neglect, or because the institutions are able to provide appropriate care for disabled or sick children. Children may also be placed in institutions due to delinquency or anti-social behaviour or because they have committed a crime. These groups share the common characteristic of a very high threat of social exclusion, and great effort is required to prevent them from slipping into persistent exclusion and poverty. It is also necessary to provide the support essential to their proper development and integration into society.

At present we face difficulties in obtaining an accurate picture of institutional care in Europe, as there is a lack of comparable data. The Commission has noted, however, that many of the large traditional institutions are gradually beginning to be replaced by more short-term care, and that there is a general preference for reuniting families or securing foster care in a new family.

Ever more attention is being paid to the living conditions of children and young people in the European Union. The European Council, meeting in March 2006, challenged the Member States to take measures towards a rapid and substantial reduction in child poverty and to provide all children with equal opportunities, regardless of their social background. In the action plans for social inclusion that the Member States submitted to the Commission, children who faced the threat of poverty and social exclusion were identified as a priority group. Some Member States have set out concrete goals at a domestic level for reducing child poverty. The Commission is aware of the fact that in some EU Member States the facilities that care for mentally or physically disabled children and adults make excessive use of methods of restraint, whether pharmacological or physical, and the Commission regards this as unacceptable.

The communication recently issued by the Commission on the position of physically disabled persons in the enlarged EU places great emphasis on de-institutionalising the care for physically disabled persons. The Community has only limited powers in this area, of course, and the Commission therefore supports the use of a whole range of instruments, including an anti-discrimination programme, national action plans for social inclusion and the European Social Fund. The Commission would also like to state that it will soon be publishing a communication on EU activities in defence and support of children's rights.

**Nicholson of Winterbourne (ALDE).** – Thank you for that very exhaustive, full and explanatory statement, Commissioner. I welcome the statement and I am grateful to you for giving so much attention to the position of those who are excluded from society, particularly when they are minors. I salute your determination to pursue a policy of inclusion across Europe.

However, may I draw his attention to the Daphne-funded analyses, recently conducted surveys focusing particularly on long-term institutional care, averaging 13 months, of children under three years of age, which is the time when they are most likely to be damaged neurologically. I might perhaps send you those reports, Commissioner. I believe another one is about to start.

My final point is that the use of caged beds in some of the existing Member States is definable as inhumane and I hope to take that topic up with you personally as well. Thank you, Commissioner, I am most grateful to you.

**Vladimír Špidla, Member of the Commission.** (CS) Mr President, Baroness Nicholson of Winterbourne, I am of course delighted to learn about the DAPHNE report, as I am delighted to learn about every report and every piece of objective data that enables us to make progress in this field. The mere fact that the study has been financed through the DAPHNE programme provides a signal that Europe is making solid progress over this matter and is striving to achieve its goal. The question of de-institutionalisation is of the highest importance and I feel that whatever additional efforts we manage to deploy will be both reasonable and necessary.

Concerning the question of caged beds, I think you are right that in some countries such beds are used fitted with nets and that there is often controversy as to whether they are used excessively or even simply for the convenience of staff. The problem – in my view – is not entirely one of technique so much as one of a generally restrictive culture which in some institutions and in some countries has persisted to a greater extent than would correspond to the high humanitarian standards which the EU is striving to enforce, since a similar kind of inhumane interference in people's minds can also result from the use of pharmacological substances, if these are used without proper need and on the basis of a restrictive culture. I do indeed consider it necessary to clear away and overthrow this restrictive culture throughout the EU, but at the end of the day the techniques through which the culture manifests itself are not so important. You are right that caged beds may be a problem in several countries, but I have noted with some satisfaction that this is not the case in many countries, although only in some is there a strong trend towards abolishing this method.

**Richard Seeber (PPE-DE).** – (DE) Commissioner, we know that child care is in a sorry state in Romania, as the Commission itself noted in the progress reports. Other problems now seem to be coming to the fore. Has this problem now been dealt with or solved, or has the Commission simply shifted its focus? What is the state of child care in that accession country?

**Vladimír Špidla, Member of the Commission.** (CS) The Commission has of course not allowed this very important issue to disappear from view. In each case we can report striking progress, even though in some areas, for example the issue of international adoption, very intensive discussions are still continuing. The Commission has not in any way abandoned the idea of focusing on children's rights, as I firmly believe that the European Union has a certain duty to be socially responsible, and this responsibility must also be implemented within the context of accession talks. It is therefore out of the question that we might fail to appreciate the importance of this issue.

**Andreas Mölzer (NI).** – (DE) Commissioner, again and again we are shocked when cases of child abuse come to light. Sadly, the authorities often fail to act soon enough and, for want of cooperation, it can be months before the courts allow a child to be removed from the environment in which it was being abused. What steps does the Commission plan to take so that cases of child abuse are recognised better in future and action can be taken more quickly?



**Vladimír Špidla**, *Member of the Commission*. (CS) It is of course necessary to state that questions relating to the fight against child abuse fall within national jurisdictions. The dragging out of these cases, the long waiting periods, poor detection rates and the like are all a matter for national bodies. It is difficult for the EU to get involved in this area directly, although it is possible within the framework of the European Social Fund projects, or specialised projects, or within the framework of discussions and the exchange of information, and we are putting considerable effort into doing this. I believe it is also very important to build on and continue developing initiatives, which mostly come under the authority of my colleague Mr Frattini, and which relate to the fight against people trafficking, domestic violence and so on. Even in this area the European Commission is striving in the first place to formulate at least an exchange of the defining data, in order to be able to compare the situation in different Member States, and on the basis of this to formulate specific approaches. The basic principle still applies that social matters, which frequently include tragic and sensitive issues, fall within national jurisdictions, which means that if a case has not been resolved for a long time, it will be an issue much more for the domestic authorities than for the EU, although we should use such jurisdiction as we do have to the full.

**Elizabeth Lynne (ALDE)**. – I am part of the advisory council for the Mental Disability Advocacy Centre and we have been raising the issue of caged beds for a number of years now. But you are quite right – it is not just a question of caged beds; it is restraints on the beds, the use of pharmaceuticals and, more importantly perhaps, it is the lack of community care spaces.

Could you please do all in your power, particularly with the Green Paper on mental health coming to the end of its consultation period on 31 May, to address the issue of community-based care and getting people away from institutionalised care, not just for children but for people with mental health problems as well.

**Vladimír Špidla**, *Member of the Commission*. (CS) Mrs Lynne, your opinion is clearly in complete agreement with the opinion of the Commission, as expressed in the relevant communications. For both of us, the way forward is de-institutionalisation, in other words transferring care as much as possible to local authorities, the community and of course families. I feel that in this situation we must also consider very carefully what sort of support to provide to family members or to the people who, although not direct family members themselves, have nonetheless taken over the care of another person. When we consider these things in an ordinary way, we think of financial support, but in my view it is also necessary to provide some form of qualification, since for families that have to assume such a responsibility it is very important to know something about basic nursing methods, and the basic principles that are to be followed, as well as the limits that such care can impose. It is an unbearable form of ethical torment to have the feeling that you can still go one step further when in reality it is no longer possible, so in this respect we can ease the burden on those that are providing help. In essence this is the Commission's core strategy: a move away from institutions that are often inhumane, that often have a restrictive culture and that are often structurally incapable of accepting the individuality and quality of life of the people who come into contact with them, and in the direction of local authorities, natural communities and of course families, in the broader sense of the word.

**President**. Question No 50 by **Neena Gill** (H-0374/06)

Subject: Consumer information and consultation on the issue of GMO

Many constituents have written to me about the Commission's proposal to allow 0.9% of GMO content in products labelled organic. According to a recent Eurobarometer survey, GMOs are in the top five problems or risks that European citizens associate with food.

The concerns of my constituents are twofold: one that 0.1% contamination of GMO was already permitted in products labelled organic without their being aware of it. And two, that this has been increased to 0.9%. Can the Commission assure me that adequate research has been done on the long-term effects of GMO? And what information can the Commission give me that will help me to reassure my constituents that there will be no health consequences of this increase?

**Mariann Fischer Boel**, *Member of the Commission*. The Member's question gives the impression that the Commission has proposed to increase the acceptable level of adventitious contamination of organic products with GMOs from 0.1% to 0.9%. I am very happy to have the opportunity to clarify this matter, because the issue has been raised both with myself and with my services on many occasions and in many different fora. In my view, the concerns are based on a misunderstanding of our proposal and of

existing legislation regarding organic products and GMOs. To read our proposal as 'to allow 0.9% of GMO content in products labelled organic' is a clear misinterpretation. I should like to explain why.

Not all consumers are aware of this, but currently there is no specific legislation on permissible GMO thresholds in organic products, there are no permissible GMO thresholds in organic products. The existing organic production rules ban the deliberate use of GMOs or GM-derived products without laying down any threshold for the unintended presence of traces of GMOs. There is, therefore, no question of these rules 'already permitting a 0.1% contamination of GMOs in products labelled organic', as the honourable Member stated in her question.

These rules date from a period when GMOs were not generally cultivated or imported. This situation has obviously now changed. The proposal of the Commission maintains the ban on the deliberate use of GMOs or GM-derived products. However, we propose that an operator may rely on GM labels when assuring that no GMOs enter his/her production.

These labels provide for effective evidence as, today, GMOs or products derived from GMOs generally have to be labelled as GM according to Community legislation. This de facto means that the same 0.9% threshold for the unintended presence of GMO traces applies to organic products as to other products.

We believe that if we tried to impose a stricter labelling threshold for organic products, this would simply make life much more difficult for organic producers, because we realise that complete purity is unattainable in practice. Even so – and I would like to stress this – it does not mean, as the honourable Member states, that the proposal 'increased the level of permitted GMO contamination to 0.9 %'. The operator will have to continue to take all appropriate steps to avoid the presence of GMOs!

What, on the contrary, would really change under our proposal is that a product labelled as GM could no longer be labelled as organic at the same time if the 0.9% threshold is exceeded, which is in fact possible today under the present legislation.

On the health aspects, it has to be considered that GMOs may only be placed on the market following a specific case-by-case authorisation procedure. The European Union has arguably the most stringent and tough risk assessment and authorisation procedure for GMOs in the world, and that covers both environmental and health aspects. For this reason, the discussion about unintended presence of GMOs does not relate to safety issues.

In conclusion, I really must emphasise once again that in relation to the adventitious contamination of organic products by GMOs, the proposal under discussion at present amounts to a very important tightening-up of the rules and not, as it has often been suggested, a weakening. This is very important. It is really a tightening-up of the situation.

**Neena Gill (PSE).** – Thank you, Commissioner, for that very comprehensive clarification of a complex issue. As you appreciate, GMOs are in the top five of real concerns of European citizens, and public opinion in Europe is very sceptical about GM products and is very worried about 'Frankenfoods'.

The issue for us is: one, we have to get the right information out there and, two, how do we assure that with the Commission proposals, as you have outlined, this information reaches the public at large? I can read you a number of emails that I have received in which people are very concerned. Recently the WTO confirmed the ruling against the EU in the case of GMOs. What implications are there for this in what you have just stated as the policy?

**Mariann Fischer Boel, Member of the Commission.** Then I am quite sure we received the same emails. Therefore, today is a great opportunity for me to clarify some of the misunderstandings.

I believe the most essential step was that we were able to agree in the Council in November 2002 on the traceability and labelling of GMOs. That was crucial. The final outcome might not have satisfied everybody, but it was important that products that are produced directly from a GM product – for example, tomato ketchup produced directly from GM tomatoes – must be labelled. Therefore, consumers can actually choose whether they want to buy those products. Farmers can now avoid, for example, soybeans that have been produced by GM methods and buy the conventional type of feed for their animals. That was a major achievement.

The WTO dispute we had with the United States does not change anything.

**John Purvis (PPE-DE).** – I wonder if the Commissioner would be helped in her information campaign if she were to tell us how much it would cost producers of organic food to reduce the ceiling from 0.9% to 0.1% on GMO content. What would it cost the organic producers? What would it cost their customers, and what would be the impact on availability of organic food for the customers? Can she give me those figures?

**Mariann Fischer Boel, Member of the Commission.** No, but I can give you an idea of the consequence: if we were to reduce the ceiling to 0.1%, it would have dramatic consequences for organic producers. It would be so expensive that, in my judgement, the availability of organic products to the consumer would be reduced dramatically, because the price would be out of proportion to the price the consumer is prepared to pay. To give you a clear figure is simply impossible, but we have calculated and made it clear that if anyone did wish to reduce the ceiling to 0.1%, that would have a serious impact on the survival of organic farmers.

**Andreas Mölzer (NI).** – (DE) Commissioner, to date we still have no long-term studies of the effects of genetically modified organisms. In view of the European public's marked scepticism about genetic engineering and the recent WTO ruling, is the European Union planning to make any studies of the medium and long-term health damage caused by genetically engineered food?

**Mariann Fischer Boel, Member of the Commission.** Before allowing the import or the growing of any GM product, the European Food Safety Authority has to have the possibility to go through all the details – both from a health point of view and from an environmental point of view – to calculate the risk or the consequences for either health or the environment. So, from my point of view these two areas are covered by all EFSA's efforts to try to have the ruling in place before allowing either import or growing.

#### *Part Two*

**President.** As they deal with the same subject, Questions Nos 51, 52 and 53 will be taken together. Question No 51 by **Maria Badia I Cutchet** (H-0328/06)

Subject: Community regulation to reduce international roaming mobile telephone charges

Let me begin by congratulating the Commission on its initiative in drawing up a Community regulation to reduce international roaming mobile telephone charges. This is a significant step towards achieving not merely political but economic governance of the European Union.

Excessive roaming charges need to be eliminated. 2006 is European Year of Workers' Mobility, and the EU's efforts to encourage European mobility in general, and not merely of workers, should ensure that mobile telephone users should not have to pay higher charges just because they are abroad.

As the Commission knows, current market prices penalise Europeans for being outside their country of origin, and the prices charged for roaming calls also vary for users from different European states.

In order to guarantee that the new regulation meets not only the criterion principles of competitiveness and of the internal market, but also of the Charter of Fundamental Rights, could the Commission tell me what the bases used for this regulation will be?

Question No 52 by **Seán Ó Neachtain** (H-0336/06)

Subject: Reduction in roaming charges in Europe

How long does the European Commission believe that it will take for a reduction in the cost of roaming charges for the consumers of Europe to come into effect, and how much of a reduction in the cost of roaming charges will be involved?

Question No 53 by **Gay Mitchell** (H-0340/06)

Subject: International roaming charges

Will the Commission outline the specific procedures currently taking place in the second and final phase of consultations on the regulation that is aimed at bringing down international roaming charges?

**Viviane Reding, Member of the Commission.** We all know that the international roaming prices are very high. Parliament and the national regulatory authorities have drawn our attention to that fact several times. They have called for action at EU level to solve the problem, and rightly so, because the high

roaming costs prevent citizens and businesses conducting cross-border activities from benefiting fully from the internal market.

As a first step, in October 2005 I launched a website to provide consumers with transparency on prices. At the same time I publicly declared that six months later I would benchmark the progress. Should there not be a drastic price reduction, I would regulate. In March 2006 we compared the roaming prices to their level of autumn 2005. We saw that in 19 Member States the prices were more or less stable, in four Member States they had gone up. On that basis I announced a regulation and we started public consultation. The public consultation came to an end on 12 May. We had 150 contributions. My services and I are now analysing those contributions, and will draw our conclusions and present them together with an impact assessment before summer 2006. At the same time, in July, the Commission will present a draft regulation.

I have noticed that in the meantime, understanding that the Commission will act, some market players have announced price reductions. That is a very interesting move and is in the interests of our consumers.

**Maria Badia i Cutchet (PSE).** – (ES) I would like to thank you, Commissioner, for this initiative, as I did when I was preparing the question, and also for the explanations that you have given to us, which show the level of interest and concern concerning this issue.

I would like to say that this Regulation needs to be set in motion as soon as possible. You have already explained this, but I think that this is an extremely important issue for encouraging mobility within Europe, both in terms of employment and in general. I hope that this Regulation will come into force as soon as possible.

**Seán Ó Neachtain (UEN).** – I would also like to thank the Commissioner for her initiative to date and her efforts in this regard, but I would like to ask her if it is the intention of the Commission to reduce the roaming charges completely? In the internal market procedure, why should there be a difference? We should have the same charges throughout Europe. This would, I believe, be the remit of the Commission and I would expect that to be the intention.

**Gay Mitchell (PPE-DE).** – I should like to express my thanks to the Commissioner. Roaming prices for a four-minute call still vary from as little as 20 cents for a Finnish consumer calling from Sweden to EUR 13.05 for a Maltese consumer in Latvia. Revenues from international roaming charges total about EUR 10 billion and regulation should save the consumer between 40% and 60%. Could the Commissioner confirm that it is her intention that whatever regulation is needed will pass into law by summer of next year?

**Viviane Reding, Member of the Commission.** I would like to thank honourable Members for their help in this matter. It is indeed a very important matter, not only for our citizens who want to take advantage of mobility, but also for workers. I am thinking most of all of the small- and medium-sized businesses that send their workers on trans-border activities. This is very heavy on those businesses, so we should try to bring the roaming prices down to the real costs. That is why we will now have to analyse what we have received as input with these 150 contributions.

I announced in March that my intention is to switch to the home price tariff. Under which conditions this will happen is something I am considering at the moment on the basis of the inputs to the consultation. I can assure Parliament that the intention is to put a regulation before the Commission in July and then it will be in the hands of Parliament and the Council to see whether they can use the fast-track procedure to get this regulation accepted. Once this regulation is accepted it will go directly into implementation and that means, I believe, that before summer or in summer 2007 consumers and workers could profit from much lower roaming tariffs.

**Piia-Noora Kauppi (PPE-DE).** – As you can see, getting rid of roaming charges is one of the Commission's most popular initiatives. I would like to return to the first question from Mrs Badia i Cutchet. She asked about the legal basis of this regulation. What will the legal basis be and how will you cooperate with DG Competition on this initiative?

**Viviane Reding, Member of the Commission.** The DG Competition makes *ex post* regulations on the basis of a complaint that has been introduced, whereas the Internal Market and Services DG can work on the markets in *ex ante* regulations. Here we are talking about Article 95. I have consulted with the legal services to find out if Article 95 is the right basis. I will certainly continue to do so throughout the

process. I am convinced and satisfied by the answers from the legal services that Article 95 provides an appropriate basis for our proposal.

**Sajjad Karim (ALDE).** – Commissioner, yesterday I was reading a British paper whilst I was travelling to Strasbourg. It is a rather lengthy journey, so I had plenty of time on my hands. I read an article setting out all the telephone providers' arguments as to why you do not understand their objections.

Is it not the case that those same companies benefit from access to the single market and from the European Union whilst foisting charges upon EU citizens? Is this not another example of the European Union standing up for the interests of European consumers over the overwhelming power of monopoly companies?

**Viviane Reding, Member of the Commission.** The internal market works to the advantage of businesses, big and small, and consumers. The fact is that the internal market has worked to the advantage of developing the GSM system, which has become a world standard. We are very proud of that. But the anomaly is that although our citizens have one of the best – if not the best – telephone systems in the world, both fixed and mobile, nevertheless when they cross a border they are somehow punished for doing so and cannot take advantage of the common market. That is exactly why I thought it was indispensable for the Commission to step in.

I am not the regulating kind of Commissioner; I always prefer the market to solve the problem by itself. That is why the market had been warned a long time in advance. It had been warned by Parliament; it had been warned by the national regulators; it had been warned several times by the Commission, and it did not move. The Commission had to resolve to put a regulation on the table before the first market forces began to move a little in the right direction. I believe that it is time the Commission gave back the advantages of the internal market to the small and medium-sized businesses and to our consumers.

**Malcolm Harbour (PPE-DE).** – I would like to join in the praise for the tough stand the Commissioner has taken, but I want to reinforce what she said about not wanting to over-regulate. Can she confirm that she has taken real notice of the European regulators, who have, I think, been fairly critical of her initial approach and are being very cautionary about what she is proposing to do? Would she please confirm to me that she is not intending to impose regulation in the marketplace that would require operators to deliver services below cost, because that would mean low-income users of mobile phones subsidising the premium rates of customers such as MEPs?

**Viviane Reding, Member of the Commission.** I have the impression that at the moment the low-income consumers are subsidising the consumers in large industries which are able to negotiate special prices with the mobile operators. We would like to reverse that position and see fair prices based on markets and cost for the consumer, not the unfair prices we have now. Most of all, we would like to give back to the consumers the advantages of the common market and promote mobility rather than being a barrier to it.

I have read the advice of the European Regulators' Group with great interest and I am working very closely with that group. It shares my objective, which is to bring about substantial reductions in international roaming charges. Our services are meeting members of the group today to discuss with them the details of how this should be done. That is why I am unable to give details of our regulation at the moment, because I have to see everything that is on the table – 150 contributions – and to listen to the national regulators. Having done that, I will draw up a paper on a draft regulation for the Commission and I am sure that Parliament will discuss this paper thoroughly later on this summer.

**President.** Question No 54 by **Brian Crowley (H-0330/06)**

Subject: The safest use of the Internet

Can the European Commission outline what initiatives it is pursuing to promote the safest use of the Internet in Europe?

**Viviane Reding, Member of the Commission.** The Commission is pursuing several initiatives to promote the safest possible use of the Internet in Europe. Since 1996 the Commission has been active in the fight against illegal content such as child pornography, or racist content, as also in the protection of children from accessing legal but harmful content such as adult pornography, violent content and gambling.

Parliament is examining the Commission's proposal to update the Television Without Frontiers directive in order to cover all audiovisual media services. A basic canon of rules will then apply to all audiovisual content, whatever the means by which it is distributed, including television and the Internet. These will relate to safety, protection of minors, prohibition of incitement to hatred, and include some qualitative restrictions on advertising targeted at minors.

We also have a recommendation on protection of minors and human dignity in audiovisual and information services, which provides guidelines for national legislation about electronic media. On the basis of this recommendation, in 2005 we launched the Safer Internet Plus programme. That programme has established a network of 21 hotlines throughout Europe, which enable the general public to complain about illegal content found on the Internet. These hotlines investigate and refer complaints to the appropriate organisations, police, Internet service providers or hotlines in other countries.

We also have a network of 23 awareness-raising projects, which provide advice to children, teenagers, parents and educators about the risks of the Internet and the way to deal with them. This is done either directly with the help of brochures, websites and TV spots or through the intermediary of multiplier organisations like schools. Then there is the filtering and parenting software, which is a key means to protect children from accessing harmful content. The Commission will provide guidance to parents on the effectiveness of filtering software and services. A study is under way and due to be completed by December this year.

The Commission is also actively involved with the Internet and the mobile phone industry with a view to promoting self-regulation as a means of limiting the flow of harmful and illegal content. The Commission has taken legislative measures against spam, spyware and moleware, which are also viruses. A full list of these will be communicated to the honourable Members.

I would also like to say that at international level the follow-up conference to the World Summit on the Information Society will tackle all these negative aspects of the new technologies. Let me say today that I am sure that with the help of Parliament the Safer Internet Day in spring 2007 will become a real important awareness-raising day in all our Member States.

**Agnes Schierhuber (PPE-DE).** – (DE) Thank you very much for your answer, Commissioner. I also think it is a very good thing that the World Information Summit is to be held again. But do you think that the measures you have taken really will be enough? What measures do you plan to take if this bad material nevertheless continues to be found on the Internet? Are parents and guardians also being trained and made aware of these matters, by the Commission among others?

**Viviane Reding, Member of the Commission.** (DE) Mr President, I am afraid Mrs Schierhuber is right. This bad material is on the Internet and it will continue to be. We are doing all we can to get it removed from the Internet, but it is a world wide web and we do not have access to these contents everywhere. That is why the most important thing is to provide both parents and schools with the necessary information so that they can prepare children for what they will find on the net.

With this in mind, all our information campaigns and awareness campaigns will, I hope, culminate in a very successful Safer Internet Day early in 2007. I would also like the European Parliament to support us, with Members taking related initiatives in their constituencies. A coordinated campaign would surely benefit our children all across Europe.

**Seán Ó Neachtain (UEN).** – I should like to thank the Commissioner. However, considering that to date the prohibition of these unwanted sites has not been so successful, what confidence do you have that your proposals will eradicate such undesirable sites from the Internet?

**Viviane Reding, Member of the Commission.** As I have already said, it is a worldwide web and everybody can submit content to it. That is why we need not only to raise the awareness of educators and parents but also to lobby internet providers, as I do regularly, to take responsibility and to establish self-regulatory measures.

I really believe in self-regulation in that field. If many stakeholders self-regulate, there will be a result. In the revised Television Without Frontiers Directive, the basic values of our societies will also apply to the Internet. This will be of the utmost importance, and responsibility will lie with those working in online services.

**Gay Mitchell (PPE-DE).** – Commissioner, you cannot control what is on the web, but you can control access in the following way.

With the advent of broadband, the Internet is on all the time. A lot of new computers have just one password to turn on the computer and do not have a separate password to control access to the Internet. Therefore children can wander in, broadband is on and they can access the Internet straight away. If there was simple control on access and more passwords on computers themselves, then parents, schools and others would have greater control. I ask you to look at that issue, particularly as broadband means the Internet is on all the time.

**Viviane Reding, Member of the Commission.** We have a real problem with the new technologies, which is that for the first time in human history maybe children know more than parents and educators. That is why we have to provide parents with very simple software, simple filters and parenting devices so that they can take their responsibility. That is why we have launched a study to find out what filters and services exist for parents. At the end of the year, when we present this study, it will be most beneficial to organise an awareness-raising campaign on those filters in order to inform parents what they can do to help their children. Very often parents are lost in such cases because they are not very familiar with technology – at least not as familiar as the new generation is.

**President.** Questions Nos 55 to 58 will be answered in writing.

As the author is not present, Question No 59 lapses.

**President.** Question No 60 by **Margarita Starkevičiūtė** (H-0366/06)

Subject: Financial services in WTO Doha round

Political attention within the EU on WTO negotiations has tended to focus on agricultural and textile production and has somehow ignored the far more significant economic potential of commercial services, including financial services.

Poor access to finance, including a wide range of innovative financial products, hinders the economic growth in developing countries, especially in the SMEs sector, while the EU Member States cannot bring to fruition the enormous potential of financial services.

What action is the Commission taking to incorporate new and improved GATS commitments on financial services into multilateral and bilateral requests to its WTO trading partners?

**Andris Piebalgs, Member of the Commission.** Let me assure you that the Commission is well aware of the significant economic potential of commercial services, including financial services. This is an important part of the WTO negotiations and it has not been ignored, even if it has received less publicity than other parts.

The Commission has highlighted the importance of access to finance in developing countries on many occasions, for example in a communication that it co-sponsored last year in the WTO.

Financial services are clearly one of the European Commission's priorities in the services negotiations and, therefore, figure prominently in the European Commission's bilateral services requests. Furthermore, the European Community was one of the co-sponsors of the recently tabled financial services plurilateral request and is particularly active in plurilateral and bilateral negotiations with our trading partners in Geneva.

Unfortunately, the offers in financial services on the table so far are mostly disappointing. This applies particularly to many countries in Asia. Certain ASEAN members, with very low existing commitments, have not made any financial services offers and larger players, such as China and particularly India, also have room to improve their offers.

In short, most of our main requests in financial services have not been addressed by our trading partners. That is why the Commission will continue to press very hard and at all levels to convince our trading partners of the need to correct the situation by submitting substantially revised offers in July this year.

**Margarita Starkevičiūtė (ALDE).** – (LT) I am very sorry that Mr Mandelson, a Member of the Commission, was unable to attend and I would not like to ask a question which is perhaps not in your area of expertise.

I believe that in your work you are able to say whether the Commission is considering possibilities to broaden the financial services dialogue. Because now I have an impression that everything is focused on agricultural products and textiles, whereas in fact, once the trade structure has changed, the financial services sector would be in an ideal position to help changing the trade structure.

Is the Commission devoting much time to debating the expansion and development of financial services?

**Andris Piebalgs, Member of the Commission.** Yes, we do that and we impress on our trading partners the need to correct this situation. We believe that they are in a position to submit substantially revised offers concerning financial services by July this year. We will continue to insist on it but, as you know, trade negotiations are bilateral and plurilateral negotiations: we need to receive this offer from them and we are trying hard to put pressure on them to make such offers.

**David Martin (PSE).** – I am aware that Commissioner Mandelson has pushed financial services quite hard and I am pleased to hear from the Commissioner that he is intending to do so. Does he agree with me that it is somewhat ironic that a country like India, which has call centres from European companies selling insurance, mortgages, loans and other financial services to Europeans, denies those very services to its own people, and will he press India in particular to reform its protectionist system for financial services?

**Andris Piebalgs, Member of the Commission.** We are asking the Indian authorities to improve access to these services and I hope they will comply with our request.

**Georgios Papastamkos (PPE-DE).** – (EL) Will the European Commission step up pressure on emerging economies and on previous developing countries to open up their services markets? This is the core question and I believe that, for the European Union, the symmetry between the Union markets which have already been opened up in the agricultural sector, on the one hand, and the corresponding opening up of other countries in the services sectors in general, on the other hand, should be strengthened. This should also apply to access to the market for non-agricultural products.

Without these preconditions, the Doha Round will not have symmetrical results. There will be no balance as regards its results.

**Andris Piebalgs, Member of the Commission.** I can confirm what I already said. We are working all the time with those countries so that they improve or strengthen the services offered, including financial services. It is part of our negotiation strategy. It is not that we are only taking a defensive position on agriculture; we are active in all areas that concern the trade negotiations. We firmly believe that trade concessions should be reciprocal.

**President.** Question No 61 by **Bart Staes** (H-0299/06)

Subject: Biofuels

On 8 March 2006, the Commission published its strategy for promoting biofuels (COM(2006)0034 final). However, there are social and ecological questions to be asked about this. For example, it is necessary to organise compulsory certification of biofuels. This is intended to ensure that all biofuels placed on the market comply with a set of social and ecological criteria in order to be eligible for tax concessions. Another unsatisfactory point is that the Commission suggests that, in exchange for the use of biofuels, vehicle producers will not be expected to make as much effort to develop and market more economical vehicles.

In the light of these problems, how does the Commission intend to ensure the ecological integrity of the use of biofuels?

**Andris Piebalgs, Member of the Commission.** Biofuels are needed for two main reasons. Firstly, our energy security depends on developing alternatives to oil. Among the solutions that can be put into practice today, there is none with the same potential as biofuels. Secondly, the transport sector is not contributing enough to the reduction of greenhouse gas emissions. Biofuels can significantly contribute to this aim.

The EU has decided to achieve rapid development of biofuels use. The Biofuels Directive, adopted in 2003, set a reference value of a 2% market share for biofuels in 2005 and 5.75% in 2010, compared



with a 0.2% share in 2000. In adopting national indicative targets under the Directive, Member States have been somewhat less ambitious, but, overall, the target is a share of about 1.4% in 2005.

In the light of this, the review of the functioning of the Biofuels Directive, which the Commission is due to carry out this year, is particularly important. We have just launched the public consultation exercise for this review. The public consultation poses a number of questions. First of all, will the 5.75% objective for 2010 be achieved through the present policies and measures? If not, what can be done to ensure that the objective will be achieved? Should the Community set objectives for the share of biofuels in 2015 and 2020? The Commission has taken no position on these questions so far.

Turning to the question of environmental impact, it is important to start from the basis that biofuels bring a number of environmental benefits. However, it is also true that their production can have some adverse effects on the environment. I believe that second-generation biofuels can have even greater environmental benefits and their introduction should be accelerated as much as possible.

The Commission will make sure, therefore, that the promotion of biofuels continues to bring benefits in environmental terms, as well as the benefit of security of supply. For that reason, as part of the review of the Directive, the Commission is asking for views on the introduction of a certification system. This could ensure that only biofuels whose cultivation meets required environmental standards count towards objectives in the Directive. The initial reaction of environmental NGOs, fuel suppliers and other stakeholders has been encouragingly positive.

As regards car manufacturers' obligations, carmakers have voluntarily agreed to limit average CO<sub>2</sub> emissions from new cars to 140g per km by 2008/2009. The Commission does not consider that the use of biofuels should in any way reduce the objectives agreed upon with the car industry.

**Bart Staes (Verts/ALE).** – (NL) Thank you, Commissioner, for your response. I am delighted that the Commission would like to further sustain our mobility as a priority. That is absolutely vital. While I take note of the undertakings you have given, there is something I would like to ask you. What is at issue is not just the production of biofuels here in the European Union, but also the production and possible purchase of biofuels from outside it. We have received reports that this production is done under circumstances which are not ideal, these include deforestation of the Amazon, social exploitation and the excessive use of pesticides. What does the Commission intend to do about this?

You have also responded to my question about the automotive industry, but what you left unanswered is the question as to whether the automotive industry should not commit to producing cars that are more economical in their use of petrol. That is, after all, what this debate is all about. A reduction in fuels ...

*(The President cut off the speaker)*

**Andris Piebalgs, Member of the Commission.** The same environmental sustainability standards should apply outside the Union as well. As I said in my answer to the first question, we should look upon the issues in our trade negotiations.

The development of biofuels should not be at the expense of the rainforests. It must also be done in a sustainable way. I believe that we have all the means to follow that path.

On the car industry's obligation to make more efficient engines and more efficient cars, we will follow that path as well. It does not replace the other path, however: they are two separate tracks going in the same direction – security of supply, competitiveness and sustainability. But on the matter of improved standards for cars, the answer is the use of biofuels. Only both combined can give the necessary result.

**David Martin (PSE).** – Firstly, I welcome your reply, Commissioner. I would urge you along the route of certification. You are right, it would be quite wrong if, for example, the use of palm oil led to the destruction of forests in Indonesia. So I would push you in that direction.

The other problem we have with biofuels is that while we are getting cars produced that can take biofuels and getting drivers willing to drive the cars, there is still a great difficulty in most parts of Europe in finding petrol stations that will stock biofuels and enable the consumer to take advantage of this ecologically friendly system. Will he do what he can to encourage more petrol companies to have a biofuel pump in their stations?

**Andris Piebalgs**, *Member of the Commission*. We recently adopted the biomass action plan and a communication on biofuels. Both these documents have been discussed in the Council and there is definitely a need for Member States to pursue a more proactive policy to bring biofuels onto the market. The Commission encourages this as far as it can, but many measures could be introduced by Member States themselves. It is not for the Commission to ensure that there are enough petrol stations stocking biofuels. For example, I wish there were more of them in Brussels.

**Agnes Schierhuber (PPE-DE)**. – *(DE)* Commissioner, I am very glad that it is at last being recognised throughout Europe and the world that we need to be independent of the politically unstable regions from which the European Union gets much of its energy. My question to the Commission is this: will the Commission also bring pressure to bear on the engine, car or, indeed, the motor vehicle industry? We know today that biofuels can be produced without esterification, but engines have to be designed so that people can drive using both fuels. Is any thought being given to this?

**Andris Piebalgs**, *Member of the Commission*. *(DE)* I do not believe we need to do anything to achieve our objectives in the engine industry at present because admixture is permissible and technically possible in small quantities. Of course we will need more flexibility in the future. The car industry will follow our political trend.

The most important thing at present is to show that the European Union really is prepared to do that. In reality, only very small technical changes are required to increase the use of biofuel. The most important objective should be to bring biofuel on to the market in as many Member States as possible, since it is not available everywhere yet. In some States it is already. The Commission is therefore trying hard to persuade those States that have not yet done enough to achieve their own objectives.

**President**. Question No 62 by **Bernd Posselt** (H-0301/06)

Subject: Energy dependence

What are the next steps for the Commission with regard to reducing the European Union's dependence on gas and oil imports from Russia?

**Andris Piebalgs**, *Member of the Commission*. I think this will be rather a long answer because it cannot be answered in just a few sentences.

I would like to start by saying that today Russia plays a very important role in securing Europe's energy supplies. Currently Russia provides almost 30% of the EU's oil imports and 45% of our gas imports. Or, to be more exact, 25% of our consumed gas. As a result, Russia is the largest single external energy supplier.

A considerable amount of our Iranian imports are also provided by Russia, so the EU and Russian markets for crude oil and oil products, as well as natural gas, are tightly interlinked with numerous pipelines, maritime and rail links and numerous contracts that our companies have concluded with Russian suppliers.

A broad relationship and energy dialogue was established between Russia and the Commission in 2000. Moreover, the common economic space agreed during the EU-Russia Summit in May 2005 includes cooperation in a wide range of energy-related activities. So the energy dialogue aims to discuss issues related to energy policy and market developments, infrastructure developments, and EU-Russia cooperation in multilateral energy fora. I believe that Russia will remain an important supplier for the EU in the future.

Taking into account the expected growth of energy consumption in the EU, I expect Russia to continue to supply around 25% of the gas consumed in the EU which, in absolute terms, would mean an increase in supplies. The European Union and many countries worldwide are becoming ever more dependent on imported hydrocarbons. I would like to reiterate that in the long term there are only three countries that have a lot of natural gas resources: Russia, Iran and Qatar. At the same time, the EU will import 70% of its energy in 2030, compared with 50% today.

Over time, the remaining fossil fuel resources will become more concentrated, as I said, in a rather small number of countries. As a consequence, energy interdependence is becoming a global issue, with major shared concerns, such as increased demand for limited resources in the world, the lack of investment in new production and the climate change issues.

Therefore, a broad range of actions at EU and Member-State level are required to address these challenges. It has been highlighted in the Green Paper. I have just highlighted one of the actions in my answer to the honourable Member's previous question about biofuels. That is one of the actions that we indicate.

The Green Paper emphasised opportunities, such as policies to improve first of all energy efficiency and energy savings, as well as enhancing the market penetration of renewable energy sources. It also highlighted external policy options, such as strengthening the framework for energy relations between the EU and Russia in order to give more confidence to both sides, as well as policies and measures to diversification of the geographical sources and transportation routes of external energy supplies to the EU.

In this context, it is important to underline that the EU is making continuous efforts to improve energy relations with other energy-producing organisations – such as OPEC, the Gulf Cooperation Council, the countries of the Caspian Basin and north Africa – as well as with the consuming regions in the framework of the International Energy Forum, the International Energy Agency, G8 and through bilateral agreements and dialogues.

This policy of diversification is not directed against our current suppliers: it is a necessity dictated by the global energy security challenges and by the challenge posed by global warming and other environment-related issues.

Together with the Austrian Presidency of the European Union, I recently sent a letter to the Russian Energy Minister, Mr Khristenko, on the issue of energy cooperation and in particular gas interdependency. In this letter we reiterated the importance the EU attributes to deepening energy relations with Russia, the EU's most important energy supplier. Furthermore, we stressed that the importance the EU attaches to diversifying sources of supply should not be interpreted as limiting deliveries of Russian gas to the EU market, particularly as demand for gas in Europe is forecast to rise.

In this relationship with Russia, the EU is promoting such principles as market reciprocity, fair transit conditions through Russia and third-party access to infrastructure in Russia. Therefore, the short answer to the questions that have been asked is that we are looking for diversification, but it is extremely important to establish measures on the demand side, because only with demand-side measures, energy efficiency and savings can we actually establish our energy independence more strongly and, at the same time, look towards our goals of sustainability and competitiveness.

**Bernd Posselt (PPE-DE).** – (DE) Commissioner, I believe President Putin's politicisation of Gazprom is just as dangerous as the politicisation of OPEC by a few Gulf States 30 years ago. Energy independence is therefore very important. Could we not therefore do more to promote heating materials derived from renewable raw materials, that is from biomass, elephant grass and even from grain? Europe could provide for itself with these.

**Andris Piebalgs, Member of the Commission.** (DE) Of course. That is one thing we are concentrating on. I probably did not say so much about it in my answer. We must make the best possible use of our own resources. The available biomass, wind and water power will not of course be enough, we will still need to buy energy from Russia and the OPEC States. But my answer today is: we must all do our homework at home, because that is the only way we will achieve our objective.

**Justas Vincas Paleckis (PSE).** – (LT) I thank the Member of the Commission for his detailed reply. I agree that Russia is an important energy supplier and it is definitely essential to maintain the dialogue with Russia in the field of energy.

However, there is a good Russian proverb saying that God saves those who save themselves. And the European Union would do well to bear in mind certain official statements from Moscow.

I would like the Member of the Commission to comment on the statement made by the officials that apparently Russia will divert its energy resources to Asia, if Members of the European Union do not fulfil certain conditions.

**Andris Piebalgs, Member of the Commission.** I followed President Putin's last address to the nation. He emphasised two issues that concern energy: first, he said that Gazprom has shown remarkable progress since he addressed the issue of energy efficiency. It is very important that Russia recognised that. He also said that Russia could play an important role in the creation of a common European energy policy. As regards the Gazprom announcement, I consider it one of the companies that have a monopoly.

None of them would ever be willing to give their monopoly up. As regards diversification, we should accept that Russia will look for the most lucrative market. If the price is better in China, I am afraid it will try to sell the gas to China. The United States has higher prices and, with the development of LNG, competition between big consumers will grow. But, at the same time, I believe that the existing infrastructure that brings Russian gas to the European Union and highly diversified gas use in the European Union will make the European market very attractive to Gazprom and Russia in general. We are anticipating, as a result of dialogue, that Russia will follow in the gas sector the path currently being followed in the oil sector. That brings benefits to Russia and at the same time supplies the market well. I hope our dialogue will be able to bring about such a result. I know it is not easy but that is our goal. Geographically we are the best market and historically our companies have had very good relations. At the same time, I take very seriously the announcement by Gazprom that they would like to build a pipeline to China. That is no big surprise.

**Laima Liucija Andrikiienė (PPE-DE).** – On the question of reducing the European Union's dependence on gas and oil imports from Russia, I would ask you, Commissioner, to elaborate on two issues. Firstly, is the EU in a position to counter the Russian pipeline monopoly in the transportation of oil and gas from Central Asia to Europe? Secondly, is the European Union able to secure reciprocity and greater transparency on the part of Russia's energy sector?

**Andris Piebalgs, Member of the Commission.** The first question was about gas transport from central Asia to Europe. There are two paths that we are following. One is definitely related to the Energy Charter and transit protocols under which such rights could be enjoyed. As for the other, I recently visited Kazakhstan to find out about the building of a trans-Caspian pipeline that can independently bring gas towards the European Union, bypassing the Russian gas transit system.

As regards transparency and relations, at this stage there is some reciprocity. In the EU Gazprom is treated as a company that has a complete pipeline monopoly in production and transport. So it is clear that whenever a situation in the internal market is evaluated, then it is evaluated on all aspects.

We are looking for more transparency and more mutual understanding. In October this year, we will have a conference on energy policies. It is also fairer to the Russian side also to ask questions as to what Europe's views are and how far Europe is going in creating a common energy policy. It is also clear that they do not always have all the information and understanding as to what our goals are. Our goals are fair trade in these resources and fair markets. That, from my point of view, is beneficial not only for us, but also for Russia.

That is how I see that the best results could be achieved.

**President.** Questions which had not been answered for lack of time would receive written answers (see Annex).

That concludes questions to the Commission.

*(The sitting was suspended at 7.30 p.m. and resumed at 9.00 p.m.)*

#### IN THE CHAIR: MRS KAUFMANN

*Vice-President*

### 16. Membership of committees and delegations: see Minutes

### 17. Rules for the prevention, control and eradication of certain transmissible spongiform encephalopathies (debate)

**President.** The next item is the report (A6-0161/2006) by Mrs Roth-Behrendt, on behalf of the Committee on the Environment, Public Health and Food Safety, on rules for the prevention, control and eradication of certain transmissible spongiform encephalopathies (COM(2004)0775 – C6-0223/2004 – 2004/0270B(COD)).

**Günter Verheugen, Vice-President of the Commission.** (DE) Madam President, ladies and gentlemen, I would like to begin by expressing the Commission's thanks to the European Parliament, the Committee

on Agriculture and Rural Development, the Committee on the Environment, Public Health and Food Safety and in particular to Mrs Roth-Behrendt, the rapporteur, and Mr Schnellhardt as second rapporteur for their hard work on this dossier.

I would like to remind you that last year the Commission adopted the TSE roadmap. It served primarily as a discussion paper for future short, medium and long-term adjustments and also formed the basis for the detailed discussion of individual questions with the Member States.

I would like to repeat one of the key points again here: there will be no change to our overall policy of protecting consumers and eradicating BSE. In view of this, the Commission is very pleased with the work that has been done so far and the compromise proposal that is now up for discussion and for the vote. This proposal provides a reliable legal framework that will allow the Commission to continue to take action on the basis of new scientific findings and at the same time to maintain the level of protection of human and animal health in the European Union or to raise it if that is scientifically justified. The compromise proposal is therefore acceptable to the Commission.

The proposal also brings European law into line with the international rules, according to which countries are categorised according to their BSE risk.

**Karl-Heinz Florenz (PPE-DE), deputising for the rapporteur.** – (DE) Madam President, the rapporteur, Mrs Roth-Behrendt, has asked me to present her report here today because she is ill. We hope she will be back with us soon.

The directive on TSE basically has two parts; firstly, the question of transitional periods and secondly the operational or substantive part. To allow us to discuss the substantive part at greater length and more extensively, it was suggested that we divide the report, which we did with the Commission's agreement. In the middle of 2005, we decided to extend the transitional provisions at first reading, giving us sufficient time for the second part, which we are debating today and which we have also discussed in a large number of working groups and roundtables, including with Europe's veterinarians and colleagues in Parliament.

As Commissioner Verheugen has already indicated, we are determined not to weaken the directive but to put the emphasis on health policy. Under Mrs Roth-Behrendt's leadership we managed that splendidly. She has called on the Commission to develop a kind of roadmap, which, while it has not been discussed in this house officially, will nevertheless guide us in tackling the difficult topic of BSE and TSE in the future. It is a very welcome initiative.

Let me say something about the contents. Up until now, we have had five risk categories. That was good, it was right and it was helpful. We found, however, and became convinced that in order to be compatible with what is being done in other parts of the world, including the World Organisation for Animal Health in Paris, it was better to scale this down to three factors, which came more easily after much discussion. We found that many non-Community countries know relatively little about this animal disease and that the European Union and the OIE in Paris, too, can get much better information that is easy to compare using this new classification. That was the compromise after the rapporteur – and I strongly support her – agreed to this proposal. It is in the end also a factor in consumer protection and for farmers, because these questions can now be better coordinated and also policed across the globe in the developing world.

It is again made clear that checks for BSE are an important part of it. Healthy, conspicuous and changed animals will continue to be tested. But if the surveillance shows a sustained positive development in particular areas, then things can be relaxed a little in line with scientific evidence.

One contentious issue I will be pleased to talk about is the question of fishmeal. As a farmer, I am convinced that fishmeal should not be fed to ruminants. Some countries in Europe evidently see it differently, however. I have to respect that. Parliament said a clear No back in 2004. With the backing of many experts, the rapporteur took this subject up again and made clear that this fact – namely that herbivores should not be given fishmeal – will be included in this report. As an exception – and that is part of the compromise – it will be permissible to add it to feed for animals up to a certain age. I think we can agree to this compromise.

One tricky and very sensitive area is the question of mechanically separated meat. How meat is stripped from bones is a very complicated issue. Anyone who has ever seen it will never eat it again. The Commission itself has said it will review it and make us an appropriate proposal for dealing with this

problem. The minimum list of special risk materials is a matter of particular concern to the rapporteur, Mrs Roth-Behrendt. Brain and spinal cord, for example, will now appear in a genuine list and not in the Annexes as before. That is right and it is a good contribution.

An equally good contribution is the question of how cohort animals are treated at present. These are siblings of animals that are sick. Earlier, all these animals were most brutally slaughtered. Now a good way has been found and the animals are kept. They cannot of course be eaten themselves.

All in all, I would like to thank the rapporteur and everyone involved. They have done some very important work. And I am very glad that Mrs Roth-Behrendt was able to accompany us through this difficult terrain and I hope she will be here again soon.

**Friedrich-Wilhelm Graefe zu Baringdorf (Verts/ALE)**, *draftsman of the opinion of the Committee on Agriculture and Rural Development*. – (DE) Madam President, Commissioner, the European Parliament and the rapporteur, Mrs Roth-Behrendt, in particular have shown great dedication in coping with the BSE crisis, they have played a good part, and they have also been able to put the Commission on the right track with the various instruments like the committee of inquiry and the conditional motion of censure.

We are pleased that we are now no longer having to deal with the start or the height of the crisis but with its tailing off. This was a man-made crisis and if we remove the causes of it we will find a way out. The Committee on Agriculture does in fact believe that we should have the courage to begin to move out of it. The end of this development will therefore again be that high-grade animal protein can be fed to non-vegetarian animals if it comes from animals that have been released for human consumption.

What troubles us about this movement is that the Commission is now very much taking over the action in the comitology procedure and is taking the decisions. We believe the European Parliament should be involved. We are all somewhat concerned that in taking over the administrative and regulatory process the Commission is leaving the European Parliament out in the cold. We have therefore strengthened the decisions of principle to ensure that questions of consumer protection and environmental protection must play a major role. Overall, we believe that on the question of codecision in the comitology procedure the European Parliament like the Council must have the right to enter a veto if things are decided in the Annexes that really should be dealt with in the European Parliament's codecision procedure.

**Horst Schnellhardt**, *on behalf of the PPE-DE Group*. – (DE) Madam President, Commissioner, I feel I must spend a little of my time sending warmest greetings to Mrs Roth-Behrendt, together with best wishes for her recovery.

My group considers many parts of this report on the amendment of the Regulation on the prevention of transmissible spongiform encephalopathies an extraordinary success. In the hectic days when the BSE problem was at its height, we had to take very quick and very harsh decisions on many things, and science has advanced in the meantime. That is why we can now speak of a good proposal.

What are the advantages I see? Firstly, comitology has been limited to the necessary amount. The original proposal involved much more comitology, Mr Graefe zu Baringdorf! That makes for clarity and reliability in the implementation. Secondly, the introduction of three risk categories simplifies risk assessment without jeopardising safety. It brings an internationally agreed programme of measures to prevent BSE/TSE into force throughout the European Union, based on the proposals of the World Organisation for Animal Health. The results of risk assessment in all countries can now be compared. Among other things, that also makes exporting and importing easier.

Thirdly, the age from which animals must be tested for BSE is now the same for all the European Union, because the rule has been laid down in the main body of the Regulation. For animals that will be used for food it is now a uniform 30 months. We know that a lot of countries have adopted quite different rules. This new rule will make it possible to compare Member States' statistics. We will be able to get a much better overview of the situation.

Fourthly, I also welcome the fact that the general cull of the herd when BSE appears is abolished. That is scientifically based and that is how it should be done.

Fifthly, the introduction of tolerance thresholds for animal proteins adventitiously and unavoidably present (I want to stress that) in plant-based feeds takes account of reality and removes problems in the sectors concerned without affecting safety. I expect the Commission and the Council to approve the

agreed value of 0.5%. I consider this figure to be just about acceptable, although the tolerance limits can be expected to differ greatly in this measurement range and the tolerances can be expected to be very high.

Sixthly, the scientific prohibition on the use of animal proteins in cattle feed will remain. I very much welcome the fact that we have agreed on a rule allowing some fishmeal to be used for young bovine animals. All right, it is a compromise. I would have preferred it to be clearly separated. There would then have been a clear separation in the feed industry, too, and we would have had much more safety. All the same, this rule is to be welcomed.

I really must also mention, and remind the Commission of the fact, that it promised to include the question of feeding kitchen and food waste to animals when revising Regulation 1774/2002. I consider that to be very important and I would like to stress that once again. In this connection I believe we can agree to this proposal with a large majority without more ado.

**Karin Scheele, on behalf of the PSE Group.** – (DE) Madam President, I endorse the congratulations to the rapporteur on her good report and also on the good work she has done in this field for many years, and I wish her a speedy recovery. I would also like to deal with a subject that for years has been close to Mrs Roth-Behrendt's heart. I am referring to the clarification in Article 7, which several speakers have already mentioned, that animal proteins should not be fed to adult ruminants. Cattle are vegetarians, and they only take in animal proteins when they are young, in the form of their mother's milk.

That really goes without saying. However, the BSE crisis showed us that this principle had been anything but self-evident for a long time. It is therefore all the more important, now that we are revising the basic BSE/TSE regulation, that we should underline the ethical principles of animal nutrition and stress that this is important for the protection of human and animal health and also from the point of view of the precautionary principle. At the end of 2004, on the rapporteur's initiative, the European Parliament blocked a comitology decision to allow fishmeal to be used in feed. Since then, this question has again been very hotly debated in this House. It is repeatedly pointed out that there is no TSE risk from fishmeal. It is not for me to answer this scientific question and I have no wish to do so.

We in the European Parliament simply do not want fishmeal or any other animal products in cattle feed. I can agree to the compromise in as much as it provides for the possibility in future of feeding fishmeal to young calves as a substitute for milk when they have just been separated from the mother cow. The strict conditions and controls are to be welcomed. Apart from that, I think we should have learned from the experiences with the BSE crisis and we should be sending a clear signal for more animal ethics and better health and animal protection.

**Mojca Drčar Murko, on behalf of the ALDE Group.** – (SL) The new case of TSE, confirmed yesterday in Austria, has illustrated the soundness of the long-term precautionary policy of the European Union to prevent, control and eradicate certain transmissible spongiform encephalopathies. Mrs Roth-Behrendt had clearly taken good note of the views of Member States when, during an exchange of views before the Committee on the Environment, Public Health and Food Safety, she referred to the draft amendment to the 2001 regulation, and her comments also sparked active engagement on the parts of the British and Austrian presidencies.

The outcome of that commendable work is a text on which MEPs agree in principle. We are unanimous both in our overall opinion that the transitional period should be extended by a reasonable amount of time and in our adherence to the principle of a consistent ban on the feeding of animal protein to ruminants. We support the Commission in bringing the existing legislation into line with new international requirements. Draft amendments, proposed jointly by several political groups, have highlighted inconsistencies and in certain parts they constitute a compromise which is not otherwise ideal, but which is practical at this stage.

An example of this is the issue of feeding fishmeal to cattle. Fish are, in fact, not a risk factor, as fishmeal is not a vector for TSE. The problems with fishmeal lie elsewhere. Fishmeal is unnecessary to the physiological development of ruminants, whether old or young, and, as they are the only animals which can produce protein from grass, they satisfy their protein needs in other ways. Notwithstanding ethical reservations, this issue is also connected to questions of the medium-term orientation of the common agricultural policy and, amongst other things, the advisability of the prevention of protein aggregation in milk.

We have opted for the solution of feeding fishmeal to young cattle under Commission supervision, for practical control reasons, as a compromise solution, with the aim of ensuring that there is not even a theoretical chance of instances arising on farms where fishmeal can be mixed with bonemeal. This is the reason for our support for the compromise solution, even though the unanimous view, backed up by expert opinion, is that there is absolutely no justification for feeding fish protein to young animals.

**Bart Staes, on behalf of the Verts/ALE Group.** – (NL) Madam President, Commissioner, ladies and gentlemen, over the past decade, the European Parliament has played a decisive role in the political response to BSE, which, although this disease emerged in the United Kingdom as long ago as the 1980s, was given another dimension when the British Health Secretary stated in the Parliament at Westminster that there is a probable link between BSE and a new variant of Creutzfeldt-Jacob Disease.

Parliament was quick to give its political response in the shape of an inquiry committee under the leadership of Mrs Roth-Behrendt, which carried out excellent research into the state of affairs and the Commission's and Member States' shortcomings. This was followed by a conditional vote of no-confidence and one of the key results was that food safety was taken away from DG Agriculture and became an area of policy that falls within the codecision procedure.

Since the adoption of BSE legislation in 2001 and 2002 and the detailed regulations about animal by-products, quite a few controversial measures have also been approved under the comitology procedure. Since June 2001, BSE legislation has had no fewer than 19 updates on comitology decisions, and so vigilance on the part of this House must be the order of the day.

Let me give you just two examples. The Commission's proposal to reintroduce fishmeal as a feed to ruminants was only withdrawn following strong protests in this House. The second example is about feed provisions described in Annex 4 to the Act which were changed by comitology decisions, without Parliament's involvement, from detailed descriptions taking up half a page to no fewer than 9 pages of detailed provisions and exceptions.

The comitology procedure remains a huge problem, therefore, and one that we failed to resolve in this negotiation round with the Council. We are pleased though, that, from now on, consideration must be given to a scientific risk analysis in respect of the impact on man and animal, and this is certainly a good thing. The agreement reached with the Council at first reading, which is reflected in Amendments 41 to 56, receives our group's unqualified support. The key areas in this respect remain the ban on all animal proteins as a feed for ruminants, the stipulation that fishmeal can only be fed to young ruminant species following scientific assessment and sufficiently strict control measures, as well as regulations about separator meat, which should finally be laid down.

It is particularly regrettable that the rapporteur, Mrs Roth-Behrendt, cannot be present for this debate. I wish her much strength, a speedy recovery and I look forward to her resuming her role here in this House very soon.

**Dimitrios Papadimoulis, on behalf of the GUE/NGL Group.** – (EL) Madam President, I should like to start by congratulating my honourable friend, Mrs Roth-Behrendt, on her exceptional work and to take this opportunity to hope that she will soon be well and back here with us, so that we can continue our very good cooperation.

I endorse, on behalf of my political group, all the compromise amendments which we prepared following discussion, except for two: Amendments 41 and 48. My political group cannot support these two amendments, because we believe that the ban on the use of animal proteins should remain, even for young ruminants, for two reasons. The first reason is because we must oppose cannibalistic phenomena; we are talking here of herbivores being fed animal proteins. The second reason is because we are not fully convinced that the risks of this specific diet being linked to the risks of spongiform encephalopathy have been eliminated.

I would remind you that years ago there was no established link between phenomena of spongiform encephalopathy and sheep and goats and yet recently we have had such cases, which are being carefully examined by the competent laboratory in the United Kingdom; for the moment the specialist scientists are not in a position to assure us that there is no such danger.

With my congratulations once again to the rapporteur and my warm personal wishes, that brings me to the end of my statement. We say yes, except for Amendments 41 and 48.



**Urszula Krupa, on behalf of the IND/DEM Group. – (PL)** Madam President, profit-driven, unnatural methods of animal husbandry, together with the feeding of livestock with bone meal and mechanised meat separation have led to the recent increase in the risk of BSE spreading. Meat which still contains elements of periosteum, fragments of spinal cord tissue and other nerve tissue is more likely to be infected with prions dangerous to humans and animals.

The positive aspects of the current solutions include prevention, the implementation of a variety of control tests and a return to using traditional feed. However, fishmeal fed to livestock still poses a threat. If the afore-mentioned practices had not spread to Poland as well, all farm animals would eat natural feed and meat would be processed using traditional methods. Fortunately, our agricultural sector is still organic, and there are no demands to introduce innovations for economic reasons.

We are critical of excessively expanding the phytosanitary administration, implementing an unnecessary number of programmes, and also of unnatural compromises, driven by the financial lobby groups, all of which increase costs and increase the threat of diseases, not just spongiform encephalopathy.

**James Hugh Allister (NI).** – Madam President, having experienced not just the trauma of BSE but the very protracted and painful recovery until we recently secured the return of British beef exports, none of us wants to see that happen again. Thus I support the essence of the TSE structures endorsed in this report.

I wish to raise one concern, however, with regard to beef imports into the EU. It is correctly suggested in one of the amendments that we legislate for acceptable feeding regimes for the cattle whose meat is imported. But my question is: how do we police those regimes so that the consumer can be truly satisfied that cheaper imports are subject to the same tough control as indigenous produce?

Not only must we lay down the same standards for imported produce as domestic produce, we must be sure that those standards are demonstrably met. That is the issue I invite the Commissioner to address when he replies in this debate.

**Avril Doyle (PPE-DE).** – Madam President, in 2001, during the BSE and CJD scares and outbreaks, the Commission implemented a temporary ban on feed of animal and fish origin being fed to ruminants, pending thorough scientific risk assessment of the regulation. In accordance with the precautionary principle and as a measure to promote consumer confidence, a policy of zero tolerance of processed animal proteins and meat and animal bonemeal in animal feed was put in place. And although no case of TSE in fish had ever been discovered, the feeding of fishmeal to ruminants was also subjected to a temporary ban. This initial six-month ban has been extended on a rolling basis ever since, despite a categorical Commission announcement in 2004 that there was no risk of TSE occurrence, let alone transmission, from fishmeal fed to ruminants and that the policy of zero tolerance of meat and bone spicules in animal feed should be lifted.

The Commission argued that this zero tolerance policy could not be implemented, since the technical detection methods for identifying processed animal protein had not previously been sufficiently accurate to take account of the so-called adventitious presence of small amounts of protein from small birds, mammals and rodents accidentally caught in the harvesting process.

The impossibility of distinguishing these proteins and bone spicules, which do not pose a TSE risk from proteins of ruminant origin which could contain BSE-carrying prions, resulted in a number of high-profile, extremely costly, wasteful and unnecessary withdrawals from shipments and, more controversially, beet-based animal feed, owing to this harmless and unavoidable adventitious presence of non-ruminant proteins.

The proposal before us is intended to amend and update the regulation. In particular, the categorisation of countries according to existing BSE risk, surveillance and monitoring, specified risk material, giving a permanent legal basis for breeding programmes for resistance to TSEs, giving Member States the option to keep BSE cohort animals in their herd and of course revising the feedback.

Given the protracted uncertainty that the failure to come to a decision on lifting the feed ban has caused to farmers and industry, I sincerely hope that this dossier will be adopted at first reading. I welcome the compromise reached and support the provisions relating to the possible lifting of the feed ban, because the provision is based on sound science. I believe that there are sufficient safeguards in place to protect all interests. Furthermore, I feel it is important to underline that protein is a necessary component of

animal diets and the current feed ban is placing us in a precarious position regarding protein supply for animal diets. In Europe, we are only 23% self-sufficient in proteins. Most of our higher quality proteins, for example Brazilian soya, are shipped vast distances from countries where the sustainability debate is now raging.

While there is a debate on the ethics about how animals are being fed, it must be borne in mind that the alternatives sometimes pose even bigger ethical questions. The fact remains that the food industry in the EU is protein deficient. I am pleased that an agreement has been reached on feeding fishmeal to young calves that have high protein requirements. We cannot be driven by emotion; otherwise our credibility as legislators will be severely undermined. Scientific rigour is at the core of this regulation. We should respect the undisputed scientific consensus that fishmeal poses no risk of TSE.

In conclusion, as regards setting the tolerance thresholds for adventitious presence of bone spicules and technically unavoidable contamination, it is imperative that we apply scientific rigour through standing committees under the comitology procedure. This procedure is not perfect, but it is more responsive than codecision and ensures informed scientific analysis and risk assessment, rather than risking emotive concerns guiding European decisions in technical areas.

For this reason, I cannot support Amendment 57, which I believe would threaten the chances of reaching a hard-won first reading agreement in the interests of all concerned. But having said this, as parliamentarians, we should exercise fully and vigilantly our right to scrutinise the outcomes of comitology meetings and to hold the Commission to account when their standing committee experts' decisions exceed the powers conferred on them by the TSE regulation.

Madam President, may I send my best wishes to Mrs Roth-Behrendt for a speedy recovery and thank her for her long-term interest in this important issue. Thank you for your patience.

**Linda McAvan (PSE).** – Madam President, I should like to congratulate my colleague, Mrs Roth-Behrendt. She has drawn up a balanced report based on common sense.

Turning to the issue of fishmeal, maybe I am a bit emotional, but I tend to agree with those who say that we should not go back to feeding animal protein to ruminants. We moved away from that a number of years ago. We continue to feed ruminants and eat them in our countries. Therefore I believe that is a step backwards. I wonder what the public would say if we asked them about this. Would they want us to go back to feeding fish discards to ruminants? Is that what the public wants?

I can accept the compromise that Mrs Roth-Behrendt has put before us, because it makes sense and it would help us achieve a first reading agreement.

The second issue is the policy shift on tolerance levels for small amounts of animal protein. In concrete terms, that means that, in my constituency for example, a feed plant which at the moment is producing feed for ruminants will be able at the same time to manufacture feed for pigs and poultry. At the moment they have to transport feed from other parts of the country at greater expense, with more of an environmental impact because of the transport. It is a common-sense idea to have the tolerance thresholds to make sure that we have proper clean-up between the different kinds of feed manufacture.

I send my good wishes to Mrs Roth-Behrendt. I hope she will be back soon. She has produced a very good report and I know that she has worked very hard on TSE and BSE for many years on behalf of this Parliament.

**Marios Matsakis (ALDE).** – Madam President, I wish Mrs Roth-Behrendt a speedy recovery. She has produced an excellent report, dealing with the subject matter under discussion most diligently. Consequently I voice my support for her position on almost all aspects of her report except one: the issue of fishmeal.

Fishmeal is a rich source of protein and it is extremely nourishing to animals, including ruminants. Such animals are able to metabolise the proteins contained in fishmeal and use them for their structural and energy needs. Therefore the use of fishmeal to feed animals provides the farming industry with an efficient low-cost diet supplement.

There are two main issues concerning feeding fishmeal to ruminants. The first is how ethically correct it is to feed animal protein to animals that do not normally eat such protein. That is indeed controversial.

It remains, however, an ethical issue and not one that concerns the aim of the regulation at hand today, which is to prevent, control and eradicate certain transmissible spongiform encephalopathies.

The second – and most relevant – question is the following: can certain TSEs be transmitted from fishmeal to ruminants? The answer, based on scientific evidence so far available, is ‘no’. To my knowledge, there has never been a documented case of TSE being transmitted from fishmeal to a ruminant, even though fishmeal has, in the past, been used extensively by farmers and the practice continues today on many farms outside the EU.

Of course we have the precautionary principle to consider. But how far can we take that principle when we have no hard evidence that TSEs can pass from fish to ruminants? We know that, in the highly unlikely event of such evidence being found, we could halt the practice straight away. The precautionary principle works well only when used with caution. Otherwise it can be a severe impediment to our existence. For example, why do we not ban travelling in order to prevent transport-related deaths and injuries? After all, we humans eat fish, and we are not worried about contracting fish-derived spongiform encephalopathy, something that is far more likely than for a cow to contract it from fishmeal.

Had she been here, I know I would not have managed to convince Mrs Roth-Behrendt of my point that fishmeal is good as a ruminant food, but I hope that I have provided the rest of my colleagues with food for thought.

**Thomas Ulmer (PPE-DE).** – *(DE)* Madam President, ladies and gentlemen, warmest congratulations to Mrs Roth-Behrendt, best wishes for her recovery and many thanks for her excellent report and the good negotiations with Council and Commission. I am very confident that we will reach agreement here with the first reading.

It affords an excellent guarantee of consumer protection. We fully support the stricter measures the rapporteur calls for. We consider the rules provided by Parliament, namely TSE checks for cattle over 30 months slaughtered for human consumption and for all cattle over 24 months that have died or been sent for emergency slaughter, to be sufficient and correct. This measure will save the small *Land* of Schleswig-Holstein alone 4 to 5 million euros a year without prejudicing the safety of consumers.

The adaptation to the World Organisation for Animal Health’s three risk categories is also logical and necessary. The definition of active and passive surveillance categories safeguards epidemiological monitoring and preserves its quality. I believe the limited ban on feeding animal proteins to ruminants is correct, even if not totally adequate. Nature did not envisage ruminants eating animal proteins, except for calves in the form of mother’s milk. The argument that cleaned proteins from fishmeal are no different may well have a scientific basis, but in my opinion it is not correct. From an ethical point of view, I find the feeding of fishmeal problematical and undesirable.

Periods of up to eight years in doubtful cases are sufficient for the ban on the sale of animals from third countries. The abolition of zero tolerance for the presence of animal proteins in feed as a result of accidental contamination is a quite crucial and logical step forward. In my country, zero tolerance resulted in tens of thousands of tonnes of sugar beet having to be destroyed because animal protein was found in it when it was delivered. The up to 0.5% protein admixtures that will now be tolerated come predominantly from small animals that were killed in the process of harvesting or had died in the fields long before and are certainly free from TSE. The new limit here is a real step forward towards sensible legislation.

I agree to the proposal, but cannot refrain from making one small remark in conclusion, namely that life for Parliament would surely be even better and even more democratic if there were less or no comitology.

**Elisabeth Jeggle (PPE-DE).** – *(DE)* Madam President, Commissioner, ladies and gentlemen, even ten years after the outbreak of BSE, prevention, control and eradication of certain spongiform encephalopathies are still necessary and still under discussion.

The regulation on this, which we are also discussing today, is intended to bring EU law into line with international requirements and the standards of the World Organisation for Animal Health, particularly important among which are all the precautions. Food safety and consumer protection are both priorities, but it is equally important to take a measured approach. Wherever possible, action should be based exclusively on scientific evidence.

As shadow rapporteur for the Group of the European People's Party (Christian Democrats) and European Democrats in the Committee on Agriculture and Rural Development, I endorse the results and compromises achieved so far. I should like to express my particular thanks to all members of the Committee on the Environment, Public Health and Food Safety who have been working on this issue for their constructive cooperation and their practical handling of this important issue. It has proved possible to push through pragmatic simplifications that reduce bureaucracy. Three aspects are important in this regard. The first is that we really want to see three instead of five risk categories. This will make it possible to take nationally coordinated action against BSE, and will bring greater safety overall. The list of specified risk materials also forms part of this.

Secondly, a point on which we are undoubtedly in agreement is that animal proteins should not be fed to ruminants now or in the future. However, it is right to allow young calves – and by this I mean very young calves – to be fed fishmeal in some cases, subject to appropriate controls. Young calves do not yet have fully developed ruminant stomachs, and they need animal protein.

The third point is that there should really be a tolerance of up to 0.5% for animal protein accidentally present in feed; be it a mouse, bird, small animal or bone in the field. Zero per cent tolerance is rarely achievable in this world.

One of the most important points as far as the Committee on Agriculture is concerned is that the EC regulation significantly restricts comitology powers. Together with the Spongiform Encephalopathy Advisory Committee, Parliament decisively influenced risk management in the legislation in the first version of the regulation. Since then, Parliament has been bypassed and numerous amendments made through comitology. This does not seem very democratic and often impedes cooperation and acceptance. Let us take an approach to the beginning of the end that is characterised by moderation and responsibility.

I should like to express my particular thanks to Mrs Roth-Behrendt for her good work. I send her my sincere good wishes and hope, for her sake and ours, that she is soon back among us.

**Christa Klauf (PPE-DE).** – (DE) Madam President, Commissioner Verheugen, ladies and gentlemen, 'better regulation' has already become a catchword that no longer needs translating. It is important to review acts, regulations and directives on an ongoing basis, and it is right to then incorporate into the legislative text any amendments that new findings render necessary and possible. Consequently, I, too, welcome the Commission's proposal to amend EC Regulation No 999/2001 laying down rules for the prevention, control and eradication of certain transmissible spongiform encephalopathies.

I am obliged to the rapporteur, Mrs Roth-Behrendt, for her report. The improvements it introduces reveal a great deal of knowledge of practical necessities and possibilities, and we hope that the Council and the Commission will follow our recommendations. When we set this regulation in motion in 2001 – with inner uncertainty and without sufficient scientific evidence, and prompted by contemporary events – it was a good measure that pointed the way ahead. In the present day, we can see that there has been a change – indeed an improvement – in our sensitivity in dealing with animals, animal husbandry and feeding animals, at least.

We support an internationally agreed system of measures to tackle bovine and transmissible spongiform encephalopathies at the level of the World Organisation for Animal Health. This will also make it possible to gather more information from countries that, unfortunately, do not yet have any data available. As Konrad Adenauer once said, there is no law against becoming cleverer. Our knowledge is now much greater as a result of the increased efforts in the field of research, too. Yet we have also been confirmed in our old knowledge of nature. Our measuring procedures have become so refined that it is possible to detect a sugar cube in Lake Constance. Zero tolerances can be measured, but they naturally entail problems – which some Members have just described – because zero tolerance does not exist in nature. That is why we need a tolerance for natural contamination of feed with animal protein, a practicable limit, which we should like to fix at 0.5% today. I think that this is a compromise that all parties can support, and for that reason I would also ask the Council and the Commission to support Amendment 57.

Finally, I should like to remind the Commission that a loophole has emerged as regards the recycling of swill. The deadlines are about to expire. We are anxiously awaiting a proposal from the Commission on this, with a view to optimum, safe use and recycling of these materials, which are not waste products but recoverable materials that, if properly processed, can also be properly used.

**Richard Seeber (PPE-DE).** – (DE) Madam President, Mr Vice-President of the Commission, I should like to join in wishing Mrs Roth-Behrendt all the best and a speedy recovery, and I should also like to thank her for her excellent report. We should not forget that there is no prophylaxis or treatment for transmissible and bovine spongiform encephalopathies in either humans or animals, that these diseases are always fatal, and that the impact chain with regard to the formation of these deadly prions has not yet been fully researched by scientists.

I should also like to remind the House that the last few days have seen the discovery of a case of BSE on an organic hill farm in Upper Austria, and that the entire herd of 40 animals has had to be culled – which, of course, has entailed a loss of livelihood for the farmer concerned.

Nevertheless, adjustments should be made in the way we deal with these justified precautionary measures. We can also note that there has been a fall in the overall number of cases of illness and that, therefore, the measures have obviously taken effect. On the other hand, these controls, or the measures taken, are very expensive and represent a real threat to the livelihoods of many farmers. Yet, in essence, the chain of measures should not be broken. In particular, the ban on animal protein in feed must be retained. The compromise reached, that is, that ruminants may be fed fishmeal until they are one year old, is an absolute maximum, in my opinion, and is really most accommodating to the fishing industry.

I consider the adjustments contained in this proposal absolutely necessary, particularly if we consider that the measures have now been extended to all animal species and, in principle, are no longer limited to sheep and cattle.

It is also important to extend these measures to the controls and export bans. The alignment with the requirements of the World Organisation for Animal Health, namely the reduction of the five risk categories to three, is justified; provided, of course, that this does not result in the measures as a whole being watered down.

Another thorn in my side is that the comitology procedure is being fostered to a certain extent. Parliament as an institution should make a real effort to keep this to a minimum, so that these measures, which are after all very technical, remain subject to democratic control.

**Mairead McGuinness (PPE-DE).** – Madam President, I was a journalist at the height of the BSE crisis, so I have very vivid memories of the unfolding of that story and its impact not just on politicians but on consumer confidence. It was *the* story of the century in its impact on farming and how we do our business and on the animal feed industry. I recall interviewing a feed compounder at that time who had no idea where most of his ingredients were coming from, because the word traceability had not been invented. I think perhaps we forget how serious the situation was.

In Ireland now, we are looking forward to not slaughtering cohorts when we discover a BSE case in a herd on farms, but many farms have suffered as a result of our more stringent policy in this regard.

Fishmeal is an important protein source and I think that fear alone should not keep it out of the food chain. As has already been said, Europe produces only about one-fifth of its protein needs and we import soya to fill that gap. Much of that is genetically modified and it is ironic that European consumers are concerned about GM and yet we have to rely on GM protein for much of our animal feed.

Zero tolerance is a big issue for the feed industry and for farmers. It has caused huge problems and is unworkable. In my view, Amendment 50 is better than Amendment 57 when it comes to the adventitious and technically unavoidable contamination of feed ingredients. We need science to rule here and we need scientific risk assessments of the level of adventitious protein sources in feed. I think the feed industry itself would welcome clarity on that, because too often zero tolerance has given rise to huge costs as well as concern and confusion within that industry.

We are ten years down the road. I think it is good that tonight we are debating in less emotive terms than we would have ten years ago, but I would urge that people look at the science of the debate, rather than the emotion of the past, when they are voting on this very important report.

**President.** The debate is closed.

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

## 18. Financing of European standardisation (debate)

**President.** The next item is the report (A6-0107/2006) by Mrs Pleštinská, on behalf of the Committee on Internal Market and Consumer Protection, on the financing of European standardisation (COM(2005)0377 – C6-0252/2005 – 2005/0157(COD)).

**Günter Verheugen, Vice-President of the Commission. – (DE)** Madam President, ladies and gentlemen, I should like to start by thanking your House, and in particular your rapporteur, Mrs Pleštinská, the members of the Committee on Internal Market and Consumer Protection and Mrs Herczog, for their prompt advice and this sound report.

The adoption of this proposal by the European legislature creates a new, solid legal basis for the financing of European standardisation. European standardisation has already played an outstanding role in supporting European policy for more than 20 years. For example, it has made a major contribution towards the completion of the internal market. As part of the New Approach, standardisation complements European legislation and contributes to technical harmonisation, enabling unrestricted trade in goods within the EU. More than 20 directives have been adopted that follow this approach, a concrete example of which is the Machinery Directive.

Standardisation is also an important tool for realising the objectives of the Lisbon Strategy. In view of the positive experience with standards in connection with internal market legislation, there are plans to use the approach of reference to voluntary standards in other areas of law, too, within the framework of what is known as 'better lawmaking'. Examples are legislation in the fields of environmental protection, control of foodstuffs and the energy and transport sector.

In addition, standardisation has the potential to play an important role in strengthening the competitiveness of European industry, as it facilitates interoperability between different technologies, paves the way for the introduction of new technologies and promotes innovation.

Currently, European standardisation receives financial support from the Commission on the basis of legal acts from the 1980s. In view of the development of budgetary rules, it is imperative to update the legal basis for the financing of standardisation. The budgetary resources for financing European standardisation must be approved annually within the framework of the budgetary procedure. These currently amount to EUR 19 million.

The beneficiaries of Community financing are the European standardisation organisations CEN, CENELEC and ETSI, which are listed in Annex I of Directive 98/34/EC of the European Parliament and of the Council laying down a procedure for the provision of information in the field of technical standards and regulations. Under special circumstances, support may also be given to other authorities in respect of activities necessary to support European standardisation.

In the course of the discussions, many parties called for European standardisation to take sufficient account of all the relevant interests, such as those of consumers, environmental protection and small and medium-sized enterprises. The Commission shares this view and is working towards improving the present situation.

This decision is not intended to guarantee the financing of the individual interests concerned, however. I should like to point out in this connection that support is provided for the participation of experts, for example from SMEs, within the framework of our SME programme. The same goes for the involvement of consumer and environmental protection and occupational health and safety stakeholders. It is also the responsibility of Member States to guarantee sufficient participation of the relevant stakeholders.

The Commission expressly welcomes the amendments drawn up in cooperation between Parliament and the Council. We can support all of Parliament's amendments. I should like to express my particular thanks once again to Parliament and the rapporteur for their efforts to make agreement possible at first reading.

**Zita Pleštinská (PPE-DE), rapporteur – (SK)** Madam President, Commissioner Verheugen, ladies and gentlemen. Why does a sheet of A4 fit into an envelope? Why do SIM cards work in all mobile phones? Why would it be helpful to have identical power points throughout the European Union? Once things like this function smoothly, they are so self-evident that we hardly notice them.

For such apparently simple things to happen, however, requires serious thought on somebody's part, and this 'somebody' is the European standardisation system, which is made up of three European and 29 national standards organisations, and more than 60 000 experts. They draft European standards, which are agreed by consensus and are based on voluntary agreement.

Because the main function of common European standards is to remove technical barriers to trade and to promote the internal market, standardisation policy should be regarded a cornerstone of EU policy for meeting the targets of the revised Lisbon Strategy. For 20 years now European standardisation has, thanks mainly to the directives known as the 'new approach', greatly streamlined European legislation. Directives drawn up in the context of the new approach apply only to basic safety requirements, consumer protection and environmental protection. Technical requirements are set out in detailed technical standards. This, Commissioner Verheugen, is the correct way to achieve good European legislation.

When I worked as an architect, standards were a tool I used in my work. They provided me with a point of reference in designing, assessing and approving buildings. This was one of the reasons why I accepted the assignment of reporting to the European Parliament with a proposal to the European Commission on financing European standardisation. The aim of this decision is to put in place a consolidated legal framework for providing this financing.

Even though European standardisation is necessary for the functioning of the internal market, there has as yet been no legislative basis dedicated specifically to financing it. The EU's contribution towards financing European standards is currently 2%, while national organisations contribute approximately 5%, and enterprises 93%, primarily by providing expertise. The Member States have their roles to play in technical standardisation, in that they have to ensure the adoption of European standards by the national systems. I am pleased that my country, Slovakia, has been among the quickest to transpose European standards thanks to the Slovak Technical Standards Act.

I am convinced that European standardisation is a system that will help to create a favourable business environment. Business representatives and other interested parties are becoming increasingly aware of the role technical standardisation plays in the business world. It must be a priority for Parliament to ensure that small and medium-sized enterprises, and in particular micro-enterprises and trades enterprises are able to effectively use European standards. It is in the interest of the Union to contribute financially to the translation of these standards into all official languages, to make them equally and transparently accessible, in particular to small enterprises in the new Member States which lack the financial and human resources to translate specialist standards. It would be helpful for handbooks to be available to SMEs explaining the standards to them.

The seven-month discussions between Parliament, the European Commission, the Council and other interested organisations have convinced me that this problem has taken its rightful place in EU policy. In the approval process I supported all proposed amendments which helped to improve the Commission's proposal. I am pleased with the enormous amount of assistance from all rapporteurs, and in particular the shadow rapporteur Edit Herzog and Paul Rübich, the Committee on Industry, Research and Energy rapporteur who was asked to give an opinion. Please allow me also to thank the representatives of the Council and the Commission for their exemplary assistance and their wish to find a consensus right from the outset, allowing a financial framework for European standardisation to be found at the first reading. In conclusion I would like to express my conviction that my report and the support that Parliament has shown for it will lead to adequate financing for European standardisation, which will contribute to a simpler and safer life for all European citizens.

**Yannick Vaugrenard (PSE)**, *draftsman of the opinion of the Committee on Budgets*. – (FR) Madam President, although, as draftsman of the opinion of the Committee on Budgets, I generally support the approach taken by the Commission, I should like to emphasise the political dimension of this matter and to point out, if I may, two shortcomings.

For two years now, the European Commission has been seeking to develop standardisation in the context of health, social, societal and environmental services. It proposes to make wider use of standardisation work in the field of services, while preserving the monopolistic nature of the bodies mentioned in the report – which is, in my opinion, regrettable – even though standardisation has been mainly focused up to now on industrial products and nothing else.

Standards, when viewed in the specific context of services, tend to be substituted for the harmonisation of European legislation, which is worrying. However necessary, indeed essential, standardisation may

be, it cannot take precedence over legislation. These standards are required in all European invitations to tender but, until now, they have been drawn up exclusively by manufacturers, without any democratic control, and may accordingly constitute an obstacle to market access, which is something that we cannot accept.

That is why it is important to ensure, in particular, that all of the parties involved can actually participate in the work of these bodies. That obviously includes manufacturers, but it also includes consumer associations, clients, local authority representatives or even environmental protection associations. The compromise amendments certainly address this concern, but only to a very small extent.

On the other hand, I felt that, insofar as public funds were involved, the European Parliament had to be informed each year of the standardisation process that had actually been implemented. European standards organisations are actually associations of general interest in receipt of public aid from the Community. As such, they must obviously meet obligations with regard to transparency. The compromise amendment regarding this issue makes provision for a Commission assessment of standardisation activities to be carried out at least once every five years, which is clearly not often enough.

So there you have my observations summed up in a few words, Madam President. I should like wholeheartedly to congratulate the rapporteur and the coordinators on the quality of the work done, but I deplore the insufficient efforts made to encourage greater plurality and regret that the assessments of standardisation activities should be so infrequent.

**Paul Rübig (PPE-DE), draftsman of the opinion of the Committee on Industry, Research and Energy.** – (DE) Madam President, ladies and gentlemen, I should like to start by thanking the rapporteur, Mrs Pleštinská, for her excellent cooperation – which cannot be faulted – with the Committee on Industry, Research and Energy, and the impressive results. I should also like to thank Commissioner Verheugen, however, as he has managed, by way of better regulation, to create a new instrument – namely European standardisation – to enable the objective to be achieved faster and more efficiently.

For example, we are currently addressing the issue of mobile TV: the problem of Nokia versus LG standardisation. European standards should be created for this as quickly as possible to enable us to take the lead in the global market. Another example is the allocation of frequencies in the linear-digital field. If carried out quickly, efficiently and well, standardisation offers prospects of gaining market shares in this field. A further example is mobile-telephone chargers: here, too, there is a lack of standardisation. The need for action on this is tremendous, and dramatic progress could be achieved by means of economies of scale.

For this reason, I am also pleased that particular attention is being paid to small and medium-sized enterprises, and I believe that the next thing we need is a Green Paper on standardisation. This would enable our economy to achieve the Lisbon criteria significantly faster and more efficiently by means of standardisation that is accepted worldwide – one of the best examples of this being the GSM system. A Green Paper in this field could give us the opportunity of demonstrating where our future opportunities lie. This represents a challenge. Parliament is already pleased to note that its cooperation with the Commission on this is as constructive as ever.

**Malcolm Harbour, on behalf of the PPE-DE Group.** – Madam President, it gives me great pleasure, on behalf of my group and as the coordinator for the committee, to congratulate Mrs Pleštinská on her first report in Parliament. I am sure that it will be the first of many. I am really delighted that she has taken on this role. It is entirely appropriate that, coming from one of the new Member States most active in the field of the internal market, she has not only blazed a trail for Members from Slovakia, but also has the moral authority to carry this forward.

If you look at the internal market scoreboard, you will see that top of the list of countries that have transposed internal market legislation and adopted European standards are the new Member States. They are putting all the old Member States to shame in that respect. So I believe that she has done outstanding work here. I am also delighted that we have reached an agreement with the Council and the Commission in pre-conciliation to get this important package through at first reading.

Let me turn to some of the issues. I have to take issue with the spokesman from the Committee on Budgets, who has totally misunderstood what this is all about. As you said, Commissioner, it is largely about the development of effective technical standards for products. That is one of your crucial responsibilities in the new allocation of portfolios in the Commission. But we must not forget that this



is all part of the total development of the internal market. We are now on the verge of a very important review of the future of the internal market. I share the view of my colleague, Mr Rübig, that the role of standardisation bodies is crucial in making that market work better. We still have problems where those standards are not being recognised by Member States. It is still too difficult for manufacturers to take advantage of the single market.

I have to ask the limited number of people here how we are going to create jobs and growth in the European economy if we cannot get the internal market to work properly; if we cannot engage all the tools and weapons at our disposal. I was really pleased that the President of the Commission, in the statement that he made this week about delivery for our citizens, put the completion of the internal market absolutely at the top of the list. That is where it should be. If we cannot make the internal market work, what else have we got to do to achieve success in the global economy? Standards are part of that, not just in Europe but also in the world as a whole.

As the rapporteurs say in one of their amendments – and I would also like to thank the shadow rapporteur, Mrs Herczog, for her work – we want to ensure fair and transparent access to European standards for all market players throughout the Union. That is what this proposal is all about.

**Edit Herczog, on behalf of the PSE Group.** – (HU) Madam President, we may soon be able to form a club of those who spend their evenings in this Parliament. It is interesting that the questions raised here are always those that have been followed by the same MEPs every night.

I, too, would like to start by congratulating Mrs Pleštinská on her first report. Like Mr Harbour, I, too, hope that she will draft many more reports in the next three years, during the time that we are MEPs here together. I would like to thank her for the very friendly environment she created both in the Committee on the Internal Market and in the course of the talks and negotiations with the Council, enabling us to reach an agreement. This environment enabled us to reach an agreement on every issue following the first reading, and hopefully everyone will be able to support the amendment proposals.

I need to make another brief comment. Mr Harbour said that new Member States are at the top of the list in transposing internal market regulations. At this point we need to remember the work of Commissioner Verheugen in this area, because without him we would never have been able to do this so efficiently. At that time he was responsible for the enlargement of the internal market.

Returning to the report, I think that the most important result we have achieved is that by starting this European financing, we are better able to ensure the improved operation of the internal market and clean competition for each market player and interested party; also, we have managed to achieve this without creating too much bureaucracy or, God forbid, a new institution, which we are so keen on doing. I personally like the approach of trying to increase the efficiency of the work of existing institutions that already operate efficiently, and making it available to everybody, using a relatively low amount of resources.

The law in the process of being adopted ensures equal opportunities for companies in respect of Community assistance allocation and the handling of public funds, also ensuring an open and transparent procedure, while – and I emphasise it again: this is extremely important to us in view of the Better Regulation Programme – it prevents unnecessary bureaucracy. Personally, I feel that this is the greatest result achieved by this amendment proposal.

It is very important to mention that the appropriate and competent Community assistance provided for standardisation is not an expenditure, but a clear investment. It is an investment in the better operation of the internal market, in the enhancement of European competitiveness, in the information, protection and increased safety of consumers using standard products and services, and in the improvement of the market situation and chances of small and medium-sized enterprises, even if – and I completely agree with the Commissioner here – this law is not meant to support small entrepreneurs individually.

I would like to express my gratitude once more for the cooperation of all those with whom I have had the opportunity to work together in connection with this law, and my wish is that we will have many other laws like this, and that REACH, in particular, will follow along the same lines.

**Alexander Lambsdorff, on behalf of the ALDE Group.** – (DE) Madam President, Commissioner, ladies and gentlemen, since the mid-1980s, European standardisation has made it possible to achieve both the

free movement of industrial products in the European Community and a high degree of protection for consumers and workers.

European standardisation complements key European policy objectives by establishing a consensus between economic operators, and has now managed to establish itself in approximately 20 industry sectors. This has considerably simplified the process of making goods and services on the internal market both comparable and compatible, and so the Commission's financial support and continuing development of European standardisation warrants our support.

The catalogue of the three European standardisation bodies, CEN, CENELEC and ETSI, now numbers more than 15 000 standards and other European specifications. This standardisation work has often rendered detailed Community legislation in the areas concerned superfluous, and it is sometimes possible to avoid legislation altogether.

For this reason, standardisation should be seen as an integral part of the continuing efforts towards better lawmaking and thus as part of a policy for growth and employment. In addition to the internal market aspect, European standardisation has the potential to support a whole range of Community policy measures capable of increasing the competitiveness of European enterprises.

This applies in particular to the fields of trade policy, transport, the environment and security of travel documents. In the field of research and technological development, clear common standards are needed as a source of technical expertise and as a market instrument. As with GSM and Galileo, which have already been mentioned by some fellow Members, it is thus possible to create a common trading language.

Despite this positive assessment, European standardisation and its institutional framework need to be improved and strengthened. The provisions of the new Financial Regulation require the creation of a clear, complete, detailed legal basis for European standardisation. I believe that the compromise proposal is capable of meeting these requirements. All the actors involved deserve thanks for their constructive cooperation, particularly the rapporteur, Mrs Pleštinská.

I shall be recommending that my group support the compromise reached, and am confident that agreement will be reached here as early as at first reading. Incidentally, I believe that we should be holding this debate, too, in Brussels and not in Strasbourg.

**Zuzana Roithová (PPE-DE).** – (CS) Madam President, Commissioner, ladies and gentlemen, technical harmonisation is not only eliminating the technical obstacles to trade and everyday life, but is also ensuring a high level of consumer protection across all Member States. Following the introduction of the European standard for playgrounds in 1997, for example, the rate of children's injuries fell by more than 25% in Austria. The aim of this directive is not to set up a new office, but to introduce a legal framework for systematically financing standardisation offices and agencies. There are many reasons for proper financing, but I would like to mention just one. The offices for standardisation have very limited national budgets in the new Member States compared to Germany, France or the United Kingdom, and they must also carry the burden of translation costs. This is because standards are incorporated everywhere into national law, but for the new Member States they are available only in English, German or French. Small firms, of course, do not have the resources for time-consuming translations. So if we want to ensure that all businesses make use of these worthwhile standards, they must be made available in all of the official languages. You will surely agree that it is in the interests of the European Community to contribute financially towards the cost of these translations.

I value the Commission's proposal highly. The rapporteur has, moreover, made some valuable additions to it which will, for example, assist small and medium-sized enterprises. She also proposes measures that will increase control and transparency in respect of the new financing. I would therefore like to thank Mrs Pleštinská. I appreciate in particular the care and attention that has gone into the preparation of this report, and I would note that she has played an important role in the drafting of a well thought-out and non-controversial proposal that will serve the citizens of Europe well.

**Andreas Schwab (PPE-DE).** – (DE) Madam President, Commissioner, ladies and gentlemen, it is already rather late, and my fellow Members have already made many good points. First of all, therefore, I should like to join in thanking the rapporteur, and wish to offer her my sincere congratulations on the difficult work she has done. As deputy coordinator, I believe that this represents an important step.

Tomorrow's vote is the result of an informal trialogue aimed at bringing the issue of the financing of European standardisation to a successful conclusion at first reading. I believe that the compromise that the rapporteur has achieved is a respectable one. In spite of all the positive aspects pointed out here by various Members, however, I would venture to make a criticism, an objection.

Frequent experience has shown that the economy, which is the main beneficiary from the harmonisation of the EU internal market, participates in these rules, and indisputably has urgent need of them, and therefore we MEPs must support this process. Yet experience has also shown that many citizens – and many mayors or other economic actors – are not seeing these rules the way they were intended. There are some rules, such as the pre-standard on the prevention of crime by urban planning and building design, to which mayors are objecting – not entirely unjustifiably, in my opinion.

That was why I welcomed the rapporteur's original proposal for the costs of standardisation to be oriented to a much greater extent towards the costs actually incurred. Owing to past experience, however, this proposal could not be pushed through in the agreement with the Council and the Commission. Nevertheless, I believe that it is perfectly appropriate for us MEPs to ensure that standardisation really has parliamentary legitimacy where the public is affected, and can also really be achieved by self-administration where only economic actors are concerned. In this respect, I hope that we can make progress with these issues, too, within the framework of the Internal Market Strategy – with which not only the Commission but undoubtedly Parliament, too, will be concerned in the coming months.

**Milan Gaľa (PPE-DE).** – (SK) I would like to start by thanking my colleague, the Slovak Member Mrs Pleštinská, for her work in creating this thorough report. European standardisation has an important role to play in removing technical barriers to trade, and thereby promoting the development of the European single market. Technical standards replace detailed legislative provisions and simplify the rules, which will at the end of the day make the entire European economy more competitive. Defining mandatory basic requirements will also ensure a high degree of protection for consumers, health and the environment.

Standardisation is indispensable in sectors such as health care, transport, telecommunications or electrical engineering. In the health care sector, for instance, there are some 10 000 different medical devices, and in this field European standards play an important regulatory role. Whilst setting out detailed definitions of the requirements for ensuring a high level of patient safety, they also encourage innovation. More than 80% of companies operating in this area are SMEs, which is why we appreciate the rapporteur's efforts to ensure equal access to European standards for this group of players.

Since 1985, when the 'new approach' to European standards was adopted, more than 15 000 standards have been issued. The European Union, however, makes only a minor contribution to the overall financing of European standardisation, even though studies have shown that the benefits to the economy far outweigh the costs. For this reason it is important for the EU to provide a sizeable portion of the finance for the entire system not just within the European Union, but also on an international level.

**Árpád Duka-Zólyomi (PPE-DE).** – (SK) As the revised Lisbon Strategy makes clear, Community-wide rules underpinning a uniform understanding and implementation of technical standardisation constitute very important tools for creating and sustaining the conditions for policy implementation, and hence ensuring the competitiveness and constant sustainable development of the Community.

We can regard technical standardisation as a binding component for development in many fields, such as research, industry, the economy and health care, and above all in the common interest, as it serves everyone, even if that is not immediately obvious. We only realise how important standards are when something does not work properly. I remember how the new Member States recently had to rebuild their technical systems. In Slovakia that meant revising more than 25 000 technical standards, scrapping almost half of them and incorporating 15 000 national standards into the remainder, all of which required a lot of investment. We must underline the great contribution to this made by the internationally recognised and long-established Slovak Standards Institute.

We now face the considerable task of improving the financing for European standardisation in support of the competitiveness of European industry in particular, and of European policy on global competition. For this reason this decision is of the utmost importance. To construct, coordinate and further refine a complex and extensive mechanism of technical standards which functions dynamically requires clear, rational and adequate financial support.

In conclusion I would like to draw attention to the praiseworthy and constructive efforts of Mrs Pleštinska, who has succeeded in building a consensus over this important issue.

**Günter Verheugen**, *Vice-President of the Commission*. – (DE) Madam President, ladies and gentlemen, I should like to express my particular thanks for the very constructive spirit that has characterised this debate, and for the consensus that has emerged from it.

This is very important, as technical standardisation is something that, astonishingly, is frequently entirely misjudged in the mind of the European public. We have all seen how certain standards have been seized on in the public political debate as bizarre examples of ‘excessive European regulation’. It has been rightly pointed out this evening that the European public would be very surprised if this instrument did not exist, as our daily lives could no longer function without it, nor could most economic sectors. It is a very modern instrument and, from a legal point of view, a very flexible one and the instrument of choice. Indeed, the question should be asked – and here I refer to a remark by the rapporteur from the Committee on Budgets, with which I disagree – whether it is always necessary to bring in the legislative big guns – laws, in other words – straight away when we want to regulate something, or whether putting responsibility for technical standards in the hands of those who need them, and merely laying down a policy guideline stating that a rule is necessary, would perhaps take much greater account of our own society’s right to freedom.

I should like to announce to you once more this evening my political intent to use the experience we have gained with the New Approach over the last 20 years to extend this modern instrument of European legislation to other fields of the internal market and to other policies, too.

(Applause)

**President.** The debate is closed.

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

## **19. Appointment of an Executive Board Member of the European Central Bank (debate)**

**President.** The next item is the report (A6-0136/2006) by Mrs Berès, on behalf of the Committee on Economic and Monetary Affairs, on appointment of an Executive Board Member of the European Central Bank (C6-0071/2006 – 2006/0801(CNS)).

**Pervenche Berès (PSE)**, *rapporteur*. – (FR) Madam President, Commissioner, ladies and gentlemen, this Parliament attaches a great deal of importance to the issue of the democratic control of the European Central Bank. On behalf of all of the members of the Committee on Economic and Monetary Affairs, I imagine, but also on behalf of the Commissioner, I should like, if I may, simply to deplore the fact that this debate is being held at such a late hour. If we want the issue of monetary dialogue to be taken seriously, then it seems to us that a decision as important as the replacement of a member of the Executive Board should not be taken at such a late hour. All the more so given that, for us, it is a question today of defining our position on the issue referred to us by the Council concerning the last replacement of a member that has sat on the Executive Board of the Central Bank since the outset and of the last appointment that will be made before 2010. This appointment is therefore important with regard to the content of monetary policy.

As rapporteur for the Committee on Economic and Monetary Affairs, I must point out in this House that, following a vote within the ECOFIN Council, the candidate put forward by that body, whose appointment must be validated by the European Council, required a majority vote in order to be presented as the candidate supported by our Parliament. In that consultation procedure, the profile expected of the candidate is one of possessing the necessary authority and professional experience in the finance or banking sector. Those are the terms of the Treaty. The candidate proposed to us clearly meets those criteria.

The issue that was, in fact, very much the driving force behind the work of the Committee on Economic and Monetary Affairs was a certain anxiety with regard to the circumstances in which the debate was conducted in the Council. At a time when everyone acknowledges that monetary policy is an independent policy, when the political power does not have much to say and when practically all of the members of

Eurogroup and ECOFIN have criticised the monetary policy when it came to raising interest rates, this appointment has not been the subject of any debate whatsoever. That is why, at the same time as assessing this candidature, we sent a letter to the President of ECOFIN, Mr Karl-Heinz Grassler, the main points of which I should like to go over in this House.

We looked into the selection procedure of members of the Executive Board and we therefore question the Council on two aspects of that procedure. The first concerns the system of rotation of membership on the basis of nationality. I, for my part, understand that the main economies of the eurozone must be represented on the Executive Board, but that opinion is not shared by all of the members of the Committee on Economic and Monetary Affairs. In any case, the issue of how members of the eurozone are represented on the Executive Board was raised by members of the Committee on Economic and Monetary Affairs, while that of the size of the Executive Board was not, for its part, mentioned.

Next, the issue of the diversity of backgrounds represented on the Executive Board was also a matter of concern for the members of our committee, based on this idea that we perhaps need people within the Executive Board of the Central Bank who come from different backgrounds so that, when the monetary policy of the entire eurozone is at stake, all of the different points of view can be expressed.

Our committee felt that, in the long run, the Council should be able to hold a genuine and open debate, with guidelines, on the profile that should be proposed by the Member State, which would have the opportunity to appoint a member by respecting the diversity of the member countries of the eurozone. We believe that the European Parliament should have the right to a vote of approval, as the members of the Commission do.

That is the spirit in which we composed this letter to the President of ECOFIN. I believe that all of the members of the Committee on Economic and Monetary Affairs, with the entire institution behind them, are open to dialogue with the Council, thanks to which we will have a better and totally satisfactory procedure in 2010.

**Alexander Radwan**, *on behalf of the PPE-DE Group*. – (DE) Madam President, Commissioner, Mr Stark, the Vice-President of the Deutsche Bundesbank, is a convincing candidate for the Executive Board of the European Central Bank. He was involved in the creation of the framework conditions for the euro as State Secretary of the German Ministry of Finance and is, so to speak, one of the founding fathers of the euro. Furthermore, something revealed by the hearing that is very positive is that he is a committed European. That should also be mentioned at this point.

He stands for continuity in the European Central Bank, and for the objective of independence, which is particularly important at a time when increasing attempts are being made to subject the European Central Bank to external requirements. He stands for a low rate of inflation, for a stable currency, for the Stability and Growth Pact – which is very important at this particular time, when Member States are finding it hard to make savings.

With the enlargement of the euro area around the corner, continuity is the overriding consideration. Speaking of the enlargement of the euro area, I should like to say that the Group of the European People's Party (Christian Democrats) and European Democrats warmly welcomes Commissioner Almunia's decision today in this context.

The issue of Parliament's role has also been debated. I, too, should like to see a strengthening of Parliament, and wish to emphasise that Mr Stark stated explicitly that the role of Parliament is very important to him. I hope that, in future, he will intervene accordingly on the Executive Board of the ECB when the CESR external expert group on clearing and settlement is engaged again, as it was just recently: we shall be looking at whether he really gives Parliament top priority. That was just an aside.

Something that should play no part in Parliament in future, however, is screening of fundamental attitudes, and that is why we should think carefully about how to do things in future. What we need are candidates with a good image, with the relevant experience, like Mr Stark. It must not be a case of who shares our personal political views and who does not. That is not Parliament's job, and I would not follow this course. I support the objective of ensuring that there are no national fiefdoms in the European Central Bank. We must also ensure, however, that both large and small economies are equally represented on the Executive Board of the ECB.

In conclusion, I wish Mr Stark very great success with his new job, which we hope he will take up – for the sake of the euro and Europe, and an appropriate, effective, significant portfolio in the Governing Council.

**Ieke van den Burg**, *on behalf of the PSE Group*. – Madam President, in leading business circles there is a growing recognition that it is imperative to provide for diversity in management and supervisory boards. Diversity in educational backgrounds, work experience, age, gender and nationalities guarantees more sensitive, alert and creative cooperation than just adding more of the same sort of people.

Replacing one Bundesbanker with another does not promise much diversity and creativity. If it had been a company operating in a fast-changing environment, I would have advised the ECB, when it was drawing up a profile for a new board member, to look at this aspect of diversity. But the ECB is not a company and its policy is kept static; it is apparently deemed that it should eternally remain as it was at its creation.

I will not hide my criticism of this lack of dynamism in the development of monetary policy, although I agree that it is not only the ECB that should be addressed but also the political decision-makers, the Ecofin Council and the governments of Member States, which nowadays do not seem to be very inspired by macroeconomic coordination at European level that complements their common monetary policy.

But in this debate tonight we are not dealing with the policies of the ECB and the eurozone as such, but with the appointment of a new Bundesbanker to the Executive Board. The strict remit of our ECON Committee is to assess the capabilities and competences of the nominated candidates and we do not have much to say in this debate, because the candidate meets the criteria and performed well in the hearing that we had with him.

In my political group, the PSE, we are more interested in discussing the procedure leading to this appointment. Originally we proposed to do that in the report that we are dealing with now and we were disappointed that a majority of the committee did not support it. That was why we abstained in the vote. In the coordinators' meeting following that committee meeting, we jointly agreed to write a letter to Mr Grasser, as well as starting a more fundamental debate about the nomination procedure, particularly the upgrading and reinforcement of the role of the European Parliament in such nomination procedures.

It is very important for the European Parliament to counterbalance what I see as a strong renationalisation and non-integrationist trend in the way Member States deal with these issues. It is clear where our criticisms are focused: there is apparent evidence that large Member States have 'reserved seats'. There is a lack of debate about profile and portfolios and this diversity of backgrounds, and a lack of choice. The issue of appointment is taken as an 'A' item in the Council debate and the European Parliament has a very limited role.

We hope that if we have the opportunity to present more proposals, the Commission, the Council and the ECB will be ready to discuss with us a change in this appointment procedure. But we hope to cooperate very well with any candidate put forward by Mr Radwan.

**Wolf Klinz**, *on behalf of the ALDE Group*. – (DE) Madam President, Commissioner, the Group of the Alliance of Liberals and Democrats for Europe welcomes the proposal to appoint Professor Jürgen Stark as a member of the Executive Board of the European Central Bank. The report presented by Mrs Berès clearly expresses this positive assessment, and therefore has the support of our group. Mr Stark gave convincing written answers to the questionnaire presented by the Committee on Economic and Monetary Affairs. At his hearing in committee on 18 April, he then proved himself once more to be an excellent candidate for membership of the Executive Board of the European Central Bank.

He is convincing on account not only of his personal integrity, but also of his wide-ranging experience and his competence, particularly in matters of monetary policy. He played a substantial role in shaping the process of monetary union from 1988 until the introduction of euro notes and coins in 2002. Thus, he ranks among the architects of the Stability and Growth Pact, and he has spoken out consistently and clearly against watering it down.

We in the Group of the Alliance of Liberals and Democrats for Europe welcome the fact that Mr Stark is a well-known advocate of the independence of the European Central Bank and attaches the highest priority to price stability. He has declared his unequivocal belief in the cornerstones of monetary union, and as a result we can be sure that he will endeavour, as a European, to act for the benefit of all. In

addition, Mr Stark has given assurances that he is prepared to engage in an open dialogue with Parliament. We members of the Committee on Economic and Monetary Affairs shall take him at his word.

I should like to conclude with a few critical remarks, which are of an exclusively procedural nature and have nothing to do with the quality of Professor Stark's candidacy or with him personally. Although all the previous speakers have already pointed this out, I consider it sufficiently important to emphasise it once more: this nomination is not the result of a competitive process in which several applicants present their candidacies, but of political deliberations on the part of the Council. In addition, the large euro countries appear to look on the Executive Board of the European Central Bank as a fiefdom and exclude the representatives of other Member States from the outset. The Chairman of the Committee on Economic and Monetary Affairs, Mrs Berès, has written a letter to the Austrian Council Presidency proposing procedural improvements, as she has just stated. The ALDE Group expressly supports this proposal.

**Othmar Karas (PPE-DE).** – *(DE)* Madam President, Commissioner, ladies and gentlemen, I am very grateful to Mr Klinz for distinguishing so clearly between the assessment of the candidate himself and the procedure, because we must not give the impression that our demands and desires as regards the procedure interfere with our assessment of the man himself. Today we are assessing the candidate himself, and, in Mr Stark, the Council has put forward a strong candidate to succeed Mr Issing. I should like to take this opportunity to thank the outgoing Executive Board Member Mr Issing once again for his work and constructive cooperation.

Mr Stark represents a strong signal for the Stability and Growth Pact, for the Maastricht criteria, for the independence of the ECB, for a strong euro and for continuity and calculability – and continuity and calculability are preconditions for confidence. We need not only greater confidence in the EU, but also great confidence in the independence of the ECB and in the euro as a strong currency. For that reason, I ask all my fellow Members to demonstrate our great confidence in Mr Stark tomorrow.

I would also ask that we refrain from sacrificing these facts, which are also set out in the report – committed European, competent expert, champion of the value of independence, advocate of prioritising price stability, firm conviction in monetary policy, openness with regard to the rights of Parliament, and commitment to stepping up the dialogue between the two institutions – to party political small-mindedness, because this attitude has no place in either the EU or the European Central Bank.

**President.** The debate is closed.

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

## 20. Public finances in the EMU (debate)

**President.** The next item is the report (A6-0162/2006) by Mr Rosati, on behalf of the Committee on Economic and Monetary Affairs, on public finances in the EMU (2005/2166(INI)).

**Dariusz Rosati (PSE), rapporteur.** – *(PL)* Madam President, the state of public finances has a real influence on the rate of economic growth, employment and macroeconomic stability. It is also an important indicator of the health of the common European currency. This is why the Treaty on European Union clearly states that developments in the public finances of the Member States are of interest to the bodies of the Union, including the European Parliament. Exercising its powers under the Treaty, the European Parliament has once again reviewed the state of public finances in the European Union and will adopt a report on the matter.

The main message behind this year's report is the conclusion that public finances in the majority of the Member States are still not balanced and that this situation has not improved significantly since last year. This calls for continued efforts to improve tax policy. The total deficit of the 25 Member States of the European Union increased in 2005 to 2.7% of GDP. In the eurozone it rose to 2.9% of GDP. In effect, public debt has systematically grown in the last few years in relation to GDP and by the end of 2005 rose above 70% in the eurozone. Since 2003, 11 European Union Member States have been running deficits in excess of 3% of GDP, and 10 countries have been subject to excessive deficit procedures. Most worryingly of all, four of the largest economies in the European Union, namely Germany, France, Great Britain and Italy, also find themselves among those offending against budgetary discipline rules.

This situation clearly shows that some Member States are experiencing considerable difficulties in restoring the balance of public finances. There is a lack of political will and determination to implement the necessary changes. This state of affairs also shows that the preventive and corrective procedures of the Stability and Growth Pact have not been very effective to date. One of the main reasons for this unfortunate budgetary situation has been the persistently low rate of economic growth in Europe. Failure to implement indispensable structural reforms, increasing international competition, uncertain job prospects and a lack of certainty regarding future demand mean that, for a number of years, Europe has been developing more slowly than other parts of the world.

The policy hitherto implemented has not succeeded in changing this state of affairs. An expansive tax policy and a restrictive monetary policy have produced an unfortunate 'policy mix' and slowed economic growth. The situation is made worse by insufficient coordination of tax policy in the eurozone. This coordination is vital in order to increase the effectiveness of economic policy and in order to maintain confidence in the common currency, which requires tax reforms to be synchronised and measures that result in budget imbalance to be avoided. One of the reasons behind the tendency towards stagnation in Europe is the insufficient progress of structural reform in many Member States, and especially a lack of action to increase the flexibility of the labour market, to promote professional activity, to remove barriers on the services market, to promote innovation and to support entrepreneurship. In this context, the slow progress made in implementing the Lisbon Strategy gives particular cause for concern.

Madam President, in the report we suggest a list of measures aimed at improving the state of public finances. First of all, it is necessary to adhere strictly and rigorously to the tax regulations set out in the modified version of the Stability and Growth Pact. This will help the Pact to regain credibility and strengthen its disciplinary role. We call for faster structural reform, and in particular for the decisive implementation of the Lisbon Strategy. We also propose measures aimed at streamlining fiscal procedures, increasing coordination and improving the effectiveness of tax policy. We call on the European Commission to assess the likely effect of increased tax policy coordination on economic growth in the Union.

We recommend measures to improve the quality of tax statistics, the introduction of transparent rules for the assessment of assets and future pension obligations, the taking into account of the economic cycle in drawing up budget deficit estimates and an extension of the budget forecast timescale to two years. We suggest that a single set of macroeconomic assumptions whose source could be the European Commission should be accepted as the basis for drafting the budget in the Member States. Finally, we recommend that measures be taken aimed at strengthening motivation for the implementation of tax reform by Member States, including the publication of reports on the dangers associated with a failure to balance public finances.

The measures mentioned are necessary in order for tax and budget policy to contribute to faster economic growth and increased employment in the European Union. The European Parliament should send out a clear and unambiguous political signal on this matter. That is why I turn to you, my colleagues, and ask you to endorse this report.

**Joaquín Almunia**, *Member of the Commission*. – (ES) Madam President, first of all, I should like to thank Mr Rosati for his excellent report and the Committee on Economic and Monetary Affairs for having taken the initiative to reflect on the situation of public finances in the economic and monetary Union. They have enriched this very necessary debate on how to conduct economic policy – particularly budgetary policies – so as to enhance economic growth and promote job creation, aims that we all share.

I must begin my brief speech with two comments that set my position apart from the statements contained in Mr Rosati's report, probably because some time has passed and has brought some positive results. Since last year, when the Commission drafted its report on public finances, the figures in which served as the basis for the Rosati report, we have received new information both on economic growth and on the balance of spending or public deficit situation in the countries of the European Union, which improves the outlook. I should like to discuss that briefly.

On 8 May I had the chance to present the Commission's spring economic forecasts and, in doing so, I was able to publicly state that, in our opinion, according to the Commission's analysis, growth in 2006 in both the euro zone and in the European Union as a whole will approach our potential growth: in the euro zone it will exceed 2%, specifically reaching 2.1%, compared with the 1.3% achieved in 2005, and in the European Union as a whole it will be 2.3%, also clearly higher than the growth recorded in 2005.



We are therefore entering a phase of much more evident recovery than we could envisage when we in the Commission presented the report on public finances for 2005, and that in itself is a positive sign. I hasten to say, however, that it is not enough, because growing at the rate of our current growth potential is not enough to meet all of our citizens' demands or, above all, to create sufficient jobs to produce a clear, sustained fall in unemployment rates, which are still in excess of 8%.

We have to increase our growth potential – and in that I agree with the ideas expressed in the Rosati report; we have to persevere along the path sketched out in the revised Lisbon Strategy; we have to continue to put the national reform plans into practice within the framework of that strategy; we have to continue reforming the product, service and labour markets; we have to correct budgetary imbalances wherever they persist, achieve greater sustainability for our public finances and, of course, improve the quality of public spending; in particular, we have to make a greater effort in all of our policies aimed at skills enhancement, research and development, innovation and education in general.

The second comment that I should like to make relates to the particular subject of public deficits. The report notes that the situation worsened in 2005 and attributes that to the incorrect application of the Stability and Growth Pact. The final figures for 2005 refute that statement; the public deficit in 2005 both in the euro zone and in the European Union as a whole was well below what we estimated a few months ago: it came to 2.3% in the EU as a whole and 2.4% in the euro zone, several points, therefore, below our forecasts at the time when the Commission published its report on public finances for 2005. According to our forecasts for 2006 and 2007, this situation will continue and, if the Member States adopt additional measures, we will see a clear improvement.

In my view, I do not think one can say that the new Stability and Growth Pact has been incorrectly applied, but rather that the new Stability and Growth Pact has been successfully applied to correct the excessive deficits: there were seven countries with excessive deficits of 3% at the end of 2005, compared with 12 countries currently subject to the excessive deficit procedure, which will probably leave the procedure once those improvements in public deficits are confirmed. The stability and convergence programmes, which have been approved under the guidelines and parameters of the new Pact for the first time, show a qualitatively clear improvement in the Member States' medium-term budget strategies, with greater attention to sustainability and a greater effort to improve the quality of public finances and to link budgetary and fiscal policies with the growth strategies included in the Lisbon Strategy and in the national growth plans.

Apart from these two comments, there is considerable convergence in everything else between the proposals and statements in the Rosati report and the Commission's opinions and criteria. We agree on the need to avoid pro-cyclical policies, on the need for a reorientation of public expenditure towards greater physical, human and technological capital accumulation, and on the need for greater efforts to make the Member States' budgetary procedures more uniform, particularly in the euro zone; we obviously agree that we must place the accent on how to address the challenge of an ageing society.

Now that economic recovery is beginning, now that we have defined the Lisbon Strategy, and now that the 25 Member States have defined their priorities for structural reforms aimed at growth and employment, I believe – and here I share the view of this report – that we have a unique opportunity to close the door on a period of low growth, economic pessimism and lack of confidence among economic operators. We have a unique opportunity in our hands to use Europe's institutions and the European dimension to meet the people's demands and aspirations.

**Karsten Friedrich Hoppenstedt**, *on behalf of the PPE-DE Group*. – (DE) Madam President, I should like to start by giving my sincere thanks to the rapporteur, Mr Rosati, who, together with all the shadow rapporteurs and others, has been at pains to draw up a report on which a consensus can be achieved. The Committee on Economic and Monetary Affairs supported this draft by an overwhelming majority – I would almost say unanimously. Naturally, it has also been endorsed by the Group of the European People's Party (Christian Democrats) and European Democrats.

We shall naturally assess the amendments tabled critically, and so I am very grateful that the Commissioner, too, has criticised two or three aspects of these amendments.

Sound public finances are the most important aspect of Economic and Monetary Union as a whole and beyond. These are the only way of effecting a lasting economic upturn in Europe. Unfortunately, this idea is not popular with all European governments, who often lack the political will to make budgetary

reforms. They have to clearly observe the criteria laid down in the Stability and Growth Pact rather than repeatedly attempting to circumvent them.

In 1997 – several of us were present at that time – these were termed ‘stability criteria’, as they lend stability to the financial area and economy in Europe. European governments should not now view these criteria as a scourge or obstacle to their development, therefore, but as a sustainable path to a healthy economy.

Large budget deficits have an adverse effect on economic developments. Indeed, as we have just heard, there have been some changes in this regard. Increases in these deficits only perpetuate this spiral, and it is imperative that they be stopped. Naturally, we must increase expenditure on the correct channels: on innovation and on developments with a promising future; but this does not change the fact that there is still expenditure that needs to be included in macroeconomic calculations.

In this connection, I welcome the independence of the European Central Bank – something that others have already made clear today – with regard to its interest-rate policy, which must continue to pursue price stability as its primary objective.

The write-down in the case of special expenditure on innovation, such as in company accounting, that has been called for by some of my fellow Members, would open the way for further new debt and weaken the European economy dangerously in the long term.

A long-term policy of balanced public finances is needed in the current euro countries and must also be made an indispensable requirement for all future accessions to the euro area. To do so does not require the creation of any new national bodies to monitor public finances, as stated in the amendments, however, as these would only result in an increase in bureaucracy and in a heterogeneous system in a single monetary area.

The Stability and Growth Pact and the monetary policy of the European Central Bank provide a reliable, satisfactory framework, and all we need to do is to stick to it.

**Ieke van den Burg**, *on behalf of the PSE Group*. – (NL) Madam President, I should first like to respond to what Mr Almunia said about something that is included in paragraph 8 of the report with regard to the incorrect application of the Stability and Growth Pact. I agree with him that we did not claim either that this would be a case of incorrect application. That is why we have tabled an amendment to correct this wording. I would also ask the other groups to look into this. Our Amendment 7 tries, in fact, to remove this wording altogether from the text.

With regard to the statistics and prognoses, your remark that the content of the 2005 report has seemingly been superseded underlines once again how relative these prognoses and statistics are. I would also like to stress this in the light of what you said today about Lithuania, a Member State that wants to join the eurozone and in respect of which comments can indeed be made if one considers the figures. Only one figure matters, in fact, namely that of inflation, while many Member States would envy that country for its achievements in other areas of public finance. I only say this to illustrate the relative nature of the figures.

We consider the recommendations that are issued to the euro group in a bid to improve the procedures another important element in this report. I think we are well on our way in this respect, in the framework of the Lisbon Strategy to joining forces with national parliaments and to seeing how a number of public finance procedures in the Member States can be streamlined in terms of timing, but also in terms of assumptions that are made about the oil price development and other parameters that are important for the planning of policy. I think that in this respect, there is much room for improvement in order to make this more predictable and more comparable in a European context.

While I would, once again, like to bring those recommendations to the Commissioner’s attention, I think it is also necessary to bring them to Mr Juncker’s attention, as chairman of the euro group, to ensure that we make serious headway there too. I think it is crucial that this be flagged in this report.

The same also applies to the quality of the statistics. That is another important point we have raised several times, and we would like to support the Commissioner in his attempts to make improvements in that area too.

Finally, I would like to draw your attention to, and at the same time underline, the last paragraphs of the report.

**Margarita Starkevičiūtė, on behalf of the ALDE Group. – (LT)** I thank the Member of the Commission for the good news about the European Union's improving economic situation – this is one of a few pieces of good news for Lithuania today.

However, I would like to talk about the public finance policy. According to the Treaties this should be formed at the national level, but the stability of the common currency – the Euro – and growth in the competitiveness of the entire European Union is dependent on its successful implementation. Therefore we must determine reference points in the public finance policy which would help to reconcile the Member States' interests with the objectives of the Community. It must be emphasised that the report presented by Mr Rosati reflects to a degree the endeavour of balancing both these viewpoints, and I would like to thank the rapporteur for this. It is the ALDE Group's opinion that the following measures could ensure more effective coordination of the European Union's public finance policy.

Firstly, measures of organisational nature, that is, forecasts of basic economic indicators made at the Community level, which would increase the reliability of the Member States' financial forecasts. Secondly, preparation of coordinated timetable of budgetary procedures of the EU Member States, preferably for at least two years. Thirdly, we would encourage public statements and transparent obligations of the Member States' governments, proving that they are striving for fiscal balance, as this would ensure public supervision.

Measures of an economic nature, which we would support, first of all include the need to define a European macroeconomic policy which is outward-looking and competitive. In this respect there could be more coordination in ECOFIN Council meetings. Appropriate tax initiatives, which stimulate modernisation of the economic structure and citizen activity, should also be a priority. The third priority should be the fostering of fiscal discipline, based on the best practices of the Member States.

We use this method rarely, but some countries have actually achieved rather good results by solving fiscal administration management problems, and the Commission could prepare a report or document summarising the best examples, instead of shall we say, reproaching one country or another all the time.

The fourth measure is extremely important – we believe that attention should be turned from encouraging private investments to encouraging savings, as this is one of the basic macroeconomic initiatives.

**Ilda Figueiredo, on behalf of the GUE/NGL Group. – (PT)** As this report states, and as the recent spring economic forecasts demonstrate, there continues to be weak economic growth throughout the EU, along with high levels of unemployment, and more than 70 million people living in poverty, who tend to be forgotten by the Commission. The time has come to rethink the level of priority that continues to be attached to the monetarist, neoliberal policies of the Lisbon Strategy and to the guidelines of the European Central Bank.

No matter how much the truth is muffled, it cannot be denied that the monetary and fiscal policy based on the Stability and Growth Pact and the priority attached to price stability has a negative impact on economic growth and employment growth, a phenomenon that has been evident in Portugal. What is therefore needed is a monetary and fiscal policy that will boost economic recovery and help combat unemployment. Furthermore, the Stability and Growth Pact should be repealed and replaced with a proper social development and progress pact.

We emphasise the need for an expansionist policy coordinated jointly by the EU and its Member States, which will be aimed at strengthening internal demand, public investment, research and education, high-quality public services in areas such as health and housing, including infrastructure and equipment, which promotes high rates of employment with rights and which guarantees economic and social cohesion and balanced environmental development.

We feel that these are some of the vital proposals that will also help us gain the trust of EU citizens. Without that trust, we will certainly continue to live in this atmosphere of pessimism arising from policies that do not address the problems currently facing people in the EU.

**Marek Aleksander Czarnecki (NI). – (PL)** Madam President, public finances have a huge impact on economic growth, the creation of new jobs and on macroeconomic stability. The Maastricht Treaty

clearly stated that the course followed by public finances in European Union Member States should be carefully monitored at European Union level.

The main and most pertinent point of this year's report is the unbalanced budgetary positions in the majority of Member States. Four of the largest EU economies, France, Germany, Italy and Great Britain, are among the countries subject to excessive budget deficit procedures. The basic causes of the problems are still an excessively slow rate of economic growth in Europe, as well as failure to implement the structural reforms required to strengthen public finances for the future. The rate of economic growth in the European Union is significantly slower than its potential would suggest, and significantly slower than that of other global economic powers, such as the United States, Japan, China or India. The reasons for this situation also lie in the low level of internal demand and uncertainty concerning job security, social protection, salaries and pensions.

High energy prices, unstable fuel markets and constant current account surpluses in the majority of Asian countries have all shaken the faith of many businesses in Europe. A loose fiscal policy has proved to be ineffective and has not encouraged growth in our economies. The indicators show rising levels of debt which pose a real problem, especially in terms of long-term budget stability, across the whole of the Union. The initiation of attempts to implement the Lisbon Strategy in 2000 was supposed to ensure a comprehensive programme of reform.

Bearing all these problems in mind, I think that we should take decisive steps to increase the effectiveness of preventive measures, as well as implementing corrective measures to strengthen and consolidate public finances.

**Othmar Karas (PPE-DE).** – *(DE)* Madam President, Commissioner, paragraph 11 of the report states the following: 'Stresses that in the context of an EU with low consumer and investor confidence, it is vital to correct public deficits'. I would underline this statement, especially as the Lisbon Strategy is calling for more money and greater investment, including from public finances – I need only mention education and research. We have committed ourselves to increasing our Official Development Assistance to a minimum of 0.7% at long last, we face the challenge of globalisation, and we find ourselves in a situation in which demographic developments represent one of the nails in the coffin of the European continent. If we do not put our social security and pension systems in order, we shall be the losers of globalisation at all events.

I am pleased that there has been a trend reversal in the public consciousness with regard to public deficits in recent years. Prior to the introduction of the euro, public budgets tended to be the preserve of experts. Since the introduction of the euro, of the Maastricht criteria, of the Stability and Growth Pact, there is a public interest in a discussion on the structure of public finances, on the causes of the annual deficits, on the impact of public debt.

We have achieved a reduction in public deficits, and we must continue on this path, as we need to increase our scope for the future. For that reason, I also congratulate the Commission on the decision it took today, as it makes it clear that we take our rules seriously. This decision is not aimed at anyone in particular, but rather at ensuring that we take the Maastricht criteria and the Stability and Growth Pact seriously. That is why I am pleased that the public debate has intensified and that we have thus contributed to making the structure of our budgets more future oriented.

**Pervenche Berès (PSE).** – *(FR)* Madam President, Commissioner, I shall begin by thanking the rapporteur for his contribution to our debates.

I should like to point out three factual elements. The first is the cyclical conditions that place a strain on the public finances of the European Union. Given the rise in oil prices, this is an exogenous factor that we must take into account in our public finance strategies.

The second element is, for its part, practically exogenous with regard to our public finances: I am referring to the policy of the Central Bank and, in particular, to the policy of raising interest rates on which it has embarked.

The third element is undoubtedly more political, and is also an aspect that my political group holds dear, namely that the plea that some people make for structural reforms without accompanying it with a strategy for boosting growth is likely to fail, as there can be no structural reforms without genuine

support for growth. That is why I should like to point out two lines of action that I consider to be absolutely crucial.

The first line of action is an investment strategy to help genuinely implement the Lisbon Strategy. From that perspective, I am surprised that my fellow Member, Mr Karas, can, on the one hand, speak in favour of an increase in the allocation for the Lisbon Strategy and, on the other, be getting ready to vote, tomorrow, in favour of the financial perspective as it is proposed to us in the compromise drawn up between our institutions. I believe that there is an inconsistency there for which I hope our fellow citizens will not have to pay a heavy price tomorrow.

The second line of action concerns the issue addressed by Mr Rosati at the end of his report with regard to the conditions for growth and coordination of economic policies within the eurozone. A large number of commitments have just been made under the responsibility of the President of Eurogroup, with the Commissioner's agreement. I believe that we are on the right track, particularly with regard to the harmonisation of the timetable and of the macroeconomic data on the basis of which the Member States evaluate and draft their budgets.

That being said, we still have a great deal left to do and, to that end, I believe that work carried out between the Commission, the Council and the European Parliament should make it possible in the coming months and weeks to come up with practical proposals that would enable the European Union to have a eurozone that is more in line with the kind of prospects for growth that we have a right to expect from having a single currency in our favour.

**Zbigniew Krzysztof Kuźmiuk (UEN).** – (PL) Madam President, I take the floor in the debate on the report by Mr Rosati concerning public finances in order to draw your attention to the following issues.

Firstly, the sanitising of public finances cannot be an aim in itself, but must be a means of generating higher economic growth and creating new jobs.

Secondly, measures taken in this field by the European Union Member States are unfortunately not yielding satisfactory results, as is reflected in the falling rate of GDP growth from 2.4% in 2004 to 1.5% in 2005. This fall has been even more marked in the eurozone: from 2.1% to 1.3%. Unemployment has remained high at around 9%. These indicators confirm that the European Union is not only failing to catch up with the United States and other developed countries, but is actually falling behind. Here we should add that GDP growth in the United States stood at 3.5% in 2005 and was therefore more than twice as high as in the European Union.

Thirdly, a low level of economic growth and continuing high unemployment make significant reductions in budget deficit and public debt difficult. In the European Union of 25, the budget deficit has fallen from 3% of GDP in 2003 to 2.6% of GDP in 2004 and from 3% to 2.7% in the eurozone. However, public debt rose from 61.4% in 2002 to 64.1% in 2005. In the eurozone it rose from 69.2% to 71.7%.

Fourthly, as the figures above show, budget deficits, and public debt in particular, are significantly higher in the older Member States than in the new, and yet it is unfortunately to the latter that the warnings and recommendations of the European Commission are mainly addressed.

Finally, the new Member States are implementing very difficult reforms based on fundamental changes to pensions systems. In spite of moves from a budgetised system to a capitalised system, as has been the case in Poland, for example, the European Commission (Eurostat) wants to treat the contributions to this system as budgetary spending which increases the budget deficit. It thus, in fact, wants to punish these countries for implementing far-reaching reforms of their public finance systems.

I would like to voice my strong objection to this manner of dealing with the difficult reforms being implemented in the new Member States, especially Poland.

**Cristóbal Montoro Romero (PPE-DE).** – (ES) Madam President, Commissioner, first of all, I should like to congratulate Mr Rosati, because I think he has produced an excellent report, which takes on board contributions from the other political groups.

In my speech tonight, I should like to focus on the relationship between public deficit and economic growth. The Commissioner has provided us with more up-to-date information. Despite that, I would dare to regard the European Union public deficit situation as worrying: 2.4% on average is better than 2.9%, but it is still worrying.

The fact is that the European Union – Europe – is the region of the world, including the less developed parts of the world, that is achieving least growth at a time of international economic expansion. Thus Europe is not keeping its own house in order and it is not doing what it ought to be doing in terms of balancing the international economy.

That has a great deal to do with the public deficit situation, as other speakers this evening, such as Mr Karas and Mr Hoppenstedt, have pointed out; they have said that, in a European economy afflicted with a lack of domestic demand, public deficits are a cause and not an effect. Therefore, I have to insist that we must improve the European Union's mechanisms in order to improve confidence and, in the last analysis, so that income levels in the European Union grow. It has the ability to do so, but its problem is that its growth potential is so terribly low, incomparably low.

We are the area of the world with least growth potential, and that is where the problem lies. That can be solved, in effect, through structural reforms and also, of course, through public finances that have been straightened out by means of political willpower to contain public spending to the point where it becomes sustainable, so that European citizens can pay reasonable, modern taxes.

**Elisa Ferreira (PSE).** – *(PT)* Madam President, Commissioner, ladies and gentlemen, I should like to begin by congratulating the rapporteur on his excellent report. The report begins by stressing that the EU's main problem is weak economic growth, the persistently high level of unemployment and the inadequate use of the production capacity in place. This, in my view, is a crucial message.

The first signs of recovery that you mentioned, Mr Almunia, are not sufficient either to guarantee the EU's competitiveness on the international stage or to make up for the years of stagnation that we are still enduring. Indeed, balancing public finances must not be seen as an end in itself.

It is also true that neither the way in which the Stability and Growth Pact has been interpreted nor the opening of proceedings relating to excess deficit has been successful in preventing persistent imbalances in the public finances of the major European economies.

There are two main recommendations that, to my mind, emerge from this report: The first relates to the need to ensure that the balancing of public finances is entirely compatible with the process of revitalising European competitiveness, and that this process is pushed to the top of Europe's political agenda.

The early shoots of growth have emerged in spite of, rather than because of, the Pact. Public and private investment must be increased in the fields of innovation, education and the development of new skills and technologies, in accordance with the Lisbon Strategy. Intergovernmental cooperation and the coordination of economic policies at EU level are key factors and are currently not being sufficiently exploited. It is also regrettable that this priority of growth has not been sufficiently reflected either in the interpretation, as mentioned in the Pact, or, more importantly, in the financial perspective that we are supposed to be adopting tomorrow.

The second point concerns the need to continue to clarify the accounting concepts and practices of the Member States' statistical institutions, that is to say, disseminating good practice, and harmonising concepts, timetables and methodologies. Maintaining sound public finances is only of interest if it is sustainable in the medium term, which often means taking measures of a structural nature. It is time for economic operations based on extraordinary measures or creative accounting to disappear for good, because they undermine credibility and erode the trust of investors and consumers.

To sum up, public finances must be consolidated, but it is only worthwhile doing so sustainably and provided that this goes hand in hand with the strengthening of the European economy and the skills of its citizens. I feel that these are the two key messages to take from the report before us today.

**Andreas Schwab (PPE-DE).** – *(DE)* Madam President, Commissioner, ladies and gentlemen, I am very grateful to be given the floor once more this evening, at an hour when, in fact, the debate is drawing to a close. In my view, the report by Mr Rosati on public finances in Economic and Monetary Union is an extremely important one, as it rightly draws public attention to the fact that, in the present situation, the Member States are responsible for EU finances and also for the resulting debt for future generations.

The rapporteur is right to address his appeal to the Member States. However, in my view, he occasionally goes too far – I should like to expressly endorse the words of the rapporteur from the Group of the European People's Party (Christian Democrats) and European Democrats, Mr Hoppenstedt, in this regard. I take the liberty of drawing attention to a further point. In 2007, Germany's budget deficit will

be below 3%, and consequently we shall meet the criteria of the Stability and Growth Pact. Indeed, Commissioner Almunia said so himself in appropriate terms. The development of Germany's economy will thus give the EU as a whole new momentum – or at least that is my hope.

The chief concerns are well known, and so we need increased coordination of economic policies, particularly by Member States, so that individual Member States are not able to push up costs for the whole economic zone. I should like to refer once more to the report by Mr García-Margallo y Marfil, which considered the state of the European economy during the last part-session, with Parliament's concern being the development of an intelligent growth strategy for Europe. I believe that we have not yet gone far enough down this route and that some work remains to be done in this regard.

Despite the rise in oil prices, inflation remains stable, and even consumption in the EU is at a level that could certainly be called acceptable. For this reason, we do not need pessimism, but rather action, particularly with regard to the improvement of the economic climate and the further integration of the internal market. In this respect, I hope that the report by Mr Rosati also points the Commission in the right direction.

**Antolín Sánchez Presedo (PSE).** – (ES) Madam President, Commissioner, ladies and gentlemen, the Member States' economic policies are a matter of joint interest. Supervision of their public finances is essential to ensure that their commitments, which are greater in the euro zone, are fulfilled and that our shared aims are achieved.

I congratulate Mr Rosati, because his report identifies the main problems with public finances and provides valuable guidelines for treating them and improving their future course.

The situation is worrying but, as the Commissioner has said, the turning point may have been reached in 2005. Until then, the public debt ratio had done nothing but rise ever since the euro had been brought into circulation. There are still five members of the euro zone subject to the excessive deficit procedure and, indeed, growth in the European economy is lower than in the most advanced countries.

Part of the success may be due to the reform of the Stability and Growth Pact, because it has introduced some rationality. Defining medium-term budgetary objectives, while taking into account each country's situation, its cyclical conditions and sustainability status, provides a more consistent fiscal environment and better incentives for structural reforms to raise growth potential.

It is important that budgetary procedures have a uniform calendar, respond to common economic parameters and are based on uniform assumptions that improve statistical governance. It is also necessary to use a cyclically adjusted budget concept, as the rapporteur proposes.

It does not seem that public investment should be subjected to greater rigidities than private, and it is therefore reasonable that the Council should look into authorising investment for purposes specified in the Lisbon Strategy, to be amortised over a similar time period to business accounting, and it is also important to make progress on sustainability.

Along these lines, I consider it important for national reports to be drawn up on the sustainability of public finances, based on common elements.

**Joaquín Almunia, Member of the Commission.** – (ES) Madam President, I should like to thank all the Members who have spoken in this debate, referring to initiatives or positions held by the Commission.

I believe there is quite a considerable level of agreement and consensus on the diagnosis and on the main guidelines as to what the European institutions' response should be, so that public finances and good fiscal and budgetary policies can help to produce more growth and jobs and more effectively meet European citizens' demands.

Indeed, in recent months there has been a significant improvement in confidence and optimism among economic operators and also among European consumers. All the indicators point to that.

We are now in the process of trying to convert this confidence and optimism into real evidence of an upturn in the economic situation, with more consumption, more jobs and more economic growth. I believe we are partly succeeding, although that does not mean it is an easy task. There is of course a problem – and I agree with those who have pointed it out as one – with the low potential growth of the European economy.

The European economy by itself, without further reforms, is incapable of growing any more than the figures that we are estimating for 2006, namely slightly more than 2%. There is evidence of some extraordinarily dynamic competitors, both in other industrialised countries and in emerging countries; there is a risk, which some of you have mentioned, arising from the fluctuations in energy prices; there are global imbalances in other important areas of the world economy that may affect this phase in our growth. When we find that we have the answer to the question of what to do in this situation, we have a relatively strong consensus: good fiscal and budgetary policies, which are not pro-cyclic, which are anti-cyclic, which improve the quality of revenue and expenditure, and which contribute better to growth and skills enhancement; better operation of the internal market; use of our enormous potential as a market of 450 million consumers; and, as we have all mentioned, the need for better coordination.

Having witnessed the monthly operations of the Eurogroup and ECOFIN, I have to agree with all of you when you call on the Council, and the Eurogroup in particular, to provide more coordination. I can also tell you, however, that the Council and the Eurogroup are willing to improve their coordination and to improve the involvement of all sectors and all the institutions – including this Parliament, of course – in the dialogue needed for this coordination to set the right objectives and priorities and to be effective.

I believe we are facing a very good opportunity at this turning-point, which Mr Sánchez Presedo mentioned a few minutes ago. We must not let this opportunity slip away, and we must not fail to learn from the mistakes that Europe's economies and the euro zone made in the previous period of economic recovery, when they failed to make use of the good periods of economic growth to consolidate public accounts and thus improve sustainability, or to use the dynamism of their economies to provide more and better jobs, which is what our citizens are demanding of us.

**President.** The debate is closed.

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

#### *Written Statement (Rule 142)*

**Lars Wohlin (IND/DEM).** – *(SV)* One of the problems with EMU is that there is no control by the financial market of the way in which Member States conduct their economic policies. However large the deficits run by Member States as part of their overall debt, their ratings are not affected appreciably. There is an implicit guarantee for countries within the euro area, irrespective of what is said about countries' borrowing not being guaranteed by other countries in the euro area. My view may be summarised in three points.

Countries newly set to enter the euro area must hold referenda before they introduce the euro. It is important that people be made fully aware of the real implications of changing their currency. They must appreciate the consequences of having a fixed exchange rate and of not being able to conduct their own monetary policy. The example of Sweden shows how important it is to have referenda.

Secondly, new countries that have public debts in relation to GNP more than 60% in excess of GNP should not be approved. This rule has not so far been applied stringently enough.

Thirdly, a proportion of new countries' state borrowing should compulsorily be from the long dollar market, involving for example ten-year bonds. This should of necessity give rise to a rating without a corresponding implicit guarantee from the EU countries. I believe that such dollar bonds would provide a more accurate picture of the countries' economies.

## **21. Agenda for next sitting: see Minutes**

## **22. Closure of sitting**

*(The sitting was closed at 11.45 p.m.)*