

## TUESDAY, 15 DECEMBER 2009

IN THE CHAIR: MR BUZEK

*President*

### 1. Opening of the sitting

*(The sitting was opened at 09.05)*

### 2. Announcement by the President

**President.** – First of all, I would like to read out an important piece of information. On 2 December, I received a Communication from the Commission, addressed to the European Parliament and the Council, concerning the consequences of the entry into force of the Treaty of Lisbon for ongoing interinstitutional decision-making procedures. By virtue of this communication, Parliament as an institution deems that all the proposals listed in the communication for which the Treaty of Lisbon granted it competence have been resubmitted to Parliament. Parliament has also taken note of the fact that, by virtue of the communication, the European Commission has withdrawn certain proposals.

In the case of legislative proposals pending as at 1 December 2009, the date on which the Treaty of Lisbon entered into force, the President of the Commission has invited the parliamentary committees to which proposals have already been submitted in the current legislative term, as recorded in the minutes of the part-sessions, to verify the legal bases and procedural modifications proposed by the Commission, along with any other amendments to be made in the light of the provisions of the Treaty of Lisbon, and to decide whether they intend to adjudge positions already adopted under the consultation procedure to be ordinary legislative procedure first readings or to constitute approvals.

It is understood that Parliament reserves the right, in all cases, to request that the Commission submit a new proposal. In the case of proposals on which Parliament had not been consulted prior to entry into force of the Treaty of Lisbon, it falls to the Commission to forward new proposals under the ordinary legislative procedure or other appropriate procedure.

It is a communication about our legislative activities in the near future – a communication concerning mutual relations between the European Commission and the European Parliament in the legislative process. As you know, we are in a transition period – we are moving from the Treaty of Nice to the Treaty of Lisbon and, at the same time, we are beginning a new Parliamentary term. The new Commission still has not been approved. This all requires rather arduous work, which must be carried out in accordance with the law, between the Commission and Parliament, and this is the subject of the communication.

### 3. Action taken on Parliament's positions and resolutions: see Minutes

### 4. Oral questions (tabling): see Minutes

### 5. Documents received: see Minutes

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

### 7. Draft general budget of the European Union for the financial year 2010 as modified by the Council (all sections) - Draft amending budget No 10/2009 of the European Union for the financial year 2009, Section III – Commission - Mobilisation of the Flexibility Instrument - Amendment to the multiannual financial framework

## 2007-2013: financing energy projects under the European Economic Recovery Plan (debate)

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

- the report (A7-0083/2009) by Mr Surján and Mr Maňka, on behalf of the Committee on Budgets, on the draft general budget of the European Union for the financial year 2010 as modified by the Council (all sections) (11902/2009 - C7-0127/2009 - 2009/2002(BUD)), and Letters of amendment Nos 1/2010 (SEC(2009)1133 - 14272/2009 - C7 - 0215/2009), 2/2010 (SEC(2009)1462 - 16328/2009 - C7-0292/2009) and 3/2010 (SEC(2009)1635 - 16731/2009 - C7-0304/2009) to the draft general budget of the European Union for the financial year 2010,

- the report (A7-0081/2009) by Mrs Haug, on behalf of the Committee on Budgets, on the draft amending budget No 10/2009 of the European Union for the financial year 2009, Section III – Commission (16327/2009 - C7-0288/2009 - 2009/2185(BUD)),

- the report (A7-0080/2009) by Mr Böge, on behalf of the Committee on Budgets, on mobilisation of the Flexibility instrument: in accordance with point 27 of the Interinstitutional Agreement of 17 May 2006 between the European Parliament, the Council and the Commission on budgetary discipline and sound financial management (2009/2207(BUD)),

- the report (A7-0085/2009) by Mr Böge, on behalf of the Committee on Budgets, on the financial framework 2007-2013: the European Economic Recovery Plan, second revision (amendment of the Interinstitutional Agreement of 17 May 2006 on budgetary discipline and sound financial management) (COM(2009)0662 - C7-0305/2009 - 2009/2211(ACI)).

**László Surján, rapporteur.** – (HU) Thank you for the floor, Mr President. Minister, Commissioner, ladies and gentlemen, right at the start of this budget debate, I must say that I would like not so much to cause an argument as to express my thanks. I wish to thank the Council and Commission for the fruitful cooperation which has enabled us finally to reach an agreement and now table, in a sense, a joint proposal before this House. However, I must also extend this expression of thanks to the various groups in the House, because had these groups not been able to cooperate and jointly represent the values which are important to Parliament and Europe's citizens, it would not have been possible at all to prepare the budget.

I was entrusted a year ago with the task of being the rapporteur for the 2010 budget. We got started immediately on formulating Parliament's political expectations and directives. These matters were discussed by Parliament in the spring of this year. It was extremely important, looking ahead to the future as well, that a decision was made from which lessons could be drawn, because we preceded the preliminary draft budget by several months. In other words, the EU Commission was aware of Parliament's opinion and more or less took this into consideration as well when preparing the preliminary budget.

I think that we should also adopt the same timing in subsequent years. What did we want to achieve? We knew that Europe's economy was in crisis. We felt and still do now that this budget must play an instrumental role in the management of the crisis. We discussed this point with the Council because another obvious solution to the crisis is for us to spend less on Europe. It is not a solution, but it may help the situation. If we spend the money wisely here and place huge emphasis on the good use of resources, the EU budget may then appear not as a burden but as part of the solution to the crisis. In light of this, we wanted to boost competitiveness, using research and development programmes as one means of doing this. We also wanted to lay the foundations for and contribute to a common energy policy.

More than EUR 11 billion are being allocated for these purposes. We wanted to boost the economy, mainly via the cohesion policy. This facility is worth EUR 36 billion. It became clear over the course of the year that there were serious problems in the dairy sector, for instance, which were not a consequence of the general economic crisis. However, Parliament felt it necessary to stand up for the farmers, which resulted in the creation of a EUR 300 million dairy fund which, although not a permanent fund, still represents a EUR 300 million increase. With total funds of some EUR 750 million available, more assistance can be given to the dairy sector. However, Parliament would also now like to stress that this must be accompanied by a complete review of the dairy sector's problems and its restructuring.

At the same time, we also had to face the fact that we had insufficient room for manoeuvre. Some headings have no margin, which makes a mid-term review of the multiannual financial framework inevitable. There is a huge need for this, but there is also a huge need for Member States to use the funds which they have

available in a much more targeted and prudent way in order to encourage growth. Only then will we be able to look Europe's citizens and taxpayers straight in the eye, as it is their money we are spending in an attempt to make the EU operate more efficiently and successfully.

**Vladimír Maňka**, *rapporteur*. – (SK) Mr President, Commissioner, Secretary of State, ladies and gentlemen, today I do not have to worry about failing to mention something important from my report. Everything that has been drafted over a whole year with colleagues and fellow workers has already been sufficiently discussed in the budget committee, the plenary sessions and the conciliation proceedings or in trialogues. Most importantly, there is sufficient support for everything in this chamber.

When we began work on drafting the budget at the start of the year, I was curious as to how far my advisors, coordinators and political group would allow me to go, since I had been told that I had already gone too far. I saw many unused opportunities and shortcomings that I wanted to sort out. Further opportunities and suggestions for improvement emerged from dozens of discussions with senior representatives of the institutions, departmental directors and other staff.

Staff at the institutions have themselves begun to come forward with information and suggestions. I have the feeling that they hope and believe that we can sort things out together. On the one hand, I was pleased that they showed me such trust and came forward but, on the other, I would be even more pleased if their direct superiors could listen to their opinions and resolve the problems.

I believe, of course, that most of the units carry out high-quality and professional work, but at this point, and in this place, I would like to emphasise the importance of personnel work. On the basis of the documented shortcomings, we managed to implement more systemic measures. However, it is not the rapporteur but the Secretary General of the European Parliament or the senior representative of the European institution involved who can uncover and resolve everything.

I therefore warmly welcome the agreement from the arbitration proceedings with the management of the European Parliament concerning implementation of an organisational audit. For the first time in the history of the European Parliament, there will be a functional audit next year in two of its important units, the INLO Directorate-General and the security service. The aim is to bring about a more efficient use of resources.

In the past, the Court of Auditors was the only institution to agree to external inspections of its work. The outcome has been beneficial. The Court of Auditors has managed to reduce its administrative costs and has achieved higher productivity levels.

I would like to applaud the great professionalism of the Swedish Presidency. In April already, before our mandate actually came into effect, we met with government minister Hans Lindblad and his colleagues. We agreed on the priorities very quickly and together managed to introduce rational elements and points of departure.

We are submitting a joint declaration in the plenary session today on the policy on buildings, which form a significant item in the administrative costs of the institutions. I believe that together, we have managed to initiate a process that will bring cost savings in this area.

Ladies and gentlemen, it is only through joint efforts at a European level that we will manage to meet the greatest challenges of the 21st century: climate change, the risks and cost of raw materials and energy, economic globalisation and threats to our security. If Europe is to overcome these problems, it must have effective and complex instruments at its disposal. The Lisbon Treaty will bring us these instruments. In the initial phase of the treaty coming into effect, the EU will need to have adequate financial resources at its disposal in order to implement new policies.

Even if today's discussion on the EU budget for 2010 really proves to be the last one this year, the work of both rapporteurs on the 2010 budget will not end but will continue for at least another three months for reasons connected with the implementation of the Lisbon Treaty. I believe that this work will produce successful results.

**Jutta Haug**, *rapporteur*. – (DE) Mr President, Mr President-in-Office of the Council, Commissioner, when we debated this year's budget in December of last year, we were already aware and, as general rapporteur for the 2009 budget, I mentioned in the discussion that the impact of the financial market crisis and its repercussions on the real economy would be felt in all the Member States. This is exactly what has happened.

In April 2009, Parliament and the Council agreed on the funding for the first part of the economic stimulus proposed by the Commission. In order to make the EUR 2.6 billion available, we needed what was referred to as a minor revision of the financial perspective. How would we have been able to find the funds otherwise, given our tight budgetary constraints? The remaining EUR 2.4 billion, which was missing from the total of EUR 5 billion, was to be found this autumn. This is where we are now. Autumn is here and, because Parliament and the Council have come to a sensible arrangement on the 2010 budget, we have a solution. The 2009 budget is also making a significant contribution to this solution.

The 2010 supplementary and amending budget cuts the payment appropriations by more than EUR 3.4 billion. In line with this, the margins of the unused areas under the different headings will be reduced by almost EUR 1.5 billion. All of this applies to the 2009 budget, which consists of EUR 133.8 billion in commitment appropriations and EUR 116.1 billion in payment appropriations, and is therefore not exactly on a lavish scale. If we take a look at the budget lines where the Commission found the necessary money, it becomes abundantly clear that the Commission simply does not take the budgetary authority's resolutions seriously.

I would like to remind Parliament that in 2008, when we adopted the 2009 budget, our priorities were also the competitiveness of the European Union, growth and employment. This is why we allocated more money than proposed by the Commission to budget lines which promoted the social dimension by creating more and better jobs and supporting small and medium-sized enterprises. However, it is precisely these budget lines which are being plundered for transfers or amending budgets. Would it be asking too much to call on the Commission to implement the resolutions of Parliament and the Council and to make an effort to ensure that the money reaches its intended destinations where it will have a positive impact? The draft budget submitted to us by the Commission has not been accurately calculated or carefully estimated. In 2009, we had more than 50 transfers and 10 supplementary and amending budgets. It is not possible to talk about budgetary accuracy and clarity in this context and this situation must improve.

Our fellow Members in the specialist committees must pay greater attention to the implementation reports in the course of the financial year and the Commission must finally live up to the good reputation that it still has of being an effective European administrative body. I hope that we will all work towards this.

**Reimer Böge, rapporteur.** – (DE) Mr President, ladies and gentlemen, following the agreement on the 2010 budget, we are talking in terms of EUR 141.4 billion in commitments and EUR 122.9 billion in payments.

First of all, I would like to thank both rapporteurs very warmly for their dedication and I would also like to say at this point that everything that Mrs Haug has just said about the 2009 budget is absolutely right.

If we take a look at these figures, we can see that EUR 11.2 billion remains below the payment ceiling for the multiannual financial framework. This means that, if required, and if there is the political will, the multiannual financial framework leaves us some leeway within the agreed limits.

In recent years, we have, on several occasions, found the solution to necessary changes in the economic and political environment by using reallocation, repeated squeezing of margins and multiple revisions. These instruments are in place, but with what we have done in 2010, they are definitely reaching the limits of their possibilities. This also applies to heading 2, where, after 2010 and given the possible margins, the air will be much thinner and actually should not be available at all.

Now we have integrated the second tranche of funds of EUR 2.4 billion for the so-called economic recovery package into these agreements. It was the right thing to fund the second half, consisting of EUR 2.4 billion, in 2010 and not to postpone part of it until 2011. Of course, it was not an economic recovery package. In fact, it involved correct supplementary political priorities with regard to energy and the provision of broadband in rural areas.

The use of the flexibility instrument has enabled us to find an additional EUR 120 million for energy projects and EUR 75 million for the nuclear power plant in Kozloduy. I would like to point out to the Commission that the way this was handled was very strange and I must also say clearly at this point that this is not the end of the matter. We are expecting a total of EUR 300 million. In that context, we are also expecting you to include the funds which have yet to be found for the development of the nuclear power plant in the mid-term review of the budget and not to finance this by means of more cuts in category 1 B. It is important that this is stated very clearly.

In addition, we have carried out a revision for unused funds from 2009 so that a total of EUR 1.9 billion for energy and an additional EUR 420 million for broadband Internet in category II could be put in place.

At this point, I would like to say that this decision on the total amount was the right one, but, of course, we must also make it clear today that our next task is the budgetary implementation of the Treaty of Lisbon. We surely cannot wait until 2014, as then we will be faced with further political priorities, which the European Union has to resolve as part of the globalisation process, and with other new tasks.

The resolution to be submitted on Thursday states clearly that we are calling on the new Commission to publish a report on the implementation of the interinstitutional agreement as soon as possible, as provided for in the agreements. At the same time, and I would like to put particular emphasis on this, the Commission must commit to adapting, reviewing and modifying the current multiannual financial plan for 2007-2013 and to extending it until 2015-2016. In addition, it must set in motion the process for the next multiannual financial framework in order to be able to hold a proper open and public debate about the subsequent financial framework.

This is the job of the new Commission and we will, of course, use both the hearings and the debates during the next quarter to call forcefully on the Commission and the Council to take on board these political priorities. We have an exciting time ahead of us.

**Hans Lindblad**, *President-in-Office of the Council*. – (SV) Mr President, it is an immense honour for me to be here today for your debate. The budgetary procedure for 2010 has been demanding and I am pleased with the agreement that was reached between our institutions during the conciliation meeting in mid-November. This agreement serves two different, but equally important, purposes.

On the one hand, it creates the framework for establishing the 2010 budget with the goal of enabling the European Union to function as smoothly as possible and to implement policy in the way that we want it to be implemented, while guaranteeing a controlled increase in payments, particularly in the times that our Member States are currently facing. On the other hand, it provides, among other things, for the complete financing of the second part of the recovery plan. It is a significant contribution from the European Union to dealing with the current economic and financial situation.

I would also like to express the Council's satisfaction at the agreement we reached with regard to the common foreign and security policy. I believe that the 2010 budget as a whole represents a balanced compromise between, on the one hand, the requisite budgetary discipline and sound financial management and, on the other, our duty to meet the expectations of our citizens. The budget also represents a compromise between the different political groups, the different Member States and the different interests of the Council and Parliament.

It is not entirely the budget that the Council would have wished for at the start, nor is it entirely the budget that Parliament would have wished for at the start. However, I think that it is a good compromise that balances our goals and priorities in the best way possible. In this connection, I would like to say how proud I am that we, in other words Parliament and the Council as the budgetary authority, with a great deal of help from the Commission, were able to demonstrate the required leadership and sense of responsibility and reach the general agreement that we came to in November. I think this sends out the right signal in connection with the entry into force of the Treaty of Lisbon.

It would not have been possible without our joint efforts, as everyone involved played their part. Nor would it have been possible without the excellent and constructive atmosphere that, in our opinion, characterised the whole process. I would therefore like to take this opportunity to thank the Chair of the Committee on Budgets, Mr Lamassoure, for his strength, openness and skills as a negotiator. I would also like to thank the two rapporteurs, Mr Surján and Mr Maňka, for their constructive cooperation and express my gratitude to my colleagues in the Ecofin Council. In particular, I would like to thank Commissioner Šemeta, who fulfilled his role as an honest broker to the full.

Last, but not least, I would like to thank all of the staff in the three institutions who, in a very professional manner, helped to make this possible.

**Algirdas Šemeta**, *Member of the Commission*. – Mr President, I am very happy to have the opportunity to speak to Parliament before it finalises its second reading with Thursday's vote on the 2010 budget and on amending budget No 10/2009, which has, in part, contributed to the successful outcome of the annual budgetary procedure.

The negotiations on the 2010 budget have required compromises and – may I dare to say – even sacrifices on all sides to achieve our common goal. This would not have been possible without the constructive and responsible role played by the European Parliament and the Council throughout the negotiations.

I would like to highlight four main points.

Firstly, let me point out some key elements of the conciliation outcome. Since the joint declaration agreed last April, we knew that we had to strike a delicate balance to find a source of financing for the EUR 2.4 billion of the European Economic Recovery Plan still outstanding. That could only be achieved through a compensation mechanism and by using all budgetary means existing in the multiannual financial framework. This was indeed a difficult constraint.

Despite such a difficult constraint, we succeeded in financing completely the Recovery Plan in 2010 and, as the general rapporteur points out, in agreeing on an EU budget that can be a tool to help overcome the economic crisis.

In times of difficulties, I believe the message to citizens is even stronger as we have also been able to respond at the same time to the unforeseen specific needs of milk producers, with the substantial support of Parliament.

Last but not least, the two arms of the Budgetary Authority have acknowledged the need for further assistance in 2010 to Bulgaria's efforts relating to the decommissioning of the Kozloduy nuclear power plant, through the use of the flexibility instrument.

Secondly, as regards the reserves, let me thank Parliament and particularly the general rapporteur, Mr Surján, for taking into account the responses given by the Commission in reaction to Parliament's first reading, in the so-called 'letter of executability'.

That has led to an important reduction in the reserves entered in the 2010 draft budget at the time of Parliament's first reading.

Thirdly, I wish to stress the importance of a smooth transition to the Lisbon Treaty. We are now definitively rooted in the Lisbon Treaty as regards the budgetary procedure. Despite the uncertainties relating to the entry into force of the new treaty, we have been able to secure a smooth transition into the new legal framework.

The period ahead of us will be a challenge for all the institutions, as it will imply a modification of their approach and behaviour, with the need for reinforced dialogue from the very start of the budgetary procedure. The Commission is ready to play its part and to reconcile positions in the new conciliation committee, while respecting the rights of the two arms of the Budgetary Authority, on an equal footing.

Today, we know that efforts are still to be made to put in place all the new legal instruments stemming from the entry into force of the treaty. Nonetheless, by building on the loyal interinstitutional collaboration developed over the last two decades, we have been able to agree on a set of transitional measures that will allow the 2010 budget to work effectively.

Finally, there is amending budget No 10/2009, revision of the financial framework and mobilisation of the flexibility instrument. I take note that Parliament has also agreed to adopt the proposals on the revision of the Multiannual Financial Framework and, as already mentioned, on the flexibility instrument and amending budget No 10.

I would like to thank the rapporteur, Mr Böge, for endorsing the results of the conciliation. This shows that, to achieve our goal, we have been able to make the best use of the tools provided by the current interinstitutional agreement.

I would like also to express my thanks to the rapporteur for the 2009 budget, Mrs Haug, for her work throughout the year on the implementation of the 2009 budget and her support for amending budget No 10/2009, which is part of the 'package' linked with the revision of the Multiannual Financial framework and the financing of the Recovery Plan.

I have also noted your critical remarks towards the Commission about the need to improve its performance in terms of budget implementation.

This year's amending budget foresees a reduction of EUR 3.2 billion in payment appropriations, which is significantly lower than the EUR 4.9 billion reduction of last year, and points to an improvement in the execution of a budget which, after the proposed reduction, is set at EUR 113 billion for 2009.

However, there is still room for further improvement, and I can assure you that the Commission will continue to do its utmost to make best use of the authorised budget appropriations in 2010.

As to the issue of the simplification of procedures in order to accelerate the implementation of expenses, while this avenue can be explored, I believe a careful balance needs to be struck between real simplification and the need to abide by the rules in order to safeguard the EU's financial interests.

Once again, I would like to express my thanks to Parliament's negotiating team and, in particular, to the Chair of the Budget Committee, Mr Lamassoure, and to the rapporteurs for the 2010 budget, Mr Surján and Mr Maňka.

I would also like to thank the Council's negotiating team and, in particular, the State Secretary, Mr Lindblad, for the constructive work done during the budgetary process.

I hope that today's debate will be constructive and productive and will lead to a positive vote on the 2010 budget this Thursday.

**José Manuel Fernandes**, *on behalf of the PPE Group*. – (PT) Mr President, ladies and gentlemen, this budget represents a response to the economic crisis, with its focus firmly on Europe's citizens. It is a budget designed to fight unemployment and kick-start the economy. We are therefore prioritising the European Economic Recovery Plan, with financing of EUR 2.4 billion for the coming year. It should also be noted that we are promoting economic recovery when we increase the payment appropriations for the main budget headings.

With regard to unemployment and youth unemployment, I would like to highlight the proposal to review the Erasmus programme. We welcome the granting of EUR 300 million of additional support to the dairy sector but I would stress that a budget heading should be created to establish a permanent fund for this sector.

We also consider it very important that the current multiannual financial framework for 2007-2013 be revised and extended to the 2015-2016 financial years, as we proposed. I must point out that tackling climate change, together with energy security, are EU priorities that do not feature prominently enough in this budget. As for the budgets for Parliament and the other institutions, which have now been tabled for second reading, they are the same as we approved at first reading.

The Group of the European People's Party (Christian Democrats) repeats that rigour and transparency are paramount, and therefore it supports a long-term buildings policy, the implementation of a zero-based budget at the beginning of each parliamentary term, and a cost/benefit analysis of policies such as Parliament's communications policy. As for the new demands that have arisen with the entry into force of the Treaty of Lisbon, we support excellence in lawmaking and the demand for adequate resources to achieve this objective.

**Göran Färm**, *on behalf of the S&D Group*. – (SV) Mr President, I would like to say a big thank you to everyone involved. These negotiations have produced results. There are few problems remaining to be solved ahead of the second reading and all of the parties concerned have helped in a constructive way to achieve this.

Even though it took a long time, it was definitely important for us to manage to finance the economic recovery plan without postponing the solutions to a later date. We were pleased that the Council finally accepted our view that the solution required new money and the use of the 'flexibility instrument', just as in the case of Kozloduy.

However, I am still surprised at the Council's and the Swedish Presidency's position on a few points. For example, I did not think that Parliament's proposal to allow the new Baltic Sea Strategy to receive new money of its own would be opposed. I am, however, pleased that this point, too, was conceded. The second thing that surprises me – and that is still not fully resolved – is the Progress programme and the new instrument for micro-credits. From Parliament's point of view, the idea is that the EU should increase investment in innovation in order to tackle social exclusion and unemployment. This would seem to be particularly important given that 2010 is the European year of social integration. It is difficult, then, to understand why the Council and the Swedish Presidency seem to be fighting so hard, to the bitter end, for the financing of the new instrument for micro-credits to be found from cuts in the Progress programme.

In this regard, I have a direct question for the Swedish Presidency.

In view of the high rate of unemployment, an ever increasing degree of social exclusion, huge integration problems and a Progress programme that is functioning exceptionally well, why is the Council persisting in demanding cuts in the Progress programme?

This year's budget negotiations have resulted in nearly all new priorities having to be financed by changes in the ceilings of the long-term framework and by utilising the flexibility instrument. There are barely any margins left. This framework will apply for another three years yet, but living with these conditions for such a long time will be totally unacceptable. I therefore have another question to put to both the Commission and the Council.

What is your position with regard to Parliament's demand for a swift and forceful revision of the financial framework for the period 2011-2013?

We believe that the budget negotiations for the three remaining years will be problematic if there is no change, particularly if we consider the fact that we are about to undergo a new round of enlargement and we are facing major new commitments in the area of the climate. In my opinion, the principle should be that new funds should be appropriated for new tasks. This principle usually applies at national level and should also apply to the EU. I would be very grateful for your thoughts on this.

**Anne E. Jensen**, *on behalf of the ALDE Group.* – (DA) Mr President, I would like to thank Mr Surján for the positive outcome of the negotiations. As others have done, I would like to express my satisfaction at the fact that we, in Parliament, have been able to retain our important priorities in the second reading, too, even if we have had to make some cuts in connection with the agreement that we had with the Council. In addition to the energy investments in the recovery plan, we have also succeeded in allocating extra money to budget headings that are aimed at research and innovation in the field of energy. We have succeeded in safeguarding our pilot projects and preparatory actions, which are new initiatives that are being instigated by Parliament and, on a personal note, I would like to say that we in the Group of the Alliance of Liberals and Democrats for Europe are pleased that we have succeeded in securing funds for the Baltic Sea Strategy.

As others have done, I would like to highlight two things. Firstly, the lack of flexibility, with regard to which I would like Mr Šemeta, who is, of course, continuing in another post within the Commission, to take note of the fact that we do indeed need this mid-term review of the budget and I would like the Commission – the new Commission – to take this seriously. Secondly, we need to look at things closely and ask ourselves whether there are any new priorities that we need to set within this framework. Are there any programmes that are not working very well? Can the priorities be changed within the existing framework, or do we need to revise the framework itself? We are, of course, in the position of having had resources as a result of the fact that plenty of money was allocated to agriculture to start with within the multiannual financial framework. However, this is no longer available, so now things will get difficult, as Mr Böge pointed out. Now comes the moment of truth. The next few years, when we will need to be flexible, will be very, very difficult if we cannot get the finance ministers to provide more money, and I think this will be more difficult than usual in the current economic climate.

There is another issue that I would also like to raise, and that I would also like you to take into account in your future work, Mr Šemeta. Mr Maňka has done some very fine work with regard to administrative expenditure and we are now seeing very populist politicians saying that we must not give the EU's staff the pay rises that they are actually entitled to. In my group, we do not advocate the contravention of existing agreements. If people are dissatisfied with the system, they must change the system. It is no good simply to be dissatisfied with the result of the established system. I think there are good grounds for examining the conditions of EU employees and, first and foremost, examining whether the rules that we have in place for staff in the EU system also provide the leadership opportunities we need in order to attain the effective implementation of the EU's policies. It is several years now since the Kinnock reform. It is five years since enlargement. It is now time to review things once again. This is just something for you to think about, Mr Šemeta.

**Helga Trüpel**, *on behalf of the Verts/ALE Group.* – (DE) Mr President, Commissioner, Mr Lindblad, ladies and gentlemen, the Group of the Greens/European Free Alliance also believes that the budget for 2010 which we have negotiated and agreed on is a reasonable compromise. At the beginning of the budget discussions, there were still several open issues and gaps which had not been funded. We have now more or less resolved these problems. Parliament will pay one third and the Council two thirds to fill the gaps, so from our perspective, this is a reasonable compromise and we are in a position to start the new year.



Nevertheless, I would like to begin by looking at the problems relating to the structure and inflexibility of the European budget. We have already heard about the political symptoms. The fact that we had 50 transfers and 10 supplementary and amending budgets in 2009 must make it obvious to everyone that the objectives of this budget, with its tight constraints and rigid structure, are clearly no longer up to date. We must all work together to change this if we want to do things better in future.

Therefore, I will now move on to the questions concerning the forthcoming review. The budget which we are now adopting is a budget for times of crisis. This was a motto coined by Mr Surján. In this context, crisis refers to both the financial crisis and the economic crisis. However, while the conference in Copenhagen is still underway, I would like to add the following point. We are, of course, faced with a crisis which threatens our very existence, in other words, the question of whether we, by which I mean people all over the world, will be able to save our planet and limit global warming to 2 °C. To achieve this, we must all act together with regard to our budgets, our management of resources and the way in which we live and manage our finances. We must move over to renewable energy sources. We must reduce our CO<sub>2</sub> emissions dramatically. We must become a low-carbon economy. Of course, we must also spend much more on research into sustainability, new materials and new products. This is the only way to create new jobs.

We must do this in such a way that the European internal market benefits from it and that we open up new opportunities for the European Union on the world market with green technologies and environmentally friendly products. This is our only hope of convincing the citizens of Europe that the European project has a future. This also means that we – the Member States and the European Union – must jointly invest more in education. This is the main resource that we have in the European Union. We must provide support for it in quite a different way so that our young people have opportunities in Europe and also throughout the world.

There is one thing that I would like to add. We must also change our agricultural policy and our agricultural export subsidies dramatically and focus on the Structural Funds. These must also undergo significant change with regard to the restoration of old buildings and sustainable transport policy. What is it that I want to say? The 2010 budget represents a step in the right direction, but it is by no means enough. We in the Verts/ALE Group have coined the term 'the green new deal', because we are convinced that only a joint effort by the Member States, the Commission and the European Parliament in the spirit of Europe will generate the political strength and conviction to bring about major changes, to transform our economy and to create new jobs.

Only when we can generate the political strength to make real changes will we be able to modify the European budget and the national budgets in the same way. With regard to Copenhagen, in the next few years, we will hopefully also be able to make funding available to enable the poor countries and, in particular, those in sub-Saharan Africa, to put in place new growth models. It is important that they do not copy our mistakes, but instead that we all cooperate – the industrial nations, the emerging economies and the developing countries – on moving towards a new way of living together and a new type of economy. This is the only way in which we can be successful throughout Europe and on a global scale.

**Lajos Bokros**, *on behalf of the ECR Group*. – Mr President, the EU budget has been suffering from a number of structural problems. It is too big and it keeps growing. There are built-in automatic increases for many items, especially for the operating costs of bureaucracy without any apparent improvement in output performance.

All budgets are supposed to be mirror images of some economic policy considerations. The EU budget is an exception. It does not reflect any consistent set of common values. Instead, it tries to justify an EU-wide policy of neo-Keynesian demand management by spending more on a great majority of items without any underlying structural reforms.

Take the example of the Globalisation Adjustment Fund. Half a billion euros is supposed to be spent on mitigating the negative impact of globalisation. Instead, Member States are having a hard time putting together rational proposals for a couple of tens of millions. On the one hand, it is a tremendous waste of scarce resources; on the other hand, it is a prime example of distorting the rules of creative destruction in capitalism.

The Committee on Budgets was unhappy to see a new item – the cost of decommissioning the Kozloduy nuclear power plant – coming up at the last minute. It was a sign of bad planning. Nevertheless, not only the decommissioning of Kozloduy, but even support for the construction of a new power plant, would be more important than spending in the milk fund with this untimely and inefficient increase.

As if it were part of a beneficial demand boost, the EU bureaucracy gets undeserved and unnecessary wage increases. When the EU is struggling with a once in a lifetime deep recession, it is just not appropriate to shield ourselves and our own administration from the negative consequences. Would it not be more appropriate to accept even a nominal wage decline and hence boost employment in the name of European solidarity?

It is also a worrying sign of inadequate planning that the disparity between commitment and payment appropriations is growing in the case of a large number of items. Since we cannot incur a deficit, we push more and more commitments to the future. It is tantamount to mortgaging the future of the EU and undermining prospective discretionary spending beyond repair.

Many MEPs are concentrating on pet projects and pork-barrel spending. The budget should not be used as a backward-looking tool preserving the status quo, but as a forward-looking instrument to sharpen the institutional regulatory framework of the EU which, in turn, should aim at strengthening the single market. Less protection for vested interests is the key for the EU to avoid sinking into irrelevance on the world stage.

**Miguel Portas**, *on behalf of the GUE/NGL Group*. – (PT) Mr President, ladies and gentlemen, I think we are in danger of not seeing the wood for the trees with this budget. The question I put to you, quite frankly, is this: if there were no crisis, would this budget be very different from what it is? We all know it would not. That is the crucial issue. That, in fact, is why the report on which we are going to vote on Thursday recognises that the Council is not prepared to increase the funds available to tackle the crisis, is reducing the appropriations for the Structural and Cohesion Funds precisely when the crisis is happening and is severe, and, I repeat, does not give climate change the prominence it deserves.

The report itself adds further criticisms, like those made by Mrs Haug. For example, there is an enormous disparity between the level of spending authorised and the payments made; spending remains below the planned limits; and we basically do not even know whether what is spent is spent well. In view of such a damning assessment, how can this House approve such a budget? There is only one explanation: Parliament is the weak link in the budgetary authority. Even children know that he who pays the piper calls the tune, and it is the Member States who pay.

Ladies and gentlemen, today we are also talking about the future, because within a year, Europeans will be confronting the greatest budgetary adjustment programme in living memory in each of our Member States. It is quite simple for the ordinary citizen: when one crisis ends, another begins, this time ostensibly to restructure public accounts. This policy is irresponsible and, in the meantime, it keeps the zero deficit in the European budget. The difficulties cannot continue to be borne by the same people as ever: the unemployed, casual workers and pensioners, through cuts in their pensions.

The Union will only stop being part of the problem when it starts sending the bills to the right addresses. Without closing offshore tax havens, without taxing financial transactions and without issuing bonds, we will never be able to attack the crisis with the only response that can really put an end to it: social justice. You can therefore count on the left for a robust, radical and redistributive revision of the financial perspective until 2016, but do not count on the left to tuck up a mediocre budget that neither addresses the social crisis nor shows the ambition needed to fight climate change.

**Marta Andreasen**, *on behalf of the EFD Group*. – Mr President, the proposal for the second reading of the 2010 budget still represents a 6% increase in respect of 2009. That proposal appears to come from another planet – a planet where there is no financial crisis. Following the conciliation meeting in November, Parliament still deplores the Council's refusal to increase the financing of programmes under the grand heading of 'Competitiveness for Growth and Employment'. The Council must know all too well how such funds are used.

Parliament also criticises the Council over the reduction in payments, alleging that this does not contribute to reducing the disparity between commitments and payments. The Council must know all too well that this disparity is due to the lack of intelligence and of consultation that characterises the budgeting process. The Court of Auditors recently brought to our attention that the amount of unpaid commitments presently stands at EUR 155 billion – or 126% of the current annual budget. Does this say something to you?

Parliament welcomes the increase in administrative expenditure – an increase which also includes Members' salaries. It is obscene for us to vote for an increase in our own salaries, all of which are to be paid by taxpayers who are losing their jobs and social securities owing to the reduction in national budgets. In the current circumstances, we should renounce any increases. The European Parliament rejects the budgetary cuts

introduced by the Council in the structural and cohesion funds. Colleagues, are you aware that these are the areas where the Court of Auditors has found the highest levels of errors? Does the European Parliament think we should be injecting more money into programmes where we are certain abuses are taking place?

In addition, the public should know that this budget does not cover the costs of implementing the Lisbon Treaty, which will be added through amending budgets – i.e. through the back door. One might ask how much this will amount to. ‘Who cares?’ comes the answer, ‘It is taxpayers’ money’. As I advised back in October, British citizens will see their contribution to the European Union raised from GBP 45 million a day to GBP 50 million a day, while the British Government will be reducing public services so as to allow a cut of GBP 12 billion in the national budget. That is almost the same amount that the United Kingdom contributes to the European Union. There is no question that this budget is a burden and not a way out of the crisis.

Colleagues, listen to your conscience and vote against this budget.

### IN THE CHAIR: MR MARTÍNEZ MARTÍNEZ

*Vice-President*

**Angelika Werthmann (NI).** – (DE) Mr President, ladies and gentlemen, regardless of whether we live in urban areas or in the countryside, we all form part of an information and knowledge society. Those people, businesses and organisations which are able to use modern information technologies most effectively have a significant competitive advantage. However, this also requires the necessary funding to be made available for developing and extending the technological infrastructure in the form of broadband Internet in rural areas in particular. This is where the second part of the European Economic Recovery Programme comes in and logically, this also supports the Lisbon strategy.

Energy security, both now and in future, is an important issue at a European level. Bulgaria has decided to close the Kozloduy nuclear power plant immediately. This will cost hundreds of millions of euros, but the radioactive waste will remain a permanent risk factor which will endanger the health and safety of future generations. I am interested in the real, external costs of using nuclear power and how they should be calculated.

It is high time for us not only to research and promote alternative renewable energy technologies, but also to implement them more widely. The joint declaration on building policy emphasises the importance of a medium- to long-term approach to building. For me, three things are important in this area. Firstly, energy-efficient buildings can result in a reduction of up to one third in CO<sub>2</sub> emissions. Secondly, the use of building materials which are harmful to health, such as asbestos, must be avoided at all costs. Thirdly, I am, as always, in favour of policy being transparent and manageable, and this applies also to building design and planning.

**Alain Lamassoure (PPE).** – (FR) Mr President, I, in turn, would like to express my satisfaction with the agreement reached in conciliation. It required the intelligence of the Swedish Presidency, the effective contribution of the Commission, the competence of our rapporteurs and the sense of compromise of the political groups’ representatives. May we thank them all.

In my view, however, the big news of the day is not this agreement. When it comes to the future of the European budget, the week’s major event is not taking place here in Strasbourg, but in Copenhagen. There, our great national leaders have taken two days to agree to find EUR 2 400 000 000 to finance so-called EU aid for disadvantaged countries affected by climate change, and this is just for 2010. We MEPs would have been considered irresponsible had we failed to make EUR 81 million in EU budget cuts, and here we see EUR 2 400 000 000 being plucked out of thin air.

I welcome this outcome, but no democrat can accept a procedure that is so obscure, so devoid of all democratic control – all the parliaments, the European Parliament and the national parliaments, are going to be presented with a *fait accompli* – and which has such unfair consequences for certain Member States, since some will pay two or three times as much as other, equally wealthy, States.

Nevertheless, let us welcome this first: our Heads of State or Government are recognising that common EU policies can no longer make do with a budget that is limited to 1% of gross domestic product. They are reinventing the European budget, but in a kind of parallel form. I am counting on the new European Commission and on the Spanish Presidency to help us lay the foundations of the new budgetary Europe, which no one now disputes is necessary.

**Francesca Balzani (S&D).** – (IT) Mr President, ladies and gentlemen, when we reach the end of a budgetary procedure and it is possible to assess the work carried out as a whole, I think that we need to ask a very frank, straightforward question: is this a useful budget?

This budget is a transitional budget, one marking a shift towards the Europe of Lisbon, a shift within the major economic and financial crisis which has affected the entire world. This budget is therefore awkward in two respects. It needs to respond to the crisis, but reflect awareness that during a crisis, the resources available are scanty. It needs to make a positive contribution to economic recovery, but also cut, reduce and contain spending where possible.

This budget will make EUR 141 billion available for next year. That is not much more than was available in 2009, but huge efforts have been made, a great deal of work has been done on the priorities and on channelling the available resources to the current priorities. The focus is on two budget lines: competitiveness and the environment. Competitiveness, because it contains social policies, employment policies and the delicate challenge represented by the Structural Funds, which still constitute the cornerstone of redistributive policies within Europe. This budget line will be allocated about EUR 65 billion for next year.

The environment too, which encompasses agricultural policy, will be allocated approximately EUR 60 billion. This 2010 budget, however, relates, above all, to the economic recovery plan. This plan attracted strong support last year, but it was not fully financed in 2009. Today, thanks to significant efforts to redeploy resources, EUR 2.5 billion can at last be invested in energy infrastructure and broadband.

Substantial efforts have also been made, however, to shape this budget in accordance with the Lisbon strategy, to provide even more resources than those provided by the Commission in the draft budget for the Erasmus programme, for lifelong learning, because there is a question which we must ask ourselves honestly, namely, whether this is a useful budget, but, first and foremost we have a fundamental yardstick: the usefulness of the budget must be tailored to Europe's citizens.

It must be a useful budget for every constituent citizen of Europe, and it is on the basis of this usefulness, tailored to the people, that I believe we must initiate and continue a sensitive debate on the review of the margins of availability and the resources that we wish to give to Europe for its policies.

**Ivars Godmanis (ALDE).** – (LV) Mr President, I would like to speak about Europe's Structural Funds. These account for approximately 35.5% of Europe's total budget. Specifically, the European Regional Development Fund and the European Cohesion Fund from 2007 to 2013 total EUR 308 billion. In 2010, they account for EUR 39 billion in commitments, and approximately EUR 31 billion in payments. What risks and problems can be seen? The most recent information is as at 1 October 2009: we are at the end of the second year, linear implementation might be 28.5%, the payments rate is 24.35%, and here are the first problems. 55% of Member States are under this average. The indicator in the worst state is 40% less than the average, and the difference between the best and the worst states in the uptake of funds is 370%, i.e. a factor of 3.7. If we look at the individual funds, then in the reconstruction and regional development fund, 22% of the Member States are below the average, with the worst figure being 50% below the average, and a difference of 500% between best and worst. There are countries where the uptake of resources is five times worse than those that have the best uptakes! In the European Social Fund, 22% of countries are below the average figure, with the worst being 43% below the average, and differences of a factor of 3.7. For the European Cohesion Fund, the worst country is 68% below the average and the difference between the best and the worst is 300%. Where is the risk? If we look at this in comparison with the 2000-2006 period, when there was no crisis, then we can see that the states that are now lagging behind in the uptake of resources are among those countries that did not take up funds previously. Specifically, we have unpaid money of EUR 16 billion for the old fund for the 2000-2006 period. In the reconstruction and development fund, EUR 2.4 billion overall has been lost. That means that 20% of the Member States have not taken up this money and will not now receive it. In the European Social Fund, this figure is EUR 1.9 billion, since 16% of the Member States have not fully implemented the amounts. Altogether, that means that EUR 4.3 billion was planned for...

**James Nicholson (ECR).** – Mr President, we are all aware of the remaining EUR 2.4 billion for the European Economic Recovery Plan that has been committed in the 2010 budget, and I welcome the attempt to get Europe through this difficult economic climate in this regard. I feel the focus of this plan should be on innovation and employment and essentially limiting job losses. I hope that this will be money well spent and not wasted. These resources must be properly allocated and used in an effective and efficient way by Member States.

I am glad that the promised EUR 420 million for broadband in rural areas has been secured. This will be a very important initiative in many rural areas and, if properly implemented, should encourage the development of small and medium-sized enterprises in those areas.

I welcome the fact that the milk fund has been established. I think this was very much needed and it is a good example of this Parliament's achievement in the formation of the budget, with funds being used, let us put it this way, that were not being used in other areas.

I want to speak a little bit on what I would like to see in the budget for the future. I want to see that the people it has helped are the victims of violence, the victims of terrorism, because I think we can do more in this area. These are people who have not been helped. They are not getting enough nor receiving enough help from their national governments. Where I come from, there are many areas whereby they are being helped at the moment through existing funds, but there are other areas where we could do more. After 2014, there will be no funds available to them and I appeal to this House to begin now to look at how we can actually help the victims of the violence of terrorism. I hope the incoming Spanish Presidency will be able to help me in this area.

Can I take this opportunity to briefly express my concerns about the administration of EUR 60 million of funds in Northern Ireland. I hope the Commissioner for budgets here will take on board this particular point. The Northern Ireland Assembly has the responsibility of administering the funds. They are about 18 months behind in distribution of these funds. I would ask them if they are going to administer these funds that they do it efficiently, that they do it effectively and that they do it wisely at a time when people need to go to work.

**Jacky Hénin (GUE/NGL).** – (FR) Mr President, in our Union access to a reliable and low-carbon electricity supply should be recognised as a fundamental right for every European citizen. To this end, our Union must conduct a genuine European public energy policy, and not finance, by way of a budgetary procedure, the decommissioning of a nuclear power plant in Bulgaria.

Building a Europe of energy for all means recognising that energy is a public right of mankind, not a commodity. It means repealing all the directives on deregulation and liberalisation of competition in the energy sector, guaranteeing the public regulation and ownership of the entire nuclear sector, including on issues relating to decommissioning and subcontracting. It means creating a European energy agency that would coordinate and pool all the Member States' research and security efforts in the energy sector and guarantee equal access to energy for all EU citizens, and setting up an economic interest group bringing together all European businesses, public and private alike, that operate in the energy sector.

This EIG would enable major projects – projects relating to distribution networks, to low-carbon energy production, to research and security – to be undertaken within a context of cooperation. Therefore, Europeans' money would be put to good use; it would promote development, and not just increase the return on capital invested.

**Bastiaan Belder (EFD).** – (NL) Mr President, the 2010 budget is being adopted against the background of the economic crisis, and additional care must be taken when budgeting EU funds. In this context, the Council has forced the European Parliament to set priorities. The ailing economy and investment in sustainability have been placed high on the agenda, and rightly so. In his report, Mr Surján consistently gives expression to the priorities of economic growth and employment.

These priorities are reflected in the shifts between the various headings of the Multiannual Financial Framework, and can also be seen in the financing of the European Economic Recovery Plan, which rightly puts a heavy emphasis on new technology. Particularly relevant here is support for projects involving sustainable energy sources and the improvement of energy-network links with third countries. To this end, we are to help bring about the badly needed diversification of energy suppliers. This is a successful set of priorities.

I should like to make one observation in this connection, however. We should have been rather stricter. If the European Union wants its work to be credible, it should be confining itself to its core tasks rather than inflating its own role in combating the crisis. Matters not falling within the European domain include education, culture and citizenship. Yet the request for more disposable funds, which recurs every year, is at odds with this. It should not be necessary to mobilise the flexibility instrument to make up for the shortfall in funds.

A stronger set of priorities, on the other hand, would make us a constructive partner for the Council, particularly at a time of economic crisis, when Member States are experiencing shortfalls and are having to make drastic cutbacks. In short, I should like to thank the rapporteur, Mr Surján, for taking this step in the right direction and putting the emphasis on economic recovery, yet without losing sight of the social aspects of EU policy such as care for children in homes, particularly in Bulgaria.

**Frank Vanhecke (NI).** – (NL) Mr President, with one minute to speak about a budget of EUR 141 billion, one must of course confine oneself to the essentials, namely that, at all levels – Community, national, regional and even lower – so-called ‘European’ money is really spent less efficiently and less carefully than money from closer to taxpayers. To give an example, the European Court of Auditors itself reported that, until recently, some 11% of the huge Cohesion Fund was disbursed completely erroneously. For 2010, the figure concerned would be some EUR 4 billion; no negligible amount. This is objectionable and unacceptable. Now we are allocating an additional EUR 2.4 billion in the 2010 budget for the economic recovery plan. I do not oppose this, but I continue to wonder whether the European level is really appropriate, and whether Europe would perhaps do better to confine itself to the efficient coordination of tangible, determined action at national level.

Finally, I continue to oppose the colossal waste that is commonplace in all the European institutions.

**Salvador Garriga Polledo (PPE).** – (ES) Mr President, I would, of course, like to congratulate the two rapporteurs, Mr Lindblad, for the Council, and particularly the Commissioner, Mr Šemeta, who has only been responsible for the budget for a few months. I sincerely believe that he has done an excellent job and he has succeeded in finding a significant consensus solution for the conciliation in November. For this, I would particularly like to congratulate the Commissioner.

It is the last year that we will be drawing up budgets in this way. I think the system has reached the end of its life and I think the political groups need to think very seriously over the coming months about how we are going to arrive at a new budget procedure that is in line with the realities of Lisbon.

I will give you an example. This year we have had discussions in the area of agriculture, which have been virtual discussions, but which have had a real result. Next year, the discussions will be real from the start in that we have the ordinary legislative procedure, and therefore it will be an exercise in responsibility for all MEPs.

Finally, it will be a real budget and, as Mr Lamassoure said a moment ago, it will be a budget in which it will not be possible for the Council to brilliantly decide on new budget lines in a few summits outside of Parliament, after which the European Commission and the European Parliament will have to do some financial magic tricks in order to be able to introduce these new and brilliant promises made by the Council into the budget. That has come to an end, and what we hope from 1 January of next year is that everyone in the institutions will exercise their responsibilities in order to genuinely draw up budgets that reflect the political reality and the economic and financial situation of Europe.

**Eider Gardiazábal Rubial (S&D).** – (ES) Mr President, I believe we should be pleased with the result of the negotiations between Parliament and the Council for the final adoption of the Union’s budget for 2010.

We should also be pleased because we have managed to maintain the funding for the dairy sector that we adopted in Parliament at first reading, which could help our farmers to ride out this crisis period. I hope that we will manage to find a permanent solution and that they will soon be able to see the light at the end of the tunnel.

We can also be pleased that an agreement has been reached to fund a microfinance mechanism for the European Union with fresh money. We can also be pleased because of something that seems obvious but is scarcely talked about: agricultural expenditure and expenditure on cohesion, which are the two most important European Union policies, have not been questioned. The truth is that today we can consider this to be a success.

We can be especially pleased because we have found EUR 2.4 billion of fresh money to fund the second part of the European Economic Recovery Plan.

Hidden underneath all this celebration, however, is a much less pleasant reality. There is no money to fund the policies that we have all allocated to the Union, or rather there is money, but there appears to be an unshakeable dogma in the Council: not a single euro more than what was approved in 2006 for the current

financial framework. President-in-Office of the Council, this is not budgetary austerity, it is economic and political short-sightedness.

Just over a year ago now, the European Commission proposed an Economic Recovery Plan for the European Union. It was a relatively modest plan compared with what there was in the Member States, but it was focused on boosting the future sectors of our economies.

The Council was opposed at first because it was proposed that the financial framework be increased by EUR 5 billion. Following long negotiations and discussions, you accepted the plan, but we have had to do it in two years. You have forced the European Commission to do some clever creative accounting so that this money can be used without it hardly being noticed in the financial framework.

All we can talk about is transparency and simplification, but the Commission had to draw us a wonderful diagram in order for those of us who work on the budget to be able to understand its proposal. I challenge you, President-in-Office of the Council, to explain this agreement to a citizen who is still interested in what we do in the European Parliament.

This means that we are not creating the Europe that is close to the citizens that we all want. I am not saying this to be critical, but because until the Council changes its policy, European integration will be weak.

We have just signed a treaty, but we need a new spirit. Either we stop thinking that every euro spent in Europe is a waste or we join the eurosceptics.

On Thursday, we are going to adopt a resolution asking for a review of the financial framework in order to serve the new needs of the Union. I completely agree with this point of view, but I warn you that a review of the financial framework must be an increase. The new needs cannot be funded by cutting back on the current priorities. To make myself clearer – and I will finish now – we are not going to accept cuts in the cohesion policies or in the agricultural policy.

**Gerben-Jan Gerbrandy (ALDE).** – (NL) Mr President, we are discussing the last budget under the Treaty of Nice. Next year, things will be very different: for the first time, Parliament will be able to get its teeth into agricultural policy and fisheries expenditure, for example. This part of the budget will finally come within the reach of Parliament, and I am looking forward to that, I can tell you. Anyway, we are now talking about the 2010 budget. I should like to make a couple of brief remarks.

The additional money for energy and research and also for decommissioning the Kozloduy nuclear power plant in Bulgaria are positive aspects, but what I take issue with are the broad lines of the EU budget. Will the European contributions really make our economy fit for the future? The answer is 'no'. Let us not fool ourselves. Let us use the forthcoming review of the financial perspective to set our sights on the future. I call on the Council and the Commission to really take this review seriously, then, rather than regarding it as a bit of a joke. The current budget is still investing too much in yesterday's economy: there is too much of the old support for agriculture and the regions and far too little investment in what is really important, namely sustainability and innovation. We are at a turning point. Do we want to turn Europe into an open-air museum where Americans, Chinese and Indians can experience fine culture and good food, or do we want to make it into a dynamic, progressive region, one that the rest of the world regards with envy? In other words, do we choose stagnation or progress? My answer goes without saying.

Let us also take a close look at the financing of the European Union. We are going to have to move over to a system of own resources no matter what. In response to a request by our group, the Group of the Alliance of Liberals and Democrats for Europe, the Commission will be presenting a proposal on this. I am looking forward to this. The current system gives the Union too little elbow room and has the perverse effect of making Member States more interested in how much they can get back than in whether the European contribution is really effective. I also take the view that we need to do much more to halt the decline in world biodiversity.

**Takis Hatziogeorgiou (GUE/NGL).** – (EL) Mr President, we do not agree with the political approach of this budget, because it increases military spending and because it slowly but surely merges its policy with NATO policy. Essentially, this permanently excludes the potential for an independent EU foreign policy. The five-year financial framework cuts agricultural spending and fails to support the household economy, cohesion and the fight to maintain the climate.

We want a European Union which passes legislation to protect consumers from speculation and citizens from the indiscriminate eye of authority. We have all been turned into *prima facie* suspects.

I want to make one thing clear: we are against the budget, but our arguments are completely contrary to those we heard earlier from the non-attached members from the United Kingdom. We believe in linking national interests and we do not accept that it is right for each nation to retreat into its shell. That just leads to hostility and ultimately to conflict.

**Zoltán Balczó (NI).** – (HU) The European Commission is planning to divert considerable resources to two areas in the modification of the 2009 budget. One area is competitiveness, which includes the research and development framework programmes, even though this was regarded as a priority until now. If we blame the candidates in this sector, this makes reducing red tape an even more emphatic requirement. The other area is the European Agricultural Fund for Rural Development, which has suffered a EUR 1.6 billion reduction. This fund is intended to be used for rural areas to retain or restore their population. Hungary is hit particularly hard by this problem. Hungarian agriculture is dominated by large holdings. They are the ones which receive the area payments, while their use of labour is fairly small. The rapporteur had some harsh words for the modification. He said that the Commission was raiding the main areas. My question is the following: why does he still support the approval of this modification?

**Ingeborg Gräßle (PPE).** – (DE) Mr President, Commissioner, Mr Lindblad, ladies and gentlemen, I would like to pick up on the call made by Mr Garriga for realistic budgets. What are the costs of the Treaty of Lisbon? This has become a very urgent problem. Why can we not be more realistic with regard to the Structural Funds? They have become our sacred cow. We already have outstanding appropriations from a period of two and half years which have not been discharged and we are piling up at least a further EUR 30 billion on top of these appropriations.

We have a problem in the Balkans, where countries are preparing for accession to the European Union. As a result of negative resolutions from the socialists and liberals, we have little interest in finding out what is really happening in the Balkans. How are the different EU institutions in Kosovo, for example, of which there are now large numbers, working together? These were all important amendments which this House has rejected and which I believe we should all follow up on, because we have a job to do there.

Where is the progress in the progress reports? We have voted in favour of the report of the Court of Auditors in which we called for a traffic light system, but the Committee on Budgets later refused to lend its authority to this system with corresponding reserves. All of these things are contradictions and, in my opinion, the House is not yet prepared to be realistic or to lend its authority to its own resolutions.

I would like to call for a realistic approach to Kozloduy. The special report from the Commission on the use of EU funds in Bulgaria until this summer did not mention Kozloduy, although it has received money from PHARE. Up to the end of 2009, at least EUR 602 million was spent on Kozloduy. I have tried to find out what happened to the money and I have discovered that nothing has yet been closed down. Plans have simply been made for managing the decommissioning process. Kozloduy has demonstrated to me how little the Commission knows about what is happening with our money. It also demonstrated that the numerous subsidiary budgets which have come into existence make it more difficult to control the situation and also result in the Commission losing its overview. Therefore, we should at least stop pressing for the subsidiary budgets, because the result is that we ourselves no longer have any idea what is happening.

**Edit Herczog (S&D).** – (HU) Commissioner, ladies and gentlemen, during the current financial and economic crisis, particular attention must be focused on growth, competitiveness, jobs and a more efficient and simpler implementation of the Cohesion and Structural Funds. Other priority objectives, apart from these, include increasing the security of the energy supply and its transportation, internal security, demographic challenges and the issue of climate change.

This is precisely why we welcome the major parliamentary successes achieved in the draft budget tabled before us, connected with the economic recovery plan and support for energy investments. We also welcome the minor successes, such as the support granted to dairy producers or the microfinance facility for SMEs, achieved after lengthy debate. I would also like to mention the intelligent energy projects and support for lifelong learning. We must emphasise that it is a real result that we have managed to raise the EUR 2.4 billion for economic recovery. I am also delighted that we have managed to guarantee confirmation of the Galileo budget.

Almost EUR 2 billion has been allocated to energy projects, which is perhaps the most significant result that the European Parliament can credit itself with. We have also managed to provide support for the safe closure of the Kozloduy nuclear power plant in Bulgaria, and I would particularly like to emphasise the safe aspect in this matter. We have managed to get support for dairy producers included in the budget at the European



Parliament's request. We must also stress that Parliament has made responsible decisions and acknowledge that we have allocated the budget margins sensibly.

However, our margins are dwindling. Parliament can be proud of the 2010 budget. I would like to congratulate the rapporteurs for this, Mr Surján and Mr Maňka. Our task for the future is to ensure that the Treaty of Lisbon not only strengthens Parliament's remit, but also that the EU budget, thanks to its reform, will also make life easier for Europe's entrepreneurs and citizens. In order to achieve this, I wish us great strength and perseverance in the coming years. Thank you for your attention.

**Nathalie Griesbeck (ALDE).** – (FR) Mr President, Commissioner, ladies and gentlemen, it is my turn to pay tribute to the imagination shown and the efforts made by our institutions in order to release – via some budgetary techniques, as Mr Lamassoure mentioned, by some miracle – the very substantial sums of money that correspond to the second phase of the economic recovery plan, that is, EUR 2 400 000 000. I should also like to say how pleased I am with the EUR 300 million that we have managed to find in order to respond, in the short term, to the very serious crisis affecting farmers today. I hope that this sum of money and these difficulties will mean that we take a pragmatic approach with regard to their future. We should also pay tribute to the pilot projects and the preparatory actions which, as Mrs Jensen stressed, breathe new life into our budget.

Beyond these remarks, which have been made very effectively, I should like to stress two points. I should like, firstly, to ask a question and, secondly, to adopt a political position. The question is this: I should like an official explanation as to how our Union is going to stand with regard to cohesion policy and the Structural Funds, elements which seem to have been caught up in the eye of the storm affecting certain EU partners. I believe that this is evidence of what is happening in Europe.

*(The President cut off the speaker)*

**Elisabeth Jeggle (PPE).** – (DE) Mr President, ladies and gentlemen, the European Parliament has come out well in these negotiations. I would like to thank all my fellow Members who took part in the negotiations and who clearly stated their opinion to the Commission and the Council.

Now it is important for us to do full justice to all the issues relating to the Treaty of Lisbon, including the entire budget area. We have shown that Parliament must be taken seriously and that it makes sense to take Parliament seriously. These budget negotiations have made that very clear. Many of my fellow Members have already mentioned the fact that we have achieved our most important objectives.

As rapporteur for the agriculture budget in the Committee on Agriculture and Rural Development, I can say that although our budget – the agricultural part – has been squeezed very tightly, we are still within our margins. We have pulled in our horns. We have achieved this ourselves in our committee and I attach great importance to this. It is a success for Parliament to secure EUR 300 million for the milk fund in the face of all the arguments against this made by the Commission over the years and by the Council, especially given the difficult situation which dairy farmers find themselves in.

Other sectors of agricultural production are also having problems at the moment. This affects not only agriculture and farmers but also many jobs in downstream areas. Given the current situation, this creates even more difficulties. We need a permanent budget line for the milk fund and we aim to achieve this in future. We have allocated more money to the 2010 budget than we did in 2009. That is the result of the current situation and we are aware of this. We will act accordingly and do everything in our power to ensure that our agriculture policy is sustainable and innovative.

**Estelle Grelier (S&D).** – (FR) Mr President, in essence, the vote on the budget is a profoundly political act, and we must learn a political lesson – a major, fundamental political lesson – from the budget being proposed to us.

The European Union budget, and particularly this one, reflects the lack of a European political project even though, against a backdrop of crisis and at the start of our new mandates, European citizens need it more than ever. This budget marks the absence of a global vision for Europe.

The Council and the Commission have chosen to let the Member States develop their own, often rival, recovery plans, and have abandoned efforts to coordinate an economic, social and environmental recovery at EU level. There has been no leverage attempt, no encouraging of European solidarity.

The Council and the Commission are easing their consciences by applying a recovery plan bit by bit. Indeed, the 2010 budget provides funding for the second part of the recovery plan totalling EUR 5 billion, a derisory amount. Admittedly, it will allocate EUR 300 million to the milk fund, but this is insufficient when we know that in France, for example, the net income of farmers fell by 34% in 2009.

The 2010 budget earmarks EUR 25 million for microfinance and, against the advice of the Council, allows the draft budget relating to Cohesion Fund interventions to be kept.

It is therefore somewhat through the lack of an alternative and by default that we shall vote for this budget, because Europe – the citizens – cannot do without its interventions, however inadequate. Nevertheless, together, we must question – and this is urgent – the methods of financing the ambitious policies with which Europe must equip itself and of extracting the EU budget from its current restricted and unsuitable framework.

Above and beyond major political declarations, the President of the Commission, Mr Barroso, must tell us how he intends to finance the future European policies about which he talks so much, particularly those relating to the new strategy on growth and to climate change. From now on they will be unable to make do with such a feeble budget as the one we are being offered.

**Pat the Cope Gallagher (ALDE).** – (GA) Mr President, I completely support the European Parliament's decision to prioritise funding for the European Economic Recovery Plan. A recovery plan of this kind is necessary to increase economic demand and to re-establish the competitive capability of the region.

As a result of the economic crisis, unemployment levels are rising in Europe and this is seriously affecting the European economy. Unfortunately, young people who are looking for jobs for the first time in their lives are the worst affected. It is essential that measures be taken to protect those who are under the greatest disadvantage.

We must establish retraining plans so that those who lose their jobs today can quickly find another job in the future.

The plan is designed to work with the European Social Fund and with the European Globalisation Adjustment Fund

Since 1973, when Ireland agreed to take part in the European Economic Community, the European Union has repeatedly taken a central role – when necessary – in tackling the country's unemployment problem by means of the European Social Fund.

The Union has again taken on this positive role in Ireland and the recovery plan is vitally important in relation to this.

**President.** – Thank you Mr Gallagher. As the Vice-President responsible for multilingualism, I would like to say how glad we are to hear you speaking Gaelic in Parliament.

**Danuta Maria Hübner (PPE).** – Mr President, I should like to make four points.

Firstly let me emphasise the need to use our 2010 budget and, in particular, the European cohesion policy financial instruments, with the utmost expediency in order to stimulate economic activity in all of the Union's regions and cities and create the leverage necessary to revitalise Member States' economies. Cohesion policy is providing a strong and necessary bridge between recovery from the crisis and long-term structural transformation of the European economy.

Secondly, it is for this reason that the Committee for Regional Development has encouraged the Commission and Member States not only to use the financial resources available to invest in what are Cohesion Policy 2007-2013 priorities – climate change, knowledge and innovation, energy efficiency, renewable energy, broadband, sustainable urban transport and renewal of skills – but also to promote the leverage function of the cohesion policy; which is to efficiently use all the financial engineering tools which the cohesion policy has created in collaboration with the European Investment Bank in order to assist small and medium-sized companies not only to survive this difficult period but first of all to go the distance, to adapt to the changing face of the global economy, which is transforming itself, and to rise up to the challenge – and the opportunity – of climate change.

Thirdly, let me inform Members that all payment applications for the European Regional Development Fund and the Cohesion Fund from the 2009 budget, totalling EUR 25.5 billion, have been fully used, thus contributing to recovery, structural change, growth, employment and to climate-change energy efficiency.

Lastly, in this context, I regret the cuts in support for candidate countries, the IPA regional development and human resources instrument, which addresses areas such as unemployment, social exclusion and education investment – a cut of EUR 7 million, which is 0.5% of the available operational credits that go to administration – without regard to the need of ensuring good local administration and without regard to the basic principles of good financial management which is so dear to this House.

**Cătălin Sorin Ivan (S&D).** – (RO) I would like to begin by congratulating the rapporteurs for the results they achieved in negotiating the 2010 budget. Europe's citizens need now more than ever a substantial European budget to tackle the economic crisis and their problems.

Member States' budgets are currently experiencing major difficulties in tackling the economic crisis, especially when many of the problems they are contending with extend beyond a national scope. These are global difficulties and require coordinated responses at the highest level. For this reason, I am delighted that we can present in this House today a budget which will finance entirely the second phase of the European Economic Recovery Plan, to the tune of EUR 1 980 million. We are likely to see the first shoots of economic recovery in 2010, however, national budgets will be hit extremely hard by the efforts that were made during the last year. In addition, unemployment is set to reach a record high in Member States.

The future Commission will have a huge responsibility in helping Member States and the European Union's citizens overcome these hardships. However, I wish to draw Member States' attention to their responsibility in accessing European funds. It is pointless us making all the effort to negotiate to obtain money for the cohesion policies if these funds are not used. I join my fellow Members in calling for the 2007-2013 multiannual financial framework to be reviewed as urgently as possible, failing which we will not manage to return here with a budget for 2011.

I would like to emphasise one further last point. The 2010 budget will still introduce an innovative feature, which may seem of minor importance to many, but this is not the case. I am referring here to the launch of the preparations for creating a common European framework for the Black Sea. This action represents recognition of the Black Sea as an important European issue and lessens the discrepancy between how the Black Sea and Baltic Sea are treated as part of the European Union's policies.

**Jean-Pierre Audy (PPE).** – (FR) Mr President, Commissioner, Minister, I should like to congratulate the rapporteurs and our Chair of the Committee on Budgets, my friend, Mr Lamassoure.

I have five observations to make. The first concerns research, in particular, the sixth and seventh framework programmes. For the sake of legal certainty, we in the Committee on Budgetary Control repeat that we want the European Commission to refrain from recalculating, via new interpretations of the eligibility criteria, financial statements for completed projects that it has already approved and paid for. We repeat our request for the Commission not to deviate from international accounting and auditing standards.

The second point is the inclusion of EU staff pensions in the budget. We propose that the claims against Member States in respect of staff pensions – EUR 37 billion as at 31 December 2008, an increase of EUR 4 billion since 2007 – be entered in the accounts as an asset, and we propose a study on the creation of an EU pension fund.

The third point is that the Anti-Fraud Office should be supported. It should be strengthened so that it can do its job better, particularly where interventions outside the EU are concerned.

The fourth point is that we would like the Commission to provide the resources to enable us to hold an interinstitutional conference with the aim of obtaining a positive statement of assurance from the European Court of Auditors. This conference would bring together the national courts of auditors, the European Court of Auditors, the national parliaments and the administrations concerned.

The final point is that the European Union does not invest enough, and this is a personal proposal: is it not time that we included a section on investments in our budget and that, in association with the European Investment Bank – of which I propose that, henceforth, since we have legal personality, the European Union becomes a partner, alongside the Member States – we had an investment plan, notably on trans-European networks? This covers energy, motorways, high-speed rail links, waterways, universities, education, broadband, health, space, and so on.

**Derek Vaughan (S&D).** – Mr President, this is my first budget in this Parliament, and I have been very impressed by the consensus on what Parliament's priorities are and by the consensus that we should protect those priorities. I wish to thank everybody involved in this process.

We have achieved a lot. We have not achieved everything, but I am pleased we have achieved so much. In particular, I am pleased with the declarations on the structural funds and cohesion policy. I hope those declarations are remembered when we decide on policy post-2013. However, difficult decisions remain for Parliament, such as that on funding for the Microfinance Facility – I hope Members will still regard that as a priority – on ensuring that we find the funding for Kozloduy in the next three years, and on finding funding for new priorities: priorities coming out of Copenhagen, priorities coming out of the implementation of the Lisbon Treaty and priorities coming out of the new 2020 strategy we will be discussing next year.

We have to solve all these problems in the knowledge that margins are tight and that the Council will be reluctant to provide extra funding. That is why a fundamental review of the budget in the future is absolutely essential. We should make sure that the budget in the future meets our priorities.

We also need to look at a new budget line for the Globalisation Fund, rather than to keep taking money from other lines. We also need to make sure there is enough money under the flexibility instrument so that we can respond and change our priorities. At the moment, that amount is not enough. If we can do all these things, then we will meet our priorities and, more importantly, we can show the citizens of Europe that this Parliament is relevant.

Our budget should follow our priorities, but it should also follow the priorities of our citizens. That is the key message for us as a parliament, but also a key message for the Commission and for the Council.

**Csaba Óry (PPE).** – (HU) It is perhaps no coincidence that the preparation of the 2010 budget is attracting this much attention. All this attention is fully justified in view of the worsening unemployment and the difficulties caused by the economic crisis. As the rapporteur for the opinion of the Committee on Employment and Social Affairs, I wish to express my thanks to the rapporteur, Mr Surján, for the professional way in which he has handled the relevant dossiers.

We specified earlier the following priorities in the opinion recorded by me in the Committee on Employment and Social Affairs. We obviously gave number one priority to instruments aimed at alleviating the effects of the financial and economic crisis on Europe's citizens. We supported every proposal, including the 8.4% increase intended to boost competitiveness, that we hope will retain jobs or create new ones and contribute to the economic recovery plan, the renewed Lisbon strategy, as well as the lifelong learning programme.

We also highlighted the tasks associated with the Social Fund, vocational training, obtaining technical qualifications and lifelong learning. I feel that it is particularly important that we managed to earmark EUR 25 million in funding for the future microfinance facility in 2010. Yesterday, we debated this new facility. Hopefully, we will be able to agree quickly on the other funding details as well.

I believe that it is important for the budget to emphasise the significance of the funding for the activities and policies under budget line 1a. They will contribute to sustainable development and job creation. I would especially welcome the items intended to improve the situation of small and medium-sized enterprises, as well as the support given to the Progress programme, the EURES consultancy and information network and pilot projects such as the European Globalisation Adjustment Fund.

Taking all these together, I feel that the objectives defined by the Committee on Employment and Social Affairs can play a major role in the budget, for which we owe a debt of gratitude to the rapporteurs.

**Gay Mitchell (PPE).** – Mr President, in the last Parliament, much attention was paid to the Members' and assistants' statutes, and I think that was quite appropriate. Now, at the beginning of this Parliament and new Commission, it is time we turned our attention to other members of staff of the three institutions and examined the role of those staff.

We are very privileged to have very professional and committed people working for Parliament, the Council and the Commission, but the reality of it is that within this Parliament, we do not have a grasp of exactly what a lot of these staff do. They have done what they have done for years.

When there are 27 Member States represented in this Parliament, 27 Commissioners coming together from those Member States into the Commission, and Council Ministers going back to their Parliaments and coming here, it is very easy for the staff elected to serve us to actually take over the agenda.

What I am asking from the very beginning of this Parliament is that the incoming Commission – I do not know, incidentally, what proportion of the budget is on staffing, but I know it is substantial – require a study on what it is that the staff of the three institutions do, to ensure that they are being efficient and effective

and, above all, that they are transparent and accountable in what they do. I think that this would be an important public service.

There is a sort of growing belief that there is a faceless bureaucracy. I do not share that view, and I do not mean that as a backhanded compliment as we have some very good staff, but that is not the measure of efficiency and effectiveness. We have to know what the staff are doing and, if we are serious about having a Lisbon agenda with an efficient and effective economy, then we have to be sure that the staff who work for our three institutions are being applied effectively, efficiently and accountably. I believe that in each of the institutions, there should be a deputy secretary-general who reports to those institutions on the efficiency and effectiveness of staff from time to time.

I would ask the Commission to have this examined independently and fairly in the early stages of the new Commission.

**Tadeusz Zwiefka (PPE).** – (PL) Mr President, it appears worth pointing out during the budget debate, too, that the law is a fundamental element in the life of society, and its cohesion unites our continent. The Court of Justice of the European Union plays an essential role in this area, and this is why the Committee on Legal Affairs has proposed a series of amendments intended to restore means provided in the initial draft budget, which will barely allow the Court to meet just its most fundamental needs.

One of the most pressing problems is the matter of increasing budgetary means for 2010 for the translation of questions referred for preliminary rulings, which are a basic instrument used by national courts to allow them to adapt national jurisdiction to European jurisdiction. The ECJ has insufficient means to increase its resources of personnel working in its translation service, and this is causing delays to court proceedings. Granting additional means to the Court will contribute to an increase in efficiency of operation in this area, and also to a reduction of delays to court proceedings in Member States. The reduction of means by the Council affects what are already highly curtailed strategic IT projects proposed by the Court for 2010 to improve its quality of service with a simultaneous reduction in the number of staff employed. It is imperative that the means provided in the joint draft budget be restored. Information technology is a fundamental area which enables the new challenges of our times to be met, brings long-term savings, and offers the citizens better service.

I would also like to stress the need to support the draft Reference Frameworks. In February 2009, a group of academics presented the final version of a summary of the draft Reference Frameworks which European institutions will be able to use as a basis for the creation of European contract law. At this stage, it is extremely important to make the Frameworks available in as many of the official languages as possible, to enable political and legal groups and other interested parties to have a thorough discussion on the subject of the future of European contract law. I am glad that the European Parliament will make good these mistakes of the Council and allow the Court to function in a better way.

#### IN THE CHAIR: MR ROUČEK

*Vice-President*

**György Schöpflin (PPE).** – Mr President, like everybody else, I find this an extremely good budget. A great deal of work has gone into it, and congratulations to all those who were involved in it.

What I would like to do at this stage of the debate is to try and look at the big picture. Extremely important contributions have been made about particular issues, but we have to look at the broad European context in order to understand the significance of what we are talking about. It seems to me that, in a democracy, every institution has to have a budget, and the institution must account for what it is spending to those who are actually making the contributions and who are providing the resources.

This particular budget is, in consequence, loaded with responsibility. In fact, it is loaded with the responsibility of being the budget of an institution which is particularly committed to transparency and accountability. Not least, given our commitment to transparency and accountability, this will enhance good governance and, in an ideal world, it will increase trust between those who spend and those who provide. Perhaps I should stress that is in an ideal world – reality is often different. The particular significance of this transparency is that it can help to overcome the remoteness that exists between individuals and those who exercise power. This remoteness – I think we can all agree on this – is an unavoidable feature of modern life, so every institution should do what it can to bridge the gap.

On top of that, there are difficult times ahead for Europe, and I think that enhances insecurity among citizens. What we can do in this context is to illuminate the issues by promoting debate and discussion which should, incidentally, include disagreement. From this perspective, I think the budget is an excellent step in the right direction, and I would like to give my strong support to it.

**Peter Šťastný (PPE).** – Mr President, the 2010 budget is far from being generous – just like any other budget. Under the circumstances, we need to work with what we have, and what we have is the impact of a major global crisis as a priority. Everything else becomes secondary.

As the rapporteur for the Committee on International Trade (INTA), I would hope the increased amounts under Heading 4 (The EU as a global player) will be well invested and well monitored so that they stimulate increased flows in trade and, together with the elimination of barriers, we should achieve stronger GDP and employment growth.

The WTO Doha Development Agenda is the best multilateral platform to accomplish this task, particularly in developing countries. Therefore, there is a strong incentive to bring this long-lasting saga to a successful resolution as we will then be in a position to fight the nasty impact of globalisation with a truly powerful tool.

**Czesław Adam Siekierski (PPE).** – (PL) Ladies and gentlemen, the budget for 2010 is a difficult compromise. On the one hand, it is supposed to act to limit the economic crisis and, at the same time, we are financing efforts to combat climate change, mainly by limiting CO<sub>2</sub> emissions. This is good, but surely in the short term, this hinders development, which is an area where we continue to spend too little.

The increase in spending on research and innovation is justified. This will improve our competitiveness. It seems we still spend too little on education, including the Erasmus exchange programme. It is good that money – although not enough – has been found for the milk fund, because the past year has been a difficult one for European farmers. If we want to stimulate economic conditions and reduce unemployment and social exclusion, we should increase funding for the Microfinance Facility. Financing broadband Internet in rural areas is important for development, but of course, as I said, this budget is a compromise.

**Nathalie Griesbeck (ALDE).** – (FR) Mr President, I should like to take the floor under the catch-the-eye procedure since, earlier, I had only one minute of speaking time when the agenda said I had two. I would just like to add something: although I will join the rest of my group in voting in favour, on Thursday, of the budget we are debating, I nevertheless wish to stress that we are experiencing not only an economic, financial and environmental crisis – as was pointed out earlier – but also a very profound social crisis linked to the rise in unemployment.

Although the budget strikes a delicate balance, I, for my part, regret the Member States' failure to take account of strong political signals sent out precisely to those people experiencing difficulties. The wish was expressed that additional funding be provided as part of the plan to help the poorest citizens, but unfortunately, it has not been acted upon. I regret that, because it would have sent out a strong signal that we are moving in the direction of a more social Europe.

**Zigmantas Balčytis (S&D).** – (LT) Thank you, Mr President, Council, Commission, ladies and gentlemen, the 2010 budget really is an example of a good compromise. I definitely do not agree with those colleagues who have said that the 2010 budget is a crisis budget. We, the representatives of some states, know very well what a crisis budget is, when budget revenues have decreased by 30% and more in two years.

We must congratulate the Commission for certain priorities; together with the Council and Parliament, it mobilised additional funds, in particular, to finance the Economic Recovery Plan, for example, to increase broadband Internet access, and also to fund the SET-Plan. I would also like to mention that there are some problematic areas.

Nevertheless I would like to draw attention to the speech made by my fellow Member, Mr Godmanis, in which he mentioned that for more than a year, individual states have failed to manage financial support. Therefore, I really think that this is a good budget, it should be supported and I congratulate the Commission.

**Ivars Godmanis (ALDE).** – Mr President, briefly, I want to stress one thing as the Commissioner is here.

We have a problem: in the Committee on Regional Development, we are still working on the proposals for changes whereby, for 2009-2010, the European Commission (EC) will not ask the Member States for

cofinancing. The entire funds amount to more than EUR 6.6 billion. We have adopted the 2010 budget, but there is no money in this budget to provide for those needs; the 2009 budget is finished.

The Committee on Regional Development is still waiting for the new EC proposal because the previous proposal was rejected by the Council. We have to be very clear on what we have to do next. My understanding is that there is no room for this proposal, but the situation has to be qualified. Otherwise, the Committee on Regional Development will be working in one direction, and we in the Committee on Budgets will have no idea what we can do because we have no more money for these proposals in the upcoming 2010 budget.

**Ilda Figueiredo (GUE/NGL).** – (PT) Mr President, in the midst of the economic and social crisis, which is having terrible effects on employment and people's living conditions, I am sorry to say that this draft Community budget for 2010 does not go nearly far enough. It does not even take account of either the financial perspectives, which suggested 1.1% of the Community's Gross National Income, or the draft submitted and approved at first reading in this budget, which was for 1.08% of Community GNI.

The draft which is now here for approval perpetuates a budget that prioritises and finances the European Union's neoliberal and militaristic tendencies. It should be noted that this first budget under the Treaty of Lisbon is to the detriment of the much-vaunted policy of economic and social cohesion, which now receives a much smaller share. In total payments, the cuts in cohesion spending amount to roughly EUR 2.5 billion compared with what was approved at first reading.

For all these reasons, we cannot agree with this draft budget, which is over EUR 11 billion smaller than was planned in the multiannual financial framework for 2010.

**Hans Lindblad, President-in-Office of the Council.** – (SV) Mr President, I think this has been an exciting debate. We have had differing views and that is how it should be. Some people want to slim down the budget. However, it seems that many people will not be completely satisfied until all of the national budgets are transferred to the EU. Fortunately, transferring all power to the European Parliament is probably not what our voters want.

I received a direct question from Mr Färm. To listen to Mr Färm, it would seem as though we would have no employment policy in Europe if we did not have micro-credits. That is not the case, of course. The various Member States are investing enormous amounts of money in supporting the economy and employment. In addition, Europe is making substantial general increases in the budget, including the provision of EUR 5 billion through the recovery plan. Finally, we also have the European Central Bank's very expansive policy. Thus, we no doubt have a very powerful policy for employment and growth.

If Mr Färm believes that micro-credits are something that should be prioritised, something else will, of course, need to be given a lower priority. It is all about choices. However, simply wanting to have more and to send the bill to the various Member States is not, of course, an acceptable solution.

**Vladimír Maňka, rapporteur.** – (SK) Ladies and gentlemen, thank you for your inspiring speeches. I would like to thank the representatives of the European institutions, the Presidency of the European Parliament, the shadow rapporteurs, coordinators and all of you.

Everything has taken place this year under the leadership of two Budget Committee chairs. In the first half of the year, it was Mr Böge, and in the second, Mr Lamassoure. Mr Böge, Mr Lamassoure, I am sure I am not the first to tell you that you have both made a great contribution to the work of the committee and the entire budget process.

I appreciate the cooperation of the Swedish Presidency and the Commissioner. The women and men who do not appear officially are our advisors, assistants and administrative staff. However, they are key people. Without them we would not have achieved today's result. I would like to thank them all.

Ladies and gentlemen, the Lisbon Treaty will have an impact on the entire range of services of the European Parliament and the other institutions. For the European Parliament, codecision making will increase dramatically, covering up to 95% of the legislation in areas such as freedom, security and justice, agriculture, fisheries, research and structural funds. There will be greater use of qualified majority voting in the Council and the creation of a number of new legal foundations in areas such as tourism, sport, energy, civil defence and administrative cooperation. This will increase the legislative activities of the EU generally with a significant overall impact on the powers of the European Parliament and its activities and therefore also on the need to boost the administration.

In the coming months, we will examine and quantify the financial resources necessary for implementing the new policies of the EU connected with the Lisbon Treaty. I believe that together, we will succeed in setting out the next budget process.

**Jutta Haug**, *rapporteur*. – (DE) Mr President, I would like to thank all my fellow Members. We have managed to find a common position with regard to the Council. However, I would also like to thank the Council and the Presidency of the Council very warmly at this point. Anyone who knows me will be aware that I am normally very sparing with praise and thanks. Nevertheless, I would like to express my sincere gratitude to the Swedish Presidency and, in particular, Mr Lindblad, for its work and its constant presence during the discussions on budget issues. This made a pleasant contrast to the other Council presidencies that I have experienced during the course of my long career as a Member of Parliament. Thank you very much.

This morning, many Members took part in the discussion and I believe that on this occasion, there were many more Members involved than usual. The majority of them referred to the limitations of the budget and its structure. Ladies and gentlemen, we can confidently assume that the 2010 budget will be the last of its kind, the last with this structure, which leads us to believe that we can finance the necessary policies of the European Union and its new challenges and tasks in this way.

We expect the new Commission to carry out the mid-term review quickly, as, under the terms of the agreements made in 2006, this should have been submitted by 2009 at the latest, in other words, by the end of this year. To spell it out, we also expect a revision proposal for the current financial perspective. We cannot wait until 2014 for reform. We need sustainable instruments now, so that the European Union can meet the challenges of the immediate future with democratic legitimacy, as the Chair of the Committee on Budgets, Mr Lamassoure, has just called for on behalf of all of us.

**Reimer Böge**, *rapporteur*. – (DE) Mr President, now that we have all agreed on the 2010 budget, in line with political realities, today we must, of course, focus our attention on what lies before us in the next few months.

As the European Council has granted itself EUR 23.5 million using a very one-sided process, we will also have to put in place the necessary supplements to the parliamentary budget very rapidly, in order to maintain the balance between the institutions and to ensure the ability of Parliament to respond to the challenges posed by the Treaty of Lisbon. We will also have to pay sufficient attention to the ability of the groups, the committees and, in particular, the individual Members, to act with regard to the tasks that face us.

In addition, we will have to hold general discussions over the next few months on adjustments, reviews and revisions. This concerns adjusting, renewing and enhancing the interinstitutional agreement. It is about linking up parts of the interinstitutional agreement into a multiannual financial framework, which has a different decision-making process on the basis of the Treaty of Lisbon. It is about the codecision procedure in the Financial Regulation. In addition, it relates, for example, to the large package to develop the European External Action Service, with regard both to guaranteeing Parliament's budgetary rights and to the possible adjustments to the legal bases that may be necessary for the multiannual programmes of the External Action Service.

For this reason, I would like at this point to say once again that without adjustments, reviews and revisions, nothing can be done. We cannot put off indefinitely the necessary process of phasing in the budgetary challenges of the Treaty of Lisbon. I expect the new Commission to begin work very quickly and to make proposals which guarantee the rights of Parliament in every area and which do not attempt to modify individual rights through the back door, as this could be to the disadvantage of Parliament. We know how to stop this happening.

**László Surján**, *rapporteur*. – (HU) If we want to increase Europeans' sense of security in 2010, we need to implement this budget in an effective and practical manner. This is exactly why we have increased energy security, are supporting the creation of jobs and introducing a microfinance facility. We also support research and development, as well as lifelong learning. We want to help the dairy sector and alleviate, as far as possible, the harmful effects of climate change.

We have all achieved this by spending every last penny of the resources received through the multiannual financial framework. However, this means that the budget has become completely inflexible, failing to provide sufficient margin. This is another reason for the great urgency of the mid-term review, which I am also reiterating. The Commission and Member States share particular responsibility for future success. We can only look taxpayers straight in the eye if we use the framework available to us not only lawfully, but purposefully as well.



If there are resources available for creating new jobs, the number of jobs will actually increase. If there are other resources available allowing underdeveloped regions to catch up, the volume of the GDP produced locally in these regions will actually grow. Only when we are in control of these conditions can we say that we have received value for our money and that it was worthwhile Europe's citizens making the sacrifice, because the current contribution to the EU budget of EUR 123 billion is certainly a sacrifice.

Mr President, Minister, Commissioner, I hope that this Parliament will give its firm support to the current report which has been tabled, and that on Thursday, we will give Europe's citizens a good budget which is not only legally sound, but morally sound as well.

**President.** –The joint debate is closed.

The vote on Jutta Haug's report will take place tomorrow.

The vote on the Surján, Maňka and Böge reports will take place on Thursday.

*Written statements (Rule 149)*

**Ádám Kósa (PPE), in writing.** – (HU) My colleague from the Group of the European People's Party (Christian Democrats), Mr Surján, and Mr Maňka have completed an important task. Just as with a budget debate in any national parliament, we also need to make it quite clear in this House what a draft budget specifically contains and the message which this conveys to society. In spite of the fact that there was no mention of accessibility in the report, I would like to draw your attention to the following: based on the decision made by the General Affairs Council on 26 November, the EU has joined the United Nations Convention on the Rights of Persons with Disabilities as a regional organisation. In light of this and in accordance with paragraph 43 and the provisions contained in Appendix 2 of the report, we should welcome the joint declaration made on the policy on buildings.

However, it is very important that accessibility is included in the case of construction and other infrastructure investments as well, in addition to complying with the other important requirements (e.g. energy savings). The additional costs for accessibility are always much higher. As part of this, it is of paramount importance that the European Parliament also considers the visually impaired with regard to safety requirements. For instance, when designing buildings and getting them ready for use, clearly visible signs should be used, along with tactile floor markings to help the visually impaired find their way. In addition, in connection with language rights, I would consider it important that along with making buildings accessible, documents (including electronic versions) should also contain appropriate information about how the visually impaired can gain access (what the recommended software packages are).

**Andreas Mölzer (NI), in writing.** – (DE) During an economic crisis, when the citizens of Europe are being subjected to waves of redundancies and cuts in social services, the European Union must also make savings. Next year, the EU plans to spend about EUR 123 billion, which is seven billion more than this year. In difficult economic times, measures are, of course, needed to stimulate the economy, but it is doubtful whether instruments such as the European Economic Recovery Programme can achieve this. In the past, much-vaunted EU programmes have turned out to be paper tigers. In addition, various EU subsidies have proved to be an invitation to commit abuses of many different kinds. For years, the European Court of Auditors has been identifying in its annual reports blatant faults in the agricultural and structural funds. This means that hard-earned taxpayers' money has, for years, been trickling away into mysterious channels. The complicated regulations which even Brussels eurocrats often find confusing are a major contributor to the defective nature of the system. The EU does not even have control over the recovery of funds which have been paid out mistakenly. Therefore, continuing to inflate the EU budget is the wrong route to take. Instead, the errors should be eliminated from the system by means of far-reaching renationalisation measures, for example, in the agricultural sector. This would allow the Member States to decide for themselves which areas they want to subsidise. As far as the measures to stimulate the economy are concerned, these should form part of a coordinated approach by the Member States.

**Siiiri Oviir (ALDE), in writing.** – (ET) In March 2009, with the economic recovery plan that has been approved by the European Council, it is intended that in 2009 and 2010, EUR 5 billion of unused EU budgetary funds will be allocated for investment in projects concerning the connection of energy networks and the development of broadband networks. I am very pleased to note that, in relation to the second year (2010) of funding of the recovery plan for the European economy, a result was achieved in the Conciliation Committee, through the investigation of the 2007-2013 financial framework and a transfer of funds, which guarantees funding amounting to EUR 2.4 billion for next year, and also makes it possible to implement the objectives specified

in the economic recovery plan. If the changes made to the financial framework in connection with the recovery plan for the European economy leave very little funding in 2010 to cover the expected financial needs, then I agree with the rapporteur's position that the multiannual financial framework currently in effect does not meet the European Union's financial needs, and also that the European Commission should immediately put forward a proposal concerning an interim summary of the multiannual financial framework currently in effect.

**Pavel Poc (S&D), in writing.** – (CS) I would like to begin by stating my admiration for everyone who worked on the budget. Preparing an EU budget in conditions of economic crisis and the transitional period from Nice to Lisbon was a very difficult task. The budget for 2010 is the last one in this structure. The Lisbon Treaty is nevertheless in force and it will be difficult to work within the framework of a budget whose structure does not reflect the new conditions. However complicated the Lisbon Treaty ratification might have been in the end, it cannot be an excuse for the Commission, which failed to submit the draft of the new budget structure on time. The Commission must complete this task without delay. The 2010 budget is very carefully balanced as it makes full use of all the opportunities for allocating expenditure. As a result of this and as a result of economic fluctuations caused by the turbulent period of economic crisis, the budget may become very fragile. This budget must be supported in the knowledge that it is perhaps too finely crafted for the current period of insecurity and working with it in 2010 will require a certain measure of flexibility.

**Georgios Stavrakakis (S&D), in writing.** – (EL) Mr President, ladies and gentlemen, I, too, should like to express my satisfaction at the agreement reached on the budget for 2010. At the same time, however, note should be made of the fact that the margins available are extremely limited for coming years. That leaves little room for response in the event that the EU has to respond to unforeseen requirements or wants to react to new political challenges, such as the EU strategy for 2020, or to new measures to combat climate change.

I am especially pleased that we managed, thanks to the persistence of the European Parliament, to safeguard financing for energy networks and infrastructures within the framework of the Economic Recovery Plan, placing emphasis on 'green technologies', innovation, research and the creation of broadband networks in the countryside.

It is also extremely important that we succeed in safeguarding the viability of existing Community infrastructures and tools in the civil protection sector, especially by further strengthening the rapid response capacity of the European Union in the event of natural disasters, thereby paving the way for the future creation of a European civil protection force.

Finally, I think that we all agree that we cannot talk of a better Europe, of a Europe which is closer to the citizens, without commensurate financing.

**Silvia-Adriana Țicău (S&D), in writing.** – (RO) The 2010 EU budget is the last budget to be approved in accordance with the Treaty of Nice. The new treaty grants the European Parliament greater power and the last word when it comes to the adoption of the budget. Parliament and the Council will have equal powers as legislators in areas such as agriculture, energy, immigration, justice and internal affairs, health and the Structural Funds, which obviously includes their relevant budgets as well. The 2010 budget allocates significant proportions of its funds for the conservation and management of natural resources, social and economic cohesion, growth and employment, competitiveness and innovation, regional development, agriculture and rural development. The European Economic Recovery Plan features in the 2010 EU budget with EUR 2.4 billion available for funding strategic projects relating to energy, transport, the development of broadband networks in rural areas and for supporting rural communities. I welcome that the European Parliament has managed to allocate a sum of EUR 300 million in support of dairy producers. The economic crisis has affected the GDP of Member States and will influence Member States' contributions to the EU budget. I hope that the mid-term review in 2010 for the 2007-2013 financial framework will enable Member States to absorb the Structural Funds better, particularly in the area of transport and energy efficiency in residential buildings.

*(The sitting was suspended at 11.25 and resumed at 12.00)*

**IN THE CHAIR: MR PITTELLA***Vice-President***8. Voting time**

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

*(For details of the outcome of the vote: see Minutes)*

**8.1. European Microfinance Facility for Employment and Social Inclusion (Progress) (A7-0050/2009, Kinga Göncz) (vote)****9. Explanations of vote****Oral explanations of vote****- Report: Kinga Göncz (A7-0050/2009)**

**Aldo Patriciello (PPE).** – *(IT)* Mr President, ladies and gentlemen, I welcome the excellent work carried out by the rapporteur and by all the Members who have worked towards the creation of this new instrument which will allow micro-credits to be granted to small and medium-sized enterprises and to people who have lost their jobs in recent years.

In view of the loss of 3 million jobs in the EU alone and the banks' difficulties in extending credit, this instrument will provide easier access to the necessary resources for those who wish to start up a new business.

I am certain that this new initiative will help create new jobs, especially if we introduce new accompanying measures such as funding for training, which will help young people set up investment projects.

This instrument, Mr President, must be adopted as quickly as possible in order to revitalise small and medium-sized enterprises which represent the life-blood of Europe's economy.

**Dimitar Stoyanov (NI).** – *(BG)* Thank you, Mr President, I voted in favour of the financial measures report. I think that this facility is very appropriate at this precise moment in time and that it will have a very positive impact if it is applied properly, as it was in my country, Bulgaria. At the moment, the climate is extremely unfavourable for small entrepreneurs who, with few opportunities available, have no chance of obtaining credit from banks.

All the banks are pursuing a policy which is basically incompatible with the concept behind banking institutions. I get the feeling that the banks are deliberately inventing an ever-increasing number of additional terms for no other reason than to prevent them from issuing credit. However, without credit, a business cannot operate.

Nevertheless, when credit is issued, these companies are obliged to provide guarantees of 100-150%, making them liable to go bankrupt. This is why I believe that the European Union and Parliament have, in this case, taken very appropriate action with this report, which will really contribute to the development of the European and Bulgarian economies.

**Diane Dodds (NI).** – Mr President, I want to make it clear that while I feel that helping small business is a very good idea and one that should be pursued, it should be pursued at national government level. I have huge concerns over this proposal, about the accountability of the money that will be lent, and the payback in relation it.

I would encourage national governments to do all they can to help small business, which is the backbone of our economy. The EU can help by decreasing regulation and making funds available at a national level.

**Syed Kamall (ECR).** – Mr President, we were in favour of this proposal. I think it is very important that we help entrepreneurs right across the EU and in Member States to create wealth and jobs and take people out of poverty. I am also grateful that we were looking at taking the money from the existing budget, rather than new spending, and using that to leverage even more spending from the private sector.

However, I must point out that we have to be very careful here when using state financing and taxpayers' money. In my own constituency, I am aware of some microfinance facilities, such as the excellent Croydon Caribbean Credit Union, which helps underprivileged communities come out of poverty. These facilities have been squeezed out by local government and other state microfinanced facilities. It is important, in pursuing increased accessibility to microfinance, that we do not squeeze out the many excellent private providers that are already there.

**Alfredo Pallone (PPE).** – (IT) Mr President, ladies and gentlemen, I think that we all agree on the issue of micro-credit, but we should also discuss financial resources. I believe that it should be our duty to increase this financial resource.

We must also be careful not to extend micro-credit to further stakeholders in small and medium-sized enterprises, since micro-credit came into being to help less fortunate social partners. Along with this, we also need to discuss a cultural question: in many countries, and I believe especially in countries where there is the greatest need, the right cultural approach required to obtain these sums is lacking. I strongly believe that these instruments should be adopted first by the governments concerned.

There are two speeds in Europe: the speed of countries which have already applied this approach, such as France and Germany, and there are other countries which instead need to take a cultural approach to this question. In short, I strongly feel that the true problem, what is really at stake in Europe, is that it is not just a question of procuring funding as an end in itself; we must seek to bring about the conditions whereby the least fortunate workers can create employment for themselves.

#### Written explanations of vote

##### - Report: Kinga Göncz (A7-0050/2009)

**Luís Paulo Alves (S&D),** *in writing.* – (PT) I voted in favour of the creation of this microfinance facility for employment, since it aims at providing opportunities for the unemployed and encouraging entrepreneurship. This facility, which is aimed at people who want to start or develop a micro-enterprise (less than 10 employees and a turnover of less than EUR 2 million), will open up new horizons for many unemployed people. Given the current state of the economy, it would have been useful if this important programme had been launched sooner, because people have been finding it difficult to access credit for a long time now.

As this facility is aimed at public and private organisations that provide private individuals and micro-enterprises with micro-credit at national, regional and local levels in EU Member States, it needs to be carefully monitored by the relevant bodies to ensure that the credit is actually reaching the places where it is most needed and that we do not see a repeat of the situations that occurred during the last financial crisis.

**Andrew Henry William Brons (NI),** *in writing.* – I am in favour of the state providing microfinance to individuals to help them to establish small businesses. However, I am opposed to the European Union carrying out this function. Nevertheless, I did vote in favour of some amendments because it was always likely that the resolution would be carried and I wished to improve the resolution as much as possible. The 'blocking' of the votes on several amendments prevented me from voting separately on some amendments.

**David Casa (PPE),** *in writing.* – One of the most detrimental consequences of the global economic crisis is the lack of credit being supplied by banks, which is preventing individuals as well as large companies from conducting their economic activities. The proposal being made by the European Commission provides for the establishment of a microfinance facility that seeks to aid in alleviating the current hesitation in funding by banks and other financial institutions. It is for this reason that I have decided to support the rapporteur on this issue and vote in favour of the report.

**Nikolaos Chountis (GUE/NGL),** *in writing.* – (EL) I voted against the report because unemployment, which is constantly increasing in the European Union, cannot be combated with a microfinance programme. Integrated programmes with adequate funding under a separate budget line are needed, programmes which focus on combating youth unemployment, which is extremely high in Greece in particular, with one in four young people under the age of 25 out of work.

Generally speaking, what we need are policies which call for an increase in the Community budget and which overturn the neoliberal framework of the Stability Pact and low deficits. I also believe that funding within the framework of this mechanism should be purely voluntary and should not in any way force anyone to use the mechanism under the threat that their social security benefits will be cut or reduced. Unfortunately,

amendments to this effect tabled by me and my fellow members in the Confederal Group of the European United Left – Nordic Green Left were rejected.

**Diogo Feio (PPE), in writing.** – (PT) As Europe is going through a deep economic and financial crisis, which has led to serious social problems with unemployment growing in all the Member States, it is essential for the European Union to create effective mechanisms for tackling the crisis and also supporting those worst affected, including the unemployed and businesses in difficulty.

That is why I welcome the creation of a microfinance facility for employment, focusing on entrepreneurship and giving everyone the opportunity to start their own business. European microfinance will be available for cases where access to banking credit is denied or made difficult, through support for the growth of micro-enterprises, together with mentoring, coaching and interest-rate support from the European Social Fund.

It is also important to point out that this facility should serve the sole purpose of supporting entrepreneurship as a means of creating new jobs, by helping to realise solid business ideas, and it should not be used for social support or to boost consumption.

**José Manuel Fernandes (PPE), in writing.** – (PT) In the current context of economic crisis and rising unemployment it is important to foster the growth of self-employment, as well as the creation and development of micro-enterprises. Micro-credit will help achieve this objective. I therefore welcome the Commission's proposal and Parliament's work on this subject. This is a way to encourage entrepreneurship and raise the levels of employment and social inclusion. This microfinance facility is complementary to other programmes that support employment and inclusion. I therefore think it is important that this facility should not be financed at the expense of existing programmes or jeopardise them.

I had already voted in favour of this facility in the Committee on Budgets in the context of the budgetary procedure for 2010, through which two new budget lines were created, one for operational expenses in the sum of EUR 37.5 million and the other for administrative expenses in the sum of EUR 0.25 million. I hope this programme will soon become operational and the process of approving applications will be swift and not tied up in red tape.

**Ilda Figueiredo (GUE/NGL), in writing.** – (PT) We regret that a majority in this Parliament has yet again gone back on its word and approved a proposal that takes money out of the Progress programme, which was already clearly underfunded for its areas of action in the social field. Irrespective of any considerations regarding the objectives of the new European microfinance facility, it is unacceptable that it should be financed by reducing the funds available to existing programmes, in this case Progress, a Community programme in the area of employment, social inclusion and equal rights.

The text approved by the Committee on Employment and Social Affairs clearly rejected the idea of financing this facility from Progress and proposed creating a new budget line with its own resources: in other words, 'new' money. The amendments tabled by our political group were along the same lines, but were rejected today.

Since social conditions in the various Member States are deteriorating, it is unacceptable for funds to be channelled away from the employment and social inclusion area towards other priorities that have been defined in the meantime, even if it is to the area of microfinance.

**Bruno Gollnisch (NI), in writing.** – (FR) Thanks to the Göncz report on micro-credit and the controversy that surrounded the financing of this project, I went to see what this famous Progress programme – which the left is so adamant should not be deprived of a single cent for the financing of micro-enterprises and individual initiatives – is all about. Because, for the moment, what purpose does Progress, defined as the 'Community programme for employment and social solidarity', really serve? That of creating paperwork, and of financing studies and reports. Because, for the moment, Progress's 'target' audience is neither the unemployed nor the excluded, but political decision makers and opinion formers.

Some people are refusing to deduct EUR 100 million for micro-credit from the paltry sum of EUR 700 million allocated over seven years. A little less money for those who profit from the system, a little more money for Europeans, with a constant budget: one cannot argue with that! The time has come to stop observing the poverty and the difficulties of our fellow citizens and to take concrete action instead. I have one reservation, however: micro-credit is necessary only because the 'banksters', who are so quick to pocket State aid, are not doing what they are supposed to be doing: pumping money into the economy.

**Françoise Grossetête (PPE)**, *in writing*. – (FR) I voted in favour of the Göncz report on the European Microfinance Facility. Micro-financing concerns micro-credits (loans of less than EUR 25 000) and micro-enterprises (enterprises that employ fewer than 10 people).

In this period of economic crisis and due to the considerable fall in the number of loans granted, it is vitally important for the European Union to create a facility aimed at the most vulnerable, such as the unemployed, young people and small businesses.

When an economy or jobs are at stake, it is crucial to stimulate growth with substantial investment. The facility will see its funding increased to EUR 100 million, the money being taken from the budget for the Progress programme (Community Programme for Employment and Social Solidarity), and will come into force on 1 January 2010 (for a four-year period). The Council must hear this message so that an agreement can be reached in the next few days.

**Sylvie Guillaume (S&D)**, *in writing*. – (FR) I voted in favour of the report by my colleague, Mrs Göncz, because I feel it is crucial, especially in the context of an employment crisis and of a social crisis, to support micro-finance by providing it with a specific budget line. This is a special instrument in the fight against banking exclusion and poverty. Contrary to what the European Commission is asking, we oppose the idea of reallocating appropriations from the Progress programme to the European Microfinance Facility, because that would send out a negative message to economic operators. We must maintain the Progress programme, which targets the most vulnerable groups, and it is the joint responsibility of the Member States and the European Union to implement it effectively in the current circumstances.

**Livia Járóka (PPE)**, *in writing*. – (HU) I am absolutely delighted that the vast majority of the European Parliament has today approved the report on the European Microfinance Facility for Employment and Social Inclusion. The planned micro-credit system can contribute significantly to the creation of social cohesion and new jobs, not to mention greatly help alleviate the harmful effects of the financial and economic crisis. During the global recession, it is particularly important to provide new opportunities for citizens who have been squeezed out of the labour market and the traditional credit market, and pave the way for stable, long-term self-employment. Furthermore, it is vital that a simple financial facility exists for those in disadvantaged regions intending to start up their own business and for the most vulnerable groups, which, in spite of the high risk, low margins and risk of default, helps businesses to start up and thrive. The overwhelming majority of employees in Europe are employed by micro-, small and medium-sized enterprises.

This is the reason why, in order to ensure that these companies do not lose, but actually increase their employment potential, suitable support must be provided to them which, in certain cases, is of such a small amount that the traditional banking sector is unable to provide such funds. During today's vote, the European Parliament gave the clear message that the codecision procedure should be completed as soon as possible so that the microfinance facility may already be accessible from 2010.

**Eija-Riitta Korhola (PPE)**, *in writing*. – (FI) Mr President, I voted in favour of the report on microfinance facilities.

There is still a lot we could do to encourage young people in Europe to go into entrepreneurship. The financial and economic crisis has brought with it an employment and a social crisis, and it is indeed predicted that there will be another 10 million unemployed people in Europe next year. If there was ever a time to take prompt action, it is now.

With the current credit squeeze aggravating the situation at present, I am very much in favour of the initiative in the report to provide micro-credits for the unemployed or those threatened with unemployment who have difficulties having access to commercial loans for their business ideas. Nevertheless, we must also invest, for example, in young people's workshops and business incubators, as well as entrepreneurship education.

A comprehensive approach to investing in improving the employment figures and entrepreneurship is a prerequisite for a prosperous Europe.

**Patrick Le Hyaric (GUE/NGL)**, *in writing*. – (FR) I am in favour of financing social provisions in order to assist workers who have lost their jobs. However, this should not mean that businesses are exempted from their social and territorial obligations. It is not up to the public authorities to compensate for this unacceptable failure to fulfil one's obligations. That is why I shall abstain.

**Jörg Leichtfried (S&D)**, *in writing*. – (DE) I am voting in favour of the report on establishing a new microfinance facility which will help people whose jobs are at risk to set up or develop micro-enterprises.

These are defined as companies with fewer than ten employees and a turnover of less than EUR 2 million. This finance opportunity will be available initially for a period of four years, starting from 1 January 2010.

This will give people who have lost their jobs as a result of the crisis or who are finding it difficult to gain access to credit for their company the opportunity to undergo training, to retain existing jobs and, in some cases, even to create new ones. This will help to stimulate the economy and contribute to bringing the crisis to an end.

**Jean-Luc Mélenchon (GUE/NGL)**, *in writing*. – (FR) We shall vote against the proposal for a decision establishing a European Microfinance Facility for Employment and Social Inclusion. At a time when so many European citizens are being made redundant because of the crisis of capitalism and the complete lack of solidarity shown by those who continue to make profits at their expense, it is time for the European Union to change its liberal approach to solving the problems encountered.

Faced with the insatiable commercial appetites that the European Union's liberal dogmatism has created, we need a policy that protects European workers, the creators of the wealth of which they are being deprived in the name of profit. Again, this is a case of the Europe of big profits and of small, arbitrary handouts. The paltry sums pledged, the lack of clarity concerning their allocation and the individualistic logic behind the vehicle promoted testify to this. This bears no relation to the Europe of the general interest and of social equality that our peoples need.

**Nuno Melo (PPE)**, *in writing*. – (PT) At a time of crisis, when credit is scarce and access to it difficult, this kind of facility is essential to help provide micro-credit for small enterprises and people who have lost their jobs and want to start up new businesses on their own. It is difficult to achieve such goals without this kind of support facility. Furthermore, in the current crisis situation, banks are not sensitive to the credit needs of start-up enterprises which, in most cases, makes it impossible for them to get off the ground. With the prospect of several million more jobs being lost in the EU, it is important to have incentives that people who are made redundant can access in an attempt to make a new life for themselves, thereby avoiding social crises and reducing Member States' spending on social support measures.

**Andreas Mölzer (NI)**, *in writing*. – (DE) The financial and economic crisis caused primarily by British and American speculators is now leading to growing unemployment in Europe as a result of the economic downturn. It is mainly young people, who were already at serious risk of unemployment, who have been particularly hard hit by the changing situation. Therefore, it is especially important to give them an opportunity to start or restart their careers and to pave the way for some of them to start their own companies. I hope that the new European microfinance facility for employment and social inclusion – Progress – will give them significant support in this respect.

This new instrument also allows us to respond to the continuing credit crunch. As well as interest rate support, people who set up micro-enterprises will also receive support in the form of mentoring, training, coaching and capacity building. I support the committee's initiative to increase the funding for the microfinance facility by 50%, compared with the Commission's proposal, to EUR 150 million. Looking at the huge sums that have been spent on rescuing the banks, it is important to be generous to those people who have been hardest hit by the situation. For all of these reasons, I have voted in favour of this report.

**Wojciech Michał Olejniczak (S&D)**, *in writing*. – (PL) On 10 November 2009, the European Commission published a Proposal for a decision of the European Parliament and of the Council establishing a European Microfinance Facility. It is related to the Commission document entitled 'Realisation of the European Recovery Plan' and the priorities of the Council, which are: maintaining employment, creating jobs and promoting mobility, improving skills and adapting to the needs of the labour market, and increasing access to employment.

The microfinance facility is supposed to give easier access to financial services to the unemployed and groups of businesspeople who have found themselves in a difficult situation. It is concerned with people from certain social groups who do not have the creditworthiness required by commercial banks but would like to start up in business. Introduction of this type of support facility, which comes from EU funds, has particularly significant meaning in a situation in which lending levels are currently reduced and the value of loans which have been made has fallen.

The situation in the lending sector shows that the financial and economic crisis is changing into an employment and social crisis. The report of the Committee on Employment and Social Affairs contains significant amendments to the Commission Proposal, including opposition to transfer of the necessary funds

from the Progress programme to the European Microfinance Facility. The rapporteur proposes putting the facility under a separate budget line, and also proposes increasing the facility's budget for the next four years by EUR 50 million. In view of these aspects, I endorse the report.

**Evelyn Regner (S&D), in writing.** – (DE) I have voted in favour of the resolution to introduce the microfinance facility, because for me, the top priority is to adopt this resolution quickly. This will give disadvantaged sections of the population the opportunity to take out loans and to help themselves. However, I am calling on the Council not to take the funding from Progress. It is important that this programme retains its funding in full. In particular in this crisis, EU money must not be redeployed at the expense of the weakest members of society.

**Daciana Octavia Sârbu (S&D), in writing.** – I am delighted that the European Parliament has today approved a scheme for ensuring that additional loans will be made available to small businesses. This decision will allow EUR 100 million to be made available at regional and national level over the next four years. This is a valuable and timely development which will provide many of those people suffering the effects of the global recession with new opportunities. The measures announced today will support those wanting to start new businesses, as well as providing professional training – thereby increasing the range of skills upon which citizens can draw to set up the enterprises which are vital to Europe's economy. More and more, we are seeing greater consideration of small and medium-sized enterprises in European Union policy and legislation. I welcome this new development and, in particular, the European Parliament's contribution to stimulating the development of small businesses in difficult economic times.

**Czesław Adam Siekierski (PPE), in writing.** – (PL) The Progress programme was started to assist in realisation of European Union objectives in the fields of employment, social affairs and equal opportunities, which are laid out in the Social Agenda. The budgetary means available under this programme are supposed to be a stimulus for the process of transformation and modernisation in the five areas of employment, social integration and social protection, conditions of work, combating discrimination and equal opportunities for women and men.

Currently, the financial and economic crisis is changing into a social crisis and an employment crisis. The unemployed and people from social groups which are in an unfavourable situation need active support and advice if they want to become independent. The Progress programme is aimed at the most exposed groups, and in relation to this, I think Member States and the European Union are responsible for effective implementation of the programme. The Union should also make every effort to increase the range of directed financial support for new sole traders and the founders of micro-enterprises in the form of monitoring, training – including practical training – and skills development.

Progress is supposed to serve the development of micro-enterprises and the social economy. In the present economic and financial situation, which is characterised by a reduced supply of loans, the Progress programme extends the range of directed financial aid for new businesspeople. The main responsibility for employment and social policy rests with the Member States, but the European Union should be the initiator of these changes. It is necessary to create real possibilities of employment for all, and to raise the quality and productivity of work.

**Bart Staes (Verts/ALE), in writing.** – (NL) Microfinance is an interesting instrument to provide people who are unemployed or in danger of losing their jobs, and also enterprises in the social economy, with financial support in times of crisis. I voted against this report, as it is not certain that this instrument is to be financed with fresh money. It is possible that resources from the existing Progress programme will be used, a programme that was launched in 2007 and comprises actions concerning poverty reduction, anti-discrimination, social inclusion, gender and employment. Taking money from programmes that fight poverty in order to fight poverty is not a good strategy.

The Council, in particular, rejects a separate budget. The Member States clearly lack political courage. To enable this to start at the beginning of 2010, EUR 25 million is being released from the 2010 EU budget. There is no agreement between Parliament and the Council at present on the financing for the following three years (2011-2013). What Europe needs is a sustainable strategy and not a one-off injection such as this initiative. The microfinance instrument has no coherence and no long-term vision. In addition, micro-credits can already be granted under the European Social Fund, and also under the European Globalisation Adjustment Fund. I say an emphatic 'no', then, to this report.

**Derek Vaughan (S&D), in writing.** – This is a great initiative that will make it easier for people who have lost, or risk losing, their jobs to get credit to start up their own businesses. The European Progress Microfinance



Facility will make available up to EUR 25,000 to people who want loans to start or grow very small firms, and who have been unable to obtain credit through conventional markets.

I am pleased that the European Parliament was able to ensure this money did not come from the 'Progress' programme, which is designed to help vulnerable people, but was created using money from the 2010 budget for the first year. The EUR 100 million fund, available from early 2010, is exactly the kind of help that small businesses need at this time of financial crisis when banks are still unwilling to release credit. This will help businesses across Wales, and I am disappointed that colleagues from UKIP were unable to support this progressive initiative.

## 10. Corrections to votes and voting intentions: see Minutes

*(The sitting was suspended at 12.20 and resumed at 15.00)*

**IN THE CHAIR: MR BUZEK**

*President*

## 11. Approval of the minutes of the previous sitting: see Minutes

## 12. Question Hour with the President of the Commission

**President.** – The next item is the Question Hour with the President of the Commission.

*Open questions*

**Corien Wortmann-Kool**, *on behalf of the PPE Group.* – (NL) Mr President, expectations of EU 2020 are running high, not only in our group but also among European citizens. They expect prosperity, jobs and a sustainable, innovative social market economy by 2020, as well as specific proposals for strong SMEs and an open European single market, including in the field of capital and knowledge development. They expect a 2020 strategy with a solid, transparent European governance structure, with no free-for-all for Member States.

Mr President, what Parliament wants is not merely to be informed after the event about proposals by the Commission and the Council; it wants to actually participate in developing and implementing the 2020 strategy. How are you going to ensure this, and what timetable are you working to? The Council President has announced that the intention is to reach conclusions as early as March. Will you take the initiative? Can we expect a specific framework in the near future containing starting points and objectives as a basis for participation by Parliament in this discussion? Can you let us know what timetable you are working to and who is responsible? Are you Mr 2020?

**José Manuel Barroso**, *President of the Commission.* – As President of the Commission, I will be responsible for that, in coordination with my colleagues in the Commission, because this will be the central task for the next Commission, as was presented in my political guidelines. Regarding the timing, we hope to have a formal communication ready in time for the Spring Council, but I feel it would be better only to have the formal conclusions at the June Council. That will be my proposal to the European Council, so that we can have – and I very much wish for this – full participation and ownership for Parliament of the strategy.

At European Council level, there has also been a very interesting pre-discussion about the economy and, in fact, I have encouraged the European Council to take full ownership on the Council side as well, and to reinforce the mechanisms of governance. As you know, five years ago, when we re-launched the Lisbon strategy, there was resistance from some Member States to follow certain recommendations of the Kok report. This time, the conditions exist for having a reinforced system of governance in this strategy.

**Hannes Swoboda**, *on behalf of the S&D Group.* – (DE) Mr President, Mr Barroso, 2009 is drawing to an end in a difficult situation, with major unemployment and economic and budgetary problems. At the same time, the five-year period of the Barroso Commission is coming to a close. What conclusions do you draw from the first five years about the second five years, providing that the Commission is confirmed in office, in particular, with regard to these economic and social issues? What will you be saying to our citizens and also to your commissioners about the things that should be different in this new period?

We should work together to set new priorities with respect to our economic and socio-political objectives and to avoid recreating the situation that we currently find ourselves in. Therefore, I would like to ask you again what conclusions you draw from the first five years and what you want to do differently, better and more clearly in the next five years in order to fulfil the wishes of the citizens of Europe.

**José Manuel Barroso**, *President of the Commission*. – First of all, I think that the fact that this Parliament voted again for a mandate for myself is a signal that there is support for the action we have been taking. Having said that, there are issues that we have to change and to improve.

The situation today is different. There is a much greater sense of social urgency than before. As I have said very often, the most important problem we face in Europe today – which most likely we are going to face for some time yet – is unemployment. We have to find not only new sources of growth, but also to look at what was wrong with the previous model of growth.

It was obvious that the previous model of growth was dilapidated. Although it created some artificial bubbles – not only in the financial sector but also in other sectors – it was not sustainable, including from an energy and climate point of view. That is the focus of my strategy – the strategy I have put forward to this Parliament and which I hope to develop with the next Commission in, of course, very close association with this Parliament.

**Hannes Swoboda**, *on behalf of the S&D Group*. – (DE) I would like to ask a brief additional question, Mr Barroso. If, during the hearings in Parliament, we are of the opinion that the allocation of the portfolios does not fully meet these objectives and we make proposals for changing the portfolios, are you prepared in principle to address our objections and to make changes? Would you, in principle, reject any objections or are you prepared to accept them?

**José Manuel Barroso**, *President of the Commission*. – It is clearly stated in the Lisbon Treaty that the internal organisation of the College and the Commission services is a responsibility of the Commission.

I am always ready to listen to your suggestions and to your comments. In fact, some of the innovations were as a result of some debates with your group and other groups. I count on your support for the full respect of the competences of the Commission, as I will always respect the competences of Parliament.

I am always open to listening to your suggestions but I think we should concentrate more on matters of policy, of substance. Regarding the organisation of the Commission, I believe that after five years of everyday work in the Commission, I am pretty well informed about the best ways of allocating resources inside the Commission.

**Guy Verhofstadt**, *on behalf of the ALDE Group*. – (NL) Mr President, my question concerns the situation in Greece. This situation is very alarming, of course, with a government deficit of 12.7% and government debt poised to exceed 130%. This is exactly the situation I found in Belgium when, at a young age, I became Minister for the Budget in 1985. The figures were exactly the same – I shall never forget them – 12.7% government deficit. Clearly, then, Greece will have to work hard and implement reforms it has not implemented to date. Yet we, too, can do something, President Barroso. We can enable the costs associated with the government debt of the various Member States to fall by installing, at long last, a European bond market that would cover a large proportion of this government debt. We are currently paying several hundred billion euro too much in interest on our government debt owing to the fact that there is no European bond market and all the bond markets are still segmented, with an enormous shortage of liquidity. My question is whether you will take the initiative in this matter and launch such a European bond market at long last. This would not obviate the need for Greece to make an effort itself, but it could help.

**José Manuel Barroso**, *President of the Commission*. – I was very reassured by yesterday's commitment by Prime Minister Papandreou to cut public deficits and reduce the Government's debt through permanent expenditure cuts and revenue increases. We believe the current budget for 2010 that is now being discussed in the Greek Parliament and Prime Minister Papandreou's statements are steps in the right direction. I have been following the situation very closely with this government and with the previous government, namely the question of public finances.

We were also very impressed by the candid presentation made by the Prime Minister of Greece in the last European Council. He is fully aware of the problem and he has shown us his determination to address it. Greece will submit to the Commission in the course of January an updated stability programme, as foreseen in the Stability and Growth Pact. I trust that this programme will include concrete measures to strengthen

fiscal adjustment in 2010 and to ensure lasting consolidation of public finances. Naturally, the Commission will continue to monitor very closely the macroeconomic and fiscal situation and the implementation of the measures in Greece.

Having said this, I do not consider it appropriate at this stage to elaborate on possible scenarios. We believe that Greece is now taking appropriate measures and that we should support Greece in the enforcement of those measures.

**Guy Verhofstadt**, *on behalf of the ALDE Group*. – (NL) Mr President, to come back to what I was saying, a European bond market could help Greece. It would by no means obviate the need for that country to carry out reforms, but it would help all the other EU Member States too, as it would mean a much lower interest rate being payable on the debt. Let us compare the interest rates payable in Germany and the United States. The Americans pay 0.4% less interest on their treasury bonds than the Germans, even though German public finances are in much better shape. This is proof that we urgently need to take that course. I expect the Commission to do so.

**José Manuel Barroso**, *President of the Commission*. – We are not at this stage contemplating the kind of measures suggested. I personally believe it is not very appropriate to link this kind of proposal to the specific situation in Greece today; in fact, it could send the wrong signal.

Let us be honest about it. Greece and the countries of the euro area have a specific obligation when it comes to implementing the conditions of the Stability and Growth Pact. It is very important for them and, above all, for their own economy, but it is also important for others. I believe that raising this issue at this moment and suggesting that there could be a solution outside Greece's own efforts is not the best way to help our Greek friends to implement, with determination, the measures announced by Prime Minister Papandreou.

**Rebecca Harms**, *on behalf of the Verts/ALE Group*. – (DE) I would like to ask you today about the structure of the next Commission. The portfolio responsibilities that you have presented seem to us to have very presidential overtones. In our opinion, you are organising this structure in such a way as to give you personally, as Commission President, a great deal of power. We are surprised that you want to abolish the working groups of the members of the Commission. In our opinion, these groups have produced good results during the last parliamentary term. We are also surprised that the responsibilities in some areas have been fragmented in a way which seems to us incomprehensible. It is a mystery to us how you will handle the division of responsibilities between Mrs Reding and Mrs Malmström. It seems to us that Mrs Malmström will be creating a sort of homeland security office. I definitely have nothing against making the climate into a separate responsibility. However, if you appoint a climate commissioner, you must also show that she has real power and will have access to areas such as energy, industry, transport, the environment and agriculture. We do not believe that this is the case.

**José Manuel Barroso**, *President of the Commission*. – Two different questions: one regarding the portfolios on justice and security, the other on climate. Regarding justice and security, I have forwarded the suggestion made by many of you in this Parliament to have a specific portfolio more centred on fundamental rights. So, Commissioner Reding, if she meets with your approval, will be Commissioner for justice, fundamental rights and citizenship.

There will also be a Commissioner for home affairs, which is basically what happens in most, if not all, Member States in Europe – there is a minister for the interior and a minister for justice. I believe that it is much more efficient so that they can work with their colleagues in the respective Councils. It will also be much better in terms of the amount of work because, as you know, we have just approved the Stockholm Programme. This is a very ambitious programme in which this Parliament has a lot of important competences now, so it is fully justified to have two different Commissioners. It is not because of the role of the President in this case. It has nothing to do with the role of the President of the Commission. It has to do with the need to have some kind of division of labour in such an important area. I would like the Commissioner for fundamental rights to have security concerns in her hands, and I would like the Commissioner for security to do the job whilst respecting fundamental rights and the spirit of liberties in the European Union.

**Rebecca Harms**, *on behalf of the Verts/ALE Group*. – (DE) I would like to repeat my previous question. How can the climate commissioner be a powerful force and how can she assert herself, if this, on the basis of the second option, is not reflected in the structures? Secondly, there is another issue in the detail which seems totally unreasonable to us and that is that green genetic engineering, which you, Mr Barroso, are in favour of, now forms part of the health portfolio and is no longer included in the environment or agriculture portfolio. We need you to explain this.

**José Manuel Barroso**, *President of the Commission*. – I am happy to see that you are happy with the creation of the Commissioner for climate change. She will, in fact, have a lot to do because, as we are now seeing, Copenhagen will not be the end of the road. There will be a lot to do after Copenhagen.

Her main tasks will be to mainstream climate change in all sectors of the Commission – not only the ones you have mentioned, but many others. There is almost no policy in the European Union that does not have some impact on climate action: from agriculture to research, from enterprise and industry to maritime affairs. That is the task.

She will have a dedicated DG for climate change. I want the Commissioner for climate change to have some instruments to pursue her policy but, of course, she has to do this in cooperation with other Commissioners – namely the Commissioner for the Environment, the Commissioner for Energy and others – because this is such an important policy that also has a very important external dimension.

**Michał Tomasz Kamiński**, *on behalf of the ECR Group*. – (PL) Mr President, I would like to ask for your assessment of the EU-Ukraine Summit which took place almost a fortnight ago. At the same time, I would like to raise two matters. When I was in Kiev, I learned that the European side refused to accept a reference in the final declaration to Ukraine's European identity. I will not hide the fact that this surprises me greatly, because it seems to me that the question of Ukraine's European identity should not be a matter of dispute. Secondly, I learned in Kiev that our European delegation refused to lay wreaths at the monument to the victims of the Ukrainian famine, something which is customary for all diplomats visiting Ukraine, and I must say that these two facts surprise me greatly.

**José Manuel Barroso**, *President of the Commission*. – I think the meeting we had with Ukraine was successful. To be frank with you, our Ukrainian friends have to do more if they want us to help them more.

I have been spending more time working on Ukrainian issues than on most of the Member States of the European Union, which shows the attention we give to Ukrainian concerns. This is a country that is very close to us and a country we want to be closer to. That is why we have offered them a comprehensive and innovative European Union-Ukraine association agreement. This is the most advanced status we can give to a country, barring accession, which is not possible under the current situation.

There were some discussions, but if you look at the final conclusions, it is clearly reaffirmed that Ukraine is a European country, Ukraine is bound by the same European values and we want to be closer to Ukraine. We want to help them to be closer to us. I believe that it was a productive meeting, but we cannot honestly expect to create a new status for Ukraine every time there is a summit.

The last summit before this was in Paris. We granted Ukraine this association possibility, but we cannot move to a new status every time there is a summit, and we had a very honest, open and friendly discussion about this with President Yushchenko and the other interlocutors.

**Lothar Bisky**, *on behalf of the GUE/NGL Group*. – (DE) Mr President, I have a question for you about the Tobin tax. This tax is a worthwhile proposal, but as yet, no one has introduced it. Everyone says that it will never be introduced unless all the Member States do so at the same time. I am now afraid, after the decision at the European summit, which I welcome, that this will once again be postponed, because we are not all starting at the same time.

I would like to know what your opinion on this is and what you think are the chances of the Tobin tax being introduced.

**José Manuel Barroso**, *President of the Commission*. – If there is an overall global tax for financial transactions, we should support it. In fact, I have personally supported this in discussions in the European Council. The European Council has asked the Commission to put forward some ideas on that, and we are preparing it.

Also linked to the issue of innovative financing, I personally believe that, if we want to meet our obligations regarding the fight against climate change, it cannot be only with the money from our budgets. It is obvious that our budgets are under such pressure that our national budgets alone over the next few years cannot provide the resources for fighting climate change. We have to think of innovative ways of financing. A global financial transaction tax seems to me a very good idea, and we are working on that area in order to put forward proposals at an appropriate time. I hope the new Commission will put forward some proposals in this area.

**Paul Nuttall**, *on behalf of the EFD Group*. – Mr Barroso, we have recently heard that there is to be a closure of the Corus steel works on Teesside in northern England. This is due to an EU target reduction of 20% of carbon emissions. Thanks to the carbon credit, Corus can no longer afford to employ over 5 000 steel workers, including suppliers. We also have the spectacle of the British Government admitting that its hands are tied on this issue because of punitive EU competition law.

The real gain to Corus from stopping production on Teesside is the saving it will make in its carbon allowances allocated by the EU under its emissions trading system scheme, which will be worth up to GBP 600 million over the next three years. But surprise, surprise – guess what: the head of the IPCC, Rajendra Pachauri, is also the head of the Tata Foundation, so, one must ask, *cui bono?* Because Tata owns Corus.

*(Protests from the floor)*

The question I would like to ask is: is it now official EU policy to offer incentives to companies to close plants such as Teesside so that they can outsource their business to countries such as India, or is there a more personal interest at stake here?

**José Manuel Barroso**, *President of the Commission*. – Regarding the insinuation you are making, I really cannot comment. If I were the person involved, I would take the matter to the courts.

Concerning the issue at stake, you said that the British Government said this was the position of the European Union. I do not know anything about that statement, but let me tell you that, if there is one government that has been pushing the European Union for ambitious targets in the fight against climate change, it is precisely the government of your country, whether you like it or not.

In fact, the common agenda today in the European Union is to reduce global emissions of greenhouse gases. This does have some consequences in terms of the adaptation of our industry. We want industry to be kept in Europe, but we want another kind of industry, which is less energy consuming and friendlier to the environment.

**Paul Nuttall (EFD)**. – You did not answer my question, because the question was: is it official EU policy to offer incentives to companies to close plants such as Teesside and outsource the business to countries such as India? You did not answer the question. Would you please answer it?

**José Manuel Barroso**, *President of the Commission*. – I will answer by saying ‘no’.

**President**. – Colleagues, the blue card procedure is not applicable now because these are discussions between two people. It is very difficult for the blue card to be used for an additional question now as I do not know which of the two people it is intended for. I am sorry about that. It will, of course, be applicable during other debates.

**Marine Le Pen (NI)**. – *(FR)* Mr President, the European Commission, in response to the referendum in Switzerland on minarets, has gone to the lengths of making a statement that is disturbing and ambiguous, to say the least. It felt it necessary to reaffirm, for the benefit of those Member States that might be tempted to take similar decisions, the need to ‘respect fundamental rights such as freedom of religion’. This thinly veiled threat requires some explaining on your part, when opinion polls show that the vast majority of Europeans would have voted in such a referendum had it been an option in their respective countries.

Mr Barroso, do the EU Member States have the right or not to hold a referendum for their people that is identical in every way to the one held on 29 November in Switzerland? Would the Commission oppose or not the sovereign decision of these peoples if they were to vote as the people of Switzerland did? If, as we believe, the European Union is today more totalitarian than democratic, it is high time it was acknowledged.

**José Manuel Barroso**, *President of the Commission*. – *(FR)* It is the sovereign right of Member States to decide, in accordance with their constitutional rules, how they wish to consult their people directly. I am not going to make hypothetical statements about hypothetical referendums. What I can tell you is that the Member States take their own decisions on this matter. Therefore, I will not prejudge a referendum in a country or the reaction to a referendum organised by the Commission.

The Commission has powers to verify the measures and the decisions taken by the Member States in relation to the application of European law. In this case, the Commission has not only the right, but also the duty, to voice its opinion.

**Marine Le Pen (NI).** – (FR) Mr Barroso, all the same, the question was clear. I was not asking you a question about a hypothetical referendum, but about a referendum that is identical in every way to the one that was held for the people of Switzerland.

If one of the EU Member States, in a completely identical referendum, asked the question that was asked of the Swiss people, how would the Commission react? Do they have the right to do so? And would the Commission oppose the decision of the sovereign people if it decided to vote as the Swiss did? The question is clear.

**José Manuel Barroso, President of the Commission.** – (FR) Mrs Le Pen, you are asking a hypothetical question. My French is not as good as yours, but, when you say ‘if’, that is a hypothetical question. ‘If there were a referendum’, that is a hypothetical question.

(Applause)

I am not in the habit of answering hypothetical questions. The reality is already complex enough. Therefore, what I can tell you is that the Commission is against all forms of discrimination, including all forms of religious discrimination. That is our position and it is clear. It is not only the Commission’s position; it is the position of all the democratic Member States of the European Union.

That being said, I am not going to express an opinion on a hypothetical referendum.

*Europe 2020*

**David Casa (PPE).** – (MT) I had intended to address a question to the President of the Commission concerning the Commission. However, an intervention was made today by the Socialist Party concerning the hearing we have with the Commissioners. I hope that the Socialist Party will not start playing around with the portfolios assigned to the nominated Commissioners. We do not have the competence to change the Commissioners’ portfolios, since this falls under the exclusive competence of the President of the Commission. The selected individuals, from our Party, the Liberals and the Socialist Party, are all very valid persons, and we should not have the competence to start debating as from now, prior to the hearing, whether we can change the portfolios of the Commissioners. I am aware that this was not the subject, but following the Socialist Party’s intervention, I felt that I had to make this intervention.

**José Manuel Barroso, President of the Commission.** – It was not a question so I do not have to answer but, since I have the opportunity, I will just say the following.

The principle of loyalty between the different institutions is very important. Also, now that we have a new treaty, we need to respect the competences of each institution. I told you how important it is to have a special relationship between the Commission and Parliament, and I will work for that. This, of course, means respecting the competences of each institution in its own field according to the treaties.

**Liisa Jaakonsaari (S&D).** – (FI) Mr President, at the start of his speech, the Commission President referred to what had been wrong in earlier models. What is wrong, surely, is that the Commission has had some good programmes, but the Member States just do what they like. In other words, the stick and carrot approach is not enough to guide the Member States.

I also noticed that the 2020 document contained no innovative ideas regarding how the Member States might be guided. I would like to ask whether the Commission intends to use the warnings under Article 121 of the Treaty of Lisbon if a Member State does not comply or even want to comply with the ideas of the 2020 Strategy.

**José Manuel Barroso, President of the Commission.** – Thank you for your question and for the intention behind your question.

My intention is to propose to the Member States to reinforce economic governance in Europe. I think now we have an opportunity to do it. Frankly, it has been refused several times before. You have probably read a recent interview given by one of my predecessors, Mr Delors, who said that his proposal of reinforced coordination on social matters failed in 1993. It was refused by the Member States.

It was interesting and I looked up what I said then as Foreign Minister of my country. I was one of those supporting a reinforced cooperation of the Member States in that area. Unfortunately, it was not possible.

When the Lisbon Strategy was being revised, we put forward a proposal based on the Wim Kok report, and it was refused by Member States. After this crisis, I think there is now much more awareness of the need to have real coordination in the response to the crisis. I am going to fight for that but, of course, we need the support of the Member States to achieve this. We need them, because some of those policies are made at national level and some are at Community level.

I am encouraged by the first exchange of views with the European Council. In fact, the new President of the Council, President Van Rompuy, has already announced that he wants an informal exchange of views at the beginning of February. I hope that will be a way of having more commitment from the European Council for a strengthened mechanism of governance of the European Union 2020 Strategy.

**Frédérique Ries (ALDE).** – (FR) Mr Barroso, the Lisbon Strategy has had its day. The European Union will therefore not be the most competitive economy from 1 January. Please excuse my harsh words, but one can almost talk in terms of a mirage. What we need to do now is ensure that, for the years ahead, for 2010, the EU is more like an oasis of calm for Europe's entrepreneurs and citizens.

In this connection, I read in the memo with which you have presented us that you are talking about internationalising SMEs, the main creators of jobs in the EU. Do you not think, Mr Barroso, that the urgent requirement today is to stabilise the situation, to reassure people? Moreover, can you guarantee today that the Commission will oppose any regulatory hysteria and will apply, on a daily basis and in all its policies, the principle, the strategy, 'Think small first'?

**José Manuel Barroso, President of the Commission.** – (FR) Thank you, Mrs Ries. This was one of the priorities of my Commission, but it is also a priority for the current Commission and will certainly be a priority for the next Commission too. Small and medium-sized enterprises are the ones that create jobs. We created the Small Business Act on the basis of the very principle – 'Think small first' – that you are talking about, and we are embarking on a programme to reduce administrative burdens, particularly for small and medium-sized enterprises. That is why we have placed the completion of the internal market at the heart of our priorities, as there is potential and also an international dimension to exploit, because the truth is that our small and medium-sized enterprises are still coming up against a number of obstacles when trying to work with other markets. I therefore believe that this is one of the priorities of the new strategy, of the 2020 strategy. It is precisely a strategy that is linked more closely to the international dimension, because, today, the effects of globalisation are being felt, and it is only by adopting an aggressive, proactive stance that we can win this battle of competitiveness.

**President.** – Ladies and gentlemen, I would like to provide an explanation in response to a very important question by Mrs Ries. We started to prepare the list of speakers at 15.00, when we started this item. I have about 30 people on the list, in the order you took your blue cards. Of course, we can add other speakers to the list, but it will be impossible for them to speak during this item.

If you wish, you can keep your cards for now, and Ms Durant will be the next speaker for one minute. We can try to add to the list the remaining Members wishing to speak, but I can tell you very honestly that it is impossible to have so many speakers; I have about 30.

We started to deal with the list at 15.00. If any other Members would like to add their names, please keep to one minute.

**Isabelle Durant (Verts/ALE).** – (FR) Mr President, President of the Commission, I would like to ask you, in the context of this 2020 strategy and, in particular, of the system of enhanced governance, how you wish to deal with the issue of lobbies. You know, as I do, that if a 2020 strategy is drafted, there will inevitably be lobbying across the board. Lobbying takes place just about everywhere; there is lobbying of the Commission, of Parliament, of the Council.

As you are also aware, an interinstitutional debate is being held today on the issue of lobbies. Mr Kallas was in charge of this issue in the previous Commission. I should like you to tell me who in the Commission will be in charge of this issue of lobbies, and what his or her mandate will be. Do you wish to make progress – as I and other members of this interinstitutional group hope – towards a mandatory registration system for lobbies?

That is the condition governing transparency and it is also, in my view, the condition governing the citizens' support. They must be able to understand how decisions are taken at European level by the Commission, the Council and Parliament.

**José Manuel Barroso**, *President of the Commission*. – (FR) Mr President, this is a well-known problem, a very important problem, and I am in fact proud that we have made progress during this Commission's term of office. As you mentioned, Commissioner and Vice-President Kallas has done a great deal of work in this area, and we have made progress with the lobby registration system.

In my view, however, it should be acknowledged that the best way to deal with this problem is to be transparent, not to hide information. It is only natural! It is only natural in an open society and in an open economy for different, sometimes conflicting, interests to be expressed.

It is along these lines that the Commission will carry out its work: its relations with representatives of the various interests – the interests of businesses, of trade unions, of specific causes sometimes – will become more transparent.

The person responsible for this matter within the Commission, if you will kindly offer him your support, will be Commissioner and Vice-President Maroš Šefčovič. It is he who the administration will appoint to carry out this task within the new Commission.

**Vicky Ford** (ECR). – President Barroso, I welcome your vision for 2020. You show that even in the dark days of recession, one can dream of Utopia. I welcome your comments on European research areas. I represent Cambridge, which is home to the leading research cluster that has already seen great successes in high-tech, green-tech and bio-tech. If we are to turn your dreams into anything like reality, then we could do with listening to, and learning from, the Cambridge experience. Research needs funding; innovative businesses need funding; world class-innovation needs world-class funding.

Last week, I met representatives of the Wellcome Trust, which is the UK's largest charity and last year gave EUR 750 million to medical research. They came to Brussels to tell this Parliament that, if we pass the legislation, as drafted, on alternative investments, then we would cut their organisation's funding by two thirds. Please do not say one thing and do another.

**José Manuel Barroso**, *President of the Commission*. – Congratulations to Cambridge. I think Cambridge is one of the greatest universities in Europe and in the world. It is precisely because we do not have so many Cambridges in Europe that we have been working to have a real European research area, because Cambridge and other very important universities in Europe are quite international. They are able to attract very important funding, but in other countries, especially small countries and some of the poorest countries, they do not have those kinds of resources. That is why we not only need private funding like the ones you mentioned, and I certainly welcome all the work of foundations such as the ones you mentioned, but we also need public funding from the states and from the European Union budget. That will be one of the points I intend to put into the next European Union budget.

Regarding the link with alternative investment managers, I really do not see this link. I think we should not use one thing or the other. We believe it is important to have sensible regulations for products on the financial markets considering what happened, including in your country. It was in your country that we had the highest ever case of State aid in the history of the European Union, precisely because of problems in the financial markets.

**Nikolaos Chountis** (GUE/NGL). – (EL) Mr President, Mr Barroso, may I say that, while the ambitious objectives of the strategy for 2020 are being debated, there are certain countries, such as Greece, which will join this strategy on unfavourable terms, with huge economic problems and high unemployment.

Yesterday, the Prime Minister announced measures which he hopes will reduce the deficit. Athens is waiting with bated breath for reaction from the markets and an evaluation by various firms. I listened to your reply to an earlier question and I have read today's statements by Mr Almunia and I should like to ask you Mr Barroso: apart from the Commission monitoring the public deficit in Greece, how else can it help to address this problem?

And secondly, within the framework of the strategy for 2020, how are such national peculiarities addressed, so that such problems do not arise?

**José Manuel Barroso**, *President of the Commission*. – First of all, in the 2020 Strategy, our idea is precisely to have national programmes, but also horizontal European Community-wide programmes.

We are going to ask every Member State to put forward specific, simplified objectives for each country, taking into consideration their different circumstances. As you have mentioned, Greece is in a specific situation



today, and we are being very attentive to it. Greece will, of course, go on benefiting from cohesion funds as it is one of the countries benefiting from those cohesion funds, and this is separate from the European Union 2020 Strategy.

However, it is important to understand why countries like Greece have to correct their deficits and their excessive debts. The interest countries pay for debt is money they cannot put into their hospitals or schools for the future. It is not because that we are attached to an idea of rigid macro-economic discipline that we recommend Member States not to maintain very high debt and deficit levels, but because we are thinking about social expenditure and addressing people's concerns.

**Ivo Belet (PPE).** – (NL) Mr President. President Barroso, I should like to ask you a question regarding the future of the automobile sector which, indeed, will remain one of the most important industrial sectors even after 2020. Some of our crown jewels are about to be sold off to China, which is an unwelcome development. In my opinion, it is by no means too late to avert this, but to do so we – you, Mr President, and the new European Commission – must move up a gear as a matter of urgency. We must mobilise more resources for research and development, with greater focus on the automobile sector, and we must also, of course, mobilise more financial resources from the European Investment Bank. As I see it, this is the only way to ensure that our current dependence on oil is not replaced with a future dependence on Chinese electric batteries, for example. Hence my question: are you and the European Commission prepared to assume a coordinating role in the short term, including with regard to the Opel dossier, so that we can join together resolutely to focus on the new, environmentally friendly technologies in the automobile sector?

**José Manuel Barroso, President of the Commission.** – In the case of Opel, as you know, the Commission has maintained an important position, promoting the necessary meetings between the different countries involved and the companies concerned.

Regarding the issue of the automobile industry, there is a problem of over-capacity in Europe and in the world. So the future is precisely as your question suggests, finding new ways and new technologies, namely the development of cleaner cars. We have been supporting this idea, not only in terms of ideas but in terms of funding.

In fact the European Investment Bank, with our full support, has, as you know, created a special facility for this. This is one of the priorities for the next mandate: to develop a greener automobile industry in Europe which is technologically more advanced. This is the way in which we can maintain a leading position in the automobile industry in the world.

**Stephen Hughes (S&D).** – President Barroso, the European Anti-Poverty Network has described your consultation document on the 2020 Strategy as a step backwards from commitments by successive European Councils to strengthen the social dimension.

Your document only mentions flexicurity and training. You should know that on this side of the House, we cannot accept a strategy that is devoid of social content. 2010 will be the European Year against Poverty and Social Exclusion. Should you not make the fight against the scourge of poverty and exclusion the centrepiece of the 2020 Strategy?

Finally, recognising that a third of all jobs created since the year 2000 in the European Union are in the health, social and employment services, making a double contribution to reducing poverty, providing services and creating employment, should the 2020 Strategy not set targets for the provision of high-quality social services?

**President.** – Thank you, colleague, but please do not put two questions during your one minute, because it is very difficult for President Barroso to answer two questions in one minute.

Which question do you prefer – the first or the second?

Colleagues, this is very important.

**Stephen Hughes (S&D).** – Mr President, in fact I put three points, and three 'yeses' would do!

(Laughter)

**José Manuel Barroso, President of the Commission.** – Mr President, thank you very much for your understanding. I will try to choose the best question!

The honest answer is the following: this is a consultation document; it is not yet a strategy, and I very much welcome your input.

Let me tell you my personal opinion. Yes, we have to do more to fight poverty and social exclusion but for that, we need the support of our Member States. I can tell you that I have proposed concrete measures several times and have received a very loud 'no', with the argument that some Member States view social matters as something for them, and not for Europe.

That is an interesting debate. Let us see if we agree on this matter. I very much expect to have your support on this because, as you know, to fight social exclusion and poverty, we also need some instruments at European level that complement the instruments at national level. I am telling you the position that I will be defending. I hope all the Member States will be ready to support this view.

**Danuta Jazłowiecka (PPE).** – (PL) Commissioner, implementation of the Lisbon Strategy is not going very well. How do you intend to change the document on the Europe 2020 Strategy in order to achieve its objectives? Do you foresee preparation of something in the way of a programme for realisation of the strategy, a separate document for the Commission's five-year term of office, which would set out the actions to be implemented? I think it would be a good idea. We could monitor realisation of the strategy and, at the same time, appraise the Commission on what has been implemented.

Finally, I will permit myself to make a comment: I think the time allowed for social consultations, and I mean the deadline set for 15 January, is too short. We should treat our social partners a little more seriously. It is they who are going to realise the strategy, and they should have more time to take part in these consultations.

**José Manuel Barroso, President of the Commission.** – The deadline is the deadline for the consultation based on this document, but there will also be other opportunities to consult. In fact, there have been consultations on the future of the Lisbon strategy at least since 2008. The Committee of the Regions has prepared a very interesting report, as has the Economic and Social Committee, and I would like to take this opportunity to say that I am prepared, if the European Parliament so wishes, to hold a debate on this matter – not just this question hour with one-minute replies, but a special debate on this matter alone – whenever you want, because I really believe it is extremely important.

(Applause)

It is extremely important for this Parliament to have ownership, and also to associate national parliaments in this process, because this is to be the centrepiece of the strategy for the future. I would like to underline that point.

Regarding the issue of the mechanisms of governance, that is exactly what we are now preparing. There are several ideas. One current idea is precisely to have ways of measuring progress and to monitor progress in certain areas on the basis of indicators. This is what we are preparing, and for this we need the support of Parliament and, hopefully, also the agreement of our Member States.

**Werner Langen (PPE).** – (DE) Following up on the question which has already been asked, I would like to return to the 2020 climate strategy. Mr President, is it right that the provisional emissions trading system gives the largest steel company in Europe 90 million tonnes of CO<sub>2</sub>, despite the fact that it had 68 million last year and will have 43 million this year? Can it be that the largest steel company in Europe will have earned GBP 1 billion by 2012 from emissions, having been allocated too large an amount as a result of its lobbying activities with, among others, the Commission?

**José Manuel Barroso, President of the Commission.** – Mr Langen, I do not know exactly to what you are referring, but, if you are talking about emissions in Europe, let us be honest about it: our emissions are roughly speaking 14% of global emissions and that trend is a downwards one, because there are big economies on the rise in terms of emissions.

However, on an emissions per capita basis, we are still far above those economies and let us be fair about it: we also have some historical responsibility. The Americans produce more greenhouse gas emissions per capita than we do, but we produce much more than China and much more than India, for instance, if you are referring to the Indian case. This is indeed a problem that we have to address in a spirit of global fairness. If we want to solve the problem and if we believe there is a threat to our planet – that of climate change – we need cooperative efforts on all sides. So, yes, we do have more stringent conditions than in some other parts of the world, but we are also viewing this as an opportunity to develop new technologies so that we can meet

our targets without putting at risk our companies, because we do not want to export our companies and our jobs.

**President.** – Colleagues, during Question Hour with President Barroso, please do not ask additional questions, because a lot of people are waiting for their first question. I am very sorry, but I would prefer to move on to a fresh question.

**Stavros Lambrinidis (S&D).** – President Barroso, as you mentioned, interest rates are indeed affected by the state of the economy. They reflect the confidence in a particular economy and the international economic community is affected by them. Interest rates are affected by the confidence the Community has in a particular economy and that confidence is, in turn, affected many times by statements on the confidence that the European Commission shows in measures taken by Member States. In that sense, speculators also try to speculate on a bad economic situation and sometimes make it worse.

President Barroso, are you prepared today, in this Chamber, to state your support for the measures announced yesterday by the Greek Government to reverse the economic situation in Greece? Does the Commission believe that they are moving in the right direction and, if applied, that they could change the financial situation, which you have indicated has been problematic in the past?

**José Manuel Barroso, President of the Commission.** – I have already said that I was happy to hear yesterday Prime Minister Papandreou's commitment to cut the public deficit and reduce government debt through permanent expenditure cuts and revenue increases. I even added that the 2010 budget currently being discussed in the Greek Parliament and the Prime Minister's statement are steps in the right direction. Naturally, the Commission will continue to monitor closely the macroeconomic and fiscal situation and the implementation of the measures in Greece. This is very clear in my statement of support for the measures announced. I believe that this is the best way we can help Greece in the very difficult situation they are now facing in terms of budget and debt. I trust those measures will have some important results.

**Malcolm Harbour (ECR).** – Mr President, I warmly welcome the chance to put a question to President Barroso because the Conference of Committee Chairs has, for the first time, been moved backward by an hour so we committee chairmen are able to be here for the first time.

I want to ask him about a policy to help framework conditions for research and innovation – which I was rather disappointed to see did not make it into this first draft of 2020, but I hope will be there in future – and that is to harness the huge potential of public procurement, throughout the European Union, to stimulate innovative products and services. I want to ask him today if he would take up the recommendations endorsed almost unanimously by this Parliament in my report last November, which showed how this could be done. Just to give him an idea and to share it with colleagues, if 1% of European public procurement was secured for innovative products and services, it would raise the investment in innovation across the European Union by no less than EUR 15 billion.

**José Manuel Barroso, President of the Commission.** – Thank you all for your comments, but let me tell you that there is no first draft of the new strategy. There is a Commission working document for consultation but we are not yet at the point of presenting a draft. Therefore, all your comments are very welcome.

Do not expect from me in a reply of one minute to give a decisive answer to such an important issue as the one you have put forward. I am aware of your report. I am aware of some of the interesting proposals you have made in terms of public procurement and, yes, it is also my intention, it is in the broad guidelines. I presented this to Parliament, as you will remember, in a reference to the need to deepen those commitments in terms of more market friendly, more innovative public procurement rules in Europe. This is certainly going to be part of our future strategy but I cannot, at this stage, commit to exactly how it will be incorporated.

**Carl Haglund (ALDE).** – (SV) Mr President, one of the biggest failings of the Lisbon strategy which, in other respects, is a good document, is that we have, to a certain extent, failed to get the Member States to actually achieve the goals set out in the strategy.

My fellow Member from Finland asked Mr Barroso earlier how he thought we could get the Member States to follow the strategy better. One of the targets that was included was how much the Member States should invest in research and development in terms of a percentage of GDP. I would like to know whether the Commission intends to set similar targets for the Member States, in other words, how much of its gross national product each Member State should invest in research and development.

**José Manuel Barroso**, *President of the Commission*. – We are now assessing the reasons why all the goals and targets were not attained. With the new proposal, we will make an assessment – I believe a very honest and objective assessment – of what went right and what went wrong with the Lisbon strategy.

I cannot commit at this stage to what we are going to propose; we are precisely at this moment thinking about the way forward. That is why, when I mention the discussions I would like to have with you, I talk about real discussions, because your input is very important.

I personally think that to have an overall target for all Member States is probably not very realistic. I think the next phase of the European Union 2020 Strategy will have to be more refined and more sophisticated, having specific targets – agreed, of course, with the Member States – but for different situations.

This is my personal thinking. We have not yet come to the stage of presenting a proposal to you. I would also like the new Commission to have full ownership of the proposal, and we will present a *bilan* of the last Lisbon strategy.

**William (The Earl of) Dartmouth (EFD)**. – Mr President, by next year, Britain's net contribution will have doubled from what it was in 2008. In 2020 there will be four to seven new Member States at least. On their current economic performance, each one of the new Member States will be receiving cohesion funds – which are subsidies by another name – from the date they become members right the way through until 2020.

Can, therefore, the British taxpayer anticipate a further doubling in Britain's net contribution to the European Union by 2020, and, if not, why not?

**José Manuel Barroso**, *President of the Commission*. – I am not yet at the stage of discussing the financial perspectives and I cannot anticipate what Britain's contribution will be. I understand the concern that you are expressing, because at the present time, British taxpayers are paying the biggest contributions because of what happened in the financial sector in Britain. There has been no other case of such large State aid as that which we have seen in your country.

The point we are at today is the following: we believe it is important to set priorities for the future, to see what we have to spend at national level and what we have to spend at European level, and then to have a discussion about the fair way of sharing that investment. However, we believe that in some cases, it makes more sense to spend a euro at European level than at national level because of the potential benefits of exploring the European dimension and the European internal market. We will come to that discussion and, I hope, at the end, we will come to an agreement.

**President**. – This was our third Question Hour with the President of the European Commission. Thank you very much, colleagues, for putting forward questions for discussion.

As regards presence, there were slightly more people in the Chamber at the end of Question Hour than there were at the start, at 15.00. I am very sorry about that: we would have preferred to have had a lot of you here.

Thank you once again, President Barroso.

**John Bufton (EFD)**. – Mr President, the point I would like to make is that there are many people here today who have not had a chance to ask Mr Barroso questions. Given the huge salary that Mr Barroso is on, can he not spend another 30 minutes with us on a regular basis, to make this an hour and a half?

The first 30 minutes were with the other group leaders. There are 750 Members in this place. I think 30 minutes is ridiculous. Can we not have an hour and a half? Mr Barroso, you are on a good enough salary, sir. Come here for 90 minutes, not 60.

**President**. – President Barroso is smiling very politely, but we will see. We must decide about that. Thank you for your proposal.

**IN THE CHAIR: MR VIDAL-QUADRAS***Vice-President***13. Conclusions of the Foreign Affairs Council on the Middle East peace process, including the situation in eastern Jerusalem (debate)**

**President.** – The next item is the Council and Commission statements on the Conclusions of the Foreign Affairs Council on the Middle East peace process, including the situation in eastern Jerusalem.

**Cecilia Malmström, President-in-Office of the Council.** – (SV) Mr President, the conflict in the Middle East was one of the issues we discussed here in Parliament right at the beginning of the Swedish Presidency. It feels good to be able to come back and report to you like this at the end of our term of office.

Sweden's Minister for Foreign Affairs, Carl Bildt, was also in the Committee on Foreign Affairs last week, where he presented a report and held long discussions, including on the Middle East. Last week, the Foreign Affairs Council discussed the situation in the Middle East and adopted conclusions. We are pleased that all 27 Member States support these conclusions, which clearly indicate the EU's views on the peace process in the Middle East.

With these conclusions, the Council and the Presidency want to send a very clear and strong message from Europe that we hope may result in the negotiations between the parties being resumed soon. We are concerned about the lack of progress in the peace process in the Middle East. We have therefore made clear our support for the efforts by the United States to achieve peace. The EU is calling on the parties to accept responsibility and begin negotiations on all final status issues, including Jerusalem, borders, refugees and security. Our conclusions also reflect the EU's position on the Middle East, based on international law, that we have held for a long time and that we have expressed on many occasions.

The EU's position is, among other things, that an agreed two-state solution must be based on the 1967 borders and that the settlements are illegal. Jerusalem is a final status issue and we have made it clear that, if genuine peace is to be achieved, Jerusalem's status as the future capital of two states must be settled through negotiations. Resumption of the Israeli-Palestinian negotiations was linked to the settlement issue for a large part of the year. Recently, the Israeli Government announced a partial and temporary settlement freeze. The Foreign Affairs Council welcomes this decision and we hope that it will contribute to a resumption of meaningful negotiations.

However, we note with concern the surprising decision by the Israeli Government on 13 December to make the settlements part of the National Priority Areas programme for the first time. This goes against the spirit of the settlement freeze and damages the efforts to create an atmosphere that can help to bring about a long-term resolution of the conflict. My colleague, the Swedish Minister for International Development Cooperation, Gunilla Carlsson, visited the Committee on Development in the European Parliament at the beginning of September. She promised to follow developments locally, to provide assistance and to intervene in the areas that we are all aware of – the situation in and around East Jerusalem, the settlements and issues such as access and movement, particularly with regard to Gaza. We have fulfilled this promise.

Over recent months, under the leadership of the Presidency, the EU has adopted a clear position with regard to the settlements and the continued closure of Gaza. The policy of closure is unacceptable and counterproductive. The EU is continuing to demand that the border crossings be opened immediately and unconditionally for the flow of humanitarian aid, commercial goods and persons. The Council has also called for the full implementation of UN Security Council Resolution 1860 and for international humanitarian law to be respected. Those holding the abducted Israeli soldier, Gilad Shalit, must release him immediately.

I would like to say a few more words about Gaza. Of course, we hope that the mediation efforts by Egypt and the Arab League can continue. It is important to prevent a permanent division between the West Bank and East Jerusalem, on the one hand, and Gaza, on the other. We look forward to free and fair elections when conditions permit. One thing is clear – peace between Israel and the Palestinians can only be achieved if the Palestinians are united.

Our diplomats in the region have followed the situation in East Jerusalem closely. In their view, Israel is weakening the Palestinian community in the city. This causes us concern. The EU will increase its assistance to East Jerusalem to ease the living conditions of the Palestinians. The strong message concerning East Jerusalem in the Council's conclusions is clear evidence of our concern for the situation. It is important to

remember that settlements between Israel and Syria and between Israel and Lebanon are prerequisites for there to be peace in the Middle East. The EU welcomes the recent statements by Israel and Syria confirming their willingness to advance the peace process. It goes without saying that this would have extremely positive repercussions in the whole region.

**Catherine Ashton**, *Vice-President designate of the Commission*. – Mr President, the Council adopted very substantive conclusions on the Middle East peace process last week. These set out a principled position on a number of crucial issues in a clear and determined manner. I will not dwell on the conclusions or repeat what the Presidency has said. Suffice to say that in reaffirming our principles, I hope we may have helped restore some Palestinian confidence and willingness to enter into the peace process. The conclusions, of course, will also be of great help to me, in providing me with a clear steer for the months to come.

You have invited me here today to talk about our political work, but also about the situation in East Jerusalem. This is an area of deep concern. East Jerusalem is occupied territory, together with the rest of the West Bank. The EU is opposed to the demolition of Palestinian homes, the eviction of Palestinian families, the construction of Israeli settlements and the route of the 'separation barrier'. The EU is addressing these issues at political level, through diplomatic channels and in our public statements. We are also addressing the situation through practical assistance, aimed at supporting the Palestinian population in East Jerusalem. For example, there is a lack of 1 200 classrooms for Palestinian children in the city, so we are helping to reinforce education facilities. In addition, we enable Palestinian hospitals in East Jerusalem to remain viable and we do a lot of work with Palestinian young people in the city who suffer from high rates of unemployment and psychological problems. To date, in East Jerusalem, the EU is implementing activities costing EUR 4.6 million.

Another aspect of concern, of course, is the situation in Gaza. We have consistently called for the flow of aid, trade and persons. We are deeply concerned about the daily living conditions of the Gazan people: since the January conflict, donors have not been able to do reconstruction work and serious issues persist like the lack of clean drinking water. Israel should reopen the crossings without delay, which would allow a revival of the private sector and a reduction of Gaza's aid dependency.

It is now time to move to action and put the Council conclusions into practice. We now need to think about how we can re-engage a political process. The two sides appear to have strayed further apart, in terms of engaging on an end game. I will be travelling to the region shortly and my main objective will be to meet the main actors and see first hand how the EU can be a force for change. I believe we all agree with the overall and overriding priority of a resumption of Israeli-Palestinian negotiations – not negotiations for negotiations' sake, but negotiations to achieve a peace deal and turn the page. We cannot – nor, I doubt, can the region – tolerate another round of fruitless negotiations. Negotiations have taken place on and off for several years starting with the Oslo Declaration of Principles signed in September 1993. That was 16 years ago. Negotiations should be based on international law and respect previous agreements. All issues should be on the table including the status of Jerusalem as the future shared capital.

They should also take place within an agreed timeframe with effective mediation. We need to see a serious commitment and the political will from both Israel and Palestine to engage in serious and genuine negotiations. The European Union is there to help both parties take that engagement and offer them support on the difficult road of negotiations. I am here to make sure Europe works effectively and harmoniously.

The EU has consistently supported both Israel and the Palestinians by giving them the time and space to negotiate bilaterally. Our assistance has enabled the Palestinian Authority to build the institutions of the future state of Palestine, so that it can deliver services to its people and be a reliable neighbour in the region. Today, however, the Palestinians are divided both politically and physically. Credible negotiations require a strong and united Palestinian partner. Israel stands to gain, not lose, from a strong Palestinian partner.

Israel has taken a first step with its temporary and partial settlement freeze. We hope this will contribute towards a resumption of meaningful negotiations.

The US remains an indispensable and crucial actor in the Middle East. Conditions for an effective EU-US partnership on the Middle East have rarely been as good. It is time to turn this into a reality by closely coordinating our positions and strategy. The EU will continue to support and work closely with the US via the Quartet. The Quartet needs reinvigoration – the current stalemate in the peace process demands it. The Quartet can provide the careful, yet dynamic, mediation that is required.

Peace in the Middle East requires a comprehensive solution. Both Syria and Lebanon have an important role to play. We look forward to the implementation of the Arab Peace Initiative. They should be part of the

solution. Our approach should be regional and inclusive. A multilateral framework should complement the Israeli-Palestinian bilateral framework.

In the coming months, I intend to remain in close contact with Parliament on all these issues. I am aware of the active role Parliament plays, not least in its capacity as budgetary authority. At political level, the EP delegations work directly with the Israeli Knesset and the Palestinian Legislative Council (PLC). Last week, the Delegation to the PLC visited the occupied Palestinian territories and reported with great concern on the situation on the ground.

Finally, I welcome the continuation of Parliament's working group on the peace process, which will meet again this week.

**Ioannis Kasoulides**, *on behalf of the PPE Group*. – Mr President, during a visit of young Israeli and Palestinian leaders to the European Parliament, a thorough discussion was held which outlined a peace settlement for their future – a secure and recognised two-state solution, on the basis of the 1967 borders, with Jerusalem as the capital for both; demilitarisation of the Palestinian state; the reiteration of the 2007 Arab peace initiative; NATO guarantees; and the refugee issue to be arranged in a way that does not alter the demographic character of the Hebrew state.

While the young have a vision of a common future, their seniors still argue about whether they should begin negotiations. The Egyptian initiative for inter-Palestinian reconciliation – so that there is one interlocutor – is still pondering and the security arrangement in Gaza, with the liberation of prisoners, such as Gilad Shalit, is still awaited. In the meantime, the *faits accomplis* on the ground, according to the report by the EU Head of Mission in East Jerusalem, renders the Palestinian state less and less viable.

I regret the fact that Israel, a democratic country, pays little attention to the damage some of its actions create through the eyes of international public opinion and limits itself to damage limitation only afterwards.

**Hannes Swoboda**, *on behalf of the S&D Group*. – (DE) Mr President, Mrs Malmström, Vice-President of the Commission and High Representative of the Union for Foreign Affairs and Security Policy, firstly I would like to express my sincere thanks to the Swedish Presidency for this initiative. It was a good initiative and I would like to congratulate you on it. I would also like to thank Baroness Ashton for sitting on the Commission's side on her first appearance here, even though she has spoken primarily in her role as High Representative of the Union for Foreign Affairs and Security Policy. This is all about a common foreign and security policy. In some ways, it may not be important where you sit. What is important is that you are here and that you are representing a common foreign policy.

My second point is that the statement adopted by the Council is a good one and it is by no means anti-Israeli. On the contrary, it is in the interests of Israel and its security and stability. It is very important to emphasise this. If we, as Europeans, are to play an active role in this respect, it is essential that we continue to do so. I would ask you, Baroness Ashton, to take this to heart.

A few days ago, we were in the US having discussions with our colleagues from Congress. When faced with one-sided approach of Congress and its lack of understanding of the situation of the Palestinians, President Obama has very few options open to him. We have great sympathy for the situation in Israel. We are also opposed to any form of terrorism and we want the captured soldier to be returned to his family at last. However, we are equally concerned about and sympathetic towards the unfortunate position which the Palestinians find themselves in with regard to everything referred to in this statement and, in particular, the 1967 borders, the difficult situation in Jerusalem and the settlement activities. It is completely incomprehensible, although it is a continuation of the policy of the last few years, that a highly conflicting approach is being taken to settlement growth. First it was stopped and then it was included in the national priority programme. After this, only natural development continued and then roads were built which cut through Palestinian settlements. The way in which land is being taken away from the Palestinians on a day-to-day basis is totally unacceptable.

What happened to a delegation from Parliament is also completely unacceptable. Mr de Rossa will also give his view on this. The Members of this Parliament must join together with the Council and the Commission to state clearly that Members of Parliament have the right to travel to Gaza and to see the situation there for themselves. What does Israel have to hide? Why is it preventing Members of Parliament from going to Gaza? We must not accept this and I hope that we will oppose it jointly. Transparency and openness, among other things, are the prerequisites for a reasonable Middle East policy. We must give this our clear support.

**Annemie Neyts-Uyttebroeck**, *on behalf of the ALDE Group*. – (NL) Mr President, Mrs Ashton, Mr Vice-President of the Commission, Madam President-in-Office of the Council, firstly, Mrs Malmström, I should like to congratulate the entire Swedish Presidency on the Council's conclusions on the Middle East conflict in general and East Jerusalem in particular.

I believe everyone will see it as an important omen that a joint report by the EU Heads of Delegation on East Jerusalem has been approved and adopted unanimously for the very first time, and at this time in particular, following the entry into force of the Treaty of Lisbon. Another omen is that the conclusions proposed by the Swedish Presidency have also been adopted unanimously, including those on East Jerusalem. I hope that the Israeli authorities realise the importance of this development.

Ladies and gentlemen, we debate the Middle East every few months, and sometimes it seems like the Echternach procession: one small step forward, then signs of a backwards step, then more cause for hope. Unfortunately, there is also cause for despondency, but we continue to hope, of course. It is of the utmost importance, of course – including to my group – that both Israelis and Palestinians be able to live side by side in peace in two separate states, to benefit from all the available development opportunities and to guarantee each other's security. I believe we all agree on this. We also agree on what steps would ideally lead to this and, of course, we are prepared to make our contribution.

Jerusalem is one of the most beautiful cities in the world – it is really an extraordinary place – and so it is terribly tragic that the peoples living there side by side cannot manage to do so peacefully. For the sake of the wellbeing and preservation of Jerusalem, I hope that, in the few days remaining before Christmas, this can still be achieved.

**Caroline Lucas**, *on behalf of the Verts/ALE Group*. – Mr President, I would like to welcome the statements from both the Council and the Commission, but my question to them both is when are we going to go beyond the fine words – which I very much agree with – when are we going to have real action? We have heard the same words over and over again that we need to ensure that Israel does this or does that, but we need the real leverage to make that happen, otherwise Israel will simply ignore us, as it continues to do.

My question is what practically can you do to make sure that we see real movement and progress here? To my mind that has to involve issues like the suspension of the EU-Israel Association Agreement.

Focusing on the situation in East Jerusalem, I welcome very much the Swedish Presidency's initiative and its clarity over the role of Jerusalem as a capital of two states and your firmness about the importance of Israel freezing its settlement activity in East Jerusalem.

I also pay tribute to the authors of the EU Heads of Mission report on East Jerusalem itself. That report speaks with a clarity and vision which is all too often absent in these debates. It sets out how Israel's policy of illegal annexation of East Jerusalem is deliberately designed to weaken the Palestinian community in the city and prevent Palestinian development. But the Heads of Mission called on the Council to adopt a whole range of recommendations as a result of that report, and I believe that we need to see urgent action from the Council to do exactly that.

If the EU is serious about its commitment to a two-state solution, it needs to be doing everything possible to preserve and strengthen the Palestinian character and identity of East Jerusalem. The Heads of Mission statement and report show practical ways of doing so.

**Peter van Dalen**, *on behalf of the ECR Group*. – (NL) Mr President, particularly at this time of Advent, many are praying for peace in the Middle East, but sometimes one loses heart and thinks this peace will never come. It is, nevertheless, important that all parties continue to work for peace, yet therein may lie the main problem. Are all parties able and willing to work for peace? Israel has already taken action to exchange land for peace in the past – I am thinking of its withdrawal from parts of the Gaza Strip – but, unfortunately, this did not lead to peace. Indeed, the rocket fire increased and, in 2009, Israel invaded the Gaza Strip. Now, Israel has announced a temporary halt to construction on the West Bank. A series of roadblocks has also been removed. This was a gesture to help bring about peace talks.

This action by the Netanyahu Government is already fairly far-reaching by Israeli standards, yet I still see little movement on the Palestinian side. People keep saying that what Israel does is of no account, but I fail to see a Palestinian gesture to enable talks. Is the Palestinian side willing and able to bring about further talks? Hamas seems to be embroiled in its struggle with Fatah and to be kept on a tight leash by Iran. Mahmoud



Abbas seems to be a paper tiger, no longer wielding much influence to speak of. I think it is time the Palestinian side, too, made clear that it wants peace.

**Kyriacos Triantaphyllides**, *on behalf of the GUE/NGL Group*. – (EL) Mr President, Lady Ashton, we welcome the decision taken on 8 December by the Council of the European Union. This confirms the European Union's support for the creation of two states on the basis of the 1967 borders.

Nonetheless, based on experience from our recent visit to the area, the situation which prevails in the territories in question makes the creation of a Palestinian State almost impossible. I refer specifically to the erection of the wall, to the demolition of Palestinian houses and, most importantly, to the creation of settlements in the area of the West Bank as a whole, especially around East Jerusalem.

Around 500 000 settlers are living in these settlements today. More importantly, in East Jerusalem, efforts are being made to create a palisade by erecting settlements around the city, so as to force the Palestinians to abandon their homes. It is now obvious that the Israeli Government is using talks to gain time. Slowly but surely, it is trying to impose its sovereignty on all the Palestinian territories.

In addition to advocating the solution of two states, the European Union should take specific measures against Israel. The continuing violation of human rights is sufficient cause for the European Union to impose sanctions on the basis of Article 2 of the treaty, because if, on the one hand, it chooses to support the peace process but, on the other hand, continues to upgrade economic relations with Israel without limitation, the only thing it will achieve is to serve Israel's policy, which consists of forcing the Palestinians to abandon their land and expanding Israeli sovereignty to the whole of Palestine.

**Bastiaan Belder**, *on behalf of the EFD Group*. – (NL) Mr President, has Europe taken leave of its senses? This rhetorical question was put by the United States at the start of December. The subject of this fierce criticism from Congress was the unilateral designation of East Jerusalem as the capital of the envisaged Palestinian State in a draft Council Resolution in circulation. As Chair of the EP Delegation for relations with Israel, I had imagined and hoped for a more constructive start to our transatlantic dialogue. Also, I hasten to add, careful examination of both the draft and the final Council statement left me, like our counterparts in Congress, extremely dismayed. I distance myself emphatically from the proposal to divide Jerusalem, in particular. I consider the Council statement on the Middle East to be a serious diplomatic and political setback for the peace process, and hence am very disappointed in the Foreign Ministers for being led by the Swedish Presidency, of all presidencies, with its strained relations with the Jewish State.

I have several fundamental objections to the said Council statement. This is hardly the way to encourage the Palestinian Authority to resume talks with Israel. In addition, the statement goes against the Quartet's principle, laid down on 9 November 2008, that 'third parties should not intervene in the bilateral negotiations'. The official reaction of the United States to the Council statement of 8 December underlined this principle once more. Is there nothing for it, then, but to resign ourselves to the impasse in the peace process? Absolutely not! Following recent delegation visits to Israel, I firmly believe that a gradual, solid process of rapprochement between the State of Israel and the Palestinian Authority is both necessary and possible. Gradually transferring administration on the West Bank, for example in Area C, and strengthening economic cooperation, whilst strengthening and establishing reliable Palestinian institutions, will really move the peace process forward. I call on the Council and the Commission, therefore, to stop making counterproductive declarations on the peace process and instead to invest in specific projects involving cooperation between the Israelis and Palestinians. This is an established European formula, is it not?

**Diane Dodds (NI)**. – Mr President, as a member of the parliamentary delegation to Israel, I listened with interest to the Foreign Affairs Council's comments on the Middle East peace process and the Commission's statement. However, I, like my previous colleague, are left with an overriding sense of concern in relation to these. Israel is the only functioning democracy in the region. The favourite tactics of its opponents have been terrorism against the state. I believe that the Council and the Commission statements fail to give proper weight to Israel's security concerns. In fact, I did not hear the High Representative mention those concerns in her statement to this House.

Furthermore, I believe that the statement places too strong a burden upon Israel, both in terms of the failure of the process to progress and on the resolution of the outstanding issues – in particular, Jerusalem.

**José Ignacio Salafranca Sánchez-Neyra (PPE)**. – (ES) Mr President, the truth is that this is a very unusual debate, because we have Mrs Malmström sitting on the Council benches – soon we hope to see her sitting on the Commission benches. We will see where she sits!

In any case, Mr President, the Council's conclusions do not exactly incite optimism. The Council has expressed its deep concern regarding the lack of progress in the Middle East peace process, and is asking for it to be resumed on the basis of the United Nations Security Council resolutions, the conclusions of the Madrid Conference and the road map. Nothing is new under the sun.

It also says that the European Union is prepared to make its essential contribution to resolving the problems that the two speakers have presented here: the problem of eastern Jerusalem, the water problem, the security problem and the border problem.

There are, however, a series of new elements that I would like our guests to give their opinion about. Firstly I would like to know whether, in their opinion, the eight-month moratorium and the settlements decided upon by the Israeli Government are linked to the new United States Government.

I would also like to know what they think about the statements made yesterday in Gaza by the representative of Hamas, on the twenty-second anniversary, saying that they are not intending to make any concessions to Israel and that they are not intending to recognise it. What do they think of the continuity law that is going to give a voice to the Israeli people through a referendum on the occupation of the occupied territories?

Finally, what do they think of the Goldstone report and its adoption by the United Nations Human Rights Council? Do they think that this is something that will help the peace process or, on the contrary, as Israel maintains, do you think that it is something that will obstruct or hinder it?

**Proinsias De Rossa (S&D).** – Mr President, there are two commitments which I specifically want to welcome in the Council statement and which have the potential to create a new dynamic: support for the Palestinian Authority's two-year programme for ending the Israeli occupation and establishing the Palestinian state, and the Union's readiness, when appropriate, to recognise a Palestinian state.

Last week, I led an official European Parliament delegation to the occupied Palestinian territories where, once again, I saw with my own eyes the apartheid system being implemented by Israel against Palestinians, along with the dispossession and destruction of their homes, their lands, their water and their places of worship.

Within hours of the publication of the Council statement, the permission my delegation had for going to Gaza was rescinded. That is not the act of a friendly state. It is certainly an interference in the democratic right of this Parliament to have decent and democratic relations with our opposite numbers, elected by the Palestinian people.

We found widespread despondency and hopelessness amongst the people we met and in the areas we visited in Hebron, East Jerusalem and Ramallah. Where there is hopelessness, there will be violence. We can make progress now or we can let the situation slide into more bitter violence, which will drive moderate Palestinian politicians out of leadership. That is the choice we have to make.

I would appeal to both the Council and to Baroness Ashton, whom I wish well, to reinvigorate the Union's engagement with this process – not just looking towards the Quartet to reinvigorate its engagement with the process – and to put in place a timetable coinciding with the Palestinian authority's two-year timetable for the implementation of the principles we outlined, so bravely in my view, last week.

We must vigorously defend human rights. We must act. We must use access to our markets to incentivise Israel. I am not talking about sanctions. I am talking about ensuring that access to our market is used as an incentive to ensure that Israel acts in relation to its international responsibilities. We must also, finally, persuade the United States to urgently re-engage on the same basis we outlined last week.

**Chris Davies (ALDE).** – Mr President, the EU Heads of Mission report on East Jerusalem makes pretty devastating reading. Let us not beat about the bush. This report makes clear that what is going on in East Jerusalem amounts to a form of ethnic cleansing. Palestinian homes are being stolen, people are being forced out and hopes of peace are being destroyed. So the question is: what are we going to do about it?

The Council's conclusions are very welcome. We know they are strong, because the Israeli Government immediately dismissed them. Nothing new, they said. They are used to dismissing our words because we never back them up with deeds. They treat us with contempt. Why shouldn't they – we are so gullible we actually pay the bills for the occupying power! We keep the Palestinians going when it should be Israel footing the bill, not our taxpayers.

If our words are to have meaning, then we should suspend or threaten to suspend the association agreement, but not one of our foreign ministers has ever even raised that possibility, we are told. So the question remains: where is the policy? Well, we have the policy. It is in the conclusions. Now what about the action? Israel will not move unless it is pushed.

**Franziska Katharina Brantner (Verts/ALE).** – (DE) Mr President, I would like to welcome Baroness Ashton to her new position. I would also like to thank the Swedish Presidency for the resolution and for acknowledging that it will not be possible to implement the two-state solution in the long term unless we can solve the settlement problem. The Heads of Mission report has been mentioned several times and we also believe that it is very good. On this basis, I have two questions. What is the current status of this report and where will it be published? Secondly, what will you, the Commission and the Council, do to implement the recommendations in the report? I would now like to quote three of the recommendations from the report. The first is:

‘prevent, discourage financial transactions from EU Member States’ actors supporting settlement activity in East Jerusalem by adopting appropriate EU legislation’; second, ‘ensure that products manufactured in settlements in East Jerusalem are not exported to the EU under the EU-Israel Association Agreement’; and, third, ‘provide guidance on origin labelling for settlement products to major EU retailers.’

(DE) The proposals made in this report are very specific and precise. What steps do you plan to take now to implement them?

**Patrick Le Hyaric (GUE/NGL).** – (FR) Mr President, Commissioner, Minister, I thank you and I welcome your comments.

Europe now has two essential documents with which to push for new peace initiatives. Firstly, the courageous report by the Swedish Presidency, which you just mentioned, Mrs Malmström. This report calls for progress along the lines of having two States, one of which would be Palestine, within the 1967 borders, with East Jerusalem as the capital.

Secondly, the text by the ambassadors, the Heads of Mission, which shows that the Israeli authorities are pursuing a strategy whereby they demolish houses and colonise land in violation of human rights. This strategy is aimed at cutting Jerusalem off from the West Bank so that the very idea of creating a Palestinian state is shelved.

However, our words in this House will clearly have no effect if we do not follow them up with concrete acts. We must act and, to do so, we can suspend the European Union-Israel association agreement until such time as the Israeli Government complies with international law. We therefore need to act to ensure an end to the colonisation, the lifting of the blockade of Gaza, the destruction of the wall of shame, the return of the refugees, and the release of all the political prisoners.

May I say one more thing. The release of the soldier, Gilad Shalit, has been discussed in this House. I agree with what has been said. However, at the same time, our Parliament must give its support to the release of another European citizen, the young Franco-Palestinian, Salah Hamouri. Yes, freedom for Gilad Shalit, but also for Salah Hamouri!

**Simon Busuttil (PPE).** – (MT) Please allow me to start by congratulating the Council for the courageous conclusions it reached last week. In my opinion, we have never had such clear, concrete and courageous conclusions on such a sensitive issue from the Council as the one we had last week. Therefore, I congratulate the Council.

I would, however, like to add that we must now proceed to take action, since the situation in Jerusalem is deteriorating on a daily basis and cannot be tolerated any further. There are problems of blatant violations of international law, there are difficulties which are causing great suffering to many persons, including expulsion from their homes, destruction of their residences, and the construction of illegal residences. We cannot remain silent in the face of such injustices, because by doing so, we would be conveying the message that law, diplomacy, and the much cherished principle of peaceful solution of conflicts are worthless. I do not think that we would have allowed this to happen in our country. We must therefore act by creating the right environment conducive to confidence building between the two parties, and to have two distinct and viable states which can cohabit peacefully. Kindly allow me to give credit to the instrumental role Jordan is playing in this regard. A final word to Baroness Ashton – you have been assigned a new role by the Lisbon Treaty, an important role which provides us with an opportunity. Let us please not miss this opportunity.

**Rosario Crocetta (S&D).** – (IT) Mr President, ladies and gentlemen, we were in Ramallah when we heard the news that Europe had adopted a new decision on the Middle East peace process. We saw the hopeful smiles on the faces of the Palestinian representatives.

They were days filled with emotion and suffering, etched on the faces of the children gripping the window bars of their homes on the Hebron road, the deserted road that no Palestinian is allowed to cross. We saw the suffering of an 85-year-old woman, driven out of her occupied home, forced to sleep in the cold in a tent set up in the garden of what used to be her own house, and the suffering on the faces of the Palestinians who had built a farm using European funds, subsequently destroyed by Israeli soldiers.

Israel has the right to be an independent state, but the Palestinians also have the right to a homeland, a state and a passport. The decision of the Council of Europe represents a considerable step forward, but we need to act immediately. The Israeli-Palestinian conflict is just the tip of the iceberg in a larger conflict. On the final day of our visit, the Israeli authorities prevented us, the European Parliament delegation, from visiting the Gaza Strip. I believe that in this regard, the High Representative, Baroness Ashton, should step in to protest on behalf of democratic Europe.

I should like to thank Mr De Rossa who led the delegation and all the other members of the delegation, because during the days we spent in Palestine, the vulnerable were able to see and hear the face and the words of a Europe which upholds rights and wishes to, and must, do more.

**Hannu Takkula (ALDE).** – (FI) Mr President, Commissioner, Mrs Ashton, I believe that the new High Representative must be amazed at how the European Parliament has done its homework. What sort of history books must it have read if it did not know how the state of Israel came about in 1947? This interpretation that the Council adopted under the Swedish leadership therefore seems a bit odd.

We have to remember that the European Union must stand by its values. We have democracy, human rights and freedom of opinion, which is important. Furthermore, Israel is the only democratic country in the Middle East. We should not be creating anti-democracies there, non-democracies, because they do not respect our values.

It is also very important to remember that the idea that Jerusalem should be divided, making it a city in two countries, is quite inconceivable. The European Union would not propose such a thing for any other democratic country. Of course, we need to ensure that Israel can preserve its democratic system and its rights in its own capital, and the European Union can be involved in the peace process, and it should be, but in a diplomatic role and not as a doctor or judge.

It is regrettable that Gilad Shalit, who is a French national – a citizen of the European Union – and an Israeli soldier, has not been released. This shows what the Palestinian administration and Hamas think about the European Union. They have no respect whatsoever for our principles or our values. We need to move on, and these sorts of daydreams, which the Council resolution largely consists of, should be abandoned.

Israel is a democracy; its values are the same as our own. We must defend democracy and people's right there to a complete and secure existence, and to peace, and that peace can be achieved when the terrorist organisations, Hamas and their cohorts, stop the attacks against Israel and Israeli citizens. Here we have the scope to fight terrorism together and make it possible for Israel to exist as a nation.

**Frieda Brepoels (Verts/ALE).** – (NL) Mr President, in their report of 23 November, the EU Heads of Delegation in Jerusalem and Ramallah made very clear that Israel is actively engaged in illegally annexing East Jerusalem and completely isolating it from the rest of the West Bank. I ask myself, therefore, why the Foreign Affairs Council is not drawing the right conclusions from this. Why is it simply disregarding the specific recommendations, in particular, of such an important factual report – its own report, at that – knowing that the current developments are irreversible and, in so doing, even casting serious doubt on the chances of establishing an independent, viable Palestinian State alongside the State of Israel? The Middle East peace process has no need for woolly pronouncements. It is high time and the right moment for the European Union to assume an active, visible role in the region, and this is only possible, of course, if we also show the courage to take a clear and unequivocal position, particularly on East Jerusalem.

**Charalampos Angourakis (GUE/NGL).** – (EL) Mr President, the EU policy is to support the Israeli Government, together with the United States and NATO, in its criminal policy of genocide of the Palestinian people. This is the conclusion reached by members of the European Parliament delegation which the Israeli authorities prohibited from entering the occupied Gaza Strip.

EU policy and the recent decision essentially give extra time to Israeli governments, which burden themselves with war crimes, as we know from the UN report on the war in Gaza, so that they can continue with their occupation plans.

The mealy-mouthed talk by the European Union is out of keeping with the righteous global call for a viable and independent Palestinian state on the 1967 territories with its capital in East Jerusalem. The European Union is not taking any practical steps in this direction. On the contrary, it is upgrading relations with Israel, which continues with the settlements, especially in East Jerusalem, with the construction of the dividing wall and with the shameful and criminal isolation of the Gaza Strip.

We reject imperialist plans for the Middle East and stand side by side with the Palestinian people and all the peoples in their struggle.

**Monika Flašíková Beňová (S&D).** – (SK) I have to say that the results of last week's meeting of the Council of Ministers were not entirely balanced and, moreover, I have the feeling, as I have been dealing with this issue for a long time, that they have not really advanced matters in terms of our efforts for the peaceful coexistence of these two nations.

I would therefore like to say that I know that we have more to do. We have to be not only mediators but also active mediators in this peace process, and we must insist that the solution to this catastrophic situation appears equal and is equal and acceptable to both states, so that both states, both Palestine and the State of Israel, have an equal stake in it.

The Council has tried to bring the Palestinians back to the negotiating table, despite their opposition to some Israeli measures, and we, too, are insisting that needless obstacles to the peace process are removed as soon as possible. The demolition of Palestinians' homes in East Jerusalem and the building of settlements and separation barriers on occupied territory are not acceptable. It is also unacceptable, however, for us to expose Israel and not to manage to defend it actively against all attacks and terrorist activities aimed against citizens of the State of Israel.

I would like to emphasise, of course, that it is also necessary to respect the international legal framework, without which there can be no hope of stable development for the region. In my opinion, we Europeans, the EU and the citizens of our states, are prepared to hold out a helping hand and I hope that Baroness Ashton achieves success with her mission to the region and returns from the region with good reports.

**Alexandra Thein (ALDE).** – (DE) Mr President, Mrs Malmström, Baroness Ashton, ladies and gentlemen, I am a member of the delegation for relations with the Palestinian Legislative Council, in other words, the Palestinian parliament. Last week, our delegation was refused entry to Gaza by Israel. The situation in Gaza is very disturbing, particularly now that winter has come. Only 10% of the population can obtain the supplies they need by smuggling goods through the tunnels and this is exactly why the tunnels are tolerated by everyone.

Before operation 'Cast Lead' the situation was exactly the reverse and 90% of the population of Gaza could take care of themselves. As an occupying power, Israel should be responsible for providing for the population in all the occupied areas. Israel is shirking its responsibility under international law, which means that the international community and, above all, the EU have to step in.

If we are supplying food to 90% of the population of Gaza, we have a right to see where European taxpayers' money is being spent, whether it is being used appropriately and whether it is reaching the people who need it.

**Hélène Flautre (Verts/ALE).** – (FR) Mr President, I, too, would like to congratulate Mrs Malmström and the Swedish Presidency on their excellent conclusions. They revive the expectation that we all had, namely that it would be confirmed that the EU is indeed responsible for peace in the region under international law, and that, I believe, is crucial.

Nevertheless, I am surprised that, one year after the military invasion of Gaza, no reference has been made, in these conclusions, to the follow-up to the Goldstone report sought by the Council. What stage are we at in the follow-up to this Goldstone report, to which the Council committed itself, notably with regard to the internal investigations involving the various parties concerned?

Next, I am delighted that East Jerusalem is being considered as the capital of the future Palestinian State, or the Jerusalem of the two States. Nevertheless, these conclusions lack specific operational options. On the

other hand, there are very many such options in the mission report by the Heads of State or Government who visited East Jerusalem.

I therefore call on the Commission and the Council to kindly clarify for us the specific methods by which, in fact, the European Union will neither recognise nor legitimise the annexation of East Jerusalem that Israel is currently seeking to achieve by, among other things, introducing economic measures, but also by orchestrating the mass displacement of Palestinian communities.

**Richard Howitt (S&D).** – Mr President, may I welcome the presence of the new High Representative in the Chamber and also the strong Council conclusions on the Middle East steered by the Swedish Presidency.

On the Goldstone report, I would like to congratulate Mr Bildt, on behalf of the Presidency, for praising the – and I quote – ‘credibility and high integrity’ of the Goldstone report. I do think it would be useful if Mrs Malmström could repeat today in the European Parliament what her Ambassador said in the United Nations – that the EU urges Israel and the Palestinians to launch appropriate, credible and independent domestic investigations of human rights violations in relation to the Gaza conflict.

Finally, can I ask the Presidency and the High Representative if they are aware of the British Government guidance adopted last week for food labelling to distinguish between imports originating from the Palestinian territories and those from illegal Israeli settlements, and tell us what plans they have for extending this advice to the European level. As electors, we can choose to pay the costs of peace. As consumers, we do not want to subsidise the price of conflict.

**Ramon Tremosa i Balcells (ALDE).** – Mr President, I think that the recent European Union position led by the Swedish Presidency on the Middle East that would recognise East Jerusalem as the capital of a future independent Palestinian state may harm European efforts to play a significant part in mediating between Israel and the Palestinians. It might be counterproductive with our common objective to bring peace to this already turbulent region.

I personally believe that rather than unilaterally and unexpectedly announcing an independent capital for the Palestinian territories, it would be preferable and more useful if the European Union would concentrate all its efforts on encouraging and pushing for the creation of a real democracy in the Palestinian territories, for example, supporting non-violent opposition. This would help the Israeli state and democracy, as well as the international community, to find a credible and legitimate interlocutor.

As Cecilia Malmström has said today, the status of Jerusalem should be negotiated bilaterally by Israelis and Palestinians. I therefore believe that rather than a ‘two states for two peoples’ solution, a ‘two democracies for two peoples’ vision would be more desirable.

Democracy, dear colleagues, is a precondition for peace.

#### IN THE CHAIR: MR LAMBRINIDIS

*Vice-President*

**Michael Gahler (PPE).** – (DE) Mr President, firstly I would like to say how pleased I am that Baroness Ashton is sitting on the Commission side. I hope that she will continue to do so.

I have two questions for the Presidency. In the conclusions from the Council of Foreign Ministers there is no reference to the Middle East Quartet. Is the Council not in agreement about the role of the Middle East Quartet in the peace process or what is the reason for this?

Secondly, the same thing applies to Hamas. No reference is made in the conclusions to this group which, unfortunately, is politically important. What lies behind this?

**Frédérique Ries (ALDE).** – (FR) Mr President, since Mr Le Hyaric practically doubled his speaking time, I feel entitled to go at my own pace, but I shall nevertheless get straight to the point.

Under the Swedish Presidency, we had become used to better, much better. Mrs Malmström, please forgive my frankness. Designating, decreeing, as she has done, East Jerusalem as the capital of the future Palestinian State – just to begin with, I know – is, in my view, a rare diplomatic error – I am speaking euphemistically here. The error is not one of substance – let no one be mistaken about what I am saying here – but the way in which this declaration, which prejudices the final outcome of the negotiations, patronises, indeed scorns,

the parties concerned. Moreover, there are many Member States that have taken a stand and kept their distance from this first draft of the text.

So yes, of course, a thousand times yes to an open capital, a shared capital, this form of sharing that, since the 2000s now, has been part of the Clinton Parameters for a negotiated peace, a principle that has been accepted by Ehud Barak in Taba, and by others too. Furthermore, we also remember, in this very Chamber, the powerful way in which it was defended by Avraham Burg and Ahmed Qurei. Jerusalem: a sacred city for three religions, the capital city of books, an open capital. The only thing is, our role is not to impose sharing, a timetable or methods, but – as was said earlier – to encourage dialogue so as to enable the parties concerned, Palestinians and Israelis, to come to a conclusion.

**Sarah Ludford (ALDE).** – Mr President, the Council conclusion is indeed a welcome vigorous statement of the EU position and its intention to play a much stronger role in a reinvigorated Quartet engagement. Do the Council and Commission therefore agree that the approach urged on it by some, which is to boycott Israel, is completely the wrong route to that engagement? You cannot boycott and engage at the same time.

Indeed, the right approach is the one also stressed by the Council conclusions, which is to reaffirm the further development of bilateral relations with Israel. However tempting it is, the Council can only be an influential player politically, as well as with economic support, if it resists the temptations – motivated sometimes by frustration at one or other of the parties – to have some sort of sanctions or punish one or the other. It is too complex a situation and it simply undermines a consistent, coherent EU pressure on both parties to get back to the table and have a peace agreement.

**Ivo Vajgl (ALDE).** – (SL) I, too, am against the language of sanctions and threats and I, too, am in favour of a constructive policy and dialogue. However, I regret that we have heard far too often today the message that Israel is a democratic state. Israel is a state which is not behaving democratically when it comes to the Palestinians and when it comes to our common objective, which is the establishment of two independent, self-confident and secure states which will co-exist alongside each other. This is why, Baroness Ashton, I think that today you have been given many incentives for the development of a more constructive and a more effective European Union policy. I regret to say that Israel continues to see us as a paper tiger, not as a real entity with which it ought to establish a dialogue and which could be useful in resolving the problem.

**Robert Atkins (ECR).** – Mr President, as a member of the delegation that went to Palestine last week, it became clear to me that there are a number of sensible people who believe that the two-state option is dead in the water, largely because of Israeli actions, not least the proposals to extend the wall even further into and beyond East Jerusalem, thereby dividing the West Bank into the north and the south.

What interests and what actions are we likely to take if the single-state option becomes a reality?

Secondly, are the Presidency and Lady Ashton aware of how much the views of, again, sensible people about the charade that passes off as the Quartet is prevalent amongst a number of people? What actions are we going to take to ensure that the cost of this operation is matched by its effectiveness, which presently is nil?

**Charles Tannock (ECR).** – Mr President, I agree with the Israeli Foreign Minister, Mr Lieberman, that the final Council statement is a lot better perhaps than the earlier Swedish draft which I saw a couple of weeks ago, but it makes no mention of the accepted Quartet principles which Hamas repudiates as it carries on terrorising Palestinian Authority officials and civilians alike in Gaza.

Also, why did Foreign Minister Bildt not visit the region to show solidarity with democratic Israel and moderate Palestinians?

Also, why was the annexation of East Jerusalem singled out for mention at this critical time?

The EU needs to be more balanced and formally recognise our common democratic values with the state of Israel and actually enhance Israel's participation in EU programmes – unusually, I agree with Baroness Ludford on this – under the Association Agreement, in order to build confidence by Israel in the EU's goodwill towards the Jewish state.

**Cecilia Malmström, President-in-Office of the Council.** – (SV) Mr President, thank you for a very constructive debate. I would like to start by answering some specific questions and then I will say a few words to conclude.

The Goldstone report is a very important one. It is a serious report. It is important to study the conclusions carefully and the EU has called on both parties, Israel and the Palestinians, to launch appropriate investigations in the spirit recommended in the report.

As regards the Quartet, there is also a reference to the Quartet itself and to the need for the Quartet to step up its efforts in the conclusions adopted by the Council. With regard to the talks with Hamas, the Council is maintaining contact with the Palestinian leadership under President Abbas and Prime Minister Fayyad. The conditions for talks with Hamas are well-known and they have not been met.

Finally, I would like to say that it is extremely gratifying to see the high level of support in this House for the conclusions. Everyone, with some slightly differing opinions of course, appreciates how important it is to try in every way possible to support the peace process in the Middle East and we all feel an enormous amount of frustration about the fact that it is progressing so desperately slowly. The peace of Christmas that will soon settle over this Chamber and many places in the world will once again not be experienced in the way we would like it to be in the region this year.

At the beginning of the Swedish Presidency, we had hoped that the efforts of US President Obama would bear fruit in the Israeli-Palestinian negotiations. It is important for the EU and the US to work closely together. This has not happened yet, but – as always with regard to this issue – we must be patient and persistent. The EU must be consistent and stand firm in its message with regard to East Jerusalem, borders, settlements and security. I am very pleased at the high level of consensus here in Parliament, including with regard to our conclusions, which are clear and consistent. They will form the basis for the EU's work for a long time to come. In this regard, it will be important for all institutions to work closely together.

The EU is continuing its European security and defence policy mission in the region, and the European Union Police Co-ordinating Office for Palestinian Police Support (Eupol Copps), in particular, has made a significant contribution over the last year to improving the social and economic conditions for Palestinians in the West Bank. The EU also supports the preparations for the formation of an independent Palestinian state. A lot of work is needed here, and we, of course, support the programme drawn up by the Palestinian authorities: *Palestine: Ending the Occupation, Establishing a State*.

In order to put an end to this conflict, a negotiated settlement must be reached between the parties. This must include all of the issues. We cannot accept a solution that is determined through unilateral measures, which then becomes a *fait accompli*. The solution must be comprehensive. It must include the Lebanese and Syrian track and it must be part of a regional strategy that settles the Arab-Israeli conflict. We are not there yet, but the EU has nevertheless taken a huge step forward. All of the institutions are very much in agreement about the need for this and I look forward to continued cooperation on this matter.

**Catherine Ashton**, *Vice-President designate of the Commission*. – Mr President, can I just say that the issue of where I sit, I suspect, will keep coming back. I am sitting here because the Council is over there. I may have to go and sit over there or you may have to build me a seat equidistant, because I assure you I will be in trouble somewhere for wherever I sit. It is a great delight, though, to be here with Cecilia and I look forward very much to working with her.

What strikes me about the debate that we have just had is that pretty much – and I think, Mr Atkins, you may be the exception in what you said, though I listened with great care – there is a shared conviction that what we are looking for is a two-state solution. There is an enormous amount of passion from all parliamentarians, especially, if I may say, Mr De Rossa and those Members who have recently come back, and who have clearly seen for themselves the dreadful situation that exists on the ground.

I believe what is significant about the Council conclusions is that they are very clear. They give me a real sense of the direction that we need to move in. What is also very clear – and I pay tribute to the Presidency for the work that they have done on this – is the frustration in this House that things are not moving, frustration borne of views that are sometimes quite different, but nonetheless converge on a desire to see a solution. The nuances are important. The views that you hold on the differences, as well as the similarities, matter to me as I navigate our future in these discussions and negotiations.

There is no doubt to me that we have got to do two things. One is the rather political issues that you quite rightly raise. What is our relationship to be? I am at the beginning of that journey, and this debate is extremely important to me in listening to the views that have been put forward. What I take away from it is, first of all, that the Quartet must demonstrate that it is worth the money, that it is actually able to be reinvigorated. I have already talked with the staff by video link in Jerusalem, I have already talked to Mr Blair about his work



and I have already talked to Secretary of State Clinton about the same things. It is very important, if it is going to work, that the word 'reinvigorate' is absolutely right.

Secondly, there are the issues in the region which the Presidency has raised about the broader questions of those other countries that we need to engage with. I think most significant from today is: what is the EU itself going to be able to do?

That brings me, in a sense, to what I call the practical. A number of colleagues have raised particular issues, whether it is a question of what the UK is doing on labelling, whether it is issues about the association agreement, whether this report – the Heads of Mission report – and the recommendations that I have not yet considered within it are there. We need to consider all of these issues carefully, but what we have got to do is demonstrate the practical support that we put on the ground.

I described 1 200 classrooms that were needed and I described our work in health. We are very committed to Prime Minister Fayyad's state-building plan and to enhancing the institutions, particularly in terms of the rule of law. We must be seen to be practically engaged on the ground and practically working to find ways in which we can make the situation better for the people who have to live there every day and who look to us for the help that they need.

That is the most significant and practical thing I need to do first of all. I would describe the work that I want to do as this: we have the potential to do the political and the economic. What I want to do is draw those two things together, to find a way in which we can enhance what we do, to support the work that is going on, to make the Quartet more effective, to bring together what has been, in a sense, the Council and Commission operating side by side, and to meld it into one so that what we do on the ground really makes a difference.

In the end, it is the two sides who come together to make the decision and to find the peace. But, on the way to the end, we have a significant role to play, and I am determined, on your behalf as well as on behalf of the Commission and the Council, that we play our full part in that.

**President.** – The debate is closed.

*Written statements (Rule 149)*

**Dominique Baudis (PPE), in writing.** – (FR) During the last Foreign Affairs Council, the Council of the European Union made it known that it wanted a Palestinian state to be created in the near future, within the 1967 borders and with East Jerusalem as its capital. Europe is thus outlining the conditions of a viable solution to the Middle East conflict that is acceptable to both parties. The solution proposed by the Council is fair. Israel and Palestine can use it as a basis on which to exchange land for peace. The European Union has a major role to play. It can support inter-Palestinian reconciliation, without which there will be no Palestinian interlocutor in the negotiations with Israel. It can encourage the resumption of an Israeli-Palestinian dialogue within the context of the Union for the Mediterranean.

**Daciana Octavia Sârbu (S&D), in writing.** – I welcome the recent Council conclusions on this matter, particularly regarding the issue of East Jerusalem. The Council has set out a clear position on several key issues, including the 1967 borders, Israeli settlements, access to Gaza, and support for a two-state solution in which Jerusalem would be a shared capital. These remain some of the crucial sticking points and the Council has succeeded in addressing them in its conclusions. The Council has provided the EU's High Representative with a list of concrete objectives and a clear direction in which the EU wants to see the negotiations moving. I am hopeful that this clarity and unity from the Member States will lead to more effective EU involvement in the negotiations, and an increased capacity to engage with other key actors in the peace process.

## **14. Restrictive measures affecting the rights of individuals following the entry into force of the Lisbon Treaty (debate)**

**President.** – The next item is:

- the oral question to the Council (B7-0233/2009) by Emine Bozkurt, Louis Michel and Michèle Striffler, on behalf of the Committee on Civil Liberties, Justice and Home Affairs, on restrictive measures affecting the rights of individuals following the entry into force of the Lisbon Treaty (O-0135/2009);

- the oral question to the Commission (B7-0234/2009) by Emine Bozkurt, Louis Michel and Michèle Striffler, on behalf of the Committee on Civil Liberties, Justice and Home Affairs, on restrictive measures affecting the rights of individuals following the entry into force of the Lisbon Treaty (O-0136/2009).

**Emine Bozkurt, *author.*** – (NL) Mr President, democracy, the rule of law, human rights and fundamental freedoms are what the EU stands for. In the fight against terrorism, however, the EU is less principled. Take the UN blacklist, for example. People or entities suspected of having links with Osama bin Laden, the al-Qaeda network or the Taliban can be placed on this list, which results in a travel ban and the freezing of their financial assets. This measure is all well and good as far as terrorism is concerned, as this terrorism must be fought – that is beyond dispute – but the lawlessness with which terrorists operate must not be allowed to creep into the way we fight terrorism.

Unfortunately, the current system is characterised by abuses of fundamental rights. People are placed on the list, often without being fully informed of the fact, without intervention by any judicial power. The information that leads to them being placed on the blacklist regularly originates from secret services. This information is not transparent to suspects and, as a result, they do not know why they have been placed on the list. This deprives them of not only their right to information but also their right of defence.

Once a person's name is on the list, it is very difficult to have it removed. There have already been enough cases of people listed wrongfully for many years who had to fight for due legal process. They are condemned to poverty, cannot key in their PIN to pay for shopping and are not allowed to leave their countries. I am arguing today not for more rights for terror suspects but only for them to be able to rely on their rights like anyone else. I advocate transparent procedures and due legal process for everyone.

The list also has far-reaching side effects. Since authorities can decide to place people or organisations on the list, this can also be used as a political tool. Non-governmental organisations (NGOs) fighting for human rights, for example, who are a thorn in the government's side, can be designated as terrorist organisations to paralyse their activities. The Commission was forced to revise the current procedures by a judgment of the European Court. The Commission gave this a decent impetus, but it failed at Council level.

A new situation has now arisen as a result of the entry into force of the Treaty of Lisbon. Is it to be Article 215 or Article 75 of the Treaty on the Functioning of the European Union? In other words, is the European Parliament to take no part in examining the proposals, or is it to be involved via the normal procedure, namely codecision? The Committee on Legal Affairs has indicated that Article 75 is the correct legal basis, as has Parliament's Legal Service. I should like both the Council and the Commission to tell us today how they see the way ahead for these proposals for restrictive measures. What role is envisaged here for Parliament? It is time we had transparent, democratic procedures. The question is whether we can count on your cooperation.

**Carlos Coelho (PPE).** – Mr President, I am afraid the Portuguese interpretation is not working. I have not heard one single word from the previous speaker. Something must be done; otherwise, I cannot follow the debate.

**President.** – We will have to ask what is happening, and we will let you know, Mr Coelho.

**Louis Michel, *author.*** – (FR) Mr President, Mrs Malmström, first of all, I would like to thank and congratulate my fellow rapporteurs, Mrs Bozkurt and Mrs Striffler.

I fully endorse the conclusions of the Committee on Civil Liberties, Justice and Home Affairs and the Committee on Legal Affairs, as well as those of Parliament's legal service. Since respect for human rights is one of the fundamental values of the Union, it is crucial that these rights are fully respected. The measures taken as part of the fight against terrorism must be proportionate, appropriate and effective.

Still in the context of respect for fundamental rights and the rights of defence, access to personal data by the persons concerned, as well as communication of the grounds on which the measure is based, are essential stages in the process of combating terrorism. Since sanctions and blacklists are only temporary, I believe that close and serious monitoring must be carried out and that a regular evaluation is required, with mandatory consultation of Parliament.

While we can welcome the measures taken, particularly those relating to Zimbabwe and Somalia, we must bear in mind that these sanctions cannot, under any circumstances, serve as an obstacle to the development, democracy-building and human rights missions carried out by humanitarian organisations, or have harmful consequences for the local populations.

Lastly, with regard to the protection of personal data, I fully endorse the conclusions of the European Data Protection Supervisor concerning the collection, processing and transfer of this data.

**Michèle Striffler**, *author.* – (FR) Mr President, Commissioner, ladies and gentlemen, the vast majority of European citizens believe that the fight against terrorism must be conducted as a matter of priority at EU level. They are fully aware of the impact that Europe, through its global vision and the implementation of consistent policies, can have in this area.

Thus, I welcome the fact that, thanks to the Treaty of Lisbon, the European Parliament can do a thorough job of co-legislating in this area and can provide the necessary democratic control where European counterterrorism policies are concerned.

The first decade of the 21st century is coming to an end. We all remember that it began with one of the worst tragedies in the history of mankind. We cannot allow terrorism to develop and we must find a firm and appropriate solution to it. The Taliban, the al-Qaeda network and Osama bin Laden represent the greatest, most urgent risk for the European Union.

Islamic extremism – a shameful abuse of the Muslim religion – and hatred of the West and its values sustain this deadly terrorist network. We must combat this phenomenon and, I repeat, the European Union must show that it is extremely firm and extremely vigilant in the face of this threat.

Moreover, in view of the serious and constant violations of human rights and of the freedom of expression, association and peaceful assembly committed in Zimbabwe, the European Union must not dare turn a blind eye. Natural and legal persons – belonging or not to the government – whose activities undermine democracy, respect for the most fundamental human rights, and the rule of law in Zimbabwe must be severely punished.

By the same token, ladies and gentlemen, the European Union has a duty to take targeted measures against those who threaten peace, security and stability in Somalia. We must enforce the general and complete embargo on the supply of weapons to Somalia and ensure that the delivery of humanitarian aid and access to that aid and its distribution in Somalia are guaranteed.

I say this because it is, above all, the poorest, most vulnerable populations that are suffering, and we cannot continue to stand by and watch. I regret, however, that Parliament's role in this area has been diminished by the Treaty of Lisbon, contrary to the spirit of the treaty and the importance that it confers on Parliament.

However, the European Union must punish those responsible. Does that mean that it has to forget its most fundamental principles? No. The European Union's action on the international stage must centre on the principles that have governed its creation, development and enlargement, and it must promote these values in the rest of the world.

**Cecilia Malmström**, *President-in-Office of the Council.* – (SV) Mr President, what we refer to as restrictive measures are very important and something that I know many Members have opinions on. They are perhaps a little difficult for anyone listening to this debate to understand. Let me start by explaining how the Council uses these measures. Then I will talk about the Treaty of Lisbon.

Restrictive measures against third countries, individuals, natural or legal persons or other entities are an important tool for the EU in its foreign and security policy. In general, you could say that they are used to bring about a change in a particular policy or activity. They should, of course, be used as part of an integrated, comprehensive policy that may include political dialogue, various forms of incentive and conditions that need to be met. Restrictive measures alone are not always sufficient to bring about a change, but they can be a way of exerting pressure on repressive regimes or stopping the flow of money and other resources that support such regimes or terrorist networks.

In some cases, restrictive measures are introduced by the Council when we implement resolutions that have been adopted by the UN Security Council in accordance with Chapter VII of the UN Charter. In such cases, the EU's various legal instruments must adhere strictly to these resolutions. They relate to situations and acts, including terrorism, that constitute a threat to peace and security. They can only form part of the EU's external action and, in that way, they differ from measures to create our own area of freedom, security and justice, which is, of course, our goal within the Union.

The Council interprets the Treaty of Lisbon in such a way as to apply Article 215 of the Treaty on the Functioning of the European Union in respect of these and other restrictive measures within the framework of the common foreign and security policy, including with regard to terrorism. The EU can also decide to

apply further measures alongside those decided by the UN and we can also introduce measures on our own. Sanctions that the EU decides on by itself can be introduced to support other foreign and security policy objectives – respect for human rights, democracy, the principles of the rule of law and good governance – all in accordance with the EU's obligations under international law.

The measures are currently most often levelled directly against those who have been identified as being responsible for the policy or the measures that we are opposed to, or against their interests or their sources of income. This is more effective than broader sanctions in the form of general trade embargoes or other more arbitrary measures. Targeted sanctions are intended to minimise the negative impact that these measures can have on the population of the country in question. This is a very important consideration when the Council is preparing a decision regarding the introduction of new sanctions.

All sanctions are reviewed regularly to assess their effectiveness. They may be adjusted or lifted completely, depending on the developments. According to the Treaty of Lisbon, restrictive measures will also continue to be used as a tool within the common foreign and security policy by means of Council Decisions in accordance with Article 29 of the treaty. One important change in the new treaty is that decisions on restrictive measures relating to natural or legal persons are now subject to legal review. This means that the court can examine whether a decision regarding sanctions is lawful. This was not the case previously.

Now that the Treaty of Lisbon has entered into force, regulations are adopted following a joint proposal from the High Representative for Foreign Affairs and Security Policy and the Commission in accordance with Article 215 of the Treaty on the Functioning of the European Union. The European Parliament shall be informed of any such decisions. I understand that this change is not appreciated by Parliament, as the Council is no longer obliged to consult Parliament on sanctions that relate to individuals. However, that is how we interpret the treaty.

It is important to point out that any decision on restrictive measures, and implementation of these measures, must always comply with international law. Restrictive measures entail the restriction of certain rights for those individuals that they are directed against. Therefore, the sanctions clearly must respect human rights and the fundamental freedoms. This relates to procedural rights and the right to legal protection. The measures must also always be proportionate to the objective.

With the experience that we have gained in applying sanctions, we have carried out thorough assessments and have looked at how sanctions can be imposed in a constructive way. A number of tangible improvements have been introduced. These include a requirement for the criteria for using certain sanctions to be specified, as well as the grounds for including an individual, a natural or legal person or other entities on a sanctions list. This must be continually reviewed and adjusted if necessary. In this work, the Council has taken account of the European Parliament resolution from last year on the evaluation of EU sanctions as part of the EU's actions and policies in the area of human rights.

**Catherine Ashton**, *Vice-President designate of the Commission*. – Mr President, as the Presidency said, the questions you have put forward raise important issues in relation to the future management of restrictive measures or sanctions in the EU. Following the entry into force of the Lisbon Treaty we now have to make a choice as regards the legal base for the proposed Regulation which amends the al-Qaeda and Taliban Sanctions Regulation. Our view is as follows:

Firstly, the new treaty has added a specific provision to the article in the former EC Treaty on foreign policy-related restrictive measures or sanctions. Article 215(2) provides a new legal base for restrictive measures against natural or legal persons and groups or non-state entities. It expands the scope of the former Article 301 and should be applied as the legal base for amendment of the al-Qaeda and Taliban Sanctions Regulation.

Secondly, Article 215 applies when there is a Common Foreign and Security Policy (CFSP) decision. The al-Qaeda and Taliban Sanctions Regulation implements a CFSP decision which requires that regulations be made to implement certain UN Security Council resolutions. These resolutions are binding for EU Member States under international law.

Thirdly, we consider that a double legal base – Article 215(2) and Article 75 – is not workable. That is because the objectives, scope and procedures of the two articles are different. I note that Parliament's Legal Affairs Committee and legal advisers have made the same assessment.

In conclusion, it is our view that the new treaty has provided specificity and clarity on the legal base for restrictive measures against natural or legal persons and groups or non-state entities. Article 215 addresses the role of Parliament and Council and the legislator should not deviate from the treaty.

We were also asked to provide information on fundamental rights-related improvements in the work of UN Sanctions Committees.

The proposed amendment of the al-Qaeda and Taliban Sanctions Regulation implements the findings of the European Court of Justice in the Kadi case. In that judgment, the Court made a number of comments on ways to improve the listing procedures applied by the UN al-Qaeda and Taliban Sanctions Committee. The points made by the Court are the motivation to amend the listing procedures of the regulation.

A number of UN Security Council resolutions have set out the procedures for handling the sanctions list at UN level. Most recently, UN Security Council Resolution 1822 provided that a summary of reasons should be made available on the UN al-Qaeda and Taliban Sanctions Committee's website in connection with each listed person, and provided for a review of all names on the list by 30 June 2010, with provision for regular review thereafter. The resolution demanded that the relevant state take measures to inform the listed person of their listing, the reasons for it and information about exemptions and delisting requests.

The approach in Resolution 1822 has since been replicated in Resolution 1844 on sanctions in relation to Somalia and in Resolution 1857 in relation to Democratic Republic of Congo.

Resolution 1822 provides for a review of the measures contained in it after 18 months. That period expires at the end of this year. Work is ongoing in connection with the review but the Commission is not in a position to indicate what changes to the procedures the UN Security Council will decide.

**Nuno Melo**, *on behalf of the PPE Group*. – (PT) The strengthening of Parliament's powers has been a keynote in a number of politicians' speeches on the entry into force of the Lisbon Treaty. The President of the Commission, Dr Barroso, for example, said the following here in Strasbourg on 25 November, on the preparation of the European Council: 'Now the Lisbon Treaty gives us a new opportunity to move ahead. We all know that freedom, security and justice will see some of the most significant changes from the treaty. [...] And, in particular, it extends the democratic framework for these policies by the full involvement of your Parliament.' I would emphasise 'the full involvement of your Parliament.'

In his first official speech, the President of the Council, Mr Van Rompuy, also said that the treaty was a powerful tool with which we can face the challenges of our times. If that is the case, then, it would make no sense to highlight the strengthening of our powers and competences in official discourse and then to adopt a restrictive interpretation of the Treaty of Lisbon, so as to deprive Parliament of prerogatives that it used to have and which it would make no sense to lose.

The questions that have been asked are, therefore, based on common sense, but this common sense goes beyond a mere evaluation of doctrine and the consistency between declared intentions and their interpretation. There is also a practical consequence, which arises from the old saying that he who can do the greater can certainly do the lesser, and it concerns the following: what sense is there for a body that has competence in criminal matters and in preventing and combating terrorist attacks, through being involved in a codecision process, to be subsequently excluded *a priori* when other measures are at stake which, by affecting citizens' rights, may even also be important in this context?

Therefore – I am finishing, Mr President – it is fundamentally important that the way the Treaty of Lisbon is interpreted in legislation corresponds in reality to the stated strengthening of Parliament's powers and competences. At the very least, in some cases, as was raised in the question, it should be possible to have a dual legal basis when the rights of citizens are at stake and anti-terrorism policies are threatened. In other cases, such as Zimbabwe and Somalia, for example, optional consultation should be envisaged, as in fact is enshrined in the Stuttgart Declaration on the European Union, which was also mentioned in the question. That is the position that I wanted to set out here, Mr President.

**Monika Flašíková Beňová**, *on behalf of the S&D Group*. – (SK) I would like to say that in my opinion, the efforts made by Members of the European Parliament in the ratification process for the Lisbon Treaty were not, from the perspective of the theme currently under discussion, adequately appreciated through involving us more in these processes.

I consider restrictive measures and sanctions as an important instrument of EU policy in the areas of foreign and security policy as well as, of course, in questions of justice and the defence of fundamental human rights.

Naturally, we were expecting an opportunity (as the European Parliament) to be much more involved in decision making in this area.

We also accept that target measures and sanctions have the aim of minimising the impact on the civilian population and I am delighted that you have mentioned precisely this clause, Mrs Malmström. However, as the only directly elected representatives of European institutions, we nevertheless feel with some justification that we will simply be a kind of adjunct in the creation process and later excluded from the decision-making and control process.

I do not consider this to be entirely correct, especially in a case such as this, involving a highly sensitive area relating to the field of justice and protection of fundamental rights, because the fight against terrorism is a highly sensitive theme for the citizens of our countries and for the entire EU. I will therefore wait patiently until the whole process is up and running to see what our cooperation will look like.

**Hélène Flautre**, *on behalf of the Verts/ALE Group.* – (FR) Mr President, I am talking here about so-called targeted sanctions, about intelligent sanctions, those that have a direct impact on fundamental rights too – the fundamental rights of individuals, organisations or legal bodies of any kind. These fundamental rights are important. They can include, for example, freedom of movement, but also protection of property.

It is for these reasons that these targeted sanctions must comply with a number of minimum rules in terms of procedure and legal certainty. I would add, moreover, that respect for these legal and procedural rules is crucial if these targeted sanctions are to be credible and, therefore, effective.

It was the Parliamentary Assembly of the Council of Europe – we in this House remember – that, through one of its then Members, Dick Marty, demanded transparency and the right of defence and which showed the absurdity of this lack of transparency where the effectiveness of listing and delisting was concerned. Listing and delisting were liable to affect innocent people too, people who were unaware of what was going on around them and unable to do anything about a situation that they generally stumbled upon by accident.

That is why access to data, as mentioned by Mr Michel, communication of the grounds for listing, and protection in the transfer of personal data, are crucial elements of this procedure.

Moving on, it nevertheless took a great deal of perseverance on the part of the victims of the United Nations' and the European Union's system of sanctions and the mobilisation of civil society, human rights organisations and also the European Parliament to have these victims' rights recognised by the European Court of Justice.

I would add that the Council's amendments concerning blacklists depend on the proposals that have been made, including by the European Parliament. That is why the European Parliament absolutely must be involved in taking, implementing and monitoring these decisions, since history shows that it was the European Parliament that made the reform of the Council regulation possible.

**Derek Roland Clark**, *on behalf of the EFD Group.* – Mr President, like charity, rights begin at home. I ask about the rights of European Sikhs. Because they wear the kirpan, a small ceremonial dagger, beneath their clothing, they have been prevented from entering the European Parliament.

The kirpan is an act of faith which they may not remove, so their exclusion is a matter of religious and racial intolerance. In successive years, I have written to each of the two previous Presidents and the Commission who all replied that the exclusion is on security grounds.

In celebrating her diamond jubilee, Queen Elizabeth came to my region, the East Midlands, where in their place of worship in Leicester, she talked to Sikhs, all wearing the kirpan, standing as close to them as you are to your colleagues.

I am minded to speak on this today because a month ago, I was at the Palace of Westminster. There, in our democratic parliament, very close to both the House of Lords and to the House of Commons, I met several Sikhs, all wearing the kirpan. With them was a leading Sikh I have come to know. His forebears stood shoulder to shoulder with my forebears, fighting for democracy in those conflicts which have so disfigured this Europe of ours. As a result, you and 700 others have the freedom to come from the four corners of Europe to meet in this place.

So what of the Lisbon Treaty which speaks of a Union founded on respect for freedom, equality, the rights of minorities, values of non-discrimination? Will you live up to your treaty, or is it just empty words?

**President.** – Mr Clark, it is hard to see how exactly this connects with the present debate on the oral question, but thank you.

**Andrew Henry William Brons (NI).** – Mr President, in the original list, what is the justification for placing the Taliban in the same category as Osama bin Laden and al-Qaeda?

Osama bin Laden and al-Qaeda are terrorists who have already committed terrorist acts worldwide and intend to commit more in the future. We must pursue those people to the ends of the earth and restrict them as much as possible.

Whilst the Taliban are an appalling, repressive and anti-democratic organisation, the world is full of unpleasant regimes and the Taliban are not even in government.

They are also killing and maiming our troops in Afghanistan, for which they are quite rightly hated. However, they would not be killing and maiming our troops if our troops were not deployed there. The Taliban, as far as I know, have no ambitions beyond their borders.

Is there not a danger that placing the Taliban in the same category as al-Qaeda provides ammunition for the warmongers in the US and British Governments to pursue a pointless, murderous and unwinnable war in Afghanistan for years ahead? Furthermore, wars against Muslim countries only provoke terrorist outrages.

Returning to al-Qaeda for a moment, there is considerable doubt about its existence as an organisational entity, as distinct from an ideological one. There is no possibility of drawing up a definitive and inclusive list of its operatives. The only strategy is to be watchful of those communities from which it recruits, regrettably, including innocent people as well as the guilty.

**Georgios Papanikolaou (PPE).** – *(EL)* Mr President, the Lisbon Treaty has a specific spirit and lays down new frameworks for cooperation between the institutions of the European Union. I agree with this new regime; the role of the European Parliament has become more substantial in terms of the rights of individuals, as decisions will now be taken under the codecision procedure.

I therefore consider it slightly contradictory today, in the first plenary following the entry into force of the Lisbon Treaty, that we are obliged to discuss and go into legal provisions on the limits on our new role before we have barely started to function and adjust to it.

All of us, without exception, agree that we need to act decisively against terrorism. In this endeavour, it is often necessary to take strict measures, such as, in the present case, freezing bank accounts and movements of funds.

On the other hand, respect for and protection of the rights of the individual are a fundamental and core value of the European Union and we are not entitled to overlook it when we take measures for citizens' security, without – of course – this meaning that we are not determined to give priority to combating terrorism and other criminal acts. Of course, both the opinion of Parliament's Legal Service and the case law of the Court of Justice of the European Communities move in this direction.

We are directly elected by the citizens of the European Union and that is precisely why we have a particular responsibility to explain to the citizens how, on the one hand, we are safeguarding their security and how, on the other, we are, at the same time, fighting to protect their rights. We are the most competent people for the job.

**Debora Serracchiani (S&D).** – *(IT)* Mr President, ladies and gentlemen, the European Union is committed to combating all forms of terrorism. When we speak of tackling terrorist offences, we need to ensure that fundamental rights are fully upheld and that the measures adopted to fight terrorism are suitable and effective.

The rights of defence and fundamental procedural safeguards must therefore be fully complied with by the EU institutions, including when they draw up lists of individuals and bodies, in this case linked to al-Qaeda, that are subject to restrictive measures. It is equally essential that these measures are subject to proper democratic and parliamentary scrutiny, as rightly required by the Treaty of Lisbon.

It is therefore clear, as also affirmed by Parliament's legal service, that each measure of this kind must follow the ordinary legislative procedure, enabling the representatives of Europe's citizens to fully perform their roles as legislators and guarantors.

**Franz Obermayr (NI).** – (DE) Mr President, Article 75 of the Treaty on the Functioning of the European Union governs the implementation of restrictive measures to combat terrorism and, therefore, any intrusions into citizens' property rights, such as freezing bank accounts. While these provisions concern police cooperation in criminal matters, Article 215 refers to the common foreign and security policy. However, the Council has sole authority in this area. As a result, on one page, in Article 75, Parliament is a colegislator and, on another page, in Article 215, Parliament only has to be informed about events. However, both articles concern possible intrusions into the individual rights of citizens or legal persons, which is why the Council and the Commission must explain what the relationship between these two provisions is and why Parliament is not involved in the case of Article 215 in particular.

**Petru Constantin Luhan (PPE).** – Mr President, before the entry into force of the Lisbon Treaty, the three proposals in question were based on Articles 60, 301 and 308 of the Treaty establishing the European Community. This is now only of historical interest, since the legal basis has changed and we have to refer to Articles 215 and 75 of the new treaty.

Incredible as it might seem, the Lisbon Treaty limited the role of the European Parliament in this particular case. Article 215 clearly states that the Council only has to inform the European Parliament on the measures adopted, as opposed to the former procedure that implied the consultation of Parliament on such matters. I cannot accept that, and I strongly support my colleagues' initiative to clarify Parliament's involvement in this area.

Leaving aside the legal aspect that I hope will be solved through good cooperation between the European institutions, I would like to draw your attention to the important problem that we are debating here, which is fighting terrorism and terrorism-related activities, such as the ones carried out by Osama bin Laden and the al-Qaeda network. I think that when it comes to such sensitive topics, we cannot afford to classify them into strict categories such as EU-internal and EU-external issues, because terrorist actions might be planned outside the EU but can seriously affect the people living inside the EU.

We have the responsibility to protect these European citizens against terrorist action, so we have to be given the tools to do that. I trust your good judgment in solving this procedural problem, and I am looking forward to hearing the opinion of the representatives of the Council and the Commission.

**Carlos Coelho (PPE).** – (PT) Mrs Malmström, Baroness Ashton, ladies and gentlemen, I should like to return to a subject addressed by a number of my fellow Members, particularly in the last speeches by Mr Papanikolaou and Mr Luhan.

Let us look at one aspect at a time, starting with the proposals relating to Zimbabwe and Somalia. I accept that here we are dealing with the application of sanctions imposed by the United Nations, and as such, they clearly come under the Union's external actions. In principle, Article 215 seems to be the most appropriate. According to this article, however, any acts adopted in accordance with it should include the necessary provisions on legal safeguards, but this requirement is not met in either of the proposals.

These initiatives originate exclusively from the Commission and not from a joint proposal of the Commission and the High Representative of the Union for Foreign Affairs and Security Policy. There is no doubt, therefore, that these proposals do not fulfil the necessary requirements for adoption on the basis of Article 215.

With regard to the third proposal on persons and groups associated with Osama bin Laden, the al-Qaeda network or the Taliban, the idea that this comes under the Union's external actions is untenable, as Mr Luhan has just stated. Since preventing and fighting terrorism are one of the top priorities among the European Union's internal actions, this objective is explicitly included under Article 75 of the Treaty of Lisbon. That, then, should be the most appropriate legal basis, in accordance with the ordinary legislative procedure.

Mrs Malmström, we are just beginning to implement the Treaty of Lisbon. With the entry into force of the Treaty of Lisbon, will the Council show its goodwill by starting off our international relations on the right foot, or does it intend to carry out a restrictive analysis? I think we would all like to begin in the best way possible.

**Agustín Díaz de Mera García Consuegra (PPE).** – (ES) Mr President, regarding specific restrictive measures, freezing funds belonging to individuals and entities linked to al-Qaeda and measures against members of the Zimbabwean and Somalian Governments, on 5 November, the Commission and the Council said that once the Treaty of Lisbon entered into force, the proposals would be based on Article 215 of the Treaty on the Functioning of the European Union rather than Article 75.



Article 215 states that the Council shall inform Parliament of any decisions that provide for the interruption or reduction of economic relations, etc. Article 75, however, makes it clear that when it is necessary in order to achieve the objectives set out in Article 67, Parliament and the Council shall define, in other words, shall jointly decide on regulatory measures for the freezing of funds, financial assets or economic gains belonging to, owned or held by natural or legal persons, groups or entities associated with terrorist activities.

Article 67 also sets out the objectives of the foundations of the area of freedom, security and justice.

It therefore appears to be clear that, with regard to people or entities associated with terrorist activities, the legal basis for the Council's proposals for regulations should be Article 75.

With regard to Zimbabwe and Somalia, the Council and the Commission could also consider the Solemn Declaration of Stuttgart, which provides for optional consultation of Parliament on international affairs, including when the treaties do not establish anything in that respect.

I am simply clarifying my position, Mr President. I want to claim Parliament's role as colegislator, here and now, and ask the Council and the Commission for a more reasonable explanation. That is all for now.

**Seán Kelly (PPE).** – Mr President, first I want to say that this is a topic that is very difficult to get a definitive answer on what is right and what is wrong.

We all know, ever since 9/11, that we are living in a very dangerous world where there are terrorists at large who have all day, every day, to spend planning their deadly missions, and they have the economic resources, some of it state-sponsored, to carry out their missions.

For that reason, it is difficult for those who are trying to combat terrorism to prove how effective they are, but I think we could safely say that, if the terrorists had their way, this place would have been blown up long ago.

While it is important that Parliament would have oversight on restrictions on individuals' rights etc., at the same time, we have to put our faith in those who are in charge of security. I think the evidence is there that they have done a good job. Sometimes, we may not be able to know all the details of individuals involved, but at the same time, the overall principle is a good one.

**Janusz Władysław Zemke (S&D).** – (PL) I would like to thank you very much for allowing me to speak on this subject. I think no one in this House is in any doubt that terrorism is the curse of the 21st century and that we have to put a stop to it. Therefore, I understand, on the one hand, our concern to uphold fundamental rights, while, on the other, we know we are working here in an area where not everything can be open.

Therefore, the question I would like to put to Mrs Ashton is as follows: should we, as Parliament, be given information about what I think is a very important matter – about various restrictions on the application of certain laws? So my question is this: what range of information will be communicated to Parliament? In my opinion, this discussion is not about whether Parliament can count on receiving this information, but about what the scope of that information will be.

**Miroslav Mikolášik (PPE).** – (SK) In view of the fact that the functioning of the Union is based on representative democracy and the citizens of the Union are represented at a European level in the European Parliament, I believe that the assessment of restrictive measures affecting the fundamental rights of individuals should, in this case, clearly have involved the participation of the European Parliament.

It is not, in my opinion, coherent for the European Parliament, on the one hand, to be responsible for criminal matters and especially for prevention and the fight against terrorism and, on the other, to be excluded from the passing of a number of binding anti-terrorism measures that will be applied in the EU.

Article 215 of the Treaty on the Functioning of the European Union, functioning as an exception to the provisions of Article 75, according to which the European Parliament is a joint lawmaking body, should therefore not have been applied or interpreted in such a way as to weaken the protection of fundamental rights and the democratic process of decision making in the EU.

**President.** – Before I give the floor to Ms Malmström and Ms Ashton, let me just say that this Parliament has great faith in both of you, and knows you very well, especially because of your personal involvement in these issues in the past. We very much look forward to working closely with you, and to your support, as you have given in the past, to the important role Parliament can play in this extremely sensitive field.

**Cecilia Malmström**, *President-in-Office of the Council*. – (SV) Mr President, the Swedish Presidency has spent a considerable amount of time getting the Treaty of Lisbon in place. We are extremely proud of the fact that it has now entered into force. It contains significant improvements, which will be good for the European Union and for European citizens. One of the most important changes that the Treaty of Lisbon brings is precisely the introduction of the power of codecision for the European Parliament in the area of justice, security and freedom. This will give the European Parliament the power of codecision in a lot of areas. That is a good thing and it will increase the quality of the legislation that we produce together. It will also increase legal certainty and that is very important, as these are sensitive and difficult areas.

I would also like to thank you for your support with regard to the introduction of sanctions against terrorists, individuals or regimes that oppress people and deny them their human rights. Sanctions and respect for human rights and legal certainty are not mutually exclusive – quite the contrary. Sanctions can be very effective and legitimate if, at the same time, they have legal certainty. I can assure you that the European Parliament will be involved in the formulation of new rules, including those relating to terrorism, with the power of codecision under Article 75 when it comes to sanctions within the European Union.

However, as regards external action, in other words sanctions against third countries adopted by the UN, the European Parliament will have no power of codecision. This is what both we and the Commission clearly understand the treaty to state. However, we will give a lot of attention to your resolution on this matter and will always bear in mind the human rights aspect when we resort to the instrument of sanctions, within the EU and in the UN. We are continually trying to improve the procedure.

We note your request for consultation and the exchange of information regarding proposals for sanction systems. I believe we can work together effectively and I have no doubt that we will find suitable ways to cooperate within the current institutional framework.

#### IN THE CHAIR: MR ROUČEK

*Vice-President*

**Catherine Ashton**, *Vice-President designate of the Commission*. – Mr President, I will be brief. I think there are three particular points that I would like to refer to.

Firstly, honourable Members have quite rightly talked about the importance of fundamental rights, and I think we would all agree that there of course is a significant role in this for the European Court of Justice who, amongst other things, will make sure that rights are respected in terms of what the Council or the Commission does. But I take the point very well.

The second point I wanted to make was this issue of good cooperation. The previous president called upon both me and Mrs Wallström to be very clear about the importance that they attach to our role and approach in dealing with Parliament.

I was asked specifically what information. At this stage, I do not know. I think one of the things that I have to do as I set out in this new role is work with Parliament, which I will do, to look at what it is. How we cooperate effectively and what information is included, bearing in mind indeed what was said about what can we put in the public domain or not.

I will be extremely mindful of that for all the reasons that Members of Parliament would expect me to be.

The third and final thing I would say is about legal certainty. I spent many hours taking the Lisbon Treaty through a parliament so at one time, I knew the treaty extremely well. The interpretation of Article 75 of course is how you refer back to Article 67 and the relevance of that within the context, and so the legal advice we have got is to try and seek to clarify where indeed this now fits. The advice we have is clear. Members of Parliament of course are at liberty to contest that, but I think it is very important that wherever we arrive in this, there is legal certainty.

It is extremely important as the Lisbon Treaty comes into effect. It is extremely important to me as I work out how to do the role that I have been honoured to be given. It is extremely important that we reach a conclusion on this. For my part, I think we have the answer in terms of certainty. I do understand Parliament's concern; I do understand the need to nevertheless cooperate fully.

**President.** – I have received one motion for a resolution<sup>(1)</sup> tabled in accordance with Rule 115(5) of the Rules of Procedure.

The debate is closed.

The vote shall take place tomorrow.

## **15. Improvement needed in the legal framework for access to documents following the entry into force of the Lisbon Treaty (debate)**

**President.** – The next item is the joint debate on

- the oral question to the Council by Michael Cashman, on behalf of the Committee on Civil Liberties, Justice and Home Affairs, on improving the legal framework for access to documents after the Lisbon Treaty enters into effect (O-0122/2009 - B7-0230/2009);

- the oral question to the Commission by Michael Cashman, on behalf of the Committee on Civil Liberties, Justice and Home Affairs, on improving the legal framework for access to documents after the Lisbon Treaty enters into effect (O-0123/2009 - B7-0231/2009)

**Michael Cashman, author.** – Mr President, can I start by saying that it is very good to see Commissioner Wallström in the room, as well as Cecilia Malmström, from the Presidency-in-Office, because we were both engaged in this dossier from the outset, in 1999.

It is interesting to reflect that what we achieved in our agreement in May 2001 was somehow historic, amongst 15 Member States moving from different traditions and cultures, and different approaches, to openness and transparency. We managed to reach an agreement and, interestingly, in no small way was that due to the determination of the Swedish Presidency at the time.

It was also due to the determination of the Commission to recognise that all three institutions needed a cultural change. We needed to see that openness and transparency did not prevent democracy from flourishing, but actually improved it. It allowed accountability. It allowed citizens to see what was being done in their name and, arguably, it helped us to lift the curtain and to prove once and for all that there were no terrible secrets hidden in the safes of the Commission or the Council – I am not so sure about Parliament, but hopefully not in Parliament's safes either!

I want to thank in particular the Commissioner and, if I may, my dear former colleague, Cecilia Malmström, for that commitment. Now we need another commitment. As I said, we have achieved a huge amount. We have a register of documents. We have the jurisprudence of the ECJ, now defining and redefining what was originally agreed on access to documents. We have accepted the principle that all documents should remain accessible and that, where not accessible, access should be reasoned against quite clearly and specifically in reference to either Article 4 – the exemptions – or Article 9 – sensitive documents.

However, as we have moved on, Parliament has called repeatedly for a revision. I believe that the revision the Commission placed before Parliament, on which we subsequently voted in committee and the first reading of which was deferred in March of this year, did not go far enough, and I know we have a difference of opinion on this. Equally there were concerns – and those concerns still remain in this House – that there was an attempt to claw back on access to documents, not least in the redefining of documents – the notion that whole files could be exempted – and attempting to redefine the notion of the third-party veto.

It is interesting that our citizens sitting in the gallery must be thinking that we are talking about something that happens in outer space – articles, third-party vetoes – but actually what we are talking about is a law that allows them to make sure that we are accountable: parliamentarians accountable for what we do in their name, the Commission for what it does in their name, and, equally, the Council. How can they do that and the NGOs do that if the way we work and who does what within all of the different units remains a well-kept secret, open only to those lobbyists and those lawyers who know?

That is what I believe is at the heart of the Treaty of Lisbon. It says that we need to further enhance democracy. We need to enhance access to documents. That is why Parliament, in this oral question, is calling for a whole

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<sup>(1)</sup> See Minutes

range of recommendations to be undertaken. Basically, it is about ensuring that the rights that we have are built upon, that they are not diminished, and about recognising that under Lisbon, it is no longer just the three institutions but all of the agencies and the bodies set up by them, including the European Central Bank, in some instances, the European Court of Justice, the European Investment Bank, Europol and Eurojust. All of these institutions are now accountable under Regulation (EC) No 1049/2001.

We believe that the proposals that have been brought forward since the entry into force of the Lisbon Treaty do not match either the spirit or the letter of that treaty or, indeed, the obligations that we believe are contained within the original Regulation (EC) No 1049/2001, which, for the benefit of our listeners, governs public access to all the documents held, received or produced by the three institutions.

**Cecilia Malmström**, *President-in-Office of the Council*. – (SV) Mr President, as you know, increased transparency is an extremely important issue for the Swedish Presidency. We have come quite a long way in our EU institutions when it comes to transparency. However, it is not just about laws and regulations. Transparency is about attitudes and about how laws and regulations are applied in practice.

This morning, I had the great pleasure of meeting with Commission Vice-President, Margot Wallström, and Parliament's Vice-President, Diana Wallis, in the Interinstitutional Committee on Public Access to Documents. The meeting took place on the initiative of the Swedish Presidency. The committee had not met for two years. We had some very positive and specific discussions on how we could improve the opportunities for citizens to access the institutions' documents in practice. We should have meetings more often, and that was also one of our joint conclusions.

I am pleased that the Treaty of Lisbon places a great deal of importance on transparency, public scrutiny and democracy. We welcome this. As regards the review of Regulation (EC) No 1049, which we refer to as the Transparency Regulation, the Presidency wishes, first and foremost, to focus on the new legal basis for the Regulation. This is contained in Article 15(3) of the Treaty of Lisbon. The most important change in the new legal basis is the extension of the institutional scope. In plain language, this means that, while the previous article only applied to the documents of Parliament, the Council and the Commission, the new article extends the public's right to access documents to include all of the European Union institutions, bodies, offices and agencies. There are certain restrictions with regard to the documents of the Court of Justice of the European Union, the European Central Bank and the European Investment Bank, but it is a significantly larger area than it was previously.

The Commission has announced that it will bring a proposal before Parliament and the Council with a view to adapting the present Transparency Regulation to the new provisions of the treaty.

In the meantime, the Council's work on the review of the Transparency Regulation will continue to be based on the proposal that the Commission tabled before Parliament in May 2008.

Since May 2008, the Council's Information Working Group has gone through the proposal twice. The second technical run-through was completed during June and July of this year and includes a number of the amendments that Parliament approved at the plenary sitting in March 2009. In May, Parliament decided not to conclude its formal reading of the Commission's proposal before the European Parliament. I would like to remind Parliament that my colleague, Beatrice Ask, who is the Swedish Minister for Justice, explained to the Committee on Civil Liberties, Justice and Home Affairs on 2 September 2009, at the beginning of the Swedish Presidency, that she was prepared to initiate discussions between the institutions. She asked specifically whether the newly-elected Parliament intended to continue working on the basis of the 92 amendments that had been adopted by Parliament in March 2009. The reason for her question was that, as the Presidency, we need to know Parliament's position, even if it was not necessarily in the form of a completed first reading.

As I understand it, the new Parliament has not had the opportunity to debate the Commission's proposal yet, but has focussed instead on the possible effects of the Treaty of Lisbon on the ongoing review.

In the Council, we are awaiting the Commission proposal that has been announced relating to the impact of the Treaty of Lisbon on the Transparency Regulation. We will, of course, continue to be available to discuss the present proposal with you and it goes without saying that, in such discussions, it is only natural that we should take account of the effects of the new treaty.

In my opinion, Article 15(3) of the Treaty on the Functioning of the European Union is an entirely relevant legal basis for the proposal under the new treaty. Other articles relating to public scrutiny in general, better communication between the institutions and citizens and good administration are of utmost relevance to

the institutions' work in order to reinforce democracy, efficiency and legitimacy. We also need to discuss how this type of objective should be realised. However, I am not convinced that there is space for them within the framework of the Transparency Regulation. For the sake of clarity, the Regulation should contain clear rules relating simply to public access to documents and not a lot else.

**Margot Wallström**, *Vice-President of the Commission*. – Mr President, honourable Members, if I may first turn to Mr Cashman. I think this is the last possibility or opportunity that I will have to say thank you to you. You are indeed the face of the fight for this particular regulation and for openness and transparency in Parliament. You have become the face, the symbol and the advocate of it.

I also think that we have a great deal of credibility, being Swedish, both Cecilia Malmström and myself, and I do not think that people will doubt that we will continue to fight for openness and transparency. At the same time, we have had our rows because we also play different roles and sometimes we have to be very realistic about what we can achieve and we have to fight our corners in each institution. That is not always easy. I think the whole political climate has also changed and the political balance has changed and that has affected our discussions on these issues.

But our starting point, I would say, is absolutely the same and we also state that this particular regulation on access to documents has served us very well. Over the years, this has been an excellent tool that we also want to be used by more than the lobbyists and those who are paid for looking at all the documents. We want the general public and journalists to be able to use it and have full access to documents. That is my starting point. I know that I share this view, as you could hear, with the Minister.

I think also the Swedish Presidency was a golden opportunity to move this issue forward. Now I really want to thank Parliament for the opportunity to have this debate on transparency and the new Lisbon Treaty because it places more emphasis on openness and what is called participatory democracy. We all agree that this is a most welcome development.

The concrete question on the table today is: What measures will the Commission take with regard to the revision of Regulation (EC) No 1049/2001?

As you know, with the Lisbon Treaty, the public right of access to documents has been extended, as we heard the minister saying, to documents of all institutions, bodies, offices and agencies of the Union, although there are some restrictions for the Court of Justice, the European Central Bank and the European Investment Bank for natural reasons.

Concerning the review of Regulation (EC) No 1049/2001, I want to point out that the new legal base, Article 15(3) of the Treaty on the Functioning of the European Union, is very similar to the former Article 255 and the main difference is the extension of the institutional scope.

This issue was addressed by the Commission in our Communication on 2 December this year. This was aimed at aligning pending proposals for secondary legislation to the new treaty. (Some of you here may know it under the EU jargon as the 'omnibus act' – let's forget that the minute I have said it!)

It means that either of the legislators can now introduce an amendment extending the scope of the Regulation to the other bodies and institutions. This is also to let the Council know that this has been presented by the Commission and adopted by the Commission.

Further progress in the legislative process leading to the adoption of an amended Regulation (EC) No 1049/2001 is in the hands of the legislators: Parliament and Council. We are still in the stage of the first reading. We do not have a legislative resolution and we do not have the position of the new Parliament. Of course, the Commission will go on to contribute to reaching an agreement – as in other legislative processes.

The Lisbon Treaty lays down a legal framework for participatory democracy. From the Commission's side, we have already taken a number of initiatives aimed at improving public consultation and participation on proposed new policies. For example, we will assess the Commission's consultation guidelines against the new provisions of the treaty and decide whether adjustments are necessary to further improve them, and we have already started the work on the citizens' initiative by launching a public consultation, to listen to the citizens and the stakeholders before presenting a proposal.

The great importance of the citizens' initiative was also recognised by the European Council last week. And the incoming Spanish Presidency, I have understood, has put this very high on the agenda. They want rapid delivery.

This morning, as we have already heard, the Interinstitutional Committee on Public Access to Documents met at the invitation of the Swedish Presidency. The task of this group is to examine best practice, address possible conflicts and discuss further developments on public access to documents.

So we decided together that we will have an 'Openness' web portal; we will have complementarity of our institutions' public registers; we will have our respective IT services sit down and coordinate their access efforts and we will now consider the impact on access to documents when our institutions create or change electronic storage systems.

I know that this is the time of year when you write wish lists. But I think when it comes to openness and transparency, you should not rely on Santa Claus. I think it is really up to us to deliver now: Parliament, Council and Commission. Real concrete and direct delivery. I think we have already started and we have to continue on this track so I am looking forward to our debate.

**Renate Sommer**, *on behalf of the PPE Group.* – (DE) Mr President, we had agreed with the rapporteur and the shadow rapporteurs from the other groups to submit an oral question about the status of the procedure and the next steps. On the basis of the response from the Council and the Commission, we planned to discuss how to proceed. We have just received this response in principle. It is not entirely clear to me why the rapporteur, contrary to the agreement between the groups, suddenly submitted a resolution in which he anticipated his own point of view. What answer does he want from the Commission and the Council? Mr Cashman, I hold you in great esteem, but all of this happened quietly and secretly, with a complete lack of transparency. So much for your claim to be fighting for transparency. You have tried to bypass us. In addition, I believe that the legitimacy of this resolution is highly questionable under the terms of the Rules of Procedure. In any case, the content of the resolution is a repeat of your existing report from the last parliamentary term and, therefore, is completely superfluous.

I know that you tried to negotiate with the shadow rapporteurs to introduce a joint resolution, but I am fundamentally opposed to this resolution. The entry into force of the Treaty of Lisbon has not, in my opinion, brought about such a change in the legal basis of the dossier that it has resulted in a change in the role of the European Parliament. The report was and is a dossier in the codecision procedure. This also explains the concerns of my group about the legitimacy of a resolution under the terms of the Rules of Procedure.

I do not want to discuss the content. You bring together a lot of different things, including quotations from the Treaty on European Union, from the Treaty of Lisbon and from the Charter of Fundamental Rights, all taken out of context, in order to legitimise your motion for a resolution. It is certainly not legally tenable in the absolute form in which it is presented. You have not made a commitment to confidentiality, which is clearly necessary at least to a certain extent. This is required, for example, in the context of international agreements by third parties as a *conditio sine qua non*. You only need to think about the agreement with the US on SWIFT. There is also no mediation solution, for example, in the form of ex-post transparency. You fail to provide this. In addition, other legally protected rights, such as data protection or the right to privacy, are disregarded.

We should not adopt this resolution. We have received a good response from the Commission and the Council and we should continue on this basis, in other words, the response to our oral question. I would ask you, Mr Cashman, to withdraw your motion for a resolution.

**Vilija Blinkevičiūtė**, *on behalf of the S&D Group.* – (LT) Thank you Mr President, ladies and gentlemen. I definitely agree with our colleague Mr Cashman's opinion that following the entry into force of the Treaty of Lisbon and the change in the legal situation, now is the most appropriate time to renew discussions on the 2001 regulation on allowing public access to documents, and the fundamental improvement and amendment of that regulation.

With the Treaty of Lisbon, we are aiming for far greater openness to society, which means that decisions must be taken as openly as possible and be as comprehensible as possible to citizens. All the more so, since judgment of all of the European Union's work and confidence in its work are linked to our citizens' understanding of and ability to access the European Union's work and documents adopted.

Openness here, in particular, is necessary to strengthen the principles of democracy and respect for fundamental rights. Thus, the opportunity for society to access documents must become a fundamental principle, and secrecy must only be applied in exceptional circumstances.

The European Parliament has already done a lot of work in this area. In March of this year, it prepared its report on the Commission's proposal to amend the regulation currently in force, and this new proposal by the European Parliament is a suitable basis for new discussions. However, we must not forget that here, we are debating the amendment of a regulation and therefore, the continued cooperation of all European Union institutions and common agreement on the revision of transparency rules are imperative.

An improved regulation would establish a better level of transparency. Since the Treaty of Lisbon is strengthening principles that strive for greater openness in the European Union and closer cooperation with citizens, it is important to establish concrete measures and groundwork for administering European Union institutions in order to achieve this goal.

Therefore, I call on the new Commission to present a proposal as soon as possible and agree on a common position with the Council, in order to fully ensure an open and continuous dialogue with citizens and with the associations that represent them.

**Diana Wallis**, *on behalf of the ALDE Group*. – Mr President, I am very pleased with the question and grateful to Mr Cashman for setting out his views. Indeed, I had thought that all the political groups in this House were agreed upon the resolution. That was what I was told was the outcome of the meeting this afternoon.

It is clear that with the entry into force of Lisbon, we can go forward with a step change on the whole issue of transparency. As the Vice-President of this House responsible for transparency, I have not always found it an easy subject, but I do believe that now we have the chance to do better and to reach out even further to our citizens. Within this House, we are looking at our own arrangements for access to documents and access to information. For me, it was a real pleasure this morning to meet with Cecilia Malmström and Margot Wallström so that our three institutions for once could sit down together and really make some progress. It has already been referred to – and I think this, for us, is the big breakthrough – that, rather than this interinstitutional body that meets as and when, and two to three years apart, we have set ourselves six months to meet again and a much more regular timetable. We are serious, and this is a serious signal that we have made together, that we aim for a real transparency portal between all of us, that we aim to ensure that our citizens can see the legislative process as it progresses through all its stages, and that they can have a real input and real insight into what we do.

So my group – and I believe all the groups – have agreed to amendments that will reflect today's progress. It only remains for me to say, thank you, for us as three ladies, that we managed some progress on this issue.

**Zbigniew Ziobro**, *on behalf of the ECR Group*. – (PL) Mr President, in the opinion of many publicists interested in European affairs, what is known as a democracy deficit has been noticeable in the European institutions for many years. This accusation is sometimes made unfairly, but at other times, it does have a basis in fact. In the latter case, it is pointed out that when significant decisions are perceived as being made by anonymous European clerks somewhere in far-off Brussels, the democratic mechanism is not working properly. This is why it should be stressed that openness is an extremely significant element of the European Union's activity. Authority must be answerable to society. Otherwise, as history has always shown, power corrupts.

European society is made up of different nations which live in particular countries. Therefore, European Union institutions must answer to the citizens of every Member State, and the way to ensure continuous supervision of all authority entrusted to the European Union is to allow full access to documents. I am thinking primarily of working documents, analyses and consultations carried out by the European Commission or the Council. It is essential that the influence of interest groups on the development of regulations be recorded and open for everyone. It is important that not only Parliament have full access to these documents. The citizens of all Member States of the European Union should have the right of democratic supervision, so that it will be enjoyed by every interested organisation in society and every journalist. Only transparency can guarantee that the authorities and staff of the European Union will use the powers vested in them for the common good of the citizens of Member States.

**Rui Tavares**, *on behalf of the GUE/NGL Group*. – (PT) Ladies and gentlemen, this debate hinges on a question of trust. The European institutions are always asking the citizens to trust them. During the Lisbon Treaty process, for better or for worse, they asked the citizens to trust them. The financial crisis started, and they asked the citizens to trust them. Well, trust is a two-way street, and you cannot always ask the citizens to trust you if, at the same time, you do not trust the citizens enough to show them all the processes and internal workings that drive the Commission. Those in power cannot complain that the citizens do not trust politicians if the politicians themselves do not then trust the citizens.

That is a problem of democracy; not only that, it is also a problem of waste. Society is itself a vast repository of knowledge that we will be wasting if we do not involve the citizens in the process of leadership and governance of the European Union. I have absolutely no qualms, then, in saying that I fully endorse the rapporteur's efforts, that he is doing democracy a good service, and that we should move forward not only towards transparency but, above all, towards ensuring that transparency is not just a fine word but means something concrete.

**William (The Earl of) Dartmouth**, *on behalf of the EFD Group*. – Mr President, the European Union has, in my country and elsewhere too, a richly deserved reputation for taking its decisions furtively, secretly and surreptitiously. One would suppose, therefore, that the Commission will do its best now to be open and transparent. Instead, the Commission has produced this proposal – I think it is 1049 – part of which actually restricts access to documents that are currently public.

Beyond this, there is an important objective point which I remember from my time at Harvard University, and it is this: decisions that are made without transparency and no proper public scrutiny have a built-in tendency to be bad decisions. You should accept that one of the reasons that the Commission puts forward so many ill-considered, ill-thought out, inappropriate and ill-drafted proposals, which we in England and other countries have to put up with, is the lack of transparency. So in the matter of this legal framework I would urge the Commission to think again, if thinking again is ever actually a possibility for a flawed institution in a flawed system of governing.

**Salvatore Iacolino (PPE)**. – *(IT)* Mr President, ladies and gentlemen, I listened very attentively to the speeches by the Commission, the Presidency and my fellow Members. The Stockholm Programme has indeed further clarified the importance of the right of access to the documents produced by the EU institutions.

The Treaty of Lisbon also reasserts the right of access to documents by natural or legal persons, while nevertheless ensuring that regulations with criteria and limitations in line with the characteristics of each body will be established. As already mentioned, this year, Parliament has already had occasion to deal with access to documents and views were somewhat varied at that time.

Today, we are all agreed on the need for a factual adaptation of the 2001 regulation, yet the solution proposed by Mr Cashman does not seem plausible, insofar as it extends beyond every reasonable limit the possibility to acquire documents which could, in fact, sometimes go against the prevailing public interest. I would cite some examples: negotiations with third countries or other sensitive activities require a clear definition, a counterbalance between the legitimate right to transparency, disclosure and knowledge, and the denial of access to documents in accordance with the prevailing and recognised public interest.

We remain convinced of the need to promote the right of access to documents by natural and legal persons, in the knowledge that we must define a reasonable principle to balance conflicting needs: extending the role of the European Ombudsman, setting out precise and appropriate criteria for access and introducing transitional arrangements which will gradually lead to rules in line with citizens' needs, compatible with the proper functioning of the institutions. We are relying on the role of the current Presidency, the Spanish Presidency and the activities of the Commission to achieve this.

**Cornelis de Jong (GUE/NGL)**. – *(NL)* Mr President, which document are you looking for, exactly? What is the document number? These are just a couple of the responses citizens can expect when they put a question to the European institutions. Citizens want information, however, not promotional material or indecipherable policy documents, and so a drastic change of course is needed. The focus must be on citizens. This forms the basis of the questions by Mr Cashman, whom I should like to thank for his excellent and – I address this to Mrs Sommer, who has unfortunately left the Chamber already – extremely transparent cooperation in the last few months.

I should like to see part of the European information budget being spent on ensuring, via both digital information media and human contact, that citizens receive genuine, complete information and answers to questions such as 'Can you tell me the exact progress of the decisions taken by Europe on the European effort during the Copenhagen Climate Change Conference?' This is what citizens want to know, and so I call on the Commission, the Council and, in particular, MEPs, to support our initiatives towards greater transparency. This strikes me as the only truly clear message.

**Heidi Hautala (Verts/ALE)**. – *(FI)* Mr President, public access to documents means the right of citizens to participate in decision making and acquire information in order to do so. The Treaty of Lisbon endorses this



fundamental right of EU citizens. If the European Parliament does not defend this fundamental right, who will?

That is why it is very important that we adopt a strong and clear position in favour of transparency in this sitting. We should not accept any backward steps, or those the Commission is proposing.

I can assure you that there are a lot of misconceptions going around concerning what we are deciding on here. We do not want to jeopardise international negotiations, but we think that citizens have a right to know what matters are being discussed with foreign powers that affect their rights. Neither do we conclude here that every Member of the European Parliament should make the contents of his or her e-mail public. If anyone is afraid of that, there is absolutely no need to be.

**Andreas Mölzer (NI).** – (DE) Mr President, the question of transparency and citizens' access to documents in the European Union is undoubtedly of importance to the extent that people throughout Europe are still highly dissatisfied with the European integration policy.

It is the case in Austria that a large proportion of people are dissatisfied with or sceptical about the European Union, because they have the feeling that there is no transparency and no access to policy. The processes for introducing and then pushing through the Treaty of Lisbon together with the election of the President of the European Council and of the High Representative have given citizens the feeling that they cannot see what is going on, that there is no transparency, and that they have no idea why these things have been done. I believe that if the Treaty of Lisbon is to be a success for the citizens of Europe, it is important that we should give people the feeling that they can identify who is making decisions within the Union and why and how they are being made.

**Michael Cashman, *author.*** – Mr President, I felt it necessary to rise on two points.

Mrs Sommer is still in the Chamber and I thought it appropriate, even though she is not listening, to respond to what she said. She made a series of accusations. One that I had not been transparent. Can I correct the record and say that all political groups and all rapporteurs have been invited to all meetings. When they have not been able to be there, their positions have been faithfully represented to those meetings. All decisions subsequently taken have been communicated to all shadow rapporteurs and all political groups.

There has been a suggestion that somehow we should withdraw this motion for resolution that Mrs Sommer says is undemocratic and non-transparent – that her group knew nothing about this. Well, I find this interesting, when I have been negotiating this afternoon with her group, the EPP, on their draft motion for a resolution on the oral question. So I can only think that she is misinformed and, on that generous basis, I look forward to negotiating sincerely and in good faith with the EPP and with all other groups.

Finally, it was remiss of me. It is the last time, Commissioner Wallström and I will face one another here in the Chamber and I just wanted to put on record, if I may, that I and Parliament have never doubted your commitment to openness and transparency. You have been absolutely right: we have always had to fight our own corner for our own institutions and you have fought yours brilliantly but never deflecting from the principle of openness and transparency.

You have been and will remain, I am sure, a remarkable public servant with an exemplary record. You have never flinched from doing that which you believed to be right and just and decent and, on behalf of people who will never have the privilege to meet you, may I say thank you.

**Cecilia Malmström, *President-in-Office of the Council.*** – (SV) Mr President, the legislation concerning public access to documents, in other words, what we are referring to here as Regulation (EC) No 1049, has served us well. I am very proud to have played a part, together with Mr Cashman, and with contributions from the Commission through Mrs Wallström, in its advent.

The Treaty of Lisbon gives us the opportunity to go one step further, as the scope is being extended. This is a very positive thing. I regret that it was not possible to initiate an interinstitutional dialogue with the European Parliament during the autumn. We were waiting for the European Parliament's opinion before we could continue. I believe that the Spanish Presidency will also need some indication of the European Parliament's position on this in order to be able to progress with the interinstitutional talks.

Pending this, there is much we can do. Both Mrs Wallström and Mrs Wallis referred to the meeting we had this morning, which represents a tangible way of promoting transparency and access to documents and of making our institutions more user-friendly. One of the things we discussed was how we can use our computer

systems in such a way that citizens, journalists, NGOs and others can follow the progress of a piece of legislation from the Commission's proposal right up until it is finally voted through.

I believe that that could help enormously to increase understanding and knowledge of, and trust in, the EU. Just as it has been said here, transparency is a good thing and it is necessary and important. It increases the effectiveness of decisions, it increases trust in the decisions and it reduces the risk of irregularities and suspicion.

If the EU's legitimacy increases with regard to decisions, it will also be good for the quality of our decisions. It is therefore excellent that the European Parliament is having this debate and I hope that it will be taken further, even if the Swedish Presidency does not have the opportunity to do this. Thank you very much Mr Cashman and Parliament for raising this issue.

**Margot Wallström**, *Vice-President of the Commission*. – Mr President, this was a very effective way of softening me up a bit as I now speak for the final time. I could not have chosen a better subject on which to make my last intervention in the European Parliament – which it probably is – than on openness and transparency.

Let me just state some basic facts. The European Commission has provided a proposal. It is the only proposal on the table. We did it in the shape of a recast, which means that we think the basic principles in this regulation are sound; they are OK. We can use them but we have to modernise them, upgrade them and make them more effective. This was the whole idea behind the recast.

We have some different views on a few things – how to define documents, etc. – but these are still the kind of negotiations that we should engage in and make sure that we move things forward. To do that, we need a first reading from Parliament. This is the basic message from our side.

We also think, on the basis of a new treaty, that we can do it by expanding the scope of this regulation. That is the main difference, as we see it in the Commission. It will now cover all the bodies, agencies, etc. of the European Union. This is where we are today, so we still hope that Parliament will now provide, as soon as possible, a first reading. Then we can also have the views of the Council so that we can enter into proper discussions and negotiations and finally have a decision.

Regarding a number of very important issues that you have also raised, Mr Cashman, in your report: I think there are other means that we can use as they are a bit outside the scope of this regulation. But they are still very important initiatives. They have to do with registers, with things we discussed – today, for example – where we can improve openness and transparency through other methods and not only through the Regulation. This is where we will continue. I know you do not like it very much, but I have taken the initiative to make an openness action plan, parts of which we discussed today, where we can join hands and make efforts to continue on openness and transparency and fight for that.

On that positive note – I really want it to be a positive note – I would like to thank you all and I also want to use the opportunity to say 'Merry Christmas and Happy New Year' to all of you.

**President**. – Let me take this opportunity to thank you once more for all your cooperation over all those years. Merry Christmas and all the best to you.

I have received five motions for resolution<sup>(2)</sup> tabled under Rule 115(5).

The debate is closed.

The vote will take place on Thursday, 17 December 2009.

*Written statements (Rule 149)*

**Bogdan Kazimierz Marcinkiewicz (PPE)**, *in writing*. – (PL) Mr President, the problem of access to the documents of the bodies and institutions of the EU, which we are discussing today, is, in my opinion, extremely important in the European Union legislation process. Transparency, here, is essential, thanks to which every EU citizen has a right of access to documents, which, in the understanding of Article 15(3) of the Treaty on the Functioning of the European Union, includes not only parts of the prevailing legal order, but also drafts of legal acts. This means that every natural or legal person residing or having its registered office in the EU can have a direct influence on new legislation, and this constitutes a special form of public control. The

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(2) See Minutes

currently prevailing Regulation No 1049/2001 ensures appropriate access to EU documents, but with the entry into force of the Treaty of Lisbon on 1 December 2009, we have been faced with an exceptional challenge, in which the role and real participation of EU citizens has increased. Unrestricted access to documents is, therefore, a significant determinant of the future form and function of the EU.

## 16. Situation in Georgia (debate)

**President.** – The next item is the Council and Commission statements on the situation in Georgia.

**Cecilia Malmström, President-in-Office of the Council.** – (SV) Mr President, we are touching on many different areas here this afternoon, and that is what is so wonderfully exciting about sitting here in the Council Presidency chair. The subject that we are now going to debate is Georgia. It is an issue that I know interests the European Parliament and that I personally have very strong feelings about. Right at the start, I would like to make it clear that the EU is giving its full support to the stabilisation and normalisation of Georgia and to democratic reforms in the country.

We are assisting Georgia in several very specific ways: through the EU monitoring mission (EUMM), through our active involvement and our key role in the talks in Geneva, and through increased EU financial aid to ease the humanitarian situation and to support Georgia's economic recovery.

With the launch of the Eastern Partnership, the EU has strengthened relations with Georgia, as well as with other countries. We are offering an opportunity to upgrade relations by means of an association agreement and extensive free-trade areas. Georgia's goal is, of course, to achieve stability and prosperity. We will help them do this. However, in order for genuine progress to be made, Georgia must maintain its focus on democratic reforms. We attach a great deal of importance to issues relating to good social management and human rights. We appreciate the fact that Georgia is determined to continue with its democratic reforms and is particularly resolute about a second wave of reforms.

Becoming an established democracy where citizens enjoy fundamental freedoms and human rights will bring major advantages for Georgia. It will benefit the country itself and the people who live there, of course, but it will also be beneficial through the creation of better opportunities for those living in the separatist regions. The political environment is challenging. Talks between the government and the opposition must continue to work towards a consensus on the central elements of institution building and on issues relating to constitutional reforms, election reforms, freedom of the media and human rights. Georgia's government must also continue to maintain contact with the opposition and civil society.

The EU is prepared to provide assistance for this. In addition to the cooperation described in the European Neighbourhood Policy action plan, the Eastern Partnership's bilateral track is providing a special opportunity to make progress in this area. We are also looking at negotiation directives for an association agreement with Georgia and with Armenia and Azerbaijan. The process of upgrading our relations with these countries will be guided by the principles of participation, differentiation and conditionality, as well as that of shared responsibility. We welcome Georgia's commitment to working to improve relations with the EU on the basis of the perspective that the Eastern Partnership creates.

The EU monitoring mission is a very important factor for promoting stability under the present circumstances. The mandate has now been extended until September 2010. Our focus is on measures to promote trust between the parties. Following the Geneva agreement on incident prevention and response mechanisms, the monitoring mission is playing a prominent part in coordinating the mechanisms between the different parties. I am referring here to the Georgians, the Russians and the *de facto* authorities in South Ossetia and Abkhazia.

Despite some difficulties, the parties have reached agreement on a number of points, including the establishment of a 'hotline' to deal with security-related matters at the administrative borders of South Ossetia and Abkhazia. The monitoring mechanism has used this to reduce tensions between the parties following the incidents in the Black Sea and to resolve an incident at South Ossetia's administrative border in which 21 Georgian citizens were detained and then later released.

The monitoring mission will continue to work with the parties involved. The transition from incident prevention to measures to promote trust will be important in normalising the situation. The mission is monitoring newly-built settlements, the resettlement of internal refugees from the war in August last year and the facilitation of contact between internal refugees and the Georgian authorities, NGOs and international

organisations. In this regard, it is clear that almost all of the internal refugees who were displaced by earlier conflicts are still living in conditions that do not meet international minimum standards, although the situation has improved since 2008. The mission will continue to help wherever it can to facilitate contact with the authorities.

One event that is of key importance for the mission was the implementation of two memorandums of understanding with Georgia's Ministry of Defence and Ministry of Internal Affairs. However, we are being vigilant with regard to the risk that the Georgian authorities will cease to apply the memorandums of understanding, as there is a lack of mutual trust between the parties.

As you are aware, a report was published recently by the Independent International Fact-Finding Mission on the Conflict in Georgia. All of the parties involved, and the international community as a whole, can learn from this report. However, it must be seen in its entirety and not viewed selectively. The EU has consistently reiterated its unswerving support for Georgia's sovereignty and territorial integrity within its internationally recognised borders. It is our firm conviction that an international presence is required in Georgia and we will work to secure that. We regret that, despite support from the majority of States, it was not possible to reach an agreement in the case of the OSCE.

The EU's position has not changed in respect of the agreements of 12 August and 8 September. Russia must implement these agreements in full. In this regard, there are still some important issues to resolve, for example, the border controls and the EU's general access to the territories of the two breakaway provinces. We will raise these issues in our talks with Russia.

We also need to look forwards. In this regard, the talks in Geneva are extremely important, even though they will be difficult. It will be the only place where representatives from all parties will be present and it is important for us to actually be able to have pragmatic discussions concerning the non-use of violence and on international security arrangements. This is the only practicable way forward and we are looking forward to the consultation that is planned for the end of January 2010. That should be of benefit to everyone who is trying to achieve long-term stability and development for Georgia and for the region as a whole.

**Benita Ferrero-Waldner**, *Member of the Commission*. – Mr President, President-in-Office of the Council, dear future colleague, honourable Members, it is a pleasure to be here. Let me also say it is a delight to have an opportunity again to share views with you on Georgia.

As you are aware, over the last two years, Georgia has been through very difficult times, both externally and internally.

The war with Russia in August last year, which was just mentioned, left wounds across the whole region and Georgia is still struggling with basic issues such as the essential needs for more than 200 000 displaced people, some of them already uprooted since the beginning of the 1990s. And internally, last year's conflict has increased tensions within Georgia. So disputed elections, for instance, led to months of street protests.

We are doing our utmost to help the country take the necessary steps to resolve the difficulties. First and foremost, the implementation of our pledge of assistance of up to EUR 500 million in support of Georgia's recovery is being honoured by us. The implementation of the post-conflict assistance package is proceeding well and the living conditions of many have already been improved.

We are keeping our promises, and our very substantial assistance is providing assistance for the resettlement of the IDPs, but also for economic stabilisation and support to Georgia's infrastructure. In the coming days, the Commission will also release the first tranche of EUR 46 million of macrofinancial assistance in grants to Georgia, another part of this comprehensive package.

However, if we are to succeed in helping Georgia out of its current difficulties, Georgia must also deliver more, in particular, in three areas.

First, Georgia should promote further democratic reforms. Democracy, rule of law, respect for human rights and fundamental freedoms are the backbone of our relations with all our eastern partners, and the Georgian President's statement earlier this year announcing a 'new wave of democratic reforms', and stating that Georgia's response to Russian aggression will be more democracy, more freedom and more progress, was very welcome.

The local elections in Tbilisi in May will be a test of these commitments, and the local elections will be very important as the Tbilisi mayor will be – for the first time – elected by direct suffrage.

This presents a major opportunity for Georgia to restore its citizens' trust in the electoral process – and one that must be seized, since the shortcomings of the electoral system remain a significant potential source of political instability in Georgia.

The second area where we need Georgia to deliver is in demonstrating 'strategic patience' in the aftermath of the conflict. This is the wording of President Saakashvili himself. As you know, the European Union played a major role in bringing an end to the hostilities, and will continue to work for a durable solution.

We will not waver in our support, as was said, for the territorial integrity and sovereignty of Georgia. And we will do all we can through our monitoring mission and mediator role at the Geneva talks to work for a normalisation of the situation.

At the same time, the isolation of the breakaway regions will not help efforts for conflict resolution. On the contrary, a smart policy of engagement with Abkhazia and South Ossetia is needed.

We therefore appreciate the stated Georgian policy of strategic patience, which increasingly recognises the need to maintain links with the breakaway regions without restrictions, in the interest of citizens, and of re-establishing stability in the region.

The Government of Georgia's efforts to design a state strategy for the regions of Abkhazia and South Ossetia deserve our support, particularly any effort for closer work in favour of its population.

However, we remain concerned that the Law on Occupied Territories – if too strictly implemented – may unnecessarily increase frictions with the entities and thus complicate the delivery of assistance. The danger is that it will impede economic relations and ensure that steps to normalise day to day contacts cannot take place. In spite of the very good advice from the Council of Europe's Venice Commission, this law has not yet been amended by Georgia, and we will continue to urge Georgia to make the suggested adjustments.

My third point is that Georgia should actively prepare for negotiations for a new EU-Georgia association agreement in the context of the European and Eastern Partnership. We are not sparing any effort to support Georgia.

Preparations for the establishment of a new legal framework for our bilateral relations are proceeding quite well. We have swiftly prepared the negotiation directives for an EU-Georgia association agreement, which are now currently under discussion in the Council. The draft negotiation directives include the future establishment of a deep and comprehensive free trade area.

We have already presented to Georgia key recommendations for steps to be taken before we can judge the country ready to embark on this area of negotiations. Georgia's resolve to use the run-up to the negotiations to speed up its own preparations is wise, and I think it is essential that it tackles the key recommendations very actively.

Meanwhile, negotiations on the EU-Georgia visa facilitation and readmission agreements were completed at working level in November, and we are now awaiting final approval on both sides. These agreements are a milestone in our partnership, demonstrating once again the concrete benefits that our closer relationship can bring for the people of Georgia. Enhanced mobility will go hand in hand with enhanced security. I recently signed a joint declaration on a mobility partnership between the European Union and Georgia which now will be completed.

To conclude, we remain deeply committed to supporting Georgia in these difficult times. We are offering new opportunities that can bring tangible benefits to the country and its citizens, but Georgia also has to help itself, and, if it takes good decisions, we will then be there to help every step of the way.

**György Schöpflin**, *on behalf of the PPE Group*. – Mr President, I am very impressed by the very thorough picture that the President-in-Office and the Commissioner have painted of the present state of relations. The EU's relationship with Georgia does raise very far-reaching questions about what we are about, what the EU is, and what we aspire to be. It could be that this relationship could turn out to be a test case of our commitment to values of solidarity, human rights and democracy – our proclaimed values.

It is clear enough that Georgia – both the elites and society – see the country as belonging to Europe. At the same time that country – let us admit it – is in a precarious situation, as Russia, the former colonial power, has not given up its aspiration to reclaim some kind of overlordship over Georgia or, indeed, over the rest of the Southern Caucasus. It is in this sense that there are many people in Russia who do not take Georgia's status as an independent state seriously, and take the view that Georgia's return to Russia is just a question

of time. This leaves the great majority of people in Georgia feeling decidedly insecure. That insecurity has been markedly intensified in the light of last year's conflict with Russia. No country likes to be stripped of its sovereign territory, as Georgia was.

All this affects the EU – hence the significance of the Eastern Partnership. Georgia sees itself as having a European future, not least as a guarantee of its security. Obviously, there is also the Southern Caucasian energy corridor, which is a future lifeline for Europe's energy supplies. These would be compelling enough reasons for the European Union to take Georgia's European aspirations seriously, as we obviously do, but there is also a final argument, which is that, if Europe neglects these aspirations, then our own credibility in the world will come into question and our opponents will be delighted by this demonstration of Europe's weakness.

**Roberto Gualtieri**, *on behalf of the S&D Group*. – (IT) Mr President, ladies and gentlemen, in my opinion, the difficult situation in Georgia calls for particular care in combining the defence of international law with a pragmatic approach and a sense of responsibility.

We think that the EU was right to reaffirm its support for Georgia's territorial integrity and sovereignty and, at the same time, we welcome the prudence shown in taking note of the elections in Abkhazia, which we feel is consistent with a method based on the constant pursuit of dialogue and political debate and on support for democratic processes. The internal development of the region and the evolution of the international context underpin this decision to seek dialogue and further increase Europe's responsibility in the various areas in which it has made commitments: the Commission's initiatives in support of the democratic process in Georgia and in support of the refugees, efforts to keep the Geneva talks alive and the activities of the European monitoring mission, this last all the more valuable and vital since it is currently the only international mission in Georgia.

We welcome the work undertaken by the mission and its contribution to the stabilisation of the region, to the functioning of the incident prevention and response mechanism and to the arduous process of rebuilding of trust between the parties. At the same time, we are aware that the development of the democratic process, with regard to which we must be generous and exacting, and the association agreement, could be the key for lasting change in Georgia.

**Ulrike Lunacek**, *on behalf of the Verts/ALE Group*. – (DE) Mr President, Madam President-in-Office of the Council, Commissioner, I would like to discuss two subjects in particular. The first is the relationship between economic aid and support, on the one hand, and democratic development, on the other, and the second concerns some fundamental questions addressed in the Tagliavini report.

Mrs Ferrero-Waldner, you have rightly said that financial and economic support for Georgia is needed and that the European Union should continue to provide it. You have also placed three conditions on the provision of this support, which are democratic reform, basic freedoms and legal certainty. One question is particularly important to me. In the past, it was sadly the case that Georgia and its government purchased huge quantities of arms, in particular, in the run-up to last year's conflict. How do you intend to ensure that the European funding is not used for this purpose?

Secondly, I would like to mention a human rights case which the Council of Europe and Mr Hammerberg have also addressed. Two teenagers in South Ossetia are still in custody, although Mr Hammerberg was promised that they would be released. Have you taken any measures in this respect? Do you think it is likely that they will be released in the near future?

One last point: the Tagliavini report has clearly described for the first time how the conflict came about with the build-up of xenophobia and the language of hate. What will the Commission and the Council do in this area in order to defuse the situation and to make it clear that these things are the precursors to armed conflict and that it is important to put an end to them before they even begin?

**Michał Tomasz Kamiński**, *on behalf of the ECR Group*. – (PL) Mr President, I will not conceal the fact that I am disappointed by both the statements we have heard. Today, here in the European Parliament, we, the representatives of European Union authority, are quite rightly stressing the role of democracy. We are lecturing President Saakashvili on the changes which he has to introduce in his country. I would like to say he has already brought in very many changes, and the Georgia of today and the Georgia of a few years ago are completely different countries. However, we have not forgotten that today, Russian tanks are to be found on a large part of Georgia's territory. Fellow Members, if you think Russian tanks have, at any time in history,

brought democracy to anyone, you are profoundly mistaken. Russian tanks do not bring democracy, Russian tanks bring subjugation.

We are talking, today, about the situation in Georgia, but in the Council representative's speech, we heard the word 'Russia' once, while of course, it is Russia which is the key to the situation in Georgia. I am not saying that everything in Georgia is ideal. There is certainly much which needs to be improved. However, the Russians are laughing in our faces by not realising the five-point agreement negotiated on behalf of the European Union by President Sarkozy. I have to ask: why are Russian army units still present in the village of Pereva? Has that matter ever even been mentioned to the Russians?

If we are talking about the necessity of democracy, human rights, tolerance and freedom of speech, I subscribe to it all. However, do we think Russia is promoting these values in Georgia today, or that the Russian aggression against Georgia is part of a fight for democracy? No, it is an act of brutal imperialism. We, as the European Union, should oppose that brutal imperialism. Only then will what we say be credible to our Georgian friends, when we tell them there is still much they must do – and I agree with this – for their country to meet fully our European standards.

However, we must not point the finger at Georgia when, on the other hand, we have Russia, where inconvenient journalists are murdered, where the language of hatred towards neighbours and minorities is the official language of the media, and is the language of leading Russian politicians. We must say 'no' to this, because then we will be able to be credible in what we say to all other countries, including Georgia, about democracy. I want to appeal to the European Union to defend the territorial integrity of Georgia firmly and resolutely in the name of values which we all share, and to defend freedom and democracy in Georgia against Russian aggression.

**Andreas Mölzer (NI).** – (DE) Mr President, Commissioner, in my opinion, the EU's foreign policy in this region is not really coherent. The Caucasus is known to be an energy transit region in the same way as Russia, which is an important strategic partner and of major significance to us. Given the sensitivity of the situation, the EU has allowed itself to be tricked by President Saakashvili in the Georgian crisis, possibly under the influence of the US-dependent approach of some Member States. Political short-sightedness in the Georgian crisis will not only widen the internal divide within the Union, but will also put massive strain on relations with Russia. The reckoning will come in the form of the gas dispute. It remains to be seen whether the new people at the head of the EU will prove their worth in this case.

If Brussels genuinely wants to uphold human rights, then it should intervene in Georgia with regard to possible electoral manipulation, working conditions that are the equivalent of slavery and restrictions placed on the right to demonstrate which are in breach of the Charter of Fundamental Rights.

Brussels should adopt a balanced approach with regard to the Georgia question by taking equal account of the legitimate interests of both Georgia and Russia.

**Vytautas Landsbergis (PPE).** – Mr President, when I was still a young boy, my country was invaded by the Soviets. At my primary school, we had to learn several new songs. One of them was Georgian in origin, about a girl whose name was Suliko. The occupation was bad in every way; only that song was nice.

Many years have passed, and recently we came across this girl Suliko again, this time with her dark eyes full of tears and showing signs of having been beaten. She was abused once more a year ago – robbed, beaten and raped. We, the 27 EU gentlemen, are staring at her afterwards and talking in a strange manner: How it could happen? What did she do wrong? Did her behaviour irritate the rapist? That is exactly what he says: 'She was provocative!' Did she oppose his demands? That would be unwise: nobody, especially the robber and rapist, may be antagonised or demonised. She could have been more flexible, meeting the assaults softly, but she tried to defend herself for two full days – that was her greatest mistake. Nobody can now say who the attacker was: he says she attacked him.

That is the situation in a distant country court on the outskirts of Europe, where the big landlord esquire cannot be sentenced in any case – but she can. Thus, we now have a fresh problem caused by her, as our business with Mr Rapist has been slightly damaged. The next time, Mr Rapist is given our special pill 'Mistral' to increase his male capacities.

Ladies and gentlemen in Europe, do not waver around the next war in this way.

**Kinga Göncz (S&D).** – (HU) I would like to thank Commissioner Ferrero-Waldner and especially Cecilia Malmström, who is currently among us as a minister but is soon to be a commissioner as well. I would

also like first to briefly express my sincere thanks for the report, which contained some very important information. Please also allow me to say that since the last two enlargement rounds, the European Union's eastern neighbours have, in fact, moved very close to the European Union, which is a valuable development from numerous perspectives, not only because of the geographical proximity, but partly because of a foreign policy based on the idea of spheres of Russian influence, not to mention the increased importance of energy security.

From this perspective, the Eastern Partnership programme is of paramount importance, as it can also ensure differentiation, yet it still clearly establishes closer ties with these countries. Georgia is the country in the Caucasus region which is most committed to the European Union's values. I would like to mention and emphasise a couple of matters, starting with the preparations for the visa facilitation process. This measure is not only important from a human relations perspective, but it is also important because we know that South Ossetian and Abkhazian citizens who are Russian passport holders are already enjoying the benefits of this, which has created such tension that this is only aggravating the situation further. The second matter I would like to stress is that there are unresolved conflicts in four of the countries which come under the Eastern Neighbourhood policy, something we must give our fullest attention to.

Finally, I would like to thank Commissioner Ferrero-Waldner for all the efforts she has made to bring this region closer to the European Union.

**Milan Cabrnoch (ECR).** – (CS) The European Parliament is monitoring the situation in Georgia closely and devoting much attention to the country. European Parliament President Jerzy Buzek met President Saakashvili at the end of October, while at the beginning of November, at a joint meeting of the Committee on Foreign Affairs, the delegation for cooperation with Russia and the delegation for cooperation with the South Caucasus countries, Members of the European Parliament discussed the Tagliavini Report on the situation in Georgia and at its extraordinary meeting in Strasbourg on 26 November, Members of the delegation for the South Caucasus met Georgian Government minister, Giorgi Baramidze.

We always support the territorial integrity and sovereignty of Georgia. We support a peaceful solution to the situation in Georgia and to the conflict between Georgia and Russia. We are pushing for peace observers to have access not only to areas administered by the Georgian Government but also to occupied areas. At the same time, we are pushing for the possibility of delivering humanitarian assistance to these occupied territories as well. We are concerned about the situation of the refugees, who have had to leave their homes under pressure and cannot return to them, and we appreciate the efforts made by the Georgian Government towards securing dignified living conditions for all of the refugees. We call strongly on both parties to the conflict to abide by the ceasefire agreement and to fulfil the undertakings which they made towards a peaceful resolution.

**Elena Băsescu (PPE).** – (RO) Ladies and gentlemen, several years ago, there were voices which sharply criticised those who supported the strategic importance of the Black Sea region to Europe. However, time has shown that Europe is closely linked to these countries in the Black Sea region.

Georgia is of particular strategic importance in the Black Sea region for energy security, as supply routes such as the Nabucco gas pipeline, the Baku-Tbilisi oil pipeline and the oil terminal at Supsa are closely linked to the stability of this country. The conflicts which took place in Georgia in August 2008 highlighted that any unresolved conflict can reignite at any time, with severe repercussions for the entire region's stability and security.

It is our duty to lead Georgia to the Euro-Atlantic zone of stability and security, even though Russia's influence is still very strong. It is just as necessary to recognise the right of refugees, displaced persons and their dependants to return to Abkhazia, irrespective of their ethnic origin.

At the same time, the fact that Russia has granted citizenship to the inhabitants of Abkhazia and Ossetia puts Georgian citizens at a clear disadvantage as there is no visa agreement yet in place from the EU, although we earlier heard the Commission's representative saying that measures are being taken in this direction.

Romania has been involved as part of the EU monitoring mission in Georgia, both at operational level and on the ground, also as part of the headquarters in Tbilisi. Our country is also maintaining its commitment to making special efforts to bring Georgia closer to the EU and NATO. In addition, we are going to send a national expert who will operate from NATO's office in Tbilisi. We welcome the stance of the EU Presidency. We will not recognise, under any circumstances, the so-called states created illegally and as a result of conflict in separatist regions, nor election proceedings organised illegally, such as those carried out recently in



Abkhazia. The president of the pro-Russian Georgian separatist republic won the election with 59.4% of the vote. I must also mention that none of the five presidential candidates rejected completely the idea of reunification with Georgia.

**Maria Eleni Koppa (S&D).** – (EL) Mr President, the European Union has a responsibility to make a decisive contribution to stability in its immediate neighbourhood, with respect for international law and belief in its principles.

With Georgia in particular, we must stand by our position on respect for territorial integrity and the country's internationally recognised borders. At the same time, however, we must also take account of the reality of unresolved conflicts. The European Union must be able to mediate and to make a constructive contribution to both sides, Georgia and Russia, so that a solution can be found.

At the present juncture, there are three main messages that we need to send:

Firstly, that unilateral and violent solutions are not acceptable; secondly, that the debate on whether or not Georgia should join NATO is untimely and that, on the contrary, emphasis should be placed on the continuation and successful outcome of the Geneva talks and, thirdly, that the mission of EU observers in Georgia is a factor for stability and confidence building. Its positive contribution should therefore be recognised, its action should be strengthened and it should be encouraged to continue its efforts, especially in the field of violations of human rights and international humanitarian law.

**Marek Henryk Migalski (ECR).** – (PL) Mr President, unfortunately, neither in the speech of Mrs Malmström nor in that of Mrs Ferrero-Waldner did we hear about what we are really facing in Georgia. I refer to the dramatic humanitarian and human situation. I had the impression that neither we nor the two ladies are responsible for the lack of reaction from the European Union.

The situation is, indeed, dramatic. The six-point agreement is not being implemented. Ethnic cleansing is being carried out in Georgian territory. The Georgian language is banned in many places. Our mission to Georgia is not being permitted to carry out its work in many places, and it is we who are responsible for this. Mrs Ferrero-Waldner spoke about the long-term macrofinancial assistance which is foreseen for Georgia, and that we are going to have an association agreement with Georgia. This is all very well, but a question we all must answer is: what have we done about this? I feel deeply disappointed, not only by what has been said here today by the people responsible for this policy, but also by EU policy itself.

**Jacek Protasiewicz, (PPE).** – (PL) Commissioner, Mrs Malmström, in contradistinction to my Polish fellow Members, I am not going to be so critical in my evaluation of European Union activities in this area, because I want to express satisfaction at the Council statement of 12 December, which comments unequivocally on the recent Presidential elections in Abkhazia. I also want to stress support for the European Union's activities, because the EU is unequivocal in its recognition of the independence of both these regions at international level. I know what I am talking about from my experience of dealings with Belarus.

Nonetheless, I agree that the European Union must be resolute in the matter of enforcing the six-point ceasefire plan negotiated by President Sarkozy. I say this especially in view of the disturbing declarations of the High Representative for Foreign Affairs, Mrs Ashton, that she is going to conduct quiet diplomacy. I hope quiet diplomacy will not mean consent to the breaking of agreements made on behalf of Russia with representatives of the European Union.

**Alexander Mirsky (S&D).** – (LV) Thank you, Mr President, ladies and gentlemen, I would like to put a question to those who are defending Mr Saakashvili's position: have you been to South Ossetia? Have you seen what Georgia's army did with Zhinvali? I was there at the time of the war and I saw it all myself. What the Georgian state authority did is a crime against the people of Ossetia and Abkhazia. In relation to the occupation, I have spoken with many people from Ossetia and Abkhazia. The inhabitants of Ossetia and Abkhazia do not want to live in the same country as Mr Saakashvili. If anybody still wants to solve this major international problem with weapons, as Mr Saakashvili did, then there is a very fine Russian expression: *'Zamučujutsja pilj glatati'*. It means that success will never come. Thank you.

**Tomasz Piotr Poręba (ECR).** – (PL) Mr President, if the Union does not support Tbilisi politically and economically, we will make it easy for Russia to realise its neo-imperialistic policy towards Georgia, and this will destabilise the situation in the Caucasus still further. Therefore, the Union must try harder.

When we reiterate our support for territorial integrity, do we realise that the six-point plan is, in fact, not being observed at all? On the one hand, we say we want a democratic, free and territorially intact Georgia,

while on the other, our monitors are not being admitted to areas along the borders with the separatist republics. Another cause for concern is the phenomenon of kidnappings, which have become routine practice for Russia in the occupied zones. At the beginning of November, several teenagers became victims of this. The youngest is barely 14 years old. The Kremlin is evidently trying to discredit the President of Georgia by attempting to show that he is not able to ensure the security of his citizens. The destabilising activities of Russia are creating an enormous threat to the security of residents of the border areas and are leading to an escalation of the conflict in the region.

Mr President, we must act more decisively, because a territorially intact and democratic Georgia means greater security for the European Union and Europe.

**Kristiina Ojuland (ALDE).** – (ET) Mr President, Commissioner, Minister, ladies and gentlemen, some time ago, when we were discussing Georgia, I reminded you that, on the eve of the anniversary of the fall of the Berlin Wall, it was the right time to raise the question of when we could mark the day when South Ossetia and Abkhazia would once again be united with their mother country, Georgia. Today, we do not have an answer to this question, although in all our documents, whether in this European Parliament or in other institutions, we stress the importance of Georgia's territorial integrity from the point of view of international law, and it is for the sake of this that we are all standing here.

Last week, a very good discussion took place in Brussels with Carl Bildt, the representative of the country holding the Presidency, who called Georgia a litmus test for the European Union, specifically in connection with the question of whether we will some day be able to stand up for the idea that Georgia's territorial integrity should be restored, and that all human rights and refugees' rights should be handled as envisaged by international law. I am in agreement with all my colleagues who have referred to a bad human rights situation here – it cannot be accepted.

Last but not least, though, I want to make a request. Last week, I met with the Georgian deputy prime minister, Giorgi Baramidze, whose big, big request was: please, please, please, European Union, do something in terms of preventative diplomacy in order to prevent a possible escalation of any further conflicts.

**Tunne Kelam (PPE).** – Mr President, I can only agree with the statement that Georgia's best response to Russian aggression must be more democratic reforms.

At the same time, the EU has its own responsibility because, as has rightly been said, EU-Georgia relations will become a test case for the success of the Eastern Partnership and the EU's role in the region.

Considering the importance of Georgia, I wonder whether Georgia was discussed during the recent EU-Russia Summit, because Russia is not implementing the six-point agreement and the EU mission is in the embarrassing situation of not being allowed into the separatist territories. The EU should take a stronger position on this case.

Commissioner, you mentioned EUR 46 million in aid. I would just like to ask whether that aid will reach Georgia this year. What will be the timetable?

**Paweł Robert Kowal (ECR).** – (PL) I think that in the light of our discussion, we should go back to what Mrs Malmström said at the outset – Georgia needs a new and extensive openness from the European Union. This should comprise macrofinancial assistance along with the rapid and immediate commencement of talks, as far as this is possible, on an association agreement. It should also comprise the commencement of talks – this is my third point – on visa facilitation, and, finally, we should enable Georgia to guarantee its security by opening up the way for it to join NATO.

However, I think that, today, not even this matter is the reason why I want to speak in this part of the discussion. I would like to put a rhetorical question to Mrs Ferrero-Waldner: do you not wonder why almost all the speakers have drawn attention to the matter of the Sarkozy Plan? Please answer this question. Please tell us why, neither in your initial speech nor in your further statements, nor in Mrs Ashton's statements, has no one heard an answer in the form of a simple assessment of whether the Sarkozy Plan has been implemented or not? Is it really the case that the most important institutions of the European Union are not worthy of a clear statement from you on this matter?

**Mairead McGuinness (PPE).** – Mr President, yesterday in Ireland, a conference addressed the topic of aid and Eastern Europe. One of the countries we spoke about was Georgia, and it was really refreshing to hear how much progress had been made for a particular group of individuals with no voice – children with

disabilities, both intellectual and physical, and young adults – but also deeply depressing to learn that those involved believe that they are now set back by 10 years because of the conflict.

I would just ask, because I was involved yesterday, that you bear in mind the most vulnerable when we are doing trade agreements and having conversations. This was a very important debate here, but the horrific humanitarian situation has been spoken about by other colleagues, and there is a group of people who is always forgotten; I just wanted their voice to be heard here today.

**Tadeusz Zwiefka (PPE).** – (PL) Mr President, ladies and gentlemen, we have to bear in mind that Georgia is a small country, albeit situated in an extremely strategic position in the Southern Caucasus, a fact which causes a situation of conflict with its powerful northern neighbour, Russia. So I am grateful to the Commissioner for her declaration that the aid for which Georgia has been waiting for so long will be released tomorrow.

Please let us remember that when Georgia embarked on the road to democratic reform and decided to be more closely tied with western Europe than with Russia, as it had been for decades and perhaps even centuries, it lost an economic partner which was buying 80% of its production. We have done nothing to move into the vacuum and buy goods produced in Georgia to ensure that the country is able to function. In relation to this, I very much approve of the declaration, as I do the announcement concerning a macrofinancial plan for Georgia.

There is one more thing: Commissioner, we must not consider Georgia in the political sphere as an entirely distant partner, because Georgia is trapped in an unbelievably complicated geopolitical situation. In relation to this, I do not imagine that, during the talks which the European Union holds with Russia, nothing at all is said about the situation in Georgia. I do not want to mention the six-point Sarkozy Plan again, because everyone has done this, but we must remember that our contacts with such a powerful partner as Russia, which are extremely important for us of course, must also have reference to our smaller partners, which are near and dear to us.

**Seán Kelly (PPE).** – Mr President, politics is merely a job when it is self-serving. It becomes a vocation when it helps others – when the Goliaths come to the aid of the Davids. In this instance, the European Union is the Goliath coming to the aid of Georgia, the David, and I welcome that. It has, however, another Goliath alongside it in the form of Russia, with a different agenda for Georgia. It is important that the European Union flex its muscles in resisting that unwarranted intrusion.

I was in Bonn last week at the EPP Congress, and there the President of Georgia spoke. He outlined the efforts the country was making in dealing with corruption, its agenda for reform to ensure economic growth, and also its desire to have a free trade agreement. My question is: when does the Commission see that free trade agreement being brought into being, when the conditions for it are met?

**Lena Kolarska-Bobińska (PPE).** – Mr President, we are discussing the aspirations of Ukraine, Moldova and Georgia. These are similar aspirations to be closer to the European Union.

It seems that this is a problem for us. I wonder what will happen in 10 years' time, when those aspirations turn to disappointment and there are no more aspirations to join the European Union, with no expectations for anything more. This will be a much more difficult situation for us. Georgia is the country with the highest support from society for membership of the European Union, and the highest support for NATO, of all the Eastern Partnership countries. There is also the greatest progress in market reforms.

If we do not move more quickly, we will have the same situation as with Turkey, where society is backing away from its European aspirations. That will be a really dangerous situation in spite – and maybe because – of other political movements around these countries. We see what is going on in Russia, and when the aspirations of Georgia for European Union membership falter, we may face a situation that is quite dangerous for all European Union countries.

**Cecilia Malmström, President-in-Office of the Council.** – (SV) Mr President, I know that there is a great deal of interest in this matter. Those of you who have followed this closely will also know that the Swedish Presidency has devoted a lot of time to Georgia. The Swedish Foreign Minister, Carl Bildt, had the opportunity last Thursday to discuss Georgia with you in the Committee on Foreign Affairs.

The EU will continue to provide considerable political, technical and financial support to Georgia. This will, in all probability, involve continued appeals for respect for Georgia's territorial sovereignty and integrity and continuation of the EU monitoring mission, as well as our very important role of mediator in the Geneva

talks. The Geneva talks are the relevant platform. These talks are progressing slowly, but they are nevertheless progressing and all of the parties are represented there.

We will also provide further financial assistance for the aftermath of the conflict. As many of you have pointed out, the humanitarian situation is still of great concern. Mrs McGuinness is, of course, right to say that it is the most vulnerable who are suffering as a result of this.

In the meeting with our Russian dialogue partners, the EU will continue to emphasise that it is necessary to implement the six-point cease-fire agreement and the subsequent implementing measures – the withdrawal of forces to the positions held on 7 August 2008. Perevi, Akhagori and Upper Kodori will be mentioned in particular, just as many of you have done.

The closure of the OSCE mission in Georgia and the UN observer group has resulted in the removal of crucial elements of the important international security structure. Now, the only remaining international presence is the EU monitoring mission. It is making a significant contribution to security and to normalisation. That is why it is so important for the monitoring mission to have access to the breakaway regions. It is important for Georgia's security and stability. This is an important point that the EU will continue to emphasise to all of the relevant dialogue partners.

The EU will, of course, continue to support Georgia's territorial integrity, but we also have a strategic interest in maintaining contact with the breakaway regions and in keeping open a window to the outside world for the populations of these separatist areas. This may help us gradually to lay the foundations for a solution to the conflict through continued EU involvement and measures to promote trust across the administrative borders and through contact between the different populations.

The EU will continue to be very active in this matter. The Commission and Mrs Ferrero-Waldner are very committed to this, as is the European Parliament, and that is something for which I am very grateful.

**Benita Ferrero-Waldner**, *Member of the Commission*. – Mr President, first of all, thank you for the frank discussion that we have had today.

I thought that many of you knew what we have been doing for Georgia. Georgia has received a lot of support from us, both political and also economic and humanitarian, but it seems as if we have not done anything. This is not true at all.

First of all, the war was stopped by the European Union and by Mr Sarkozy. Second, you are right, there is a six-point plan which, unfortunately, has not yet been fully implemented, but every time we work with the Russians, this is on our agenda. This is absolutely clear.

It is right, as the Council President said, that the only platform where we really start to go on, even slowly, is in Geneva, and so the Geneva talks have to go on.

We also need support and openness from both sides, because it is a difficult conflict and we are, so to speak, the mediators in this conflict. This is the number one political issue.

We do have to continue and we know very well that Russia is a huge partner on the other side. At the same time, we have a common neighbourhood, and therefore we always speak quite clearly about these issues with Russia. We do need, as I said here, the attitude on both sides to go forward, which is what I said in my speech if you will recall. This is the first point.

The second concerns the economic and humanitarian front, where we are working very closely indeed. The EUR 500 million package was the biggest package I could bring through. There is not so much money in the neighbourhood policy that I could have gone for, but this is what we did because we thought Georgia needed that after the war and all the damage that had been done – particularly for the most vulnerable.

I myself have visited the IDP camps and I have visited the houses that have been restored with our programmes.

I can tell Mrs Lunacek that I myself signed an agreement with the Georgians where they absolutely commit themselves to not using one cent of the European Union money. We always control our money, so normally there should not be a cent of our money going to re-arming on the Georgian side.

I cannot, of course, control what Georgia is doing on other issues, but on our money I can be clear.

There are other things that have been mentioned. For instance, the two teenagers that are still in detention in South Ossetia. These are issues that we do of course mention to the Russians. We talk about them, but for the moment, unfortunately, we have no solution to it and we ourselves cannot enter South Ossetia.

As regards the principle, of course we are clear on the principle. There is territorial integrity and there is sovereignty, and this is what we clearly say of Georgia. Absolutely. It is, however, one thing to speak about principles and another thing to implement these principles immediately. This, unfortunately, is sometimes quite difficult.

Let me also speak about the Tagliavini report. The very fact that this report has been publicised is a very important one. You know we supported this independent report. I have known Mrs Tagliavini for ages from when I was OSCE chairperson-in-office in the year 2000 as foreign minister of my country. She was then my special representative for the Caucasus. She is a very courageous, independent lady, and I must say she has made an excellent report.

This also helps because the report has made the facts clear. We draw the lessons from that, but we can only continue helping Georgia by diplomatic means.

Having said all of that, I can also say that we have been doing an enormous amount of work first on the neighbourhood policy to the east, and now on the Eastern Partnership.

The other day, we had a very important ministerial meeting under the Swedish Presidency with the six foreign ministers of the Eastern Partnership including the foreign minister from Georgia.

There, we also discussed all the possibilities, but would you really think that we can give everything to every country without them doing their part? We cannot. We have to ask them also to do their part. That also means on trade, as a free and deep trade agreement can only be there when the right legislation is there. We cannot just ask them to come into the European Union if the Council is not unanimous on it.

These are things where one has to see one side and the other, but we are supporting Georgia more than anybody else. So I would rather hope that this policy, as some have said, is really supported by you. This is a policy where we try to help them as much as we can, but we also want to see the right behaviour from Georgia.

**President.** – The debate is closed.

*(The sitting was suspended at 19.55 and resumed at 21.00)*

**IN THE CHAIR: MR MARTÍNEZ MARTÍNEZ**

*Vice-President*

## **17. Responses to relaunch the economy in the Member States of the European Union in Central and Eastern Europe**

**President.** – The next item is the Commission Statement on responses to relaunch the economy in the Member States of the European Union in Central and Eastern Europe.

**Joaquín Almunia**, *Member of the Commission.* – (ES) Mr President, ladies and gentlemen, the economic crisis has affected the whole of Europe. It could be said that it has affected the whole world, but here in the European Union, it has probably particularly affected the countries of Central and Eastern Europe, the new Member States, for a series of reasons. Firstly, because they are obviously more fragile economies than the more mature, industrialised and consolidated economies of Western Europe, and also because they are economies which do not have a financial system in which the crisis has been generated, and have therefore been dependent on a high proportion of direct investment from outside in order to finance their growth. When the crisis erupted, and particularly when the crisis worsened in 2008, this investment came to a halt, and left these economies in need of funding in order to finance their growth, which they were unable to substitute using their savings and internal resources.

Having said this, it is also obvious that not all the economies of Central and Eastern European countries have been equally affected. Some economies were better prepared to withstand the blows of the crisis. Some economies had had the wisdom before the crisis to move forward political reforms that have given their model for growth a more solid foundation.

In any case, the European Union, and the Commission as part of the European institutions as a whole, reacted to the crisis, in particular, with a series of measures that responded to a specific concern which, in relative terms, were more beneficial to the countries of Central and Eastern Europe.

The European Economic Recovery Plan, which was adopted at the end of 2008, is a plan based on fiscal stimuli which have logically been more powerful in the large economies of the euro area in Western Europe. Nevertheless, by encouraging internal supply in Western European countries, these stimuli have enabled the market to continue to be a source of growth through external demand for Central and Eastern European countries.

In addition to the European Economic Recovery Plan, decisions adopted by the European institutions have increased lending by the European Investment Bank. The figures for 2009 have obviously not been closed, but I can forecast that lending by the European Investment Bank at the end of this year will probably be over 50% more than its lending in 2007, the year before the crisis.

The European Investment Bank has given specific priority to its financing operations in Central and Eastern European countries in a series of lines and activities. In order to do so, it has used instruments that the Bank had started before the crisis, like Jeremie, Jessica and Jaspers and other actions. Also, as it is not strictly a European Union institution, the European Bank for Reconstruction and Development (EBRD) has stepped up its action under the impetus of the European countries and the European Commission, who are shareholders in the bank.

The Structural Funds have also played a positive role, which they always do for countries that need to benefit from the cohesion policy, but when the crisis began, decisions were made, for example, to increase the resources that could be advanced from the Structural Funds for countries that benefit from them, in particular for Central and European countries.

Unfortunately, the Council did not support a Commission initiative for the European Social Fund to provide 100% of the funding during the crisis (2009 and 2010) for a series of activities to support workers and active policies in the labour market.

As you already know, the balance of payments facility was an instrument that had not been used since 1993. This instrument is used to provide finance for countries with difficulties securing external finance, due to their balance of payments, or for countries with difficulties financing their budgetary needs. Its ceiling has increased from EUR 12 billion to EUR 50 billion, which was at the initiative of the Commission and agreed by the Council, and out of those EUR 50 billion, around EUR 15 billion has been used in financial support operations for three Central and Eastern European countries that are Members of the European Union: Hungary, Latvia and Romania.

Finally I would like to mention the so-called Vienna Initiative, promoted and encouraged by the European institutions, along with international financial institutions. It has coordinated the action of the private financial system which, in many of these countries, is basically organised around Western European banks that have invested in Central and Eastern European countries and have subsidiaries and offices there.

The Vienna Initiative has meant that action could be coordinated, including maintaining the positions and risks taken by private banks in those countries. It has been possible to maintain a financial system at maximum level that helps to finance the consequences of the crisis and the investment needed to come out of the crisis. This is in the face of announcements of excessive risks taken by some Western European banks established in those countries. The truth is that so far, we have not had to mourn any 'victims' among those banks, but rather they have maintained a reasonable level of capitalisation and financial activity in the context of the difficult conditions that the system is operating under.

We are already seeing positive signs. We are, of course, also seeing significant challenges. This means that we have not finished. We need to continue paying specific attention to how best to use the instruments available to the European institutions in order to help these countries to set off on the path towards recovery and emerge from the crisis.

If you will allow me to give you a positive example, I will tell you about Poland, which is the only country in the European Union that is continuing to maintain positive growth and has not had negative growth at any time throughout the crisis. The only one in the whole of the European Union is a country of Central and Eastern Europe and one of the new Member States.

Finally, I would like to mention the importance of the euro as an anchor for the strategies for withstanding the blows of the crisis and emerging from it. The euro is a point of reference to guide the appropriate strategies for emerging from the crisis. There is a country in this region that joined the euro area in the middle of the crisis, Slovakia, and yesterday, the Slovakian authorities held a conference in Bratislava welcoming the way in which the euro has protected them from the worse consequences of the crisis and is helping them to get through it in much better conditions than they would have had to withstand if they did not belong to the euro area.

Another country in the region, Estonia, wants to join the euro area and integrate its currency into the euro in 2011. So far, the indicators and the degree of compliance with the criteria of the Maastricht Treaty, now the Treaty of Lisbon, indicate that this target is possible. We will not be able to guarantee this until the corresponding convergence report is published in the spring, but it is possible that Estonia will be in the euro area in 2011.

For the countries outside the European Union that are part of the region, candidate countries or potential candidate countries, joining the European Union is also a powerful anchor for ensuring that they have adequate strategies and policies.

It is therefore true that there are a great many difficulties. It is true that these countries have more fragile economies. It is true that the consequences of a crisis such as the one that we are going through are, for the citizens of those countries, infinitely more painful than the consequences for citizens of countries with social protection systems and with much more established, stronger and more consolidated welfare systems.

It must be said, however, that the instruments available to the European institutions and the very fact that they belong to the European Union and have the opportunity to be part of Economic and Monetary Union is a positive factor rather than an obstacle in terms of tackling a crisis such as the one that we are experiencing.

**Arturs Krišjānis Kariņš**, *on behalf of the PPE Group*. – (LV) Mr President, Mr Almunia, in order to help the economies of the Member States in Central and Eastern Europe to recover, there are two possible approaches: giving fish or giving a fishing-rod. Of course, what is best is to give a fishing-rod. The difficulty is to know what kind of fishing-rod it should really be. The cornerstone and gauge of recovery is the creation of new jobs. In order for this to happen, investment is needed. One of the main obstacles to investment in the region is a lack of clarity about the stability of the national exchange rate and the introduction of the euro. At the moment, the introduction of the euro in the new Member States is like a horse-race, with each state trying to break away from the pack and reach the euro area.

It may happen that in this crisis situation, some Member States do themselves harm; for instance, by rapidly reducing budget expenditure, they increase unemployment over the level that their economies can withstand. It may also happen that one Member State, in joining the euro area, may damage the economy of a neighbouring state outside the euro area, by attracting investment to itself and increasing the level of unemployment in the neighbouring state. The European Union is formed on the basis of the solidarity principle. When the EU increased the number of its Member States in 2004, a unified strategy for the reception of these Member States into Europe was developed and adopted. I believe that the European Commission should have a rethink on the process of introducing the euro and should prepare a clear strategy for its introduction which does not indirectly induce Member States to cause harm to themselves or their neighbours. It is not necessary to change the stability criteria, but a joint plan and timetable should be developed for the whole region, so that we can introduce a single currency in Europe using an established procedure that is clear to all. This would be the fishing-rod that would help the economies of that region to recover, by opening the door to investment and the creation of new jobs.

**Sergio Gaetano Cofferati**, *on behalf of the S&D Group*. – (IT) Mr President, ladies and gentlemen, as you rightly pointed out, Commissioner Almunia, the consequences of this serious financial and economic crisis have been felt in countries worldwide and naturally in those in Europe. In the EU, it is the weakest countries, the ones we are discussing now, that have been hit the hardest.

These are countries which joined the Union only recently and which are outside the euro area. It is therefore important to remember them and identify the most effective actions so that they can be part of Europe as a whole and subsequently participate in life in Europe on an equal footing with others. There accordingly need to be monetary policy interventions, starting with those of the European Central Bank, since unless we help increase their GDP and invest in their production systems, they will not be able to redress the imbalances that are currently weighing them down, satisfy the Maastricht criteria and join the euro area. It is also

important, as you mentioned, for there to be other actions such as easier access to the resources provided by the European funds and EIB financing.

I believe, however, that we should never forget that these actions must be carried out within a framework of simultaneous actions for other weak countries in Europe too. It is not just a question of the countries that we are discussing today, as we are all unfortunately aware, and for all these reasons, we can no longer delay the creation of a European financing system capable of supporting investment with a comprehensive vision for Europe. I am referring to the establishment of a fund financed by Eurobonds, which I believe to be the only practical solution available to Member States and the European Union.

The time has now come at this stage to show political courage and foresight with regard to the desire to overcome the crisis and create the conditions for the competitive development of Europe, a development that would ensure the well-being of all Europeans.

**Guy Verhofstadt**, *on behalf of the ALDE Group*. – (FR) Mr President, the reason why we, along with other Members here present, have requested this debate is because a new iron curtain has emerged with the economic crisis, Commissioner. This monetary iron curtain separates those outside the euro area from those within it.

Many problems that today affect the majority of the Baltic States, for example – you mentioned Poland, but I could, of course, mention Bulgaria, Romania, Hungary – are due to the fact that they are not in the euro area. Therefore, they must continue to use their local currency, and this is giving rise to harmful, devastating consequences at present. We may well talk of an economic recovery, but in those countries, there is no economic recovery for the time being. In some of these countries, the unemployment rate is over 20%, and public sector salaries have had to be cut by more than 20%. The figures relating to their economic growth are really very negative.

The important thing is that we allow them to join the euro area as soon as possible. However, at present, they are suffering the harmful effects of this situation. Clearly, the idea is not to change the conditions of the Stability and Growth Pact – no one has asked for that. They should not be changed because, as you rightly said, the euro area has acted as a defence against the economic and financial crisis. All the same, we must help these countries in a different way, not by changing the conditions of the Stability and Growth Pact, but by offsetting the negative effect that they are suffering because they are outside the system. If we do not do so, it will be several more years before they join the euro area.

We have made a number of suggestions, we have drawn up a six-point plan and asked the European Commission to take it into account. We therefore need the European Central Bank, the European Commission and the European Investment Bank to cooperate with one another. Which measures must be implemented in this context? Firstly, the Central Bank must also provide liquidity to local banks. It has granted liquidity to banks in Western Europe; it has also indirectly provided resources to Swedish banks, for example, but some local banks have received nothing from the European Central Bank.

These six points incorporate other proposals. For example, why not increase the proportion of EU funding and reduce the proportion of State funding of social, regional and cohesion funds, and so on? Indeed, the Member States do not currently have the budgetary resources to finance certain projects. We could therefore move towards having, for example, 75% of funding by Europe and 25% by the Member States, in particular, the Baltic States.

I have mentioned just two of the six very practical ideas that we have put forward and on which a decision can be taken by the European Central Bank or by the Commission or the European Investment Bank. This is what these countries need. Personally speaking, I do not see it as progress that the International Monetary Fund is intervening in these countries and dictating how they should behave. In my view, it is up to Europe instead to decide what must be done.

That is the request we are making. In any case, I have been to these countries and I have been shocked by the fact that these people feel abandoned by the European Union in their daily struggle. I urge the next European Commission to come back with a credible plan for the states of Central and Eastern Europe and, more specifically, for the Baltic States.

**Tatjana Ždanoka**, *on behalf of the Verts/ALE Group*. – Mr President, I come from Latvia, a country hit heavily by the financial crisis. Due to the irresponsible policy of right-wing governments, Latvia risked going bankrupt without financial assistance from outside. Now we are speaking about different financial and economic



solutions which could change the situation for the better. Of course, we must properly discuss all the solutions, including the speedy introduction of the euro. In the meantime, I am afraid that the financial and economic perspective is only one side of the coin. We have to discuss the social perspective as well.

Now, the EU institutions are perceived as the 'bad guys' by many residents of Latvia: the bad guys who make our poor government cut pensions and benefits, the bad guys who are to blame for social exclusion and poverty. There are many politicians who cultivate this perception, mainly inside the ruling coalition, because, if people believe that the current social crisis is our government's fault, the government will not survive the forthcoming general elections.

Do I believe that Latvia and other countries of the region urgently need the EU's helping hand? Yes, I do. But I strongly believe that we need a strong mechanism for control and we need very strict conditions in the field of social policy. EU money should first of all go to save common people, not banks or state bureaucracy. Therefore, using this opportunity, I would ask all my colleagues and fellow Members to sign Written Declaration 0056/2009, which was initiated by representatives of three political groups, on social conditionality for European Union help.

**Roberts Zīle**, *on behalf of the ECR Group*. – (LV) Mr President, Commissioner, thank you, Mr Verhofstadt, for tabling the question. However, the posing of the question during this evening's debate may confuse European Union citizens in Western Europe. 'Look, we have to suffer from the financial crisis too, because Eastern and Central Europe, through its clumsy governance, has created these problems for itself and also for us'. Such a view debases the already seriously impaired confidence in the European Union's cohesion policy. The example of the Baltic States, however, shows that we are in the same boat. The pursuit by the Scandinavian banking sector of market share and high profits in practice squeezed national currencies in the Baltic States out of the loans market, particularly the home mortgage loans market. With a fixed national exchange rate, the civil liability of borrowers towards lenders was very high: all the currency risk in the value of an overpriced pledge was borne by borrowers.

In late 2008, in tense talks between the Latvian Government, the International Monetary Fund, the European Commission and the Swedish Government, a decision was taken to buy up the second largest commercial bank, using only Latvian taxpayers' money, and to keep the national exchange rate strong. Thus, we Latvians, having over many years lost our revenue, competitiveness and, possibly, quality of society, saved the banking sector of the Scandinavians and other investors, at least in the Baltic States, since the domino effect in the event of banks failing would go far beyond Latvia's borders and would reach as far, let us say, as Scandinavian pension funds, as the banks' shareholders. Yes, the European Commission helped us, and the International Monetary Fund financed this choice, but the lion's share of the loan goes to stabilise the banking sector.

By not allowing a default and by retaining a strong exchange rate, we devalued our economy by 20% of GDP, but in reality, we were helping the neighbouring Estonians, whose advantage, of course, was having had a responsible budget balance for many years, to introduce the euro as early as 2011. It appears even more odd that for Europe's monetary union, an example like Estonia is even crucially necessary. This, as it were, shows that the Maastricht criteria for the introduction of the euro work even in times of crisis. It is not that we are not pleased for the Estonians, but our sacrifice, in buying the bank, was a certain measure of solidarity in not foisting off misfortune upon our neighbours and aggressive investors, too. We only wanted to see a certain solidarity from European financial policy makers, including on the subject of the barrier to new euro area states.

Politicians in Latvia had to take extremely harsh decisions, which the majority of my fellow Members in the older European countries would not have to deal with even in their most terrible nightmares. However, it is not within our power to take away the currency risk of private debt from our citizens, and we do not want to behave like hooligans by unilaterally introducing the euro or allowing the euro to circulate in tandem with our national currency. However, the goal of our demographically ageing society cannot be to spend many years exchanging every second lat earned into euros to pay back the banks, while in the evenings, offering up prayers that the lat will hold fast against the euro.

**Alfreds Rubiks**, *on behalf of the GUE/NGL Group*. – (LV) Thank you, Mr President, in my view, on the issue of the modernisation of social policy and assistance to the states of Central and Eastern Europe, there is a lot of rhetoric, but not much actually happening. A new social policy has not been fully worked into the macro-economics of the European Union. The budget is small, and is not keeping pace with the enlargement of the European Union. Striving to extend its area of influence, the European Union often helps countries outside the EU more than the new EU states. Therefore, it is no accident that in Latvia, for example, the

majority of inhabitants are today worse off than before accession to the European Union. More than 90% of pensioners are surviving on income which is below subsistence level.

Unemployment in Latvia has reached the 20% mark, gross domestic product has fallen by 19%, the State debt exceeds the annual budget, and pensions have fallen by 10%. The people are protesting, leaving Latvia, announcing indefinite hunger strikes or offering to sell their internal organs in order to get money to keep their families. The number of suicides is rising. The European Union's neoliberal social security policy must be changed. Capitalism caused the crisis, but it is workers and pensioners who are paying to find a way out of it. Investment by the major capitalist multinational companies and banks in solving the problems caused by the crisis is minimal. The European Union is allowing the upper classes and the banks to be saved with the tax revenue of the state, that is to say, with the people's money.

The countries of Eastern Europe want an equal allocation of subsidies to agriculture, since at the moment, subsidies are more concentrated towards the older Member States, which, at the same time, distorts the free market in labour. There must be an end to the unequal approach in the calculation and payment of direct payments, and to the separation of these payments from the manufacture of specific products. The European Commission and Parliament must democratically adopt regulations to protect not only the interests of large producers and bankers but also the needy in the rich, democratic European Union.

**Jaroslav Paška**, *on behalf of the EFD Group.* – (SK) The economic and financial crisis has had a much harsher effect on the transforming countries of Central and Eastern Europe than on the stable democracies of Western Europe. It is therefore right to look for ways to counter this unfavourable economic development. We must not forget, however that miracles happen only in fairy tales. Therefore, the primary and fundamental requirement in terms of changes for the better is a responsible financial and economic policy of the government and a modern, right-wing working legislature in every affected country. Only then will it be possible through targeted industrial measures to play a part in gradually assisting economic development.

If such assistance is to be effective, its financial resources must not be spent on social benefits or consumption, nor must they be spent on artificially-created nonsensical jobs. It should not be possible, for example, for a government to use such assistance to resume the operation of an old thermal power station which produces more emissions than electrical energy only because it allegedly creates a few new jobs.

If we really want to help the affected countries, we must support only financial projects that have a high degree of innovation and which consistently conserve the environment. Let us take care that the funds invested in these support programmes contribute to a restructuring of companies and bring a long-term effect to the affected countries, and thereby to the whole of Europe as well.

**Zoltán Balczó (NI).** – (HU) First and foremost, we should find a solution to avoiding a similar crisis in the future. The mess caused by the global financial system is sweeping across the world, having a direct impact on the real economy because companies have no access to credit, which is the vital lifeblood of the economy. The lesson from this is obvious. It is clear that we must get rid of the belief placed in the market's self-regulation and supremacy, and accept and enforce the state's regulatory role.

We talk about economic recovery, but obviously, the ultimate aim we want to achieve through this is to protect jobs. This means that priority is given to support for small and medium-sized enterprises in Europe as well, as they actually provide the majority of jobs. The terms for gaining access to credit are a fundamental issue. Certainly, the banks have operated sensibly, as we heard from Mr Almunia. This applies to Hungary as well, for instance, where all the commercial banks are subsidiaries of foreign owned banks. Therefore, because of their prudence, they have tried to withhold credit in such a way that it has also paralysed the domestic economy.

Direct subsidies, which the EU also allows, are also obviously required, but they should not be given to those governments, like the current Hungarian Government, which primarily supports the settlement of multinational firms rather than small and medium-sized enterprises. Today, we discussed the matter of the European Agricultural Fund for Rural Development when dealing with the modification to the European Commission's 2009 Finance Bill. In its draft, the Commission has taken the significant and drastic measure of holding back these funds, even though they are precisely earmarked for maintaining the rural population.

Why are we talking about this region separately? The reason is that it has become much more vulnerable than the western part of Europe. We need to go back in time to the 1990s, when it became clear that our hope – that our economy in Hungary would also become independent in this democracy – was in vain. This region suffered from the ever-increasing burden of the instalment repayments covering the inherited debts,

as well as the using up of its cheap natural and human resources, while all these generated very significant financial revenue in the Western countries. This is why I feel obliged to say now, with proper justification, that this region should receive more support, as this is a matter of obtaining partial compensation.

**Enikő Győri (PPE).** – (HU) Ladies and gentlemen, the crisis has demonstrated that the countries of Central and Eastern Europe outside the euro area are much more vulnerable than those where the single currency is used. As a result of their dependence on strong exports and foreign capital, as well as the population's high level of foreign currency debt, the rate of recovery is also slower than in those countries enjoying the security of the euro area. If the solidarity between Member States does not work in practice, rather than just as a sound bite in slogans, the European Union's internal cohesion will diminish, thereby hampering the whole EU's performance.

However, we do not need any new EU instruments to achieve this solidarity, especially not handouts. The existing opportunities and resources must be used sensibly. In this respect, the European Central Bank can help in constantly maintaining the liquidity of the banks in the region. The European Investment Bank can also help by providing targeted credit to the region's small and medium-sized enterprises, while the EU's institutions can help by adapting the rules for using the money from the Cohesion and Structural Funds to suit the extreme situation. I would particularly like to draw your attention to the fact that many people like to treat Central and Eastern European countries en masse, even though these countries are very diverse, with different crisis exit strategies as well.

For instance, after nearly eight years of incompetent socialist administration, Hungary has used up all its reserves. At the moment, it is forced to exercise restraint, which is in stark contrast to the practical actions adopted in other European countries for managing the crisis, based on economic recovery. While the Western European governments are already thinking about drawing up their exit strategies, some countries in Central and Eastern Europe which have been worst affected by the crisis are still facing major recession in 2010 as well. Therefore, when it comes to devising exit strategies, it is vitally important to have some way of differentiating between countries.

EU leaders should not devise standard rules which would only exacerbate further the situation of some countries and that of their population. When drawing up the new financial system regulations, attention must be focused on ensuring that the tightening of capital requirements does not generate unfair competition between banks. The banks in Central and Eastern Europe which have turned out to be healthy have not received any injection of capital from anyone. This means that they would only find it more difficult to deal with the stricter capital requirement regulations than their rescued counterparts in Western Europe. This would result in a decline in their desire for credit, which was not very great anyway, with small and medium-sized enterprises ultimately ending up the victims of this situation. We must avoid this scenario at all costs.

**Ivari Padar (S&D).** – (ET) Mr President, first I would like to congratulate Mr Almunia sincerely for his very effective work up to this point. For all the Member States of the European Union, there are many common problems and, at the same time, each country has its own economic policy and its own specific problems, and we must definitely all be self-critical here. The argument that only the new Member States of the European Union have been especially severely affected by the crisis is not true. Look at the countries where the banks have needed economic support – they are mainly the old Member States, not the new ones. Similarly, fiscal problems are bigger in the euro area than outside it.

At the same time, it is clear that banks operating across borders did not create an additional risk. The situation was exactly the opposite. The banks which operated in various countries were the most secure, and they were able to stabilise the situation in many recipient partner states. The banks which had problems are the banks which simply made bad commercial decisions, as was the case, for example, with the Royal Bank of Scotland.

**Kristiina Ojuland (ALDE).** – Mr President, I would like to join the previous speaker in thanking Commissioner Almunia. He has a clear view on the differences in different countries in Central and Eastern Europe and the current state of their economic and financial situation.

The Commissioner mentioned Estonia. I come from Estonia, and it has not been an easy job to fulfil our aspirations of joining the euro area, but the one thing I think we might share with the other countries around is self-responsibility. I have not heard the word 'self-responsibility' in this assembly in this debate so far; there is only the word 'solidarity'. How can we expect solidarity if we have big world competitors like China and

India racing ahead? I think in the European Union we should be much more pragmatic and think what our national governments are responsible for.

It is difficult in these times to make cuts. In Estonia, it has been very difficult to cut expenditure in state government, yet we have been doing this for years. In the good years – in the booming years – we were able to make reserves, and nobody else – only the Member States' governments – is responsible for that.

**Ryszard Czarnecki (ECR).** – (PL) Mr President, I represent Poland – a country which perhaps does not have to worry about the crisis in the way that, for example, Hungary or Latvia do, but in my country, in spite of government propaganda, unemployment is also clearly rising, and a demonstration today in Warsaw was attended by protesting shipyard workers who have just received the last part of their redundancy money.

According to an analysis carried out by the National Bank of Poland, the dynamics of the recession in nine countries of Central and Eastern Europe were definitely stronger than in the countries of Western Europe. What is worse, the differences between the individual countries of our region are greater than those in the 'old' EU. This is partly a result, not only of the greater stability of the economies of the old 15, but also, and let us say this directly, of their greater ability to use or bend certain financial instruments which theoretically have been banned by the European Union.

The European Commission and Mrs Kroes turned a blind eye to the help which Berlin gave the German shipyards, but condemned Poland for doing the same and ordered the return of EU aid given to Polish shipyards. It turns out in practice that some are more equal than others, and that double standards are being employed. The French motor industry can receive more government aid than the motor industry in the countries of the 'new' EU. This only increases the disproportions.

The Commissioner spoke about the salutary role of the euro, but it was surely a joke. Poland does not have the euro, and the crisis has affected us to a lesser degree than Slovakia, which has adopted the euro and where the consequences of the crisis are more serious than in Poland. I appeal for solidarity, of which the representative of the Group of the European People's Party (Christian Democrats) spoke, but I have the impression that he is, on this matter, a hypocrite. In this context, hypocrisy is not a tribute to virtue.

**Joe Higgins (GUE/NGL).** – Mr President, I expected Commissioner Almunia and indeed Mr Verhofstadt to perhaps offer us an explanation, and an analysis, for the reasons behind the disaster which has befallen most countries in Central and Eastern Europe in the economic arena. Twenty years ago, we had an heroic movement of working people in those countries which brought down the Stalinist monolith. Unfortunately, instead of replacing that monolith by going on to genuine democratic socialism, it was the restoration of capitalism which followed. But that was what was prescribed by the entire political European capitalist establishment: the EU, the big business media all promised that capitalism would herald a bright new era for the peoples of Central and Eastern Europe.

The market was to be God; competition was to be king. So we have the imposition of the neoliberal agenda so beloved of the European Commissioner: the wholesale privatisation of public property – the robbery of public property, in fact – and putting the economies of these countries at the mercy of the sharks on the international financial markets. We even set up a special bank to oversee this process, and it has been an unmitigated disaster. The Baltic States are in freefall: Latvia 18% down in the third quarter, unemployment at 20%.

What do the EU Commission and Mr Verhofstadt offer? The prescription of the International Monetary Fund and of the western European banks. Slash and burn the living standards of working people; slash and burn public services. Therefore, we have in Latvia the threat that half the hospitals will be closed by the end of this year.

The policies of the EU establishment mean a nightmare for the ordinary people of these countries – the threat of barbaric conditions for the ordinary people. So I would commend the people of Central and Eastern Europe to reject this fatal prescription of the European Union establishment, nationalise their banks, put them under democratic control so that they invest for people and for jobs, nationalise or renationalise the major sectors of the economy, but this time under the control of working people so that they can plan their economy for people and not have themselves at the mercy of the sharks, of corporate Europe and financial Europe, which has brought about this dreadful disaster for the peoples of this region. You may laugh, Commissioner, but I await your response.

**Nikolaos Salavrakos (EFD).** – (EL) Mr President, thank you very much for giving me the floor and my thanks also to Commissioner Almunia for the very detailed report which he submitted to Parliament. I was particularly gladdened by the fact that the Commission agreed to relax the Stability Pact, acknowledging of course that the strict Maastricht criteria, such as the 3%, are very hard to achieve in times of serious economic crisis such as we are experiencing at present.

I should like, first of all, to highlight the fact that, in recent days and weeks, the country which I come from, Greece, has been under attack from a specific credit rating agency, a consultancy firm, as regards its creditworthiness. This begs the question of whether we should seriously consider the creation of an EU agency to do this job, so that not just anyone can do it and so that it has nothing to do with hidden commercial or other competitive agendas.

I wish to voice the complaint that the European Union helps a great many third countries more than its members. I also wish to call for the solidarity to be shown which my country, Greece, needs in order to deal with its problems.

**Iliana Ivanova (PPE).** – (BG) Thank you, Mr President, ladies and gentlemen, I believe that the sensible policy for combating the crisis in the countries of Central and Eastern Europe must be based on the principle of a social market economy, unlike the suggestions made by the previous speaker. This is why only a strong economy which respects the freedom of private ownership, the rule of law and personal liability can guarantee the cost of the sustainable social policy which our society deserves.

I firmly believe that our efforts and responsibility must be focused on a number of basic pillars. Firstly, stable public finances. An alarming number of Member States have high levels of national debt. We need to be very vigilant and disciplined. We must aim for budget deficits that are not only within the 3% GDP limit, but also do our utmost to achieve balanced budgets.

As part of the Stability and Growth Pact, the European Commission and Council must closely monitor Member States for macroeconomic imbalances.

Secondly, we must support small and medium-sized enterprises. The reason for this is not only that they provide more than 65% of employment in Europe, but also that they offer the most flexibility and dynamic growth potential, especially during a crisis.

Thirdly, it is important for us to support the unemployed and the most vulnerable groups in our society, as well as to provide sufficient investments in education, obtaining qualifications and research. The last point, and the number one priority for Member States who recently joined, is the expansion of the euro area.

I want to ask for your support and thank my fellow Members, as well as urge the European Commission and Member States to review their position with regard to the area's expansion. We need your understanding and solidarity, especially in countries like Bulgaria, where I am from, which has made great efforts to comply with the Maastricht criteria and also has one of the lowest budget deficits in the European Union, along with an extremely disciplined fiscal policy.

Fellow Members, I believe that it is important for us to continue with our joint, coordinated efforts in order to help our economies recover and emerge from the crisis stronger than before.

**Edit Herczog (S&D).** – (HU) Mr President, ladies and gentlemen, let me begin my one-minute speech by thanking my fellow Members from countries in the euro area for considering it important to attend this debate. Their very presence at this debate is where solidarity begins.

Without forgetting about Member States' own responsibility, as my fellow Member said, the new Member States are facing general difficulties which definitely seem like objective difficulties to us. One such difficulty is the enforced procedure for the twenty-year accession process, which caused serious economic problems for these countries and expected genuine social solidarity from their inhabitants. Another one is these countries' lack of the defence mechanism offered by the euro area, which meant that they were in a much more defenceless position when the crisis hit them. Lastly, there is the proportion of SMEs and the people employed by them in these countries, compared to the figures for the European Union.

All in all, I firmly believe that, in order to achieve economic recovery in the countries of the European Union and Central and Eastern Europe, we must join forces and tackle a threefold objective involving employment, financial balance and economic growth. I believe that the small and medium-sized enterprises package contained some of these elements. At any rate, we ought to overcome somehow the financial difficulties of

the small and medium-sized enterprise sector. We would definitely need the European Central Bank's assistance mechanisms to achieve this. The smaller an enterprise is, the more difficult the access the EU has to it.

*(The President cut off the speaker)*

**Vilja Savisaar (ALDE).** – *(ET)* Mr President, above all, I would like to draw your attention to the three Baltic States, whose situation is perhaps the most serious of all in this region. Here are some examples. Estonia's economic output has fallen by over 15%, while the European Union average is -4.1%. In no other European country apart from the three Baltic States has there been a drop in economic output of more than 10%. In all three Baltic States, unemployment has risen up till now to more than 15%.

I very much hope that the proposals by the Alliance of Liberals and Democrats for Europe to revive the economy and to improve the financial situation will receive very concrete attention and a response from the Commission. Last year, Estonia had to cut the budget three times and shrink public sector expenses, and further cuts will aggravate the already serious social situation. I very much hope that Estonia will join the euro area on 1 January 2011, in order to create an area for economic growth and for the resolution of financial difficulties.

**Paul Rübzig (PPE).** – *(DE)* Mr President, Commissioner, ladies and gentlemen, we are currently in the middle of a financial and economic crisis and I believe that liquidity is the most important factor in a crisis, not only for banks and businesses, but in particular for employees. Creditworthiness is, of course, always a prerequisite of liquidity and, therefore, the discussion about the creditworthiness of companies, banks and employees is particularly important.

Of course, creditworthiness is based on earnings, whether you are an employee, a company or a bank. If you are not earning anything, you have, of course, no creditworthiness and no liquidity and this is where the negative spiral begins.

For this reason, it is highly important for us to ensure that no additional taxes are imposed in future on commodity trading. Instead, we should be considering how we can make a financial transaction levy on purely financial transactions which are not based on a service or on commodity trading. This levy could be used to refinance the banks and national budgets and could therefore form the basis for creating new jobs.

In reality, unemployment is completely unacceptable. It is ultimately the main factor behind the emergence of the financial and economic crisis.

**Silvia-Adriana Țicău (S&D).** – *(RO)* According to the Treaty of Lisbon, the European Union's economy is a social market economy. Our main concern must be to create new jobs, reduce unemployment and emerge from the economic crisis. Member States in South-Eastern Europe are faced with huge deficits. They must stimulate the creation of new jobs, while maintaining a long-term, sustainable fiscal policy. Education, health, agriculture and development of the transport and energy infrastructure remain the main priorities for these Member States. It is important for the level of agricultural subsidies in these Member States to be on a par with those in older Member States. Assistance offered by the EU over a period of five years for balance of payments can be granted if the beneficiary Member States commit to reforming their system of taxes and duties or if they adopt measures to boost their administrative capacity in order to increase and achieve maximum absorption of European funds. These Member States also need to be supported in modernising their heavily polluting industrial sectors in order to reduce emissions, but preserve jobs and ensure economic development. I would like to add as a final point that I believe that support for these Member States requires the cohesion policy for the 2014-2020 period to continue to help Europe's regions which are less well developed economically.

**Diogo Feio (PPE).** – *(PT)* Mr President, I should like to begin by congratulating the promoters of this debate, because it really is very important that we discuss the situation of economically weaker countries and countries outside the euro area. That is particularly so at a time when we are discussing strategies for coming out of the crisis, when we will have to bear in mind the different situations the various countries are facing. The situation is difficult in many economies in Eastern and Central Europe, but things are now starting to become difficult in many economies in the western part that are inside the euro area. My country, Portugal, is an example. The strategy must take account of the various situations, which differ from one country to another.

Several different paths can be taken. It is extremely important to have a suitable monetary and budgetary policy, if possible, one that is increasingly determined by political criteria that take into account the need for

liquidity for companies and small and medium-sized enterprises, that do not create or perpetuate obstacles that are very difficult for countries outside the euro area to overcome, and that exert pressure on national governments to carry out the medium- and long-term reforms that are needed. To conclude, we have to move on from words to deeds. Cohesion has to be effective.

**Elena Băsescu (PPE).** – (RO) Thanks to the successful implementation of the European Economic Recovery Plan, we will notice a slight improvement next year, in 2010, for the European Union's Member States.

The countries of Central and Eastern Europe have been affected in different ways by the economic crisis. On the one hand, Poland has recorded slight economic growth, thereby avoiding the crisis, whereas Romania and Hungary have been severely affected by the economic crisis.

Romania has experienced an unprecedented economic crisis this year, which has also been exacerbated by the serious political instability triggered by the Socialists, who wanted to leave the government for electoral purposes due to the forthcoming presidential elections. The presidential elections were only two months away. The Socialists' departure from government and the introduction of a motion of censure in parliament left Romania for two months with a temporary government with curtailed powers, which was unable to finalise and adopt a draft budget in parliament.

As a result, the International Monetary Fund postponed delivering to us the third tranche of a loan amounting to EUR 1.5 billion. However, the Swiss Government decided to grant us a non-refundable loan amounting to approximately EUR 120 million. My country has recorded 8% negative economic growth and an unemployment level two points below the European Union average. In the future, the EU requires a strategy focused on getting governments to step back from supporting their national economies. However, this will not be possible in Romania until 2010 as we are not allowed to do so by the agreement signed with the IMF.

**Petru Constantin Luhan (PPE).** – (RO) I agree with the proverb that if you are coming from a fishing trip and you meet someone on the way, you should teach them to fish instead of giving them a fish. However, we have to know that we need to teach them to fish. I am referring on this point to the states which have recently joined the EU and still need to learn. However, they cannot learn off their own bat. We also need to give them the financial resources to do so. I personally believe that a healthy economy is mainly made up of medium-sized enterprises. As a result, economic, social and territorial cohesion policies must be targeted primarily at allocating European cohesion funds for this type of economy. I would like to add that the EU's economic, social and territorial cohesion policy has been neglected recently in terms of defining the European Union's priorities.

*(The President cut off the speaker)*

**Victor Boștinăru (S&D).** – (RO) While listening to Mrs Băsescu, I cannot help but declare: 'O, les pauvres! What holy simplicity in the European Parliament'.

Returning to more serious matters, the economic contraction in the countries of Central Europe has reached drastic proportions. The disparities are growing between these countries and the rich countries of Western Europe. Furthermore, these countries' capacities to generate economic and financial incentives remains at such a low level that it is almost negligible. I want to draw the European Commission's attention to the fact that, as a result of the social costs, the considerable rise in unemployment and swingeing budget cuts, these countries' capacities to provide cofinancing for projects with European funding is also diminished. All these factors may condemn the countries of Central Europe...

*(The President cut off the speaker)*

**Lajos Bokros (ECR).** – (ES) I would like to put a few very simple questions to Mr Almunia, without the difficulties of translation. What do you think about amending the Maastricht Treaty criteria to perhaps include a new criterion relating to the balance of payments, a maximum limit on the current account deficit and external debt?

What do you think about the exchange rate policy? Is it better to maintain a fixed or flexible exchange rate during a recession?

Also, with regard to the countries that have adopted the euro without being members of the European Union, is this an advantage or a disadvantage for them in the negotiations for taking on the responsibilities of the euro area in the future?

**Csaba Sógor (PPE).** – (HU) Mr President, influenza strikes down those who have a weak constitution. Therefore, the countries of Central and Eastern Europe not only need a ‘vaccination’, but also something to fortify their constitution. You know what I am referring to here. The change of regime should be supported, not only the economy, although that should, of course, be supported too. The reason is that, in a large number of the countries of Central and Eastern Europe, the economy, media and politics are still in the hands today of those who systematically ruined this region over the last 40 years.

Therefore, we should support what we call European values so that one country will not be debating – in the Europe of multilingualism – the need for a language law and another will not seek to sneak collective guilt as a mere footnote into the treaty, rather than European values. Therefore, the countries of Central and Eastern Europe need...

*(The President cut off the speaker)*

**Zigmantas Balčytis (S&D).** – (LT) Thank you, Mr President, Commissioner, at one stage in 2006, we Lithuanians actually also attempted to introduce the euro but, sadly, we missed the criteria by one hundredth. Nevertheless, I really want to thank you, Commissioner, for the previous period, for the work done and for very good cooperation.

As for today’s problem, I really think that the conditions have changed and there really were some good proposals to review some things. By no means am I proposing Maastricht criteria, rather very elementary things that will give every state some opportunity to regulate prices. These are the various exchange rate mechanisms and many other things.

I would like the European Commission to bear this proposal in mind and thank Mr Verhofstadt who suggested that, in future, we might be able to sit down and calmly discuss how we can help the states of Eastern Europe, the Baltic States, as unemployment really ...

*(The President cut off the speaker)*

**Joaquín Almunia, Member of the Commission.** – (ES) Mr President, thank you very much to Mr Verhofstadt, who initiated this debate, and to everyone who has spoken. I am very grateful to you for your contributions and ideas.

Allow me to begin with a phrase used by Mr Verhofstadt. He said that the fact that there are countries in Central and Eastern Europe that are not part of the euro area means that there is a ‘*rideau de fer*’ (an iron curtain). I do not agree, because some of the Central and Eastern European countries that are not yet in the euro are in extraordinarily difficult economic situations, but there are others whose economic situations are no more difficult than those of more mature, more advanced economies. The latter have belonged to the European Union for much longer, have been receiving finance from the European Investment Bank and the Structural Funds for much longer and are in the euro area, and they have equally serious or sometimes more serious problems than many of the economies of Central and Eastern Europe.

The problem is therefore not an iron curtain, which has not existed for twenty years, and it is not that the instruments available to the European Union are not being used in that region, because they are being used as I said in my initial speech. Some of you have alluded to this while others appear to be unaware that instruments are being used to a much greater extent than we could have imagined when this crisis began in 2007.

With the greatest respect, the problem is not how the criteria for entering the euro are interpreted, and we have debated this many times in this House. That is not the problem. There has been criticism in this House of those who, at the time, decided to allow some current members of the euro area to join it when it was not very clear whether the conditions had been fulfilled. What we are now seeing is that the economies that are not well prepared to deal with a crisis such as this are suffering the most, both within and outside the euro area. This is the problem that we should be concerned with.

Do we need to cooperate more? Of course we do. Do we need to strengthen the European instruments? Of course we do. The Commission is asking the Council and Parliament to do so. Parliament is also asking the Commission to do so, and what I am asking Parliament is to ask the Council to do so, because the Commission’s proposal for the actions of the European Social Fund in 2009 and 2010 to be 100% funded by European resources in those countries that benefit from the European Social Fund has not been accepted by the Council. I would be very grateful if you could say this to the Council.



(FR) This is the last time that I will be here in my role as Commissioner for Economic and Monetary Affairs, and I want to convey your position, which is also my own, to the ECOFIN Council. Indeed, I believe that it is important, at times like these, to use the Structural Funds and the Cohesion Fund in a different way from that envisaged under normal circumstances. I shall continue in my mother tongue.

(ES) I agree. I agree with many of the ideas in the six points that Mr Verhofstadt mentioned, which he included in a letter to the President of the European Commission and to the President of the European Investment Bank. We agree in many respects. In many respects, we are already acting in line with the points that he made. I cited these straight away when I first spoke.

However, to think that by using European instruments, it is possible to avoid having to make difficult adjustments in order to deal with the consequences of a recession such as this shows a lack of awareness of the depth of the recession that we have suffered, both within and outside the euro area, in Central and Eastern Europe as well as in Western Europe. It has been of such depth that we can imagine how, for example, Ireland has made such extremely difficult adjustments, not because the International Money Fund says so, or because it has been imposed by anyone from Brussels, but because the Irish authorities consider it to be the best way to adjust its economy as soon as possible and move forward with the same impetus that it had before the crisis.

The social consequences of these adjustments concern us and concern me personally, just as much or even more than they concern Parliament. I can tell you, as it is public knowledge, that by using the balance of payments facility, the Commission has reduced many of the adjustments proposed by the governments of the countries benefiting from those resources. We are going to continue to do this. We have also tried, as far as possible, to preserve the amounts in the national budgets in order to be able to jointly finance the European funds, because otherwise, the reductions in investment expenditure that would have to be used to jointly finance European funds would have had very negative consequences in those countries.

We are, however, seeing positive signs, which it is also important to say in a debate such as this. We would not have been able to say this in a similar debate in October 2008. In December 2009, it must be said that there are positive signs, that we are beginning to see the light at the end of the tunnel, including in the countries that are suffering the most as a result of this crisis, such as Latvia, Lithuania, Estonia and Ireland.

We are still facing a great deal of uncertainty, and the obstacles that we have to tackle are very significant, but there is light at the end of the tunnel.

So once the recession has been overcome, will we go back to doing the same as we did before it? I really hope not! As this is my last speech in Parliament on the economy as Commissioner for Economic and Monetary Affairs, allow me to give you five points that are not among Mr Verhofstadt's six points, which we should all debate.

Firstly, in the light of our experience of this crisis, the countries of Central and Eastern Europe need a much more balanced model for growth. They cannot depend solely and exclusively on finance from foreign investment. Many of you have talked about small and medium-sized enterprises, and I agree with you. They also cannot depend solely and exclusively, or almost exclusively, on foreign banks, because when it comes to supervising the actions of the financial system, it is very difficult to have supervisory authorities and a financial policy that serves the interests of each country if practically all the banks are not from that country and take strategic decisions based on the interests of their country of origin. Having said that, it must be said that the foreign banks in those countries are conducting themselves extraordinarily well, as I have already said.

We must increase the take-up rate of the Structural Funds. In the current financial perspectives, we have proposed a very large amount of resources for your approval, which can be channelled through the Structural Funds during this financial perspectives period. In many cases, countries are not managing to use these resources, and there is still scope for action, in some countries amounting to 4% of their annual GDP. 4% of annual GDP and this money is not being used adequately.

We need to provide much more support for the integration of infrastructures, and we need to continue to debate how to do so. There are bottlenecks in parts of the region that have not yet been overcome through infrastructures to integrate their economic area and productive fabric sufficiently within Western Europe.

Finally the consequences of the crisis are being felt more, in social terms, in the countries that do not have a sufficient social protection system or welfare state. This is the case partly because they do not have a sufficient level of growth, income or wealth, but it is partly the case because, it has to be said, during the

years prior to the crisis, in some of those countries, there was a 'less is more' tax policy, and when money is needed to fund public action there is none, because there is no income. This is also something to consider for the future.

**President.** – The debate is closed.

*Written statements (Rule 149)*

**Elena Oana Antonescu (PPE), in writing.** – (RO) At a time when the global economic crisis is continuing to affect Europe, the states of Central and Eastern Europe are feeling its effects more intensely due to the existing disparities in economic development between the old Member States and those which have joined during the last accession rounds. The economic crisis magnifies these disparities, placing additional pressures on the governments in these countries, which have to deal with stringent macroeconomic conditions, the social repercussions of the crisis, while also having to resolve problems arising from the vulnerability of the financial system and the sustainability of the public health care and social insurance systems. Taking into account these economic and social policy constraints, I hope that the Commission will adopt an integrated plan focusing on the specific problems in this region. It must be a plan which supports the efforts made by these states to maintain an economic and social balance. The countries of Central and Eastern Europe have taken up loans granted by the IMF, the World Bank and the European Union in an attempt to overcome their domestic problems. However, the financial resources are not supplied at the rate required to support the measures adopted by these governments. For this reason, I call for these resources to be made available more quickly and for a plan to be adopted which will support the economies in this region.

**Sebastian Valentin Bodu (PPE), in writing.** – (RO) Romania and Bulgaria are feeling the full impact of the global economic recession which has hit the last two countries to join the European Union, against the background of a disparity with the developed economies of the other Member States. The latest Eurobarometer survey highlights that the populations of both countries state that they are very greatly concerned about their countries' economic path of development, as well as about the way in which the crisis is affecting every citizen personally. On top of the conclusions of the Eurobarometer survey, the crisis's impact, in the middle of winter, is only going to get worse. National governments have the duty to adopt the best measures to enable them to get through the winter without any drastic social consequences. The International Monetary Fund and the European Commission have been involved in helping Romania and Bulgaria, both financially and through providing expertise, by setting certain macroeconomic indicators. Greater involvement by the European Commission in stabilising the Romanian and Bulgarian economies will have a beneficial impact across the whole of the European Union, which cannot afford any major imbalances at the moment. All of the European Union's Member States are being affected by the different aspects of the crisis. However, it is evident that the new Member States are going through more difficult times than the well-tuned economies of the old Member States. Solidarity is one of the European Union's fundamental values, and an economic recession is a good time to show it.

**András Gyürk (PPE), in writing.** – (HU) At the start of the year, we were pleased to note that more than EUR 3 billion were earmarked for energy improvements as part of the economic stimulus package introduced at that time. The European Commission rightly acknowledged that support was required for both the creation of alternative supply routes and the interconnection of energy networks. However, our delight is mixed with a degree of disappointment. If we look at the specific support sums, we can see that the support package neglects Central and Eastern Europe, the very region which is most vulnerable in terms of energy supply. The Franco-Belgian gas interconnection receives more support than the Central and Eastern European interconnections. While the Franco-Belgian interconnection will be the seventh, joining the existing six, this kind of infrastructure is very often lacking in the new Member States. In addition to this matter, we were also unhappy that the energy efficiency improvements were completely left out of the support package. However, this was precisely the area where the package's main aim could have been easiest to achieve, namely, job creation. Due to the shortcomings mentioned, we believe that two things are of paramount importance. Firstly, future support plans must focus on those regions where energy investments have the greatest added value. Secondly, energy efficiency, which is frequently mentioned in EU circles, cannot be forgotten when budget decisions are being made in the future, especially if we know that a more efficient use of energy can already produce absolutely spectacular results in the short term.

**Tunne Kelam (PPE), in writing.** – I congratulate the Commission for the efforts they have made to help European economies. The knowledge that the EU provides measures for those most in need reaffirms and ensures that we will all come out of this economic crisis stronger than before. I would like to emphasise the importance of losing all currently existing barriers on economy, trade and free movement on the labour

market. Completing the integration of the European single market must be the main target in the short term. Only this helps us effectively stand against any future crisis. One of the strongest incentives the EU has is being part of the euro area. The euro is an important incentive for investments and economic growth, reducing vulnerability. I truly hope that my own country, Estonia, will succeed in fulfilling the criteria necessary for joining the euro area. Estonia has one of the lowest foreign debts in Europe and has managed to put aside enough reserves during economic growth to be able now to face the crisis with its own means. Furthermore, I am convinced that the current means from European funds and the prospects for joining the euro area soon will allow us to reduce unemployment efficiently next year.

**Wojciech Michał Olejniczak (S&D), in writing.** – (PL) Ladies and gentlemen, over a year after the greatest shock to American society since 9/11, the declaration of bankruptcy by the Lehman Brothers Bank, we are wiser as the result of further experience. What has happened in the last 12 months is clear proof of the erroneous assumptions of neoliberal politics and, as was the case with 9/11, has persuaded us to look at the world in a different way. The economic crisis has affected basically every part of the world, but, most importantly for me, it has affected many millions of Europeans. The report published by the World Bank several days ago does not leave any doubt that the EU Member States in Eastern Europe need aid, and not only in the area of their internal affairs. If the crisis can reduce 11 million inhabitants of Eastern Europe and Central Asia to poverty, with a further 23 million set to follow suit by the end of 2010, under no circumstances can we be complacent. Financial support is essential, but so is intellectual support, to establish suitable social programmes for the countries which are feeling the effects of the crisis the most. During previous crises, families were able to save themselves by emigrating or by holding down several jobs. Today's crisis has a global dimension, which renders this type of solution impossible. If we do not want to see more effects of the events of a year ago, we should mobilise significantly more European funds, make it our aim to promote employment and strengthen international cooperation. All of these actions should focus on one thing – social policy.

**Czesław Adam Siekierski (PPE), in writing.** – (PL) The countries of Central and Eastern Europe have felt the effects of the economic crisis exceptionally hard. Falling economic indicators were a reality of the last year in many countries, and not only in our region. However, it should be stressed that different countries coped with the crisis with differing degrees of success. The clear leader of countries in the region with favourable results is Poland. As Mr Almunia admitted during the debate, Poland is the only country to have avoided a recession, maintaining a positive growth dynamic throughout the crisis. Despite the fact that the economic situation in the region is slowly stabilising, it is worth thinking about what measures should be taken to restore economic growth and avoid similar turbulence in the future. In the short term, the governments of the countries concerned should adopt more resolute strategies of escape from the crisis. They need to balance budget expenditures, actively fight unemployment and social exclusion, and create conditions for the development of businesses, on the one hand, and conditions for an increase in demand, on the other. Equally as important as action at national level is external help. European and international financial institutions should establish a special credit line for small and medium-sized enterprises and for the support of infrastructure projects. These measures would certainly bring a growth in employment and an improvement in the social situation. In the long term, the best solution seems to be entry to the euro area and creating the conditions for balanced and stable growth.

**Csaba Sándor Tabajdi (S&D), in writing.** – (HU) During the past year, the battle against the crisis was waged primarily at Member State level, using Member State instruments. The EU's Member States considered taking action mainly at national rather than EU level when it came to economic recovery, providing assistance to companies and preserving jobs. In some cases, even the minimum expected level of coordination, agreement and cooperation was lacking. The old Member States, with their stronger economies and more room for manoeuvre in budgetary terms, put together packages which primarily focused on their domestic markets and, in many instances, protectionist instruments that distort competition were used. One glaring example of this was the support offered by France's President Nicolas Sarkozy to the Peugeot company, stipulating as a condition the retention of jobs in France, while redundancies had to be made at the company's more efficient plant in Slovenia.

Similar discrimination can be encountered in connection with the financial sector in Central Europe and the Baltic region, as Western parent companies continue to this day to divert profits generated at their subsidiaries operating in the region. The credit crunch is having a particularly tough impact on the small and medium-sized enterprise sector, which provides the majority of jobs and is sacking employees in huge numbers as a result of the contraction of export markets and reduction in development opportunities. This means that the economic crisis is inevitably turning into an employment and social crisis. For this reason, I am asking the

EU15 governments once again to do their utmost to block protectionist measures and take a stance against the behaviour of the domestic banks, which is infringing internal market principles.

**Iuliu Winkler (PPE), in writing.** – (HU) The global economic crisis has had a varying effect on the European Union's different Member States. The new Member States in Central and Eastern Europe have proven to be the most vulnerable. The reality of the situation has shown that Member States have had unequal access to the instruments contained in the European Economic Recovery Plan. We have also noticed that Member States in the euro area have enjoyed the best protection against the crisis. It is no coincidence that the consequences of the crisis were felt harder in those countries which did not have the benefit of recovery instruments and were not members of the euro area. The entry into force of the Treaty of Lisbon has marked the end of the European Union's period of institutional reform.

Now a joint effort is required to strengthen the European Union's cohesion. This is a vital condition for the EU to emerge from the crisis revitalised, as a crucial global player. The impact of the social and employment crisis will be felt most in 2010. The new Member States will definitely be its main victims. What we need is an economic recovery plan that is, in actual fact, equally accessible to all Member States. In addition, the terms for joining the euro area must be made more flexible. These obvious measures will contribute to creating a strong Europe, making it a community of half a billion citizens who profess the same values and are guided by the same ideas.

## **18. Experience gained in applying the food hygiene regulations of the European Parliament and of the Council (debate)**

**President.** The next item is the debate on the oral question by Horst Schnellhardt, on behalf of the Group of the European People's Party (Christian Democrats), to the Commission on the experience gained in applying the food hygiene Regulations of the European Parliament and the Council (EC) No 852/2004, (EC) No 853/2004 and (EC) No 854/2004 (O-0151/2009 – B7-0237/2009).

**Horst Schnellhardt, author.** – (DE) Mr President, Commissioner, ladies and gentlemen, I would like to thank the Commission warmly for its communication on the experience gained in applying the food hygiene regulations. It is very important and the content of the communication is very convincing. I would like to give my support to this communication, which describes what has happened in practice over the last three years.

It is important for us to be aware that the hygiene regulations have undergone a paradigm shift. We have strengthened the internal market, we have improved food safety and we have increased the responsibility of food producers and suppliers. This is a significant change and therefore we have, of course, identified a few problems, in particular in relation to the licensing of small and medium-sized enterprises. Some butchers' shops have ceased trading. We should once again review the situation, as this is due to the fact that very often, the flexibility built into the regulations is not being made use of and there has been no exchange of information between the local supervisory authorities and the European Food and Veterinary Office, which I feel is a very bad thing.

If the Commission now decides that it does not want to make any changes, I will be forced to object. I believe that it is necessary, even if these are only cosmetic changes, that we should look in particular at the following issues. We should be aware that the information within the food supply chain is being interpreted too narrowly and this needs to change. We should consider whether other methods for inspecting meat would be appropriate. In particular, we should not continue with the accreditation of trichina laboratories described in Regulation (EC) No 882. We need reliable planning for the areas which apply regulations. This is specifically why I am opposed to the intended regulation. We should be making a brief and concise proposal for changes so that we are not involved in authorising transitional rules until 2013.

### **IN THE CHAIR: MRS DURANT**

*Vice-President*

**Joaquín Almunia, Member of the Commission.** – Madam President, Commissioner Vassiliou has asked me to pass on her apologies for being unable to be present to speak on this oral question relating to the Commission report on experience gained from application of the food hygiene regulations.

On behalf of the Commission, I would like to underline that the report is based on information received from relevant stakeholders, from both the public and private sectors, and the outcome of these consultations has been positive. No major difficulties were identified, but in some areas, there is still room for improvement.

Turning to specific issues, firstly, I am aware of the problem of the reapproval of small capacity establishments. Solutions to such problems can be found through the flexibility provisions in the regulations to be adopted at national level. Where this approach has not been followed, difficulties have arisen in certain Member States. The Food and Veterinary Office is currently carrying out specific missions to identify best practice of such flexibility for small capacity slaughterhouses, with a view to their wider dissemination. Due to the fact that Member States have until the end of this year to decide whether to grant or refuse approvals, I cannot say at this stage how many small and medium-sized enterprises were refused approval.

Secondly, the flexibility provisions aim more generally to protect food diversity and help small scale producers. The adoption of national measures to apply flexibility and the notification to the Commission provide legal certainty for small scale producers and acknowledges the specificities of smaller scale establishments. At the same time, food diversity, such as traditional production methods for sausages or cheese, is ensured without compromising food safety.

In order to encourage the correct use of flexibility provisions, the Commission has published several guidance documents. This should further contribute to ensuring transparency and legal certainty. It is also important to recall that the Commission, in an effort to contribute towards a reduction of administrative burdens, notably for very small enterprises, has already suggested amending the regulation accordingly. However, this suggestion is still pending, as you know.

Thirdly, food chain information includes a written communication from the farmer to the slaughterhouse and its official veterinarian. This information provides essential data to ensure a risk based inspection. The competent authorities have recently been allowed a derogation from the provision that the information must be delivered to the slaughterhouse at least 24 hours in advance.

Additionally, I am pleased to announce that next April, the next Commission will organise a round table with all parties concerned on a possible revision of meat inspections in order to consider its effectiveness, taking into account recent trends of hazards.

Finally, I would stress that laboratories involved in official controls must be accredited to ensure high quality and uniformity of analytical results so as not to jeopardise the safety of food. This is essential for the smooth day to day running of intra-EU trade and for facilitating trade with third countries. However, the Commission has recently agreed to an extension of a transitional period for trichinella testing until the end of 2013 to allow more time for laboratories to become accredited.

**Christa Kläß**, *on behalf of the PPE Group.* – (DE) Madam President, Commissioner, ladies and gentlemen, I would like to thank my colleague, Mr Schnellhardt, for his question. This gives us the opportunity to identify positive and less positive experiences of the implementation of the regulation. The food hygiene regulation specifies the hygiene rules for meat production.

The Commission's consultation shows that good progress has been made and that overall, the application of the regulations is functioning effectively. The fear that excessively strict regulations would result in small and artisan companies going bankrupt has, in most cases, not become reality as a result of the exceptions for small companies. However, the consultation also clearly shows that there are problems in applying the rules in many cases. This is confirmed by the information that I have received from companies and supervisory authorities in the region which I come from.

As a result of the fact that the authorities in the regions have a great deal of leeway in their decision making, they can meet the needs of smaller and artisan butchers' shops in individual cases. This is definitely a good thing, as it is the only way in which we can ensure that smaller butchers, which offer a wide variety of products, with the accompanying challenges for freshness and quality, are not crushed under the weight of excessive bureaucracy. However, this flexibility does have its limits when it results in exceptions and regulations being interpreted differently according to the whims of the supervisory authorities.

This causes serious distortions of competition, not only between the Member States, but also within them. Therefore, we need to introduce improvements in the food hygiene regulation so that inspectors have more legal certainty and more legal powers. The inspectors must have adequate legal measures available to them, for example, in the form of criminal fines.

Mr Almunia, there is a great deal of legal uncertainty in this area which must be removed and we are expecting a proposal from the Commission.

**Karin Kadenbach**, *on behalf of the S&D Group.* – (DE) Madam President, Commissioner, ladies and gentlemen, firstly, I would like to congratulate everyone involved in putting in place the food hygiene regulations, because this communication from the Commission gives a mainly positive picture of the experiences of applying the regulations. This should not be underestimated, because as has already been explained, these new regulations represent a paradigm shift in food hygiene policy.

The innovative character of the regulations was the reason why an initial report on the experiences with the regulations was planned only three years after they came into force. The Member States and the food suppliers and producers were generally happy with the regulations and have reported making good progress in applying them. In the opinion of the Member States and the private interest groups, there are no major difficulties either for the companies or for the authorities. They are unanimously of the view that these regulations need some adjustments, but that a fundamental review is not required. The challenge of ensuring that consumers receive the highest possible quality and safety with regard to product hygiene and of responding flexibly to the needs of the companies and, in particular, very small companies, is met by the current regulations.

In line with the saying 'If you stop improving, you stop being good', the problems identified in the process of drawing up the report, as Mr Schnellhardt has already mentioned, will have to be investigated in order to determine the cause and, if necessary, solutions will have to be found. It is, of course, also necessary to continue to follow closely the implementation of the hygiene package, as it was too early for some Member States to provide a balanced and detailed evaluation. Only when we have a comprehensive assessment in front of us should we decide whether changes should be made to the food hygiene regulations and, if so, which changes those should be.

**Joaquín Almunia**, *Member of the Commission.* – Madam President, first of all, I would like to thank everyone for their contributions to this discussion. We consider that the July report serves as a starting point for discussion of possible improvements on the regulations and, in due course, the Commission will examine the need to make legislative changes. We very much welcome Members' contributions; your inputs are very useful to us for our work to prepare in due course new initiatives.

We look forward to continued collaboration with Parliament, and also with the Member States, with stakeholders, both from the private and public sector, and I am sure that all of us have a common aim of achieving the highest possible level of food safety. This, I think, is the most important conclusion which we can draw from this evening's discussion.

**President.** – The debate is closed.

## 19. European Action on victims of terrorism (debate)

**President.** – The next item is the Commission statement on European Action on victims of terrorism.

**Jacques Barrot**, *Vice-President of the Commission.* – (FR) Madam President, I echo the remarks made by my colleague, Mr Almunia. Victims of terrorism are victims of attacks perpetrated against the democratic values of our societies. These victims, of course, illustrate for us this human tragedy that is terrorism. We have a duty to support, acknowledge and assist them.

The Commission has a dual role in this area. Firstly, to make our citizens aware of what victims of terrorism go through, how they suffer, and to ensure greater representation of victims' interests at European level. Secondly, to strive to ensure that there are no more victims, so that this terrorism can stop. This is the terrorism prevention policy.

Since 2004, the Commission has been providing financial assistance to a number of projects aimed at providing victims and their families with the aid and the social or psychological support they need. These projects fulfil the objective of increasing the solidarity shown by European citizens towards victims of terrorism. A budget of EUR 2 200 000 was allocated to this initiative for 2008 alone.

In addition to these actions, since 2008, the Commission has been operating a European Network of Associations of Victims of Terrorism. The aim of this network is to encourage transnational cooperation among associations of victims of terrorism and to provide greater protection of victims' interests at EU level. We have devoted a budget of EUR 200 000 to it.

This network operates in several areas: it assesses the support and protection currently offered to these victims, and also promotes activities aimed at disseminating best practices. The activities identified by this network constitute a very useful basis for the Commission's work.

Lastly, in a context in which protection of the citizens must remain at the centre of our policies, the Commission hopes to step up actions aimed at protecting victims. It intends to support measures aimed at encouraging victims of terrorism to share their experiences. The idea, in fact, is to make European citizens more aware of the reality of terrorism, to prevent terrorism. It must not be forgotten that terrorism is often the result of a phenomenon of indoctrination and radicalisation.

What is more, with these actions, it should be possible to convey a message of peace that promotes democratic values. Thus, the Commission intends to draft a charter of the rights of victims of terrorism. I personally join with all those who have expressed their anger over all these terrorist attacks and support our efforts to show solidarity with the victims of terrorism.

Madam President, I am now going to listen to the speeches of the various MEPs and I will respond to them as fully as possible.

**Teresa Jiménez-Becerril Barrio**, *on behalf of the PPE Group*. – (ES) Madam President, Commissioner, I would like to say that the majority of governments and citizens only remember the victims of terrorism after a serious attack such as the ones in Madrid, New York or London. Once the wave of emotion has passed, they tend to forget about the terrorist threat and the rights of victims.

Today, however, there is no doubt about the European Union's commitment to the fight against terrorism. As Commissioner Barrot has just told us, this commitment has also been reflected in the recently adopted Stockholm Programme, which recognises the courage and dignity of the victims and the need to defend their rights.

Despite this progress, the fight against terrorism has always been based on trust and mutual cooperation between the Member States. Taking into account the perspective offered by the Treaty of Lisbon, I wonder whether it would be a good idea for the European Union to promote harmonisation of the legislation of the Member States on the rights of victims of terrorism.

The adoption of a European charter of the rights of victims of terrorism would be a big step forward that would help those fighting terrorism and would be a strong blow for those that defend it. It is the courage and dignity of the victims that is the greatest failure of terrorism and therefore the greatest triumph of democracy. We should never forget that the only weapon that innocent victims have against terrorism is their word and the recognition of society.

Therefore, you should also not forget, ladies and gentlemen, that none of us are safe from being victims of terrorism. My question is, therefore: would the Commission agree with adopting a European charter to recognise the defence of the rights of the victims of terrorism and to promote those rights? If so, what measures would the new Commission take to drive forward this Charter under its new mandate?

**Juan Fernando López Aguilar**, *on behalf of the S&D Group*. – (ES) Madam President, Commissioner, thank you for your heartfelt expression of a commitment that has finally become part of European policy since the entry into force of the Treaty of Lisbon. This is subject to the European law in which Parliament is also going to play a decisive role, a more decisive role than ever.

This is confirmed by the adoption of the Stockholm Programme. Its multiannual programme for 2009-2014 includes an express, necessary reference to the dignity of victims of terrorism, the suffering caused by this terrible form of crime, their particular vulnerability, but also, and above all, to the mandate for protecting them.

I therefore think that it is worth pointing out that as the Spanish Presidency is coming up in the next six-month period, and as the determination of the Spanish Government and Spanish society to fight all forms of terrorism is so consistent and persistent, it will certainly be an opportunity to include this harmonisation, this framework programme for the protection of the rights of victims of terrorism in the action plan. As it is a plan for multiannual legislation, it is going to be the responsibility of the Spanish Government to draw it up, which will have to be supported subsequently by the Belgian and Hungarian presidencies in defining the legislation and implementing the objectives of the Stockholm Programme.

I therefore think that it is time for Parliament to confirm this determination to protect the victims of terrorism in order to close in the fight against all forms of terrorism and establish the dignity that the victims of terrorism need. It is time to make a commitment that, in the legislative plan of the Stockholm Programme, and in the action plan that the Spanish Presidency will be responsible for defining, the protection of the victims of terrorism will receive the treatment that it deserves.

**Izaskun Bilbao Barandica**, *on behalf of the ALDE Group*. – (ES) Madam President, I would like to say that this initiative is in line with the amendment tabled by the Committee on Women's Rights and Gender Equality and myself to the Stockholm Programme, because it was not included in it. The victims of all types of terrorism needed it, and what is more, they are asking us for it. I have learned a great deal about dignity, public spiritedness and suffering from the victims that I have worked with in recent years. Their testimonies drive me to advocate a European standard of looking after the victims of terrorism from a material, emotional and legal point of view.

We have constructed a common discourse based on four pillars.

Firstly, recognising their suffering, protecting them and assuming that the victims are not only those who are killed and injured but also their families, those who are threatened and their freedom, which is the freedom of all.

Secondly, repairing the material damage caused, fostering their memory and working to ensure that justice is done.

Thirdly, humanising the debate about the victims, who are people who are suffering and need to be protected, defended, recognised, helped and supported. In politics, we need to learn to put ourselves in their shoes.

Finally, de-politicising the debate. We need to be generous in order to ensure that we do not make terrorism an electoral affair.

In Europe, murder has been committed in the name of religion, Marxism, private property, environmentalism, the independence of a region or the unity of the State of which it is a part. There have even been governments implicated in terrorist actions. This is not, however, a question of principles. Totalitarians and fanatics kill, the perversion of the basic values of humanity kills. These are the things that lead to violence, but the free exchange of democratic ideas does not. I dedicate this speech to all the victims of terrorism.

**Agustín Díaz de Mera García Consuegra (PPE)**. – (ES) Madam President, the Stockholm Programme contains the following reference, among others, in support of the victims of terrorism: victims of terrorism also need special attention, support and social recognition.

In my view, the Union must ensure that they receive that support, and promote their full recognition by society. Those who have suffered the barbarity of terrorism should be an ethical reference point for our societies. Therefore, defending victims and their rights must be one of the European Union's priority policies.

We need to maintain and strengthen the funds for victims of terrorism with adequate finance, as the Group of the European People's Party (Christian Democrats) proposed in the amendments tabled for the draft European Union budget for 2010.

For this reason, aid has increased by EUR 1 million, which will be used to fund projects aimed at helping the victims of terrorism and their families to recover, through social or psychological support offered by organisations and their networks. It will also be used to fund projects aimed at mobilising public opinion against all forms of terrorism.

Part of the money is to be used in particular to improve legal assistance and advice for victims and their families.

Here is some incidental, illustrative information: terrorism equals victims. The total funds allocated for preparation for and prevention of terrorist attacks will amount to EUR 21 420 000 next year.

The idea suggested by Mrs Jiménez-Becerril Barrio of making victims more visible in the Union should have the unconditional support of this House. First of all, we need to equip ourselves with the necessary legal instruments, starting with a written declaration and then moving on to a resolution, so that we finally have a political declaration of support from the European institutions for the victims of terror. This will also raise awareness among European citizens of the value of those victims.



Victims provoke in us feelings of solidarity, compassion, recognition, dignity, sustainable support and remembrance, along with feelings of contempt and a desire for justice for the terrorists who caused so much pain and death.

**Ramón Jáuregui Atondo (S&D).** – (ES) Madam President, Mr Barrot, it is no coincidence that a whole series of Spanish MEPs have spoken. In the Basque Country, in addition to the suffering caused by a terrorist attack, victims have frequently suffered contempt or silence after the event. This is why a movement has been forming seeking the recognition of victims, which I think requires a policy for the victims of terrorism. If I may, I would like to add to what has been said by all my fellow Members in favour of a charter or of a common approach to this policy by giving you a very brief summary of ten aspects that I feel are key in this respect.

Firstly, the victims' policy requires public sympathy, recognition and social support for victims.

Secondly, it requires swift and effective compensation for the damage suffered.

Thirdly, it requires equal treatment for all victims.

Fourthly, it requires a political and social consensus regarding the measures to be used for victims of terrorism.

Fifthly, it requires a policy of discrediting the social and political discourse of violent people.

Sixthly, it requires that those guilty of terrorism are punished in exemplary fashion, with swift, efficient access to justice for victims.

Seventhly, it requires education and teaching against violence in the population.

Eighthly it requires a guarantee for victims that the attacks suffered will not be repeated, which can also happen.

Ninthly, it requires policies of remembrance so that the victims are not forgotten.

Finally, it requires a policy of social reconciliation in order to heal the wounds caused by terrorism.

These are the ten commandments that I propose for a common policy for the victims of terrorism.

**Georgios Papanikolaou (PPE).** – (EL) Madam President, the attacks in Madrid and London and the recent attacks in my country, Greece, demonstrate the extent of the problem of terrorism. Terrorism threatens our way of life and our freedom. It targets not only the direct victims and their families, which are also directly injured, but also society as a whole.

The European pilot programmes referred to for the victims of terrorist attacks are a positive sample in terms of relieving the wounds, but a great deal still needs to be done. Help for victims and their families is not only a moral imperative. It is an imperative in order to send terrorists a clear message that we do not forget.

We do not forget disgusting deeds which put a stain on our democracy and cohesion. We do not forget that victims of terrorism are often unsuspecting citizens who are injured or killed while they are going about their daily business. We do not forget that in the Europe which teaches tolerance and democracy, acts of violence will never be acceptable.

**Magdi Cristiano Allam (PPE).** – (IT) Madam President, ladies and gentlemen, I would like to voice my support for Mrs Jiménez-Becerril Barrio's proposal for a European charter on the rights of families who are victims of terrorism, and stress that this constitutes an extraordinary opportunity for Europe to send an unambiguous message on terrorism, bearing in mind that the lack of this message led to the breakdown of the Barcelona Process in 2005 when the Heads of State or Government of the Euro-Mediterranean countries failed to reach an agreement. I would also stress that today this offers an extraordinary opportunity to renew dialogue on a new footing with the other side of the Mediterranean, starting with a clear statement on the concept that is the cornerstone of our humanity and our civilisation, namely the sanctity of life.

**Diane Dodds (NI).** – Madam President, I am grateful for your support for the victims of terrorism. This is both right and proper and, of course, I do recognise the European Union's support for victims in Northern Ireland through the PEACE programmes that have been funded there.

The Commission should be aware that Northern Ireland is facing once again a growing terrorist threat from dissident Republican organisations. That threat has been described by the Police Service of Northern Ireland

as 'critical' and by the International Monitoring Commission as 'very serious'. In the most recent brutal attacks, two soldiers just about to go to Afghanistan were murdered, as well as one police officer.

In its initial funding to victims of terrorism, the Commission identified the key objective to mobilise the public against terrorism in all its forms. However, I feel with the transition to the broader CIPS programme, this objective seems to have been lost. I am grateful for your proposed work on a Victims' Charter and I would urge that this starts off by making a very clear distinction between the victims of terrorism and the perpetrators of terrorism.

**Karin Kadenbach (S&D).** – (DE) Madam President, in Austria we have, thank goodness, not been subjected to terrorist attacks for many years. However, Vienna has not always escaped unscathed.

I would like to add to the remarks made by Mr Jáuregui Atondo. On the one hand, we definitely need the victims' charter and the support for victims of terrorism. However, at the same time, we need as an accompanying measure to change the environment in which the violence occurs that leads to terrorism. In my opinion, we need to start with education and information. In addition, this House must clearly reject the brutalisation of language. We are constantly calling for tolerance in many areas. However, in one area, we must show no tolerance and that is with regard to violence.

**President.** – These speeches are full of dignity and emotion, because I believe that you have spoken on behalf of those who can no longer speak today, and I thank you on behalf of the Presidency.

**Jacques Barrot, Vice-President of the Commission.** – (FR) Madam President, you were right to stress just how emotionally charged this debate is, and right now, we are thinking of all the victims. They have all been struck by terrorism in a completely indiscriminate and completely unjust way.

As Mr López Aguilar said, terrorism is a terrible form of crime. What I would like to say to you first of all is that the Stockholm Programme really has taken account of the fate of victims. We must, in fact, launch a European policy that takes far greater account of victims of organised crime and terrorism.

I would like to say to Mrs Jiménez-Becerril Barrio that we are going to take steps to introduce a charter of the rights of victims of terrorism. Indeed, you made your desire for this charter very clear, and I believe you did so, Mrs Jiménez-Becerril Barrio, by drawing on all the painful first-hand experience you have had.

We have analysed, and we will continue to analyse, in 2010, all the gaps that exist today with regard to the protection of victims of terrorism in the various Member States. Indeed, you are right: one way or the other, we need to succeed in harmonising our laws on terrorism, on victims of terrorism. Europe really must be united in combating terrorism.

On the basis of this study, we are going to see how we can harmonise and bring together all the measures so as to improve the situation of victims of terrorism in Europe. This will be the aim of the action plan, and there is no doubt that we will deal with this problem of victim protection by taking account of what has been said during the debate, namely the need to try, first of all, to make people aware of the tragedy and the suffering of victims, who are often the subject of silence, if not contempt.

Next, we must ensure that they receive compensation quickly. You have rightly insisted on swift compensation for these completely undeserved and unjustified acts of suffering. You have also mentioned the delegitimisation of dialogue, since we cannot tolerate a dialogue that could, one way or another, give the impression that killing innocent people, injuring innocent people, can be a way of serving mankind.

We must be extremely firm with regard to such language, as it denies every single one of the European Union's values. In addition, I must congratulate the European Parliament, Madam President, on having provided EUR 1 million for all our victim support programmes.

Once again, I am very pleased to have Mr Almunia by my side this evening, because we are both genuinely encouraging the Commission to take measures in this regard. Indeed, the European Union must equip itself with exemplary legislation on the protection and assistance of victims of terrorism as part of this multiannual Stockholm Programme.

That is what I wished to say in response to the various speeches. Rest assured that they have left neither Mr Almunia nor I indifferent.

**President.** – In order to ensure that we do not move straight on to another debate, I propose a minute's silence in memory of the victims.

*(The House rose and observed a minute's silence)*

The debate is closed.

## **20. Defence of the principle of subsidiarity - Display of religious and cultural symbols in public places (debate)**

**President.** – The next item is the debate on:

- the oral question to the Commission (B7-0238/2009) by Mario Borghezio, on behalf of the Europe of Freedom and Democracy Group, on defence of the principle of subsidiarity (O-0152/2009);

- the oral question to the Commission (B7-0239/2009) by Antonio Cancian, Mario Mauro, Fiorello Provera, Elisabetta Gardini, Salvatore Iacolino, Crescenzo Rivellini, Sergio Paolo Frances Silvestris, Aldo Patriciello, Paolo Bartolozzi, Cristiana Muscardini, Mara Bizzotto, Barbara Matera, Lara Comi, Antonello Antinoro, Lorenzo Fontana, Roberta Angelilli, Amalia Sartori, Iva Zanocchi, Licia Ronzulli, Giovanni Collino, Marco Scurria, Giancarlo Scotta, Potito Salatto, Pablo Arias Echeverría, Raffaele Baldassarre, Pilar Ayuso, Luis de Grandes Pascual, Pilar del Castillo Vera, Santiago Fisas Aixela, Carmen Fraga Estévez, Salvador Garriga Polledo, Cristina Gutiérrez-Cortines, Esther Herranz García, Carlos José Iturgaiz Angulo, Veronica Lope Fontagné, Antonio López-Istúriz White, Gabriel Mato Adrover, Jaime Mayor Oreja, Pablo Zalba Bidegain, Salvatore Tatarella, Magdi Cristiano Allam, Mirosław Piotrowski and Konrad Szymański, on the display of religious and cultural symbols in public places (O-0158/2009).

**Mario Borghezio, author.** – *(IT)* Madam President, ladies and gentlemen, the position of the group that I represent, the Europe of Freedom and Democracy Group, is crystal clear: with this oral question, we are asking the Commission to challenge the implementation of the ruling against crucifixes in school classrooms, handed down by the European Court of Human Rights in Strasbourg which, I would emphasise, is not an EU institution.

In our view, this decision, and I want this to be absolutely clear, is an unacceptable breach of the principle of subsidiarity. This principle is a mainstay of the European Union as well as a guarantee of the rights of the peoples and of the Member States. The European Union, as we conceive and support it, would be unthinkable without the support and grounding of the principle of subsidiarity.

I will start with a general remark: obviously nobody – let us look first at the substance of this ruling – could consider the removal of someone and something which was already there to be an act of democracy and freedom, as some have claimed, but rather an action of the thought police, an anti-democratic act. If a crucifix is hanging on a school wall and it is torn down, that wall is not a secular wall but an empty wall, with the void intended as a confessional symbol, an act of negative education, the worst kind imaginable, which can be viewed as one of the many signs of the cultural and spiritual suicide of the West.

The ruling of the Strasbourg Court presupposes a concept of religious freedom which, if taken to its logical conclusion, would go so far as to ensure, to impose a sense of predominance over each citizen, required to live in an environment in keeping with the Court's beliefs. I do not believe that this is religious freedom: this distorts the true sense of religious freedom; we are dealing with a negative right, or rather the right to be free of the obligation to perform religious practices. There must be no misunderstandings when we speak of religious freedom: we are not talking about something vague by any means.

We are dealing with something quite different here: displaying a crucifix is not just a matter of faith in our culture, but something much more important, something with a universal value. The symbol of the cross, the symbolism of the cross conveys a message that is universal in scope; a message, moreover, of peace and fraternity, as taught to us by René Guénon, the great metaphysicist, to mention just one name. From the traditional point of view of these great scholars of traditional culture, this value is extremely clear but, at the same time, it is just as clear that with this ruling, we are dealing with the expression of anti-traditional views which encourage everyone to think in the same way. This is something that runs counter to the true spirit of the European Union, and this is what is astonishing.

It is almost as if there is the intention to turn the peoples away from any reminder of values and symbols that express verticality and spirituality. Leaving aside the historical facts, the link to a specific religion, this is, I repeat, a universal symbol. The European Union, on the other hand, must safeguard the right of the peoples to continue using symbols, starting with the symbol of the cross.

Europe must be bold enough to take a metahistorical perspective on these fundamental questions, and resume its role as a cradle and centre, including in spiritual terms. It must return to the European peoples the freedom to keep and venerate the symbols of their identity in accordance with a cardinal principle of the legal and political structure of the European Union: the principle of subsidiarity. The whole question turns precisely on this aspect, on the fundamental nature of the principle of subsidiarity.

In conclusion, this issue enables us to reflect on and to debate a key question: what does religious freedom mean for Europe? Well, I would like to say that it is precisely the ruling of the Strasbourg Court that is riding roughshod over the fundamental right to religious freedom, and which wants to prevent a people such as the Italians from keeping the symbol of the cross in classrooms as an indispensable reminder of their Christian roots.

**Antonio Cancian, author.** – (IT) Madam President, Commissioner, ladies and gentlemen, on 3 November 2009, the European Court of Human Rights approved an application from an Italo-Finnish citizen seeking to remove crucifixes from classrooms. Similar episodes had occurred in the past in Spain, Germany, France and also in Italy where, in 1988, the Council of State established that the crucifix is not just a Christian symbol but that it also has a value unrelated to that specific religion. The Italian Council of State, expressing its opinion again in 2006, specified that the principle of secularity of the state cannot disregard a people's cultural identity and its civilisation.

With our question, we wanted to highlight the most secular aspect of this matter, not least by pointing out that the next step could even be to take before the Strasbourg Court Catholic symbols which are part of the common traditions of the Member States, as well as the artistic and cultural portrayals found throughout our cities. Even the flag of the European Union, created for the Council of Europe, was inspired by Marian iconography according to its designer.

The decision of the Court of Human Rights seeks to impose from above – so much for subsidiarity – a secular model which many Member States cannot identify with or, worse still, seeks to lead us to nihilism: there you have the empty wall which Mr Borghezio just mentioned. The ruling calls into question our very identity, our European values of peace, love and civil harmony, of equality and freedom, and the ruling therefore undermines freedom and equal rights.

The EU institutions are champions of the prerogatives of freedom. Displaying religious and cultural symbols with which peoples identity is an expression of the freedom of thought – and the Sakharov Prize will be awarded in this very Chamber tomorrow – and should be safeguarded as such by the EU institutions themselves and by international organisations founded on democratic principles.

**Jacques Barrot, Vice-President of the Commission.** – (FR) Madam President, I would have been only too happy to have listened to Mr Mauro, but he will be able to take the floor after me.

I am obliged to adhere to a number of rules of law. The Commission is very committed to freedom of thought, conscience and religion, as laid down in Article 9 of the European Convention on Human Rights and Article 10 of the Charter of Fundamental Rights of the European Union. However, it is true that the Commission can act only within the context of applying EU law. The fact is, within the EU, national laws on religious symbols in public buildings come under the domestic legal system of the Member States.

The principle of subsidiarity is to be applied within the context of the Union. It is true that this principle of subsidiarity does not apply to the implementation of judgments by the European Court of Human Rights, the international court in charge of enforcing the European Convention on Human Rights. It is true that the responsibility for implementing European Court of Human Rights judgments lies with the Council of Europe. It is also true that the implementation of European Court of Human Rights judgments is mandatory for all States that are party to the European Convention on Human Rights, and Italy, like any other party involved in this case, has the right, under Article 43 of the Convention, to request a transfer of proceedings to the Grand Chamber within three months of the date of the judgment. According to the information we have – the information we have read in the press – the Italian State is using its right to appeal before the Grand Chamber.

Those are the points that I wanted to clear up. With regard, once again, to European Union law, we are dealing in this case with the domestic legal system of the Member States. That being said, I cannot answer for the Council of Europe or for the European Court of Human Rights, which have issued a decision that I understand may raise some issues for Parliament.

That is what I can honestly say, but I am going to listen carefully to the speeches that follow.

**Mario Mauro**, *on behalf of the PPE Group*. – (IT) Madam President, ladies and gentlemen, I would also like to thank the Commissioner for his clarity of judgment which effectively puts the power to regulate this area back in the hands of the Member States.

I must say that I am convinced, more than most, of the need for our institutions to be secular and just as convinced that religion is not the solution to any political problem. At the same time, we cannot solve political issues by waging war on religions.

It is precisely for this reason that I will explain my thinking by means of a paradox: what would happen if we applied the ruling of the European Court of Human Rights, that is, if, at the same time, we applied the reasoning which obliges us to remove crucifixes from Italian classrooms to all places where crosses are displayed on the grounds of public interest? What should be done about this flag, the flag of Sweden, and what should be done about this flag, the flag of Finland, and the flag of the Slovak Republic, and the flag of Malta, and the flag of Denmark, and the flag of Greece, and the flag of the United Kingdom which has three crosses, no less?

Because, ladies and gentlemen, the reason why these crosses appear on these flags is no different from the reason why crucifixes are displayed in Italian classrooms, and it is not a religious reason but rather a cultural and traditional one. Let us therefore leave it to the Member States to judge, on a case by case basis, the suitability of solutions in line with the sensitivities of their peoples, in keeping with their religious freedom and the secular nature of the institutions.

This is all we are asking and we are doing so because, above and beyond anything else, it is not the abstract concept of the law which must be upheld, but every individual's personal truth and desire for the infinite.

**Juan Fernando López Aguilar**, *on behalf of the S&D Group*. – (ES) Madam President, as a lawyer and a Member of the European Parliament, I am sure that there are many citizens following our debate who share my feeling that it lacks focus. We are therefore going to try to clarify a few things.

Firstly, we are talking about a judgment of the European Court of Human Rights, which is not a European Union institution but rather a court – one that is part of a concentric circle of the European Union, but is separate – which is committed to the Rule of Law, representative democracy and human rights.

Secondly, we are talking about a judicial resolution, and no resolution by Parliament can revoke or amend any resolution passed down by a court of justice.

Thirdly, the judgment of the European Court of Human Rights is highly respectful of religious freedom and its corollary, which is religious pluralism. Religious freedom is part of our common constitutional traditions and of the constitutional law of the Member States, and it is also a fundamental right protected by the European Convention on the Protection of Human Rights and Fundamental Freedoms.

The judgment therefore gives reasons, with a solid legal basis, for the protection of religious freedom. It does not deny it at all. What is more, it is done unanimously by a prestigious court that has influenced the formation of the culture of human rights for almost sixty years.

Ultimately, however, and this is important, we need to remember that no judgment of the European Court of Human Rights means that the legislation of any Member State that has signed up to the European Convention for the Protection of Human Rights has to be amended, because the judgment recognises a right in response to an infringement in a specific case.

It is only on that basis that it is up to the Member States to make the appropriate decisions about amendments to legislation or policies that might be inspired by the doctrine of the European Court of Human Rights, but under no circumstances are they obliged or compelled to do so by any judgment of the European Court of Human Rights.

There is therefore no reason for any Member State to be concerned. None of them are obliged to amend their legislation or its public policies as a result of a specific judgment of the European Court of Human Rights. Therefore, neither Italy nor any other country has any reason to adopt any general rules as a result of this judgment.

Lastly, however, subsidiarity has been invoked. We have to say that subsidiarity is a rule of European law that has no application in this case, because its concept and applications have nothing to do with this case.

I even think that a rule of European law could be invoked that allows a vote to be postponed if there are doubts as to the relevance of a vote that has nothing to do with affairs that concern the European Parliament, which, in my view, is the case here.

I therefore think that although this debate is legitimate, it is definitely lacking in focus and does not require an urgent pronouncement, and even less a protest or a revocation of a judgment that was passed down by a court of justice that is not a European Union institution.

**Sophia in 't Veld**, *on behalf of the ALDE Group*. – Madam President, the somewhat misleading title of today's debate includes the word 'subsidiarity'. Subsidiarity, as I understand it, means taking decisions at the level closest to the citizen, and that level is the citizen – the individual citizen. What you are saying in your resolutions is that the rights of a national state are above the rights of individual citizens. It is our job in this House to protect the rights of citizens, not the rights of states.

Secondly, if we consider – as you claim – that this is not a matter for the European Union, I would like to understand why these matters are included in the Copenhagen criteria, and why we demand from candidate countries that they respect the separation of church and state when we cannot demand that of our own Member States.

Thirdly, colleagues, if you say that the European Parliament is not competent to talk about these matters, I wonder why we are competent to discuss matters like the shape of cucumbers but not the fundamental rights of our citizens.

As to the European Convention on Human Rights and the Court ruling, we are now two weeks after the entry into force of the Lisbon Treaty, which requires that the EU accede to the Convention on Human Rights. Would it not be incomprehensible if we, at the same time, refused to accept the authority of the Court of Strasbourg? We cannot explain that to our citizens.

Secondly, I think – and this has been said by Mr López before – politicians have no business interfering in Court rulings. Let the judges do their jobs. We may have an opinion – we may like the ruling or we may not like it – but we should not interfere in their work. My group, the ALDE Group – the European Liberals – is the champion of a Europe that is for all citizens. ALDE believes in a Europe of diversity, where everybody has the right to their own conscience, their own religion and even the freedom from religion.

I will now conclude. The states – not the courts, the states – must ensure an environment where all citizens can live freely, according to their own conscience. They should be protected by the state, and I think the situation is very serious if they feel the need to go to court in order to defend themselves from the states. Colleagues, reject the EPP and ECR resolutions.

**Mirosław Piotrowski**, *on behalf of the ECR Group*. – (PL) Madam President, in view of the historical fact that the founding fathers of the European Union were Christian Democrats: Konrad Adenauer, Alcide De Gasperi, Robert Schuman and Jean Monnet, who based what they built on Christian values and symbols, I will remind you that the flag adopted by the European Union, which shows a circle of 12 gold stars on a blue background, and which is hanging behind you, Madam President, refers to the 12 stars upon the head of the Holy Virgin Mary – the Revelation of St John, chapter 12.

Over half a century on, it is worth asking if the philosophy of the founding fathers is still relevant. In the context of the scandalous judgment of the European Court of Human Rights, which ordered crosses to be removed from an Italian school, it should be stated emphatically that no group of judges appointed by politicians, not even the Council of Europe, can order the removal of a cross, which has universal and religious significance. This verdict tramples underfoot freedom of religion and the cultural heritage of Europe.

In this connection, I would like to ask the Commissioner: do you not think that an attack on Christian symbols is also the destruction of the basis of the European Union? Could you not, on behalf of the Commission, start a debate on the role and significance of Christian symbols in the European Union?

**Manfred Weber (PPE)**. – (DE) Madam President, I am grateful for the opportunity to hold this debate. Mr López Aguilar referred to the fact that in his opinion, as a lawyer, we are not responsible. I am not speaking as a lawyer, but as a politician. Millions of people in Europe are affected by this judgment by the judges in Strasbourg. This is why it is a good thing that we are discussing it here.

The relationship between church and state in Europe has always been disputed and has led to bloody conflicts. It is right and proper that the European Union has managed to separate the state from religion. This is a good

thing. However, we have a wide range of different models in Europe. France is clearly a non-religious state, while in Great Britain, the Head of State, the Queen, is also the head of the church. We have different models of how the relationship between church and state has developed. For this reason, I believe it is a good thing that we are calling for subsidiarity in this area and that every country can go its own way.

I would even like to take things a step further. I do not want to talk about subsidiarity, but about the basic issue that, from my perspective, the European values of solidarity, subsidiarity and freedom are unthinkable without a foundation in Christianity and in the Judaeo-Christian understanding of religion. Why do we not find these values in China or in the Middle East? This is because they are based on our culture and our religions. It is possible to mention this without forcing anyone to accept the same faith. We are proud of our religious freedom.

There is religious freedom in the sense that it is possible for me to decide to be an atheist. That is acceptable and legitimate and we have fought for this. However, there is also the right to have a faith. In my region, where more than one million people live, over 80% are Catholics. Just as atheists call for others to show them tolerance, so the Catholics who make up more than 80% of the population are calling for non-believers to be tolerant of their faith. They want to be able to show their faith in public, to represent it and to have Christian symbols accepted by the minority in this majority society. This is also legitimate in terms of religious freedom.

Anyone who calls for tolerance must also show tolerance to those who practise a Christian faith.

**Joanna Senyszyn (S&D).** – (PL) Madam President, the European Court of Human Rights has rightly ruled that hanging crosses in school classrooms violates the religious freedom of pupils and the right of parents to raise their children in accordance with their own convictions. The judges decided unanimously that a cross at school breaks the European Convention on Human Rights.

The decision is simple, clear and universally comprehensible. This is why it has evoked such fury and aggression among the clergy and Right-wing politicians. They pretend they do not understand, and demand explanations from the Commission and that Parliament adopt an official position. This is unlawful. EU institutions are not empowered to evaluate that judgment, or indeed any other. Let us not forget that there is a tri-partite division of power, and that the Court is a body of the Council of Europe, and not of the European Union.

I will answer the questioners, since they have such doubts: the judgment about crosses does not violate the principle of subsidiarity. Quite the opposite, it gives help in observing the law to those European states which have forgotten that in their constitution, there is a provision, if not about the division of church and state, then at least about neutrality of worldview. The judgment of the Court helps national authorities and courts which are subject to the church to realise the fundamental rights of citizens which are being broken as a result of the clericalisation of social life. The citizens of church states cannot defend their rights before national courts. It is a good thing that they can turn to the Court of Human Rights and obtain justice.

The judgment accords with respect for the national identity of Member States and should be implemented. It does not concern a ban on displaying religious symbols in public, but only in a very small section of public space, in state schools. No one is calling for the removal of crosses from churches, squares or flags, as one fellow Member rashly said.

It is not interference in church-state relations, but only defence of citizens whose rights are being violated. In my country, too, advancing clericalisation is restricting the fundamental rights of Poles. I cannot imagine that the European Parliament and the Commission would prevent my fellow Poles from pursuing their just rights before the Court in Strasbourg. A critical position of the Commission and Parliament concerning this judgment would be unauthorised interference, and would, in addition, expose us to ridicule. I must warn you of this.

**Carlo Casini (PPE).** – (IT) Madam President, ladies and gentlemen, the decision of the European Court of Human Rights has upset not only worshippers but also everyone who, for centuries, has viewed the crucifix as a sign of hope and solidarity, something providing solace and freedom from fear and pain.

We hope that that decision will be modified by the Grand Chamber since it is clearly irrational. Should we do away with the very name of the Red Cross? Should we remove the huge crucifixes on mountain tops which tower over cities and valleys? Will it be prohibited for the Queen of England, as has already been mentioned, to be the head of the Anglican Church?

Nevertheless, the case invites a very important reflection from a civil and political point of view: are human rights merely the rights of individuals, as parties isolated from a social environment, or is the right to express

a specific form of piety also a right of the peoples? Do tradition, history, intelligence and art count for nothing when, for millennia, they have characterised a people's identity?

Furthermore, the question also rightly concerns the relationship between subsidiarity and human rights, and I note that the latter, aside from certain fundamental principles which must be considered universal and irrefutable, may be interpreted in different ways, and human rights may even conflict with each other. Why should a state be denied the chance, through its laws, to resolve these conflicts and to interpret and implement human rights according to the ethical views of its people? The issue therefore goes beyond the question of crucifixes.

On other occasions, the European Court has recognised, with regard to the right to life, the exclusive power of the States to decide on the most controversial matters, such as the regulation of abortion and euthanasia. Now, the Treaty of Lisbon requires us to accede to the European Convention on Human Rights and consequently, as the European Union, also to respect the decisions of the European Court of Human Rights.

Therefore, we ought to think about the new and different direction currently being taken by the Court. It would be a serious matter if a supranational power, especially if exercised by a limited number of people and not as the democratic expression of popular will, were to become repressive and demeaning, insensitive to people's feelings and hearts and therefore ultimately opposed to freedom. This is why I hope that the resolution tabled by the European People's Party (Christian Democrats) will be adopted with the votes of a large number of Members.

**Miroslav Mikolášik (PPE).** – (SK) The history of Europe, its individual states and therefore also the EU is, like it nor not, closely connected with the Christian heritage. Consequently, even the constitutions of many states contain a reference to Christian traditions. Even the Treaty on European Union in its preamble draws inspiration, *inter alia*, from Europe's religious heritage, from which universal values have developed.

Fundamental rights in the EU are today guaranteed in the Charter of Fundamental Rights of the European Union and in the European Convention on the Protection of Human Rights and Fundamental Freedoms but, above all, they arise from constitutional traditions common to the Member States which have developed over centuries. I therefore believe that the EU must fully respect national history, culture and traditions and resolutely refuse to penalise Member States who defend their right to their own special make-up and character, including the Christian heritage and Christian symbols. In conclusion, I would merely like to add that neither the Charter nor the European Convention enlarge the powers of the Union.

**Agustín Díaz de Mera García Consuegra (PPE).** – (ES) Madam President, I would like to start by asking to borrow some words that I am going to make my own. The crucifix is not a sign of imposition. It is a symbol that represents positive values, which are part of our history, our culture and a society that dates back more than 2 000 years. We cannot claim to protect fundamental rights by denying the very values that created them.

Democracy works through freedom and respect, facilitating the exercise of rights, not through imposition or limitation. Yes of course, the principle of subsidiarity must be respected and recognised by all European institutions, organisations and courts, especially freedom, whether it is freedom of opinion or freedom of belief.

The authority of the Member States to display religious symbols in public places as a symbol that represents the traditions and identity of their peoples should not and cannot be infringed. Freedom is an essential element of our society and the basic pillar on which the single area of freedom, security and justice is built. If it were to be limited or censored, the very foundations of the European Union would collapse.

**Georgios Papanikolaou (PPE).** – (EL) Madam President, I, too, consider that the Court is wrong to find that having a crucifix in schoolrooms is tantamount to disrespect for other people's religious faith. The issue we are debating today is a social rather than a legal issue. Obviously we must abide by the principle of subsidiarity. The presence of religious symbols is not a sign of religious discrimination or coercion. It is a result of the tradition and history of every country and often of its Constitution, as is the case in my country, Greece.

In Greece, we have religious icons in schoolrooms, not in order to impose some specific religion on pupils, but because it forms part of our tradition and is directly connected to the values and structures of our society, directly connected to four centuries of persecution and religious oppression by the Ottoman Empire.

**Anna Záborská (PPE).** – (SK) I would like to respond briefly to three points. On this evening at the close of the year and in the run-up to Christmas, before midnight on a Tuesday, almost sixty years after the founding



of the European Union, we are still discussing one of the pillars of European integration. We are discussing the principle of subsidiarity.

Secondly, the question of Mr Borghezio relates to the decision of the European Court in Strasbourg that the presence of crosses in Italian schools is a breach of the European Convention on the Protection of Human Rights. This decision has provoked fears in many states. The Slovak parliament last week passed a resolution in which it stated that this decision is in conflict with the cultural heritage and Christian history of Europe.

And finally, I did not feel entirely comfortable during the reading of the draft joint resolution on which we will vote on Thursday. I am disappointed that we lack the courage to include in a resolution that talks about subsidiarity those points from the Lisbon Treaty that are directly connected to the programme that has been passed.

**Magdi Cristiano Allam (PPE).** – (IT) Madam President, ladies and gentlemen, if we consider that hardly anyone is here right now to talk about the question of crucifixes, given that to discuss crucifixes we must invoke the question of subsidiarity, the only logical conclusion is that we find ourselves in a Europe which is ashamed of the historical truth of its own Judeo-Christian roots and the historical truth of Christianity which, as Goethe said, is the common language of Europe.

Within the European Parliament, there are 23 official languages which demonstrate that there is nothing that unites Europe if not Christianity. I would like to ask Mr Barrot a question: why, after a popular referendum in Switzerland said 'no' to minarets, did the European Commission, the European Union, the United Nations, the Arab League and the Organisation of the Islamic Conference all rally round to condemn the outcome of that referendum – even though Switzerland is not a member of the European Union – yet today, you are taking a neutral position over a question which concerns our roots, our identity and our soul?

**Csaba Sógor (PPE).** – (HU) As a Protestant clergyman, whose tradition regards the eight-pointed star and not the cross as the most important symbol, allow me to make a brief contribution to this debate. I am actually from an electoral constituency where 99% of the electorate are Catholic. My four children go to school with Catholic children. The cross does not bother us. I would like to make a distinction here – if I may, on a technical point – between the crucifix and the cross. We must be aware, even though it does not bother me personally, that there are people who are bothered by the cross or crucifix because the cross or crucifix reminds them of the Inquisition.

I feel that this is appropriate in those countries where the practice has developed because of the Catholic tradition of having a cross in schools, especially in faith schools. However, Parliament should not be discussing these matters, but rather poverty, the economic crisis or how Eastern Europe is going to catch up. This is an unproductive debate we are having. We need to look at who it was who protested in that Italian school and why. We should have examined this one-off case rather than discuss a matter here which is already something from the past.

I want, of course, to emphasise once again that I have nothing against the cross as I, too, live everyday looking at the cross, which does not bother me. We must create the right living conditions in Italy or Romania so that this does not become a subject of debate.

**Diane Dodds (NI).** – Madam President, in recent years, we have witnessed an ongoing campaign to suppress freedom of religious expression. Christian nurses have been disciplined for offering to pray with patients and, only today, Lillian Ladele, a Christian registrar who was told to perform civil partnerships or face dismissal, has lost her case for religious discrimination at the Court of Appeal in the United Kingdom.

Equality laws have failed to protect Christians – indeed, quite the opposite. An amendment to the Equality Bill to protect the religious liberty of churches was voted down in the House of Commons two weeks ago, amid accusations of interference from the EU Commission. The Commission, in their reasoned opinion, argued that the UK needs to narrow the religious liberty safeguard in its employment laws. I say: shame on the Commission. There must be a recognition that people have faith and have the right to express that faith. Christians ought to be protected, and not punished, by the law.

**Jacques Barrot, Vice-President of the Commission.** – (FR) Madam President, the country with which I am most familiar has seen some harsh confrontations on these subjects, and I would like very simply, but on a personal level, to express the wish that the European Parliament's policy remains one of mutual tolerance and respect.

There are, in fact, families that wish to follow a Christian tradition. There are families that may question that tradition. This religious and cultural diversity is what makes us, is what makes Europe. I believe that we must

remain very prudent when dealing with an issue such as this. I take the liberty of saying this quite simply because I myself have suffered, in the country with which I am most familiar, from extremes on both sides.

That being said, I am a lawyer and, quite honestly, I do not see how this debate can be held here, when it should have been held first at the Assembly of the Council of Europe and in our national parliaments. That is where I believe this debate should really take place. Moreover, we are obliged – I am obliged, on behalf of the Commission – to say that the Commission is certainly very committed to respect for the principle of religious freedom and that it would obviously be compelled to react against any form of discrimination against persons belonging to a particular religion.

Having said that, the Commission may not act outside the legal framework laid down by the treaties. Moreover, it may not intervene as guardian of the treaties on issues concerning a Member State when those issues do not relate to European Union law. I am obliged to say this, quite simply. The Commission can only note the various positions that have been expressed in this House, but it cannot express an opinion on an issue that does not come under European law. Once again, these issues come under the domestic legal system of the Member States. That is what I can say for my part, as a lawyer.

Nonetheless, I believe that this debate is useful and that it was interesting, of course, even though I would quite simply encourage all those who have taken part in this debate to keep a necessary sense of proportion and to allow the Council of Europe and the Parliamentary Assembly of the Council of Europe in turn to usefully debate the interpretations that could be given to a European Declaration of Human Rights. Quite honestly, however, as guardians of the treaties we cannot intervene in a debate that essentially concerns the Council of Europe and the European Court of Human Rights.

I apologise for not being able to give you a better answer this evening, but I am obliged, in all honesty and in accordance with the law, to respond in this way. I honestly believe that we are talking about problems that are dealt with today in the Union within the framework of the domestic legal system of each Member State.

**President.** – I have received six motions for resolution<sup>(3)</sup> tabled in accordance with Rule 115(5) of the Rules of Procedure,.

The debate is closed.

The vote will take place on Thursday, 17 December 2009.

*Written statements (Rule 149)*

**Herbert Dorfmann (PPE), in writing.** – (DE) The ruling of the European Court of Human Rights is the expression of an aggressive secularism and gives authority to those who want the public domain to be religion-free. In so doing, they are overlooking the fact that our continent cannot exist without Christianity. Christianity has defined Europe, its people, culture and art and its way of thinking to the extent that the continent would lose its identity if all traces of Christianity were to be removed. It is certainly not about calling into question the freedom of religion. The separation of the Church and the State is a supreme benefit of our democracy and I would like us to take care to ensure that both carry out their own tasks with mutual respect for one another. However, this respect is exactly what it is all about. The Christian Church must not demand that everyone subscribe to its beliefs, but it is entitled to demand to be respected by everyone.

**Martin Kastler (PPE), in writing.** – (DE) Madam President, ladies and gentlemen, what does freedom of religion actually mean? The answer is quite simple. It is the freedom to practise religion. Freedom of religion is not freedom from religion but the freedom to have religion. Freedom of religion does not create a religion-free society, but rather gives people the right to practice their religion openly within society. A crucifix in the classroom does not force anyone to believe, or not to believe. Therefore, it does not violate the freedom of religion. Nor have I ever heard of a right entitling someone not to be confronted with religious symbols. If this were the case, we would, in fact, immediately have to prohibit all crosses on gravestones and all church spires. The crucifix ruling of the European Court of Human Rights is therefore not only an attack on the principle of subsidiarity, but it also violates the right to religious freedom itself. We, the European Parliament, cannot and must not accept this ruling. The European Court of Human Rights should administer justice and not become a puppet for ideological and anti-Christian interests. Otherwise, we will have to seriously consider whether this Court actually still has a purpose at all.

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(3) See Minutes

**Joanna Katarzyna Skrzydlewska (PPE), in writing.** – (PL) In my opinion, the ruling of the Court has nothing to do with protecting freedom of religion. The presence of a cross in a classroom does not, on its own, exert pressure on a person's worldview and does not violate the right of parents to raise their children in accordance with their own convictions, just as that right is not violated by wearing clothes which testify to the profession of a particular faith. A mutual understanding and openness to others lies at the foundation of a common, united Europe, as does respect for cultural differences between countries and the roots and traditions of the nations which make up the European Union. It is no secret that the sources of our European identity derive directly from the Christian tradition. Therefore, for a clear majority of Europeans, a cross is a religious symbol and, at the same time, a symbol which represents their values. I do not imagine that the mutual dialogue which we conduct with each other every day should be devoid of the values which we hold. Neither do I imagine that, in the name of religious freedom, we should be forced to deny what is, for us, an important and sacred symbol, irrespective of whether it be a cross, a Star of David or a crescent moon. Just as no one has the right to force anyone to adhere to a particular religion or value system, so also no one has the right to compel, in the name of freedom, anyone to remove symbols which are important for the whole of humanity. By its ruling, the Court of Human Rights is not, in fact, upholding religious freedom, but is discriminating against all those in whose lives symbols of faith have significant meaning.

## **21. Agenda for next sitting: see Minutes**

## **22. Closure of the sitting**

*(The sitting was closed at 23.45)*