

TUESDAY, 14 FEBRUARY 2012

IN THE CHAIR: MIGUEL ANGEL MARTÍNEZ MARTÍNEZ

Vice-President

1. Opening of the sitting

(The sitting opened at 09.00)

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

3. Multi-annual plan for western stock of Atlantic horse mackerel - TAC and quotas regulation for 2012 - Contribution of the common fisheries policy to the production of public goods (debate)

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

- the oral question to the Council on the state of play regarding the proposed multi-annual plan for the western stock of Atlantic horse mackerel and the fisheries exploiting that stock, by Carmen Fraga Estévez and Pat the Cope Gallagher, on behalf of the Committee on Fisheries (O-000308/2011 – B7-0023/2012),

- the oral question to the Commission on the state of play regarding the proposed multi-annual plan for the western stock of Atlantic horse mackerel and the fisheries exploiting that stock, by Carmen Fraga Estévez and Pat the Cope Gallagher, on behalf of the Committee on Fisheries (O-000309/2011 – B7-0024/2012),

- the oral question to the Council on measures in the total allowable catch (TAC) and Quotas Regulation for 2012 exceeding the scope of Article 43(3) of the Treaty on the Functioning of the European Union, by Gabriel Mato Adrover, on behalf of the Committee on Fisheries (O-000016/2012 – B7-0032/2012),

- the oral question to the Commission on measures in the total allowable catch (TAC) and Quotas Regulation for 2012 exceeding the scope of Article 43(3) of the Treaty on the Functioning of the European Union, by Gabriel Mato Adrover, on behalf of the Committee on Fisheries (O-000017/2012 – B7-0033/2012),

- the oral question to the Commission on the contribution of the common fisheries policy (CFP) to the production of public goods, by Maria do Céu Patrão Neves on behalf of the Group of the European People's Party (Christian Democrats), Marek Józef Gróbarczyk, on behalf of the European Conservatives and Reformists Group, and Ulrike Rodust, on behalf of the Group of the Progressive Alliance of Socialists and Democrats in the European Parliament, (O-000004/2012 – B7-0029/2012),

- the oral question to the Commission on the contribution of the common fisheries policy (CFP) to the production of public goods, by João Ferreira, Patrick Le Hyaric, Willy Meyer and Jacky Hénin, on behalf of the Confederal Group of the European United Left – Nordic Green Left (O-000029/2012 – B7-0038/2012).

Pat the Cope Gallagher, *author.* – Mr President, the main purpose of this debate is to trigger an exchange of views in plenary regarding the powers of Parliament and the Council

as a result of the Lisbon Treaty. The Lisbon Treaty provides additional powers in the area of fisheries to the European Parliament under Article 43(2), and the establishment of long-term multiannual plans is a core pillar of the reform of the common fisheries policy. We must find a solution together with the Council for all future management plans.

In relation to horse mackerel, the management plan for horse mackerel is based on the implementation plan agreed by the Commission at the 2002 World Summit on Sustainable Development. At the summit the Commission agreed to maintain or to restore the stock to levels that can produce the maximum sustainable yield. The subsequent proposal by the Commission was drafted in close cooperation with the Pelagic RAC, which had originally put forward a proposal.

Egg surveys for horse mackerel have been conducted every three years since 1977. However, the data collected was insufficient to allow scientists to make a full assessment of the health of the stock. The proposed management plan addresses these difficulties by establishing a formula for vessels in the horse mackerel fishery known as the Harvest Control Rule. This rule provides a mechanism for calculating an additional ceiling of maximum allowable landings of horse mackerel harvested from the defined area. The plan was expected to come into operation in 2009 but was delayed by the adoption of the Lisbon Treaty. In November 2010 Parliament adopted my report by an overwhelming majority: 651 in favour and 15 against.

There were two principal issues which proved to be contentious when Parliament reviewed the dossier in 2010. Parliament overturned a previous decision to split the stock into two zones, separating area 8C located in the Bay of Biscay. It was correct to do so, as the scientific advice is clear on this matter: this is one stock which covers the entire geographical area. So as a compromise an amendment was adopted which states that the plan shall be implemented, taking into account artisanal fisheries and historical rights. This amendment was acceptable to the Council at the time and to the Pelagic RAC.

The other contentious issue referred to the Harvest Control Rule. In 2010 I met with representatives of the Belgian Presidency prior to the adoption of the report by the Committee on Fisheries. The Presidency suggested a proposal which provided the Council with a degree of flexibility in terms of the total removable amount when setting the total allowable catch in relation to the Harvest Control Rule. The proposal put forward by the Belgian Presidency was subsequently adopted by this Parliament.

So there are varying views between Parliament and Council on the Harvest Control Rule. However, the legal advice from our services is very clear. Multiannual plans are a fundamental and core aspect of the fisheries conservation tool provided for under EU law, and must be adopted under the ordinary legislative procedure via Article 43(2). Regrettably the Council is yet to adopt the first reading. However, I understand that the Danish Presidency is currently pursuing a proposal put forward by their predecessors before Christmas.

The delay has forced the committee to raise this matter in frustration in plenary, and hopefully progress can be made. I appreciate that all parties are working together in good faith in an effort to progress on this important dossier.

In recent weeks informal contacts have commenced once more with the Council, which I welcome. I hope that all three institutions will take a pragmatic and a sensible attitude going forward. I believe that this will enable us hopefully to have dialogues and a second

reading. I shall do all possible, in conjunction with the shadow rapporteurs, the Fisheries Committee, the Commission and the Council, to reach a satisfactory conclusion which may not necessarily – and I repeat that, may not necessarily – create a precedent for other management plans.

Can I now don for one minute my Irish cap, as I have dealt with my position on fisheries? I want to refer to the haddock quota. I take the opportunity to raise an extremely important matter which has emanated from the December Council meeting where the ministers agreed to a 200% increase in the haddock quota in area 6A off the North-West.

There has been an explosion of haddock, so Annex 3 to the Council Conclusions calls on the Commission by emergency measures to adopt the necessary catch composition requirement by mid-February to allow the fishermen to avail themselves of an increased haddock quota. It appears, however, that trawling will be the only fishing gear that may be used, and many of the small in-shore and small island and coastal vessels use gillnets which are more environmentally-friendly than any other type of gear. I therefore appeal to the Commissioner to use her influence to ensure that gillnets will be permitted under the emergency measure. Otherwise an amendment to the technical conservation measures regulation will be needed which will have to go through the co-decision procedures.

Finally, I refer to the concept of regionalisation. Measures such as the approval of gillnets are a prime example for regionalisation. These decisions must in future be taken at local level and not national level. In relation to the other matter, I confirm that we will work closely together to try and move on within the next number of weeks or months.

Gabriel Mato Adrover, *author.* – (ES) Mr President, Commissioner, Minister, please believe me when I say that, with this being my first speech before this House as chair of the Committee on Fisheries, I would rather not have had to make it, because we are not only going to talk about fishing, total allowable catches (TACs) and quotas – although these are very important – but also issues of jurisdiction.

The question I asked on behalf of the Committee on Fisheries relates to the Treaty of Lisbon and how it should be applied in the area of fisheries policies, and, as I said previously, this goes much further than an isolated discrepancy. It concerns the undertaking by the three institutions – Parliament, the Council and the Commission – to accept the rules of the game that we agreed upon, based on the premise which underlies the Treaty: to take appropriate decisions, each according to its responsibilities, in the interests of the citizens of Europe.

There is no doubt that the new Treaty has made major changes to the decision-making process for fisheries policy, and understandably it is going to take time to make the necessary adjustments to ensure that the new procedures operate correctly and in full. However, unfortunately we have learned from experience in the two years since the Treaty came into force that the Council and, in some cases, the Commission continue to deliberately – or so I believe – put up obstacles in an attempt to prevent Parliament from exercising its new prerogatives. This is unacceptable.

Parliament cannot accept under any circumstances that the Council should continue to operate as if nothing had changed, as if Parliament were a mere bystander and the Treaty of Lisbon and the new division of competences had never existed. Minister, Commissioner, whether you like it or not, Parliament cannot be excluded from making decisions on fisheries policy, whether internal or external. These are not my words, they are the Treaty's.

Now, once again, following the Commission's proposal, the Council has sought to exceed the scope of Article 43(3) of the Treaty, quite unacceptably in our view, in an attempt to exclude Parliament's voice from the decision-making process.

The procedure laid down in this article clearly refers to the fixing and allocation of fishing opportunities, that is, decisions on TACs and quotas, and to these two aspects alone – not to a whole series of other measures for achieving the objectives of the common fisheries policy, which would be covered by Article 43(2).

As is stated in the preamble to the question, technical measures, such as prohibition or restricted zones and periods, restricted fishing depths and specific requirements related to fishing gear can in no way be interpreted as falling under the remit of Article 43(3).

Parliament's position is quite clear. We have been stating it for some time now: you cannot take a broad interpretation which is in clear contradiction with any exceptional status. Our reaction, in various dossiers, has always been to seek proportionate measures. We clashed over the Venezuela–French Guiana dossier, when the Council decided to forge ahead without Parliament's consent. We had no alternative than to go to the European Court of Justice. Also when we opposed the Council's blocking of long-term plans for hake and anchovy; we disagreed and we chose the first reading to try to negotiate seriously with the Council for a second reading.

In terms of TAC and quota regulations we have been even more tolerant, if that is possible. It has not escaped our attention that what was adopted in 2010 and 2011 – in both cases on the basis of Article 43(3) – was done incorrectly. We continued to insist that sufficient time should elapse before the Council and the Commission could take joint decisions and were operating correctly. However, now of course we realise that in this case they are introducing a recital on certain conditions, functionally linked to the fixing and allocation of fishing opportunities, when clearly the concept of associated conditions, formerly covered in Article 20 of the Regulation, has been explicitly omitted from the new Treaty.

The Members of the European Parliament thought that we should allow some time to elapse. However, we are – and I say this clearly – most disappointed because in 2012, three years after the Treaty of Lisbon came into force, there are still major discrepancies between what the Commission proposes and what the Council approve, on the one hand, and what the Regulation states on the other. In my view, neither institution has given any indication that it is willing to abandon this broad interpretation of Article 43(3) for once and for all, and adopt another procedure that is more respectful of Parliament's prerogatives.

To conclude, there is unanimity among groups, coordinators and all the Members. We have made our approach very clear in our oral questions and I would like the Commission and the Council to answer the questions we have put to them today just as clearly.

Maria do Céu Patrão Neves, *author.* – (PT) Mr President, Commissioner, it is in the context of the reform of the CFP that this question for oral answer is being asked on a resolution on the contribution of the common fisheries policy (CFP) to the production of public goods. The reform should start considering a holistic understanding of fishing and also of the crisis in Europe, which requires the contribution of all social and professional sectors, including fishing, if it is to be effectively overcome.

The objectives of this motion for a resolution are clear. The first is to demand recognition for the multifunctional nature of fisheries. This involves raising awareness that fishing is not merely the traditional activity of extraction, processing and trade since, on top of these

aspects and their socioeconomic value, fisheries also play an important role in terms of, *inter alia*, history, culture, recreation, science, energy, the environment and education. It thus produces public goods to which society is entitled and which should be taken into account for CFP funding.

A second objective is to put forward the notion of conditionality; that is, positive discrimination for anyone providing proof that they have implemented best fishing practices, whether in the fishing gear used, the rejection of illegal fishing, or in efforts to reduce by-catch. A further effect of this measure will therefore be to make ship owners and fishermen work more closely together on surveillance and monitoring procedures.

A third objective is to demonstrate how fishing itself, and as part of a wider maritime policy, contributes to the Rio+20 Summit goals of job creation and poverty elimination, and to the Europe 2020 strategy, promoting smart, sustainable and inclusive growth through its increasingly scientific basis, ecosystem structuring and professional training. Only this renewed, holistic, modern conception of fishing can turn it into a true engine of development, which is slowly reaching the coastal areas of the Member States surrounded by sea, such as Portugal, and maritime regions like islands and, in particular, the outermost regions, such as the Azores. We cannot demand anything less of the upcoming reform.

Ulrike Rodust, *author.* – (DE) Mr President, Commissioner, ladies and gentlemen, what are we dealing with here today? We are trying to adopt multi-annual plans for our fishing stocks in order to bring an end to overfishing in our seas.

Multi-annual plans are the key tool in our fisheries policy. The fish in question today, the Atlantic horse mackerel, is just one example of many. We aim to produce management plans for all commercially fished species. Almost exactly 16 months ago, we were here in the House and Parliament adopted its position on this multi-annual plan. We have had the attempt to negotiate with the Council. Unfortunately nothing came of the talks, as the fisheries ministers within the Union apparently would like to work without involving Parliament when it comes to important issues. Over the past 16 months, the Council has not budged an inch. It has demonstrated complete obstinacy, a quality that is not a bad one to have in politics, but in this case it is scandalous. The Council has ensured that there are absolutely no new long-term management plans in place. It is as if the tug of war between the institutions were more important than a sensible policy for our fishermen, for our environment and for our citizens. If we want people to be satisfied with the European Union, we must deliver results. In the area of fisheries policy, we have not done that for two years now.

In the past, European fisheries policy was in the sole hands of the Council of Ministers. Unfortunately, the result was a disaster. That the ministers should now have the idea of continuing to make policy without Parliament's involvement seems, against that backdrop, to be something of a bad joke! If we were to actually negotiate with one another about the reform of the common fisheries policy the citizens of the European Union would also observe who was going into bat for a progressive policy and who was putting the brakes on.

Ministers, please take a look at yourselves and then manoeuvre yourselves out of this dead end as soon as possible.

Marek Józef Gróbarczyk, *author.* – (PL) Mr President, the common fisheries policy has tremendous significance and impact on local fishing communities as a common good.

Tradition, culture and the passing down of the fishing profession through the generations have been features of European history since time immemorial. Fishing is one of the oldest economic activities undertaken by humankind and its importance goes beyond economic considerations. To date, implementation of the common fisheries policy has been an overwhelming disaster, not only as regards the environment, since stocks are not at the level they should be, but also in terms of protecting the fishing sector and communities, which now find themselves in a particularly difficult situation.

Special attention should be paid to small-scale fishing because of its cultural and social value, and also because it is a source of income for small family undertakings that create many jobs on the labour market. In certain parts of Europe fishing is the only source of income and the only way of providing for families. In my view, the future of small-scale fishing is uncertain and gives rise to many concerns, for example the sale of individual fishing quotas. Another very important factor is competitiveness. When this amounts to setting small-scale fishing against huge processing conglomerates, together with unrestricted liberalisation of the market, it heralds a bleak future. What is most important, however, is handing traditions down through the generations and passing on the knowledge, skills and spirit that are integral to the fishing profession. I should like to ask the Commissioner what action she intends to take to make fishing a more attractive profession, and what strategy she plans to adopt to encourage the younger generations to take it up.

João Ferreira, *author.* – (PT) Mr President, Commissioner, in addition to the strategic importance of the fisheries sector for the public fish supply and for the food balance of the Member States, it also contributes significantly to the socio-economic welfare of coastal communities, local development, employment, and the maintenance and creation of economic activities and jobs both upstream and downstream of fishing itself.

The European Union common fisheries policy has thus far neglected the importance of the multi-functional nature of the sector and, with it, the so-called 'production of public goods'. The deep economic and social crisis that affects the fisheries sector, – the result of a policy whose central tenet has in many cases consisted merely of the indiscriminate decommissioning of vessels – is jeopardising the release and full use of the sector's huge potential in numerous areas, including the economic, social, historic-cultural, scientific, educational and environmental, among others.

The question, Commissioner, is whether the current reforms proposed for the CFP will contribute to changing this picture or whether, on the contrary, they will maintain it or even aggravate it. Unfortunately, the signs so far from the Commission are not only discouraging, but worrying. The defence of an increasingly market-oriented CFP and the progressive removal of public support structures – the overall philosophy that inspires the reforms – ignores the fact that the market does not recognise, or remunerate as it should, many of the so-called 'positive externalities' at a social and environmental level for which parts of the fleet that are less competitive from a strictly economic viewpoint are responsible.

In the general context of the fisheries sector, small-scale coastal fishing and artisanal fishing, segments that make up the bulk of the industry in many Member States, are known to be of particular importance for multi-functionality and the production of public goods. Yet the importance of this segment of the fleet is not sufficiently recognised by the Commission proposal. On the contrary, the Commission uses a definition of small-scale fishing that is reductive and disconnected from reality, at the same time that it proposes a modification of the CFP management system based on the creation, mandatory in all Member States, of

a system of transferable individual concessions that is likely to seriously damage small-scale coastal fishing and artisanal fishing and, with them, the multi-functionality of the sector and the production of public goods.

If this system goes ahead, and we will do everything in our power to ensure that it does not, not one, I repeat, not one of the safeguard clauses already proposed by the Commission will prevent the inevitable concentration of the activity among operators with greater economic and financial might, firstly on a national scale, and then inevitably, sooner or later, on a European scale. It would be yet another significant factor in the decline of numerous fishing communities dependent on fishing.

These are trends that must be halted and reversed. There are other paths, alternative paths that will make it possible to reverse the decline of the sector and lead the way towards the full use of its tremendous potential. This path involves proposals such as linking the new European Maritime and Fisheries Fund to other instruments, particularly cohesion policy, to promote economic and social cohesion within those coastal communities most dependent on fishing; support for economic activities associated with fishing, both upstream and downstream of it; and the diversification and not the *substitution* of fishing activities, with the development of complementary activities. Projects with integrated solutions that benefit all coastal communities as widely as possible should be preferred over those that benefit only a limited number of operators. Access to these projects should be guaranteed to fishermen and families and not only to ship-owners.

Other proposals include measures to rejuvenate the sector and encourage more young people to take up the occupation, by providing support to meet their professional training and start-up needs, among other things; the promotion of land-based activities; the recognition and promotion of the role of women in fishing; and the creation of an EU programme to support small-scale fishing that, by using several tools, particularly at a financial level, will respond to the specific problems of this segment and support sustainable, local management of the fisheries involved.

These are just some of the many proposals in our resolution that we believe the current reform should take on board, for the sake of the recognition of the multi-functional nature of the fisheries sector and the production of public goods.

Nicolai Wammen, *President-in-Office of the Council*. – Mr President, let me first take this opportunity to congratulate Mr Mato Adrover on his election as Chair of the committee. Unfortunately my colleague, the Minister for Food, Agriculture and Fisheries, Ms Mette Gjerskov, was not able to be here today. However it is a pleasure for me to take part in this important debate on fisheries. I would like to address the different issues raised one by one.

On the horse mackerel multi-annual plan, the Council shares the view expressed previously by Ms Fraga and today by Mr Gallagher on behalf of the Committee on Fisheries that the establishment of long-term management plans is key to conservation. That is why the Council has adopted 10 such plans since 2003 covering many, if not most, of the major stocks in the Union waters.

I am pleased to inform you that the Committee of Permanent Representatives in the Council made considerable progress last November on a way forward on the proposed multiannual plan for the stock of western horse mackerel. I understand that Ms Fraga, Mr Gallagher and the shadow rapporteurs were informed of the outcome in early December. Against this background the Council will now be in a position to examine in full Parliament's

positions in first reading, and to that end work is beginning this week. I would like to take this opportunity to thank the Honourable Members for their positive and pragmatic approach and I hope that results can be achieved.

I turn now to the proposed plan for the anchovy stock in the Bay of Biscay, which was also raised by the Honourable Members. The Council position is that this plan is not in line with the Treaty. The Council, at the level of the Committee of Permanent Representatives, therefore asked the Commission in the autumn of 2010 to withdraw the proposal. The Council has not discussed the plan since then.

The Council agrees that long-term management plans are one of the key elements of the reform of the Common Fisheries Policy. That is why it has made such an effort to unblock the situation for the plan for western horse mackerel. The Council is fully committed to cooperating with Parliament and the Commission to agree on a way forward. We are ready to work with you on this plan and on other long-term and management plans which are at the centre of conservation and of the reform of the common fishery policy.

I now turn to the issue of total allowable catch and quota regulation and begin by thanking Mr Mato Adrover for his question on the adoption of the 2012 fishing opportunities. I would like to start by restating that the Council continues its commitment to adopt measures that are fully in line with the relevant legal provisions. I strongly believe that this commitment is also reflected in the adoption of fishing opportunities for 2012.

The Commission presented two proposals for adoption of measures on the fixing and allocation of fishing opportunities for 2012, one on the internal aspect and the other on the external aspect. The Commission based its proposal on Article 43(3) of the Treaty on the Functioning of the European Union, under which the Council shall adopt measures on a proposal from the Commission on the fixing and allocation of fishing opportunities.

The Council consistently agreed with the Commission's choice of legal basis for the following reasons. The Council considers that Article 43(3) represents a self-standing specific legal basis that applies to clearly identified measures to be adopted under the Common Fisheries Policy. Furthermore, Article 43(3) of the Treaty speaks of measures which indicate that the authors of the Treaty intended to give the Council powers to adopt all measures that are inextricably linked to the fixing and allocation of fishing opportunities. They can only cover measures which have a direct bearing on the quantitative fishing entitlements.

Finally, I would like to conclude by saying that, since the adoption of the Lisbon Treaty, the objectives for the common fisheries policies, including those concerning multiannual plans, must be adopted in the ordinary legislative procedure with agreement between Parliament and the Council. The Council is committed to respecting that.

Thank you for your attention. I look forward to a very good debate here in Parliament today.

Maria Damanaki, *Member of the Commission* . – Mr President, I would like to welcome the presence of the Council here: it is very important for everybody, Minister, to have you in this debate. So, honourable Members, I very much welcome the opportunity to discuss with you some very important issues.

The two first issues concern the new framework we have under the Lisbon Treaty, and I would like to repeat that the Commission is here to cooperate with everybody during this

transitional period in order to find practical solutions. I reiterate that it is not the Commission's aim, Mr Mato Adrover, to go against this House. We are trying to cooperate with everybody, and I think that citizens watching us in the context of the crisis would like to see all the EU institutions cooperating in the best way we can.

Regarding the horse mackerel plan and the long-term management plans in general, I agree with you, Mr Gallagher, and with Ms Rodust and the Presidency of course, that this is an issue of great importance in relation to the sustainability of stocks: it really is a matter of urgency. I agree with you also, Mr Gallagher, because, since this plan was proposed in 2009, we have based all quota proposals on the plan, and today this stock is actually fished fairly sustainably. This, therefore, is the way to go, and we have to be sure that we can secure this approach.

The problem in relation to these long-term management plans is – to cut a long story short – between Parliament and the Council. We need to agree on the respective competences of the two institutions, and this is something we have to do in cooperation, as best we can. So, the Council, Minister, has to do whatever it can to take the right decisions in order to find a solution here, and we need to compromise. We will facilitate this in any way we can.

I would call on you, Minister, to take the decision in the Council as quickly as possible to go for a second reading. The only way to reach a compromise here is to go for the second reading in Parliament and the Commission. I promise here that we will do everything we can to facilitate the procedure but we need an urgent decision from you, the Council, in order to proceed.

Regarding the application of Article 43 of the Treaty, I agree with everybody that the procedure for fishing opportunities is an exception to the ordinary legislative procedure and therefore that it should be interpreted very strictly, and this is exactly what we are doing.

I would like to remind you that, since 2010, the Commission has consistently limited its proposals to fishing opportunities and conditions functionally linked to them. Let me be clear here: fishing opportunities are quantified fishing rights. The Treaty refers to 'fishing opportunities'. As a matter of principle, a quantified fishing right cannot exist in a void, so – while the Treaty does not refer to TACs and quotas – a TAC area or an allowed fishing season, for example, is necessary for fishing opportunities to work. Let all of us be reasonable here. We are talking about fishing opportunities and we have to respect the Treaties, so these conditions are functionally linked to fishing opportunities as they have a direct bearing on them.

This, then, is our position: we have to cooperate here and we have to find the best way that all three institutions can live together. I do not think we face a power game here, and it is not a matter of the Commission trying to prevent Parliament from exercising its new powers.

In relation to the last item raised by other Members of the House – Mr Ferreira, Mr Gróbarczyk and Ms Patrão Neves – namely, the contribution of the common fisheries policy to the production of public goods, I would like to highlight the specific measures provided for under the reform to improve the situation of the fisheries sector and, in particular, of small-scale fisheries and coastal communities. While I do not have time to discuss the whole idea of the common fisheries policy, I would like to focus on this issue of social sustainability.

Healthy stocks support larger catches of bigger fish. We have to realise that the only way to have a healthy fisheries sector is to have healthy stocks. There is no other way. We cannot invent any other way. We can give a lot of subsidies, a lot of money – taxpayers' money – but if we do not have healthy stocks, then there is no way to have a healthy sector. This is something we all need to understand because healthy stocks can improve profitability and the wages and employment of fishermen, and also of people working in processing; and that is the best way of encouraging young people – whom Mr Gróbarczyk mentioned specifically – to come into the sector. If young people see that there is an income to be earned there, then they will come.

Of course we can do more: I am not shirking my responsibilities, or the Commission's responsibilities, and I am trying to do more in the framework of my reform proposals. Our funding has an important role to play here. I would underline the fact that we are paying special attention to small-scale fisheries. Why? Because the small-scale sector represents close to 80% of our fishing vessels and around 40% of onboard employment. We are taking special care here, as you can see in our proposal on small-scale vessels. We have recognised the importance of this sector and have made an effort to propose dedicated measures for these fleets.

What are these measures? Business and innovation advisory services and higher aid intensity – and I would ask you not to overlook the latter, which includes a wide range of measures aimed at increasing income by supporting selectivity, marketing, product quality and innovation. We also want to support producer organisations and improvements in working conditions, safety, hygiene and training. We have special measures for all of this in our funding. I also made sure that the European Maritime and Fisheries Fund (EMFF) has increased funding for the sustainable development of coastal areas. In our impact assessment we came to the conclusion that the EMFF could result in around 12 500 additional full-time jobs in the sector.

Honourable Members, you rightly call for attractive jobs. I can understand the situation. I really can understand the situation of fishermen and their families and of coastal communities in the middle of the economic crisis, so I am determined to deliver on your demand, and I am convinced that together we can get it right. Your proposals are very welcome and I will try to my best to adopt all possible measures to give our small-scale fisheries and our coastal communities a future.

Guido Milana, *on behalf of the S&D Group*. – (IT) Mr President, my remarks are intended directly for the Commissioner and the Minister. Commissioner, a year and a half ago, I urged you to act courageously as, in doing so, you would have had the support of Parliament. Now it seems to me that, instead, the idea prevails that Parliament is a sort of deadweight, a frill, in the procedures and that the Commission often prefers to take a stance that differs little if at all from the Council's, which avoids having a genuine relationship with Parliament.

Today, we are debating the reform of the common fisheries policy. Parliament is asking questions, while ministers are already mediating the Commission's proposal. This goes beyond the application of Article 43(3). We must really reinstate the principle that the Treaty of Lisbon conferred on Parliament, and I believe that on this point, we must take a cultural leap in our relationships, rather than work in fine detail, trying to grasp whether we are on the right track by following this or that procedure. This is a different problem.

I believe that we are still not aware of the role that Parliament can play when it comes to the fisheries sector.

Tomorrow or the day after tomorrow, we shall vote on the report that has been presented to us in a distinguished manner this morning by Ms Patrão Neves. If Parliament supports it, this resolution will immediately draw very important lines in the sand for the coming reform.

I am not absolutely persuaded by the proposals regarding the socioeconomic aspect of the proposed reform. They effectively amount to driving the workforce out of the sector, not about finding alternative employment. I believe that here too we must take a culturally different direction. The list of issues you have drawn up is really short, as it does not set out a scenario for substituting fishing by some other occupation, where, say, aquaculture or tourism could have a key role.

I believe that these measures have simply been relegated to a question of transferable rights, which, Commissioner, give absolutely no guarantee of a socioeconomic application for the reduction in fishing, because ...

(The President cut off the speaker)

Chris Davies, *on behalf of the ALDE Group*. – Mr President, I am sorry that some Members have still not understood the concept that if there were no fish there would be no jobs for fishermen. This debate is important because it sets a precedent for the future, for the setting of long-term management plans – which has been recognised as crucial to the whole reform of the common fisheries policy – and showing that we have sustainable fish for the future.

The Minister has referred to Article 43(3) of the Treaty, which says that the Council should adopt measures on fixing quantitative limitations and the allocation of fishing opportunities, but Article 43(2) says that the European Parliament, in partnership with the Council, shall establish the provisions necessary for the pursuit of the obligations of the common fisheries policy. Clearly there is a dispute and a lack of clarity here. Whatever other disputes there may be amongst Members of this Parliament, I suspect we will mostly be united on standing up for the position of Parliament as we see it in the Treaty.

It is not as though the Council has a very good record to defend. We know that its application of Article 43(3) has been abysmal, involving annual meetings which are notorious even amongst former fisheries ministers. These are gladiatorial contests where ministers come to stand up for national interests, over-fishing and setting limits. According to the University of York's latest estimates, over the past few years these have exceeded best scientific advice by 33%, with the result that we have seen too much over-fishing and a decline in fish stocks across the European Union.

Looking to the future, we all recognise that long-term management plans are key. I think it is important that we also recognise the urgency of this. If we are to achieve maximum sustainable yield by 2015, we have got to get the reformed fishing regulation through as quickly as possible, and the Commission is going to have to come forward with long-term management plans in rapid succession, which must clear the parliamentary process in rapid succession. We have to keep delays to a minimum, so this matter must be resolved.

I welcome the fact that the Danish Presidency has this high on its agenda and I thoroughly support the Commissioner in what she is saying, which is: let us go for a second reading, let us have our debate, let us make absolutely clear what are the lines of difference between

the Council and the Commission, and then let us negotiate. This will be resolved by negotiation between the two institutions. The sooner we do that, the sooner we can put in place the measures necessary to ensure that we have healthy fish stocks for the future.

Isabella Lövin, *on behalf of the Verts/ALE Group*. – Mr President, everyone agrees, it seems, that in the future common fisheries policy long-term management plans should be the basis of management. This failure to come up with a solution for anchovy and for horse mackerel – for two years now the institutions have not really come up with a solution – could be interpreted by citizens as proof that the EU institutions are not mature enough or efficient enough to deal with even such relatively simple questions. These issues need to be resolved for the EU to be credible in its reform of fisheries policies. We need to put this dispute on competences into perspective in relation to the real issue here, which is that we have the responsibility to defend and optimise what is really a public good – fish and the marine environment.

This leads me to the second topic of this debate, the contribution the CFP makes to the common good. Let us be honest here. Technology advances all the time and fishermen become more and more efficient at fishing, which means we need fewer fishermen today to catch the same amount of fish as were caught yesterday. Employment in the catching sector in Europe today accounts for less than 0.1% of the total EU labour force and half of these licensed fishermen are only fishing part-time. Any increased employment in the sector must involve things other than being more efficient at fishing. This could be ‘pesca-tourism’, it could mean adding value to catches in different ways, but one thing is for sure, if increased employment is what we want then we cannot promote more efficient fishing methods, including giving funds to fuel-efficient engines.

I would also like to point out that it is a proven fact that over-fishing promotes algal blooms in Europe, causing lots of problems for different sectors. Fish in aquaculture pens die because of it, fishing gear gets clogged by it, and tourists seek other destinations when they cannot swim because of the green pea soup. A low estimate puts costs in Europe caused by algal bloom at EUR 177 million per year. When we speak about fish as a common good it is very important to keep in mind the different functions of wild fish in our oceans. One is to provide food, but another much more important one is that fish are crucial agents in the marine ecosystems. When we deplete stocks, water quality suffers and thereby many other economic sectors in Europe, such as tourism, do so too.

Struan Stevenson, *on behalf of the ECR Group*. – Mr President, I am sure that the focus of the world today is not on the western stock of Atlantic horse mackerel. However, it has become iconic in terms of the log-jam that has developed between this House and the Council.

I absolutely agree with the interpretation that Commissioner Damanaki has placed on this. We are in accord between Parliament and the Commission on the correct legal basis and our approach to this particular resolution, but this has been jammed now for over three years. Since the introduction of the Lisbon Treaty we have had no movement at all from the Council, and Chris Davies is absolutely right in saying we are looking to the Danish Presidency to sort this out.

We need multi-annual plans for a future sustainable fishery in European waters, so horse mackerel has to be sorted out: break the log-jam and then let us get ahead with a proper way of working between the three EU institutions.

John Bufton, *on behalf of the EFD Group*. – Mr President, the report released by the Court of Auditors last week laid bare the failings of the common fisheries policy. EUR 1.7 billion has been wasted since 2002 in vessel decommissioning, which has failed to demonstrate any tangible result as the CFP cannot specify where overcapacity exists. Instead, 90% of stocks are now overfished – 30% beyond safe biological levels. On top of that, 100 000 jobs have been lost.

The Prince of Wales' think-tank, the International Sustainability Unit, specifies that there is no one-size-fits-all solution to the problem. Management of stocks must be dynamic and localised. Devolving control of waters to local level would create an incentive for fishermen to maintain resources in the long term, as they would directly profit from the proliferation of their own stock. The British fleet is permitted to catch only one-fifth of the fish in UK waters. The sense of husbandry was lost when EU waters were carved up to serve a range of foreign vessels. Short-term profit is the only focus for a boat that has travelled far from its own coastline to fish.

The report also highlights the importance of managing the marine ecosystem as a whole, rather than targeting individual species, which can have a knock-on effect on other stocks. Only through locally managed real-time area closures can we rebuild an ecologically sound, profitable fishing industry. Through restoring the UK share of fish stocks alone, the industry could also employ 46% more people and make an extra GBP 400 million – equivalent to 24 times the UK annual subsidy. Subsidies artificially reduce the cost of fishing, allowing it to continue beyond the point of profitability.

Norway and Iceland are leading examples of successful redirection of subsidies and management of stocks. They, of course, are not in the EU. In Iceland, spawning rates have doubled. I am sure that if everyone appealed to common sense and examined the Commission's track record they would agree that the best way of protecting the ocean for future generations and safeguarding national fishing industries is to take control out of the hands of the European Union.

Diane Dodds (NI). – Mr President, over the past two years the Pelagic Regional Advisory Council and others have exuded a great deal of energy in the development of a multiannual plan for the western stock of horse mackerel. They are understandably upset that their efforts are being frustrated by a failure to implement the plan, a situation which is being blamed by some on the ongoing game of ping-pong between the EU's institutions, namely this Parliament and the Council.

The development of long-term management plans is the way forward for Europe's commercial fisheries. The absence of such a plan was one of the reasons given for the imposition of a 10 % cut in Irish Sea herring for 2012, although I must say that this was also a moveable argument over the course of these negotiations in the weeks and months before it. However, this plan is now being fast-tracked.

I hope that the positive, scientific assessment on Irish Sea herring, together with the advice contained in the plan, will be reflected in a mid-year decision to increase the TAC to a level reflecting the current state of the stock.

Alain Cadec (PPE). – (FR) Mr President, Commissioner, Minister, ladies and gentlemen, for once I agree with Mr Davies: no fish means no fishermen.

The situation regarding the multi-annual plan for the western stock of Atlantic horse mackerel is of concern to us today for several reasons. This management plan was adopted

by Parliament in November 2010 in order to ensure that stocks would be managed sustainably. Since then, Parliament is still awaiting the Council's first reading. It is therefore crucial for the Council to take a stand on this plan.

As long as the situation remains at a standstill, nothing will be done about Atlantic horse mackerel stocks and the resource will be under threat. This deadlock is due to an institutional conflict which must be resolved as quickly as possible. Like my fellow Members, I believe that the management plan comes under the ordinary legislative procedure. Parliament showed that it was open to discussion by introducing flexibility with regard to the method of calculating fishing opportunities. The Council must now explain why it has not taken a stand on this matter at first reading. This deadlock is also delaying progress on related issues such as that of the anchovy, as well as all future multi-annual plans for adoption.

We also call for the Commission to facilitate dialogue between Parliament and the Council. On the eve of the common fisheries policy (CFP) reform, under which management plans must be applied across the board, we must haul ourselves out of this institutional deadlock which is detrimental to the conservation of resources.

Moreover, with regard to Ms Patrão Neves's initiative, I naturally share his concern that the fishing sector be considered as contributing to the production of public goods and that the principle of conditionality be applied.

In conclusion, ladies and gentlemen, I should like to remind you again that we are in Strasbourg, which is the only seat of the European Parliament according to the Treaties.

Kriton Arsenis (S&D). - Mr President, fishing does not happen in a void. It happens within our seas and is based on fish stock availability. Thus, having more fish is about fishermen's income and about securing jobs. That is why the show that we put on for the Council, each time we have to make and put forward our decisions on TAC quotas and multiannual plans, is really misplaced. In the midst of this European debt crisis we always take the decision to fish, to consume more now and create debt for the future.

In the reform of the common fisheries policy Parliament will be asking for fisheries reserves, so as to add this discussion an element seeking to reassure people that there will be fish available and that there will be more fish in our seas, more easily fished by our fishermen, both for our fishermen and our coastal communities, and for our common future. I have just seen a description of what Parliament will be asking for, namely that fishery reserves are areas where we do not fish, where we leave the stocks to be revitalised and come back to their original numbers. And around them we can catch more fish much faster and more easily.

Ian Hudghton (Verts/ALE). - Mr President, over the lifetime of the CFP the Commission and the Council have gathered ever more powers to themselves. They have extended the remit of the December Council far beyond deciding upon fishing opportunities. Now the Commission and Council are taking a restrictive approach in interpreting the Lisbon Treaty to allow themselves to continue with these centralised powers and, worse, to claim that the Treaty prevents a radical approach to decentralisation.

My constituents in the fishing nation of Scotland will not be impressed if CFP reform does not sweep away the failed practices which have so discredited the European Union's role in fisheries management. If environmental and social sustainability is to be achieved, I think that decentralisation has to be at the top of the agenda and that returning real

management power to fishing nations would ensure that those with most to gain from successful conservation would have, for the first time, the incentive to make it happen.

Anna Rosbach (ECR). – (DA) Mr President, Commissioner, Minister, I support the questions that have been raised, but I do not want to talk about interinstitutional battles and horse mackerel.

A great deal has changed in the fisheries sector over the last 20 years. There are now far fewer active fishermen, but the fishing industry helps to create new jobs in other sectors. There are good opportunities in the small fishing communities for tourism and teaching as well as the supply of speciality products to local restaurants. The fishing industry contributes both to the cultural heritage of the local area and to general development in coastal areas. Fisheries must coexist with biodiversity and the marine environment. Aquaculture needs to be developed, for example by cultivating shellfish and algae for bioethanol, cosmetics and medicines. We must also fish out any waste and take care of the coastal marine environment.

We therefore need clarification of how the Commission and the Council currently intend to incorporate the added value provided by the sector into the reform of the common fisheries policy.

Andrew Henry William Brons (NI). – Mr President, the best conservation measure would be for the UK to withdraw from the EU and regain exclusive control of our fishing grounds. Overfishing is the direct result of access to our waters by other Member States. Our default position is opposition to any common fisheries policy.

However, it would be churlish not to recognise the improvements that some of the proposals would bring. The end to the discard policy is welcome but long overdue. The return of unwanted fish that are likely to survive, the counting of other unintentionally caught adult fish towards quotas, and the selling of accidentally caught undersize fish for pet food and fishmeal are all reasonable proposals within the context of the common fisheries policy. But why has it taken so long for the EU to address the obscene discard policy? We are told that the policy will end in 2016. Will it really? And why has it been so long in coming?

For as long as we remain in the EU, the total allowable catch figures and the number of days at sea allocated to the UK must reflect the fact that we provide a massively disproportionate amount of the total fishing grounds and the stock of fish.

When it comes to Community aid to the fishery sector, our fishermen, such as those in Whitby, Hull and Grimsby, do not receive fair treatment. Our fishing sector gets only 3% of the aid, whereas Spain gets 26%, and Poland 17%. Our tonnage is just under half that of Spain, and our total catch is about three quarters. Even Romania, whose main catch is goldfish, gets more aid than the UK.

Jim Higgins (PPE). – (GA) Mr President, firstly I have a question for the Commission. Is the Commissioner ready to recognise that there is more to the common fisheries policy (CFP) than just catching fish, but that the CFP can add to the socio-economic life of coastal communities in terms of local development and creating jobs – directly and indirectly – in the sector?

For example, the majority of the fishing industry in Ireland is situated around the coast in remote communities which usually have no other industry, in places, for example, in which Irish is the community's first language and in which aspects of the native culture are

intertwined, for example music, dance, literature and other cultural pursuits. That is the socio-economic aspect I am emphasising.

Finally, I would like to say in my strongest words – and I speak here on behalf of the Irish MEPs – that we cannot accept the TACs (Total Allowable Catches). They would destroy the fishing industry and there is no doubt that that will happen if TACs are adopted. We cannot accept them.

Dolores García-Hierro Caraballo (S&D). – (ES) Mr President, Minister, Commissioner, ladies and gentlemen, I am not going to raise the issue of competences, because previous speakers have made it clear that the codecision procedure has applied since the Treaty of Lisbon came into force. Therefore, it is you who are responsible for bringing a multi-annual plan before this House on the measures needed to ensure that horse mackerel is fished in an environmentally, socially and economically sustainable way.

Back in 2009 the Swedish Presidency had already promised that the Council would put forward an immediate plan in 2010. It is now January 2012 and we still only have one report in which – although it has been said that it broadly expresses the Commission's opinions, and I agree – Spain cannot see any acknowledgement of one of its main concerns, which is how zones and fisheries are defined in the multi-annual plan.

Because in Spain we eat horse mackerel: we do not use it for fishmeal. It is a fresh fish that is eaten the same day, and which involves, in addition to the environmental sustainability of ...

(The President cut off the speaker)

James Nicholson (ECR). - Mr President, Mr Mato's question to the Council and the Commission quite rightly asks why the institutions are adopting year-on-year measures on tax and quotas as well as technical measures concerning restricted zones and depths. This is clearly a very broad interpretation of the legal basis for decisions which should only concern the 'fixing' and allocation of fishing opportunities.

Parliament has been excluded from the negotiations on these issues; this is clearly contrary to the spirit of the Lisbon Treaty. As we enter into a period of fisheries reform the Council and Commission will have to adopt a more constructive approach and attitude to Parliament.

In my own region the outcome of the recent Fisheries Council in December 2011 meant a 25% cut in the cod quota in the Irish Sea, among other cuts in stocks such as for herring. These developments will undoubtedly have a negative impact on the industry. The Common Fisheries Policy must go down the road to regionalisation.

The current micro-management of our waters is having a devastating effect on our fisheries industry. Brussels must realise one suit does not fit everyone and get on with the job and get the problem solved. That is the message the Council has to take away from here this morning.

Lambert van Nistelrooij (PPE). – (NL) Mr President, Commissioner, the questions being asked this morning indicate that, in whatever steps we as Parliament are about to take, we want to become more directly involved and to fulfil our legislative role with all seriousness. This applies to the text, the quota, as much as to the regulation. I am the rapporteur for the general regulation on the five funds and the questions seem to me to be heading in the right direction.

I would like to bring up one point today. As a Parliamentary representative of the Netherlands, I think back to what happened following the throwing out, at such a late stage, of the agreement with Morocco. The Spanish fishermen have claimed that this has harmed their trade and that they should be compensated from the Fisheries Fund. The same applies to Dutch fishermen. We are speaking of over EUR 5 million in lost income, and the question is whether the Fisheries Fund can similarly compensate us Dutch. It is a technically complicated question, but one that has been very much raised by those who elected me. A Spanish solution should surely be a Dutch one too. As the proverb says, what's sauce for the goose is sauce for the gander. Could you please answer me on this?

Antolín Sánchez Presedo (S&D). – (ES) Mr President, fishing is about more than just supplying high-quality protein: it is a way of life. Therefore, the reform of the common fisheries policy is an indicator of the European Union's commitment to sustainability. It should be a reform with a holistic dimension encompassing economic, social, regional and environmental aspects.

Two out of every 1000 jobs in the European Union are in the fisheries sector. In communities such as Galicia, this percentage is 15 times higher. It is therefore imperative to provide better jobs and an efficient, high-quality sector. It is also necessary for the sector to play a part in developing sustainable fishing and promoting development of the local area and fishing communities.

In terms of the environment, we need to preserve resources, ecosystems and biodiversity. We need to encourage good environmental practices, singling out not only small-scale fishing but also aquaculture, with extensive and traditional activities, and all this needs to be done within the framework of an integrated maritime policy.

There are many aspects – and the most important thing is to recognise that fishing is a multi-sectoral and multi-functional activity – and all of these need to be taken into account when reforming fisheries policy so that it can add value to the sector within the European Union.

Werner Kuhn (PPE). – (DE) Mr President, Commissioner, ladies and gentlemen, the debate about the sustainable management of the Atlantic horse mackerel is, of course, also a welcome opportunity to discuss what shape the common fisheries policy should take for the next 10 or 20 years. As we do so, we need to observe that what has been the practice up to now – fleshed out by appropriate implementing regulations from the Commission and its officials – did not prove its worth in all areas.

That does not mean, however, that we should throw those instruments that are tried and tested overboard. I am thinking, in that context, of relative stability, so that there is clarity about how quotas are distributed, so that we do not have an appreciation of value of quotas and total allowable catches (TACs) that are then left in the bank but instead see an exchange of quotas in individual sea areas. What we have here is, in fact, a key question which relates to how we deal with our resources in the seas as a whole when it comes to discards, or fish that are thrown back. We need to find a solution for this issue.

The same also applies when we discuss how resources are frittered away. If we look at our stocks of birds of prey or seals, these are reserves that we in Europe cannot frivolously give away when we are an enormous market of 500 million inhabitants, who consume 8 million tonnes of fish and fishery products.

We are an enormous import market and for that reason we really must provide a future for coastal fishing and small-scale fishing in particular. Thus, we must include a means within our common fisheries policy of financially supporting young fishermen starting up new businesses, , who ultimately wish to take on a licence or a boat. We are already doing this for young farmers.

Similarly, we must not always discuss this matter in such dogmatic terms and simply repeat a refrain of 'For goodness' sake, no investment in the fleet!' No, that is wrong. Some of the boats in our fleet are 60 years old and powered by outmoded diesel engines. These are the worst polluters of the environment, and we are not spending a single penny on renewing the fleet. I believe that this is an issue that we absolutely need to discuss.

In modern fishing, quotas must obviously be in proportion to engine power, and of course we need reasonable monitoring of fishing. However, if we publish multi-annual plans – for example for cod in the Baltic – and the Commission and its officials then come out and say that there need to be additional controls to ensure that even small, open boats, without a wheel house, keep a logbook ...

(The President cut off the speaker)

Catch-the-eye procedure

Seán Kelly (PPE). – (GA) Mr President, it is clear from the debate here this morning that there is a lot of work to be done and that a great deal of cooperation will be required among Parliament, the Council and the Commission to discuss this issue and to take it to the second reading, as the Commissioner said. The sooner it happens, the better for the quantity of fish in the sea and for the fishermen's way of life. Also, I commend my Irish colleague Pat the Cope Gallagher for the great work he always does on this issue.

I have a few brief points to make. I agree completely with the points made regarding the need for regionalisation, the preservation of coastal areas, the gillnets to which Mr Gallagher referred, the danger of transferable fishing concessions (TFCs) and the absolute desirability of eliminating discards. If we can address all that ...

(GA) we will have made great progress.

Phil Prendergast (S&D). - Mr President, there is more to the fisheries sector than catching and processing fish: it brings numerous social, economic and cultural benefits to communities in Europe. The fishing sector now includes both the coastal tourism sector and aquaculture. The opening up of our coastal towns to fishing tourism generates direct and indirect employment opportunities worth promoting. Many fishing towns can be quite isolated, and by targeting coastal tourism and aquaculture, the Common Fisheries Policy can make such communities sustainable.

You can board a charter vessel to experience the thrill of sea fishing – in my constituency you can do this in Cork harbour for example – and various other tours allow people to hire small boats and go out to sea themselves to fish. Other tours bring people to fish off the wrecks of sunken ships. Small fishing communities cannot be assessed purely in economic or catch value terms. They often have a rich cultural heritage and vibrant gastronomic, economic and literary identities.

(The President cut off the speaker)

Izaskun Bilbao Barandica (ALDE). - (ES) Mr President, when the Council formulates European policy it needs to do so in an open, transparent and participatory way.

Those were the principles we applied in the anchovy plan which was adopted by Parliament. However, the Council has chosen to follow an antiquated policy, maintaining the status quo, in an obscurantist way, without acknowledging the role of Parliament under the Lisbon Treaty and taking decisions on criteria which are not always in tune with the interests of the fisheries sector or of society as a whole. Meanwhile, the Commission says nothing.

They have to change the way they operate. If they do not, they will continue to enmesh themselves further in the political crisis they have created by their own actions. In the 21st century one leads, one does not command, yet you veto. You negotiate amongst yourselves, but authority and legitimacy should be obtained by consent.

Stop blocking this and other plans. Recognise the role of Parliament, because the challenge is to build the future of the fisheries sector together.

I am sorry to tell the Council and the Commission this, but despite their fine words today, they have disappointed me.

Ana Miranda (Verts/ALE). - Mr President, I come from a fisheries nation, Galicia, where we have important fisheries communities and our economy and culture is very linked to the sea. We are very worried about the social and economic aspects of the reform of the fisheries policy, especially the implications for small-scale fisheries.

How can the Commission realise concrete measures to help small-scale fisheries, and especially the women and men working in fisheries communities? Small-scale fisheries are an example of social, territorial and economic cohesion and are also more ecological, but the sector is very concerned about the conservation of fish on account of the pollution of waters. We had the *Prestige* in Galicia and ...

(The President cut off the speaker)

Ricardo Cortés Lastra (S&D). - (ES) Mr President, Commissioner, we are facing a deep economic crisis that affects the fisheries sector. The Commission has been telling us that fishing is now sufficiently sustainable.

Well then, Ms Damanaki, we need fair fishing quotas, especially for species like mackerel and anchovy. We need to look at the allocation of quotas more carefully so that it does not have a detrimental effect on many European regions, including my region, Cantabria.

For this we need all these multi-annual plans. There are thousands of fishermen waiting for these institutional squabbles to be resolved. Fishing is a key, fundamental and competitive sector that has always sought to find a balanced solution that combines meeting the needs of fishermen and safeguarding fish stocks.

End of the catch-the-eye procedure.

Maria Damanaki, Member of the Commission. - Mr President, I share all the concerns of Members of Parliament with reference to the fisheries sector, coastal communities and the need to be sure about growth and jobs. I was in Vigo, Galicia yesterday and I saw there what is happening, so I can understand everything you are saying.

What can we really do? I agree with those Members of this House who stressed that, in order to achieve social sustainability, we need healthy stocks. I would like to remind some

Members of this House of what has been happening up until now. In the past decade 30 % of jobs in the catching sector have been lost. So asking me to keep the status quo is not an option. We are going to lose more jobs. We have to change things. We have a proposal. You may disagree, but at least this is a proposal to move forward. We have to have discussions and find ways to sustain the stocks because, for example, if we reach maximum sustainable yield by 2015, many jobs will be added to the sector.

I would also like to emphasise that our proposal agrees with what we have already said, namely that fisheries is not only about stocks. It is a multi-sector and we need a multi-sectoral approach. We have ancillary sectors, as many of you stressed – processing, cooking, aquaculture, we have maritime tourism, we have a lot of issues in connection with this – so we have to try to find a balance between all these activities. This is what we are trying to do through our proposal. I hope that we will have the time to discuss it in this House in the proper way.

Many Members referred to the issue of regionalisation. I agree with you that this is of great importance. For example, Mr Gallagher referred to gillnets and the haddock stock. This is an issue we have to handle under codecision for the moment. We need regionalisation because, if we are going to approve the Commission's proposal – and I know that you are not happy and not satisfied with this proposal, but let me give you this example – if this proposal, our proposal, for reform were in place then the Member States concerned could have these decisions as quickly as possible and the problem of gillnets would be solved. Now we have to go through co-decision.

There are also other issues, such as technical measures – there were a lot of references to these – which we can solve through the proposal as it stands. Of course, if we can improve it we will be happy to have your ideas.

Regarding other points, many references were made to the need for investment in the sector. I agree with you. We have to invest but we have to invest in gear selectivity and in real modernisation of the fleet, not in increasing over-capacity. This will not give us solutions. I would agree with Mr Bufton, who emphasised the importance of the Court of Auditors' report. Yes, this is a European institution, the Court of Auditors, and I am very happy that you are highlighting the importance of this report. We will respect this report. That is why our proposal referring to subsidies in the sector in the future is aligned to this report.

Regarding the issue of Morocco, which was mentioned, we have taken a decision on Morocco referring to the previous protocol which was stopped by a decision of this House. This is not a Spanish decision but a European decision, so it refers to everybody who has something to do with the clear ideas of this decision.

My last point concerns institutional issues. I have a plea to make to the Presidency. We expect the Danish Presidency to move ahead on this subject. Parliament and the Commission are both expecting the Danish Presidency to move on. It is not enough to refer to the previous achievements of the previous presidencies. The previous presidencies of the Council did not move on this, as almost all the Members of this House pointed out. We need a step forward. At the very least we need an urgent decision in order to go for a second reading and a compromise.

Nicolai Wammen, *President-in-Office of the Council*. – (DA) Mr President, Commissioner, honourable Members, thank you very much for this important debate. I would like to begin

by thanking Mr Gallagher, Ms Lövin, Mr Davies, Mr Stevenson, Ms Dodds and others for the call to find a solution to this important, but also very difficult, issue concerning the multi-annual plan for the western stock of horse mackerel. The Council has spent a long time determining its position on this matter. However, as I have already said, the Council has made progress in this regard recently, and I expect it to have established its position very soon. The Council's working group is starting work in this regard this week. The next step is the approval of a negotiating mandate in the Permanent Representatives Committee. After that, the Council will be ready to work with the European Parliament to find a solution to the horse mackerel issue. We will hopefully succeed in finding a solution that is acceptable to the European Parliament, the Commission and the Council.

We all agree that multi-annual management plans must continue to be a fundamental instrument in fisheries management, ensuring a focus on the important long-term conservation objectives for fish stocks. The Council will therefore work with the European Parliament on a solution for the horse mackerel plan as well as for other multi-annual plans. I am therefore in complete agreement with Mr Davies, Mr Cadec and others on the need to ensure sustainable fish stocks. As Mr Davies put it, if there is no fish, there will be no fisheries either.

The Council is fully aware of the European Parliament's role in connection with the adoption of the objectives in the common fisheries policy, including the objectives for multi-annual management plans and technical conservation measures. These objectives must be adopted jointly by the Council and the European Parliament, and the Council attaches a great deal of importance to its cooperation with the European Parliament in this connection.

With regard to the question concerning the setting of total allowable catch (TAC) and quotas, I would like to emphasise the Council's strong obligation only to adopt measures that are fully in line with the relevant provisions of the Treaty, whilst fully respecting the role of each institution. It goes without saying that the Council will ensure that the reformed common fisheries policy is in line with the Treaty and that it respects the European Parliament's prerogatives. This will, of course, also be the case irrespective of what form of procedure we have in the future. It will also apply in the event of a regionalised approach, something which is currently being considered in the context of the reform. On behalf of the Council, I therefore look forward to close cooperation with the Commission and Parliament in finding solutions to the important questions that we have debated today.

President. – To wind up the debate, seven motions for resolutions have been tabled ⁽¹⁾ under Rule 115(5) of the Rules of Procedure.

The debate is closed.

The vote will take place on Thursday from 12.00.

IN THE CHAIR: EDWARD McMILLAN-SCOTT

Vice-President

4. Question Time (Commission)

President. – The next item is Question Time to the Commission.

⁽¹⁾ See Minutes

The topic for Question Time is the services sector, the Services Directive and increasing competitiveness, growth and employment in Europe. I shall just remind you that each Member has one minute to put his or her question and 30 seconds for a supplementary. The Commission has two minutes to reply if only one Commissioner is to be responsible for answering. If more than one Commissioner is to reply, each Commissioner has one minute's speaking time.

Roberta Angelilli (PPE). – (IT) Mr President, my question is addressed to Mr Barnier in particular and concerns recital 62 of the Services Directive.

There is no clear or definitive indication of what is meant by 'scarcity of natural resources or technical capacity'. The Directive ought not, in fact, to prevent Member States from limiting the number of authorisations for reasons other than scarcity of natural resources or technical capacity.

Indeed, as in the case of itinerant traders, they do not have exclusive use of the area subject to concession because at the end of working hours, this becomes available to all, and is sometimes reassigned to other activities. Moreover, in Italy, local authorities may already increase the number both of concessions and areas reserved for markets.

In this case, therefore, there ought not to be an automatic correlation between the concept of public space and the criterion of scarce natural resources, since parking may take place in one part of the area only and for a limited number of hours per day.

What is your opinion on this matter, Commissioner?

Michel Barnier, *Member of the Commission.* – (FR) Ms Angelilli asked a question on the exclusion of social services and how this should be interpreted.

Some social services have been excluded from the directive, but not all. Moreover, I should like to remind you that an amendment on the exclusion of all such services was rejected by Parliament. I do not believe that my services have informed me of any issues regarding the application of the directive to social services.

The specific nature of some services, such as those which you mentioned, is recognised and taken into account by safeguards set out in the directive. The directive does not address the issue of the funding of these services. The conditions set by Member States to ensure that these services indeed fulfil their social function are not covered by its scope.

Thus, Ms Angelilli, the directive does not prevent Member States from conserving their authorisation systems which are substantiated by social policy objectives, for example for the opening of crèches. These objectives may relate to the protection of minors or vulnerable people.

I think it is fair to say that it is logical that the directive's implementation should not create problems for social services, such as those, if I understood correctly, that you highlighted.

Roberta Angelilli (PPE). – (IT) Commissioner, the issue is not about social services, but about itinerant traders. My question was specific to this issue. If you prefer, I can table a question directly, as it seems you have not understood my question.

Michel Barnier, *Member of the Commission.* – (FR) I apologise, because I misunderstood what you said. You were in fact referring to itinerant trade.

If you would be so kind as to write to me in detail regarding the specific aspect of itinerant trade that you mentioned, I will provide you with a specific, legally founded answer on the matter, by analysing any imperfections or contradictions which there may be with regard to the subject.

With regard to the specific question that you asked, Ms Angelilli, I will answer you in writing.

Jutta Steinruck (S&D). – (DE) Mr President, my question is for Commissioner Andor. As you know, my group has for quite some time been calling for the Posting of Workers Directive to be revised, and I find it very regrettable that the Commission has thus far not done so. It is not as if there is a shortage of reasons to do so: we have social dumping on a massive scale and the principle of equal treatment applies to too few criteria. Furthermore, there is often abuse of posted workers by means of failure to adhere to the rules. What we need is limits on subcontractor chains and more opportunities for information for workers. I therefore await the Commission's proposals on the posting of workers package with baited breath.

My question is this: how does the Commission proposal for the Enforcement Directive seek to tackle the problems with the Posting of Workers Directive that I have outlined? Most importantly, are there measures in the proposal to prevent the well-known problem of social dumping?

László Andor, *Member of the Commission.* – Mr President, honourable Members, the Posting of Workers Directive is indeed very high on our agenda and we have work in progress despite the fact that originally the idea was to deliver this at the end of last year. I have to admit there is a little delay with this package, but this is also about quality and we believe that it is very important to get it right after such a long period of conflict and consultation. We invested a lot in this consultation.

Last June, at a conference we organised in Brussels, I outlined the structure of the legal instruments the Commission would like to use to address the question of posting. This consists of two elements: an enforcement directive in order to ensure that the implementation of the original directive improves in terms of its quality, and a Monti II regulation on social rights, following the pattern of the previous Monti I Regulation in the context of cross-border trade, only this time in the context of cross-border services.

The objective of the latter is to ensure that fundamental social rights are not subordinated to economic freedoms and vice-versa, and that there are further clarifications about the powers of various courts if industrial action takes place. But I think it is very important to stress that by reopening the original directive we would not go very far; in fact we would undermine the key objective of the original legal instrument which is to facilitate cross-border services and at the same time fight social dumping.

The enforcement directive will facilitate further cross-border service provision for companies through better administrative cooperation, more transparent information and limits to national control measures. It will prevent abuses by clarifying the elements of the notion of posting, limit the opportunities to impose national control measures by codifying the case law of the Court, and contribute to fairer competition and a more level playing field, for example, for SMEs.

The key is better administrative cooperation. We have had many consultations with stakeholders and the various participants in this debate with a view to taking every possible

aspect into account. There is still fine tuning to do, and the proposed date for adoption is March.

Jutta Steinruck (S&D). – (DE) I have a specific follow-up question. You said that the aim was to improve on the original directive. In my initial question, I asked about limits on subcontractor chains, better opportunities for information for workers and better control mechanisms. I also wanted to know what specific steps are being taken to prevent social dumping in future.

László Andor, *Member of the Commission.* – I can only confirm that the question of joint and several liability is one of the key considerations of the ongoing work and I would not like to comment on leaked drafts which have been circulating recently. I think it is better to wait until the final text emerges, and then a discussion in both Parliament and the Council can follow.

Georgios Papanikolaou (PPE). – (EL) Mr President, Commissioners, ladies and gentlemen, the Greek Parliament went over and above the call of duty two days ago. It passed the new agreement negotiated with the Troika in Greece, knowing that it imposes harsh austerity measures and new savage cuts on a nation already suffering deeply.

In view of that agreement, the question is: what do Brussels, Berlin and Paris intend to do about the issue we are debating today? I am not talking about current and future loans; that money will be refunded with interest. I am talking about the famous Marshall Plan which was included in the agreement at the summit on 21 July and then disappeared a few hours later.

Now more than ever, Greece and other countries with problems need a package to stimulate the economy, with resources directed to public works, job creation and the re-education and training of the unemployed. How will the competitiveness, growth and employment we are debating today become reality? How will our fellow citizens with such serious problems experience it in the countries facing the current unprecedented crisis in the recent history of Europe?

Michel Barnier, *Member of the Commission.* – (FR) Mr Papanikolaou, each of my colleagues can answer this question, which expresses the sentiment of the Greek people faced with the great difficulties which they are experiencing.

What I have said many times, including a few months ago, on my visit to Athens, is that the Greek people are not alone. Through exceptional measures, the entire EU and the International Monetary Fund have provided support to Greece in this comprehensive plan towards its recovery, and I am not just referring to public finances.

We are aware, Mr Papanikolaou, that the effort which is being asked of Greek people is extremely stringent and demanding. However, I believe that the fundamental Greek economic indicators show that, if this plan is followed and respected by all of the partners and by the Greeks themselves, the Greek people can come through this.

Since what we are discussing here today, Mr Papanikolaou, is the Services Directive and the service economy, I should like to underline that beyond the activities covered by the directive itself, which make up 40% of the EU's economy, services, as we are well aware, account for an even greater part of GDP, in the EU's economy. This is particularly the case in your country, which is one of the most open and best positioned in this respect, especially

as regards the tourist industry economy, which is an area that Commissioner Tajani is monitoring relentlessly.

I believe, as I also said in another debate yesterday, that Greece, despite the great difficulties it is facing, can bounce back, particularly by being one of the countries to integrate itself the most and the most quickly. This integration is needed – and a number of sectors are concerned, including many services, especially connected to the tourism economy – because Greece is one of the countries which has the most to benefit from an integrated single market and the facilitation of trade, electronic commerce, mobility and exports.

That is why, along with my colleagues, I am going to take great care, as is my role as the person in charge of this Directive on Services, to support the Greek authorities in implementing all aspects and the full potential of this Directive on Services, on a practical level.

That is what I am able to say since the matter we are discussing today is the service economy.

Georgios Papanikolaou (PPE). – (EL) Mr President, Commissioner, thank you very much for what you have told us; however, you have not replied to the specific question which I asked: on 21 July – I repeat – the Council spoke of real help at its meeting, of a true sign of social solidarity. It referred to a new Marshall Plan which could support growth and job creation in real and substantial solidarity with countries with serious problems.

The text ‘went in’, but some hours later it ‘went out again’. Does the Commission have something else in mind? We have seen the announcements by Mr Barroso about the problems faced by citizens. We understand the Commission’s concern. However, are there in fact any new developments in the final proposal actually made by the Commission?

Michel Barnier, *Member of the Commission.* – (FR) Mr Papanikolaou, what you said in regard to Greece, which is the most exceptional and serious of cases and which, moreover, requires exceptional treatment, applies across the board.

I, personally, deeply feel that it is not right, for EU citizens at the moment, for us to only be talking about austerity, regulation, surveillance and governance. All of these words are restrictive, even if they are the words and actions which are needed. We must also talk about growth and give citizens a clearer outlook in terms of employment and development. This is true for Greece and it is also true for the whole of the EU.

That is why I find it extremely positive that at the last European Council meeting, held about ten days ago, the majority of the agenda was devoted to growth.

What can be done in the short term to restart the economic machine in the countries where this is needed? What can be done in the medium or long term? For example, with the Single Market Act, of which the Services Directive is one of the components, we have a dozen or so measures on our agenda for facilitating mobility, employment, export, innovation and trade and to kick-start growth in the medium or long term. Other initiatives, such as the project bonds, may be taken as a shorter-term solution to achieving growth.

Indeed, as regards Greece, I think that under the plan which amounts to EUR 130 billion, it is not just a case of getting public finances back on track and safeguarding the banking sector, it is also a case of taking rapid action, in particular via Structural Funds, to get employment and growth going again.

It is in this context, Mr Papanikolaou, that the service economy, which is so important for your country and which is one of the most open and most powerful in Europe in terms of tourism, has a special role to play. I will devote my full attention to this to ensure that this Services Directive is actually and effectively implemented in Greece's case and for Greece's benefit.

Bernadette Vergnaud (S&D). – (FR) Commissioners, ladies and gentlemen, my question is for Commissioner Barnier.

Would you mind telling me, please, how much progress the Commission has made with drafting legislation to provide operators in the social and solidarity-based economy with a status? I am referring to mutuals, foundations and cooperatives. These kinds of organisation indeed play a crucial role in cushioning crises and creating jobs and must therefore be protected, supported and encouraged to develop very quickly.

Finally, if something concrete is in fact being drafted for the social economy, can we really be content with a simple communication on a quality framework for services of general interest which, in these times of economic and social crisis, also need to be protected by a genuine legal status?

Michel Barnier, *Member of the Commission.* – (FR) I would like to thank you, Ms Vergnaud, for having, in fact, mentioned two separate and complementary sections of the directive in your question. The first is that of public services and the implementation of this quality framework which Mr Almunia and I have on the whole proposed in two cross-cutting texts. One of these texts deals with State aid and, as you pointed out, and as the relevant associations and non-governmental organisations have made clear to us, the exercise of social services continues to be covered. The second cross-cutting text – which is a major aspect of this quality framework – deals with the overhaul of measures relating to public services and concessions.

Social entrepreneurship which, according to my figures, honourable Members accounts for between 15% and 17% of GDP and employment, is an additional issue and is, in my mind, just as important as the main area of work on the social economy. In many cases, we are not talking about public services, but profitable enterprises which practice social inclusion among their employees, by employing disabled persons or other people in difficulty, or enterprises whose activities themselves have a vocation focused on solidarity, inclusion or social solidarity.

In fact, a few weeks ago, in November, for the first time, we in the Commission held a conference with Professor Yunus, which was attended by 1 200 people and which aimed to help us work on three topics. The first was the financing of such enterprises, and in this regard the Commission presented an initial proposal on the Social Investment Fund, which is a new instrument.

The second was regulatory and normative or statutory supervision, which is the point you mentioned. A few days ago, Ms Vergnaud, as promised, we submitted the European Foundation Statute, which is now under discussion by the Council and by Parliament. Mr Tajani is working on statutes for cooperatives and mutuals which are extremely important forms of organisation, and for which it is important to establish what further improvements can be made at European level.

The third area of work on social entrepreneurship involves improving the visibility of these activities through indicators, labels, and so on, and I myself am pursuing this area. I am,

in any case, personally engaged, alongside Mr Andor, Mr Tajani and others, in ensuring that from now on Commission initiatives support this extremely important sector, which has undoubtedly been neglected or forgotten and which certainly comes under the competitive economy.

It is my belief, honourable Members, that there cannot be sustainable economic performance without a number of conditions: an effectively functioning single market, a major effort in research and innovation, and social cohesion. When we refer to social cohesion, we are referring, Ms Vergnaud, to the two topics that you mentioned: public services, of course, that is to say basic services, in particular social services, but also the social enterprise sector, which I have just mentioned and which we endorse.

Bernadette Vergnaud (S&D). – (FR) Mr Barnier knows as well as we do, and Parliament and the Commission must work together on this point, just how important this sector is for social cohesion and how much it needs legal certainty in order for social services to be exercised in EU countries.

Antonio Tajani, *Member of the Commission.* – (FR) I shall also respond to the question on cooperatives, which is a sector that I share with Mr Barnier.

As part of the effort to improve the legal environment, we have initiated a review aimed at analysing the current situation of mutuals in Europe. The findings will form the basis for reflection on a new political initiative, including the possible drafting of a European statute for mutuals. This work will complement the review which the European Parliament began at the beginning of 2011.

We are also going to publish a report addressed at European institutions on the application of the regulation on the Statute for a European Cooperative Society. This report will be discussed at two conferences to be held this year, which the United Nations has declared as the International Year of Cooperatives. The first conference will be held in April, and attended by professional associations, and the second in September during Cyprus' Presidency.

With respect to cooperatives, their social impact is, in my view, very significant. We are going to continue to support them together with cooperative banks.

Allow me to cite an example: I organised a trip to Brazil on the topic of the internationalisation of small and medium-sized enterprises and took representatives from cooperatives along with me to try to promote networks for the internationalisation of cooperatives. This is, for me, a very important sector and I share what was said by Commissioner Barnier.

Filiz Hakaeva Hyusmenova (ALDE). – (BG) My question is for Commissioner Tajani. Implementing the Services Directive was an important step towards the completion of the single market. Given that services represent about 70% of the European economy, their potential for boosting economic growth and creating new jobs is substantial. We have to admit, however, that Member States have had difficulties with the transposition of the Directive and that, despite the three-year implementation period, there have been considerable delays. Besides the transposition of European legislation into national legislations, a series of additional measures were necessary in order to implement the provisions of the Directive. Nonetheless, more than two years have elapsed now, which is a long enough period to allow the results to be measured. Is the Commission able to offer any concrete data, analyses and estimates on what impact the implementation of the

Services Directive has had on the European economy so far, and more specifically, on small and medium-sized enterprises?

Michel Barnier, *Member of the Commission*. – (FR) Ms Hyusmenova, I do not wish to deny Mr Tajani the opportunity to speak, however I am, in fact, directly in charge of the implementation of this directive, which is now a matter of urgency.

I would like to inform you and your colleagues, Ms Hyusmenova, that I make it my own personal duty to go to each Member State to see how things are going. A few days ago, on Thursday, I was in Madrid where I delivered the last of the 27 workshops which – as promised before Parliament – I have held in all of the EU's capitals with all of the national civil servants who are, in particular, responsible for the Services Directive, but who are also responsible for the directives on professional qualifications and public procurement.

Today, I can tell you that, following this period of work with all of the civil servants who are responsible for these texts, all of the Member States, apart from Greece, have now taken full transposition measures. Germany and Austria, whose federal system you are familiar with, have had some rather specific issues, due in fact to this federal system, as the texts had to be transposed at regional level. This has recently been achieved.

That is why the two complaints that I lodged before the European Court of Justice can now be withdrawn, since Germany and Austria have fulfilled their obligations. The court referral for Greece is still relevant as regards the quality of the transposition measures.

I promised, and this is something that you requested specifically in adopting the Services Directive, to present a report on the application of the directive's key measures. In addition to what was already presented last Monday on the mutual assessment process involving Member States and undertaken by the Commission, we will present a report, in the second quarter of 2012, on the application of all of the directive's key measures, especially on the important issue of cross-border services.

We are also drawing the first conclusions, in our role as guardian of the Treaties, on the weaknesses or shortcomings that exist with regard to the practical and effective implementation of the directive.

As far as I am concerned, honourable Members, 2012 should be the year of the full application of the Services Directive as it stands with all of its measures and all of its potential. Aside from what I have been able to say today on the matter and the work which I am doing in each Member State, this issue is the subject of the full and detailed assessment and information report which we will present to you by the end of the year.

Emilie Turunen (Verts/ALE). – In the context of the Services Directive, economic freedoms and the protection of workers' rights, Commission President Barroso stated in this House on 15 September 2009: 'The interpretation and the implementation of the Posted Workers Directive falls short... That is why I am committed to proposing, as soon as possible, a regulation to resolve the problems that have arisen. This regulation will be codecided by the European Parliament and the Council.'

It is now 2012. The instrument in question was scheduled for publication before Christmas. It was then scheduled for last week and then it was deferred again, and now we do not know what is happening at all with this suggestion. My question is: when will the Commission finally deliver, after more than two years of framing its proposals on economic

freedoms? And when, Commissioner, will you deliver on protecting workers' rights and securing the right to strike?

Secondly, there is a rumour that the 'Monti II' regulation is not to be codecided, but is to be subject to consent procedure only. How does that correspond to the promise Mr Barroso gave in 2009?

László Andor, *Member of the Commission*. – Ms Turunen, I gave an answer to Ms Steinruck a few minutes ago and I would like to repeat that now. We have a proposed date for college debate and adoption which will be in March 2012.

There are various reasons for the delay, not least because we had to accelerate some other initiatives like the Youth Opportunities, which I am sure you also consider very important. The Youth Opportunities were not originally on the agenda, but we had to respond to the urgency of youth unemployment, which is why we scheduled that for last December. There is also very serious work under way: serious coordination between our services on the question of the posting of workers.

As you also suggested, this is a very complex matter, and I am very grateful for the contribution of many Members of the European Parliament to this discussion. You brought to my attention very difficult cases, not only those where the European Court of Justice made decisions which many of you saw as controversial, but also the more recent Flamanville case. Our intention is to eliminate the likelihood of a recurrence of such cases.

We want posted workers to work in a safe, well-regulated environment with greater awareness of the circumstances and their own rights, and much better administrative cooperation between the Member States. This is covered in the documents we have been drawing up since last summer when we had the stakeholder conference last June. The structure, as I have already explained to Ms Steinruck, is an enforcement directive, in order to contribute to the single market.

As you probably know, this falls under the scope of the Single Market Act, as it concerns the single labour market, and also constitutes regulation to follow up on fundamental social rights with a view to having better guarantees in this area.

Emilie Turunen (Verts/ALE). - A very brief follow-up. Did I hear you right? This will be on the Commission's agenda in March?

László Andor, *Member of the Commission*. – The answer is, yes.

Malcolm Harbour (ECR). - Mr President, the opportunity to pose questions on the Services Directive is very welcome. I and members of my committee are deeply engaged in following through the transposition. I want to thank the Commissioner for his energy in pursuing this.

My question, however, is not so much related to the actual legal requirement on Member States to transpose the directive. My observation, based on visits to a number of countries and on talking both to governments and to business organisations, is that we have absolutely encouraged Member States to make a substantial investment in providing services – the points of single contact – with a view to opening up their markets to service providers from other countries, and also to support and train all their public authorities in accepting applications from other countries for the provision of services. But my experience is that most businesses who can potentially take advantage of this know nothing about it at all,

because the one thing Member States have neglected is any promotion of these great new opportunities.

I would like the Commissioner's reassurance, with regard to the benchmarking exercise, that we will actually have some real information on the ground about businesses' awareness of the opportunities that have been created. Otherwise it is simply like saying to Member States that they should invest heavily in this great new product and new idea, but that they should not tell anyone about it. How is that a sensible strategy?

Michel Barnier, *Member of the Commission*. – (FR) Mr Harbour just drew our attention to a very important point, which is the feeling that we sometimes have, here in Strasbourg, in Brussels and in the Member States, that there are two wheels turning at the same time: there is the legislative wheel which we in the Commission, Parliament and Council turn together, and there are the national wheels. What I have noticed, Mr Harbour, from my work at local level with these workshops I have just completed, is that we must connect the two wheels, not so that they turn together, but so that they work in connection with one another.

They work in connection with one another when texts are properly transposed. This is basically the case when texts are implemented effectively. This is not yet the case in all Member States. It is especially the case when those for whom we in Parliament, the Council and the Commission are working together to create these texts, that is to say businesses and particularly small and medium-sized businesses, or citizens, are aware of what we do for them, and this is not the case.

That is why, honourable Members, I attach so much importance to these local instruments. Almost two years ago, when you kindly agreed to the Commission's investiture and questioned me at the hearing, I stated before you that during these five years our ambition, and this is very significant, would be to reconcile small and medium-sized enterprises and EU consumers with the single market. There is a sentiment that this single market was not created for them, and that it is for the big and powerful rather than small enterprises and consumers. We must change that. The Services Directive is one of the instruments which can help us to achieve this, along with a number of structures, the existence of which I am in the process of checking.

The Internal Market Information System (IMI), which will be discussed again and which can also be employed for professional qualifications, allows direct interactive dialogue between local authorities via the Internet. Six thousand administrative bodies are now actively using this system.

There is the Solvit system, which is now functioning properly in almost all Member States, to prevent discouragement and legal action, and to facilitate mediation.

There are also, as Mr Harbour pointed out, the Points of Single Contact which are of great importance and which today exist in all Member States. I think I am safe in saying that there is only one country, Romania, in which the Points of Single Contact are not yet in operation. The Points of Single Contact are, in my opinion, an extremely important tool, particularly for small and medium-sized enterprises. Naturally, these points of contact must be equipped with essential features such as online and cross-border procedures. This is still far from the case. These Points of Single Contact are in place, but are not yet able to provide the full potential of which businesses are in need.

That is why in 2012, which as I said earlier will be the year of the Services Directive's full implementation, I will, Mr Harbour, focus efforts particularly on the proper functioning of these Points of Single Contact with modern, digital means and proper information in their regard.

That is another reason why, on Parliament's initiative, we are going to organise the week for renewed growth together, from 15-22 October, at the same time as the European Week of Small and Medium Enterprises which is being organised by Mr Tajani. Together with the European Parliament, the national parliaments, chambers of commerce, trade unions and any organisations who wish to be involved, we are going to organise a European week on the Single Market Act and on all of the tools that I just mentioned. This will be a full week of people-oriented, rather than technocratic or bureaucratic, information on the single market.

I want us to put a face to the single market, and to men and women who have succeeded and failed through it, and see how we can deal with these failures. That, Mr Harbour, will be the aim of the week which we are going to hold together in October of this year, and during which the focus will be on Points of Single Contact.

Malcolm Harbour (ECR). - Mr President, while I am impressed, as always, by the energy behind the Commissioner's words – and Commissioner Barnier and I work very closely together – I still do not think that he got to the heart of my question. When I go round talking to businesses, I have to tell them about the EUGO Portal. I have to give them the excellent brochure that the Commission has produced because, actually, my own Government is not doing very much, and I have said so to the Secretary of State.

How are we going to reach governments and their small-enterprise divisions – and Mr Tajani is absolutely involved in this as our lead on SMEs – to tell them about these sources of information and how they can deploy them? The problem is that we have done all this great stuff but the people who are really going to energise the economy by investing and trading across borders, it seems to me, will not be sufficiently excited and energised to take advantage of it.

Michel Barnier, *Member of the Commission.* – (FR) Mr Harbour, no matter how much we do, it will never be enough to reach Europe's 22 million businesses, 21 million of which, as you well know, are small and medium-sized enterprises on which commitments have been made and on which Mr Tajani's work is focused. He could also express his view on this subject. I think that there is a need to diffuse information.

We have devised this Single Market Week to promote renewed growth, as well as the European SME Week in October; I am also checking that the Points of Single Contact are in operation. We cannot do everything from here in Brussels. We need the involvement of Member States. We also need the cooperation of the chambers of commerce, for example.

You mentioned the brochure which we have produced. We will probably produce others, and I will, either via the Internet or in person, request support from the chambers of commerce, for example, which have direct links with small and medium-sized enterprises, so that they can diffuse this information to their members and to the people on the ground responsible for creating employment and growth. This is something which cannot easily be done from Brussels and for which we need intermediaries and partners.

I would therefore like us to have the opportunity, in 2012 and before October's Single Market Week, to make sure that every business in the EU receives this basic information

on the Services Directive and on the other actions we are taking, for example with regard to accounting standards or public procurement, which are aimed at encouraging small and medium-sized enterprises' involvement.

President. – Colleagues, before we go on I am going to bring this Question Time to a close at 11.55 so that we can prepare for the votes. Can I remind colleagues that it is one minute for a question and 30 seconds for a supplementary. For the Commission, if it is one Commissioner replying it is two minutes and if there is more than one Commissioner it is one minute each. I am afraid to say that there are more than 50 people who want the floor. Last time we got through 17 questions, so there are going to be a lot of disappointed people and I apologise in advance. The intention of this new format is to make it a little more lively, but it does mean a lot of disappointment.

Liam Aylward (ALDE). – Mr President, can I ask in future that, when you are compiling your list at the beginning of Question Time, you put it on the screen here so that people know exactly where they stand? In my country parliamentary Question Time is a very important part of parliamentary democracy. I have sat here each month to ask a question – most unsuccessfully I must say – but it should at least be up there so that we know. If people are registered there, then in future if they come in the following month, they should be given priority.

President. – We are learning as we go along, but as it happens you are next on the list after Mr van de Camp. Promise!

Wim van de Camp (PPE). – (NL) Mr President, my question follows on exactly from Malcolm Harbour's. When we look at all the European Commission's initiatives – for which it has our heartiest compliments – we are creating a thousand jobs in Europe, or at any rate are able to create a thousand jobs in Europe. Yet we are not getting through to businesses. There is no shortage of worthwhile initiatives in the Member States, and SMEs can create jobs, but somehow or other, despite the Commission's enthusiasm, the businesses are not getting the message.

I have two questions in this regard. The Commission has been operating now for almost two and a half years: might not we in the internal market zone receive an interim report on how the SMA (Single Market Act) is working in practice? Secondly, should we not link the internal market more to the European Semester? The European Semester is going well in the Member States and also fitting in well with the national reform programme. Member States are on the ball. Shouldn't we be connecting up more?

Michel Barnier, Member of the Commission. – (FR) On the issue of the Services Directive, which is the subject of Question Time this morning, I can confirm to Mr van de Camp that we shall be presenting a full, and I hope high-quality, report on Member States' implementation of the Services Directive in the middle of this year, at Parliament's request as a matter of fact.

On a wider level, we shall also be assessing the situation regarding a subject with which you, like Mr Harbour, are very familiar, and one that you support: the Single Market Act. This year, we shall be looking at the progress of the first wave of 12 proposals and their implementation: the single European patent, social entrepreneurship, venture capital, public procurement and many other things. Then, over the course of the year, we shall be producing a second wave of 12 new proposals aimed at promoting growth.

I am making these two commitments, and in the spirit of what I said to Mr Harbour, and shall reiterate, we, and Mr Tajani in particular, shall try, together with those of our partners with the closest, most hands-on and easiest contact with businesses, to find ways of ensuring that the information about what we are doing at grassroots level reaches small and medium-sized enterprises. However, we cannot achieve this on our own from Brussels. We need intermediaries or partners: I am thinking in particular of chambers of commerce.

Morten Løkkegaard (ALDE). - Just to follow up on the remarks by the gentleman over there, are we going to be provided with some kind of list and told whether we are on that list?

President. - I will deal with Mr van de Camp's supplementary and then I will come back to that point.

Wim van de Camp (PPE). - (NL) Mr President, might I ask the Commission to take another look at ways of communicating? When I read the magazines from SMEs, I never see an advertisement from the European Commission or from, say, Solvit. The EU is not popular in some countries, but the internal market certainly is. Could we not have a regular television spot selling the advantages of the internal market to SMEs in particular?

Antonio Tajani, Vice-President of the Commission. - (IT) Mr President, I should like to give out some information on the network dedicated precisely to providing information to small and medium-sized enterprises.

By means of this network, we have a presence in 51 countries, with around 600 contact points and over 3 000 professionals to its credit. I would say that Enterprise Europe Network is the most important European, if not global, network helping small and medium-sized enterprises. We have a presence in all 27 Member States and in eight third countries taking part in the Competitiveness and Innovation Framework Programme. I am referring to Croatia, Israel and Turkey.

Here are some additional figures on the advice and information provided, including that related to the internal market. Around 300 000 businesses have made direct use of this kind of service, while 600 000 others have taken part in events organised with the same objective; 225 000 have used the special advice service on subjects such as access to finance, intellectual property, business development at the European and international level, and innovation through the adoption of new work methods and new technologies.

Every year, the network facilitates the conclusion of around 2 500 formal cross-border deals between businesses, giving them benefits in terms of maintaining turnover, employment and investment levels. We have also received 10 000 comments to date from businesses giving us their opinions on policy, legislative initiatives and European-level programmes.

I think that amounts to an effective network, even if we consider – naturally – the need to implement and further strengthen its actions, since the continuation of the Enterprise Europe Network is also guaranteed in the framework of the Programme for the Competitiveness of Enterprises and SMEs (COSME) 2014-2020. We are therefore asking Parliament in the context of the debate on the Financial Perspective to support our proposal, since I believe that it takes the direction that Parliament itself has emphasised in its question and also in the previous intervention from Mr Harbour.

President. – I am now going to reply to Mr Løkkegaard. The authorities are conducting a review of this new process of Question Time and that will be available after this session. I have in the past, at this stage, read out the names I have on my list of those who are likely to be called, and I am happy to do that by way of helping. Where I come from, Question Time is a question of catch-the-eye – genuinely catch-the-eye – but I realise that we have different procedures here.

On my list – and these are grouped according to groups but as they have been identified by staff – from the EPP I still have Mr Baldassarre, Ms Mazzoni and Ms Corazza Bildt. From the Socialist Group – and these are the ones who are likely to be called if we are quick – Ms Gebhardt, Mr Cercas and Ms Rapti. From the ALDE Group: Mr Aylward, Ms Jätteenmäki and Mr Løkkegaard. Mr Karim from the ECR, Ms Schroedter from the Greens and Ms Morganti from the EFD. Those are the names who are likely to get called if we are quick.

Liam Aylward (ALDE). - Mr Barnier, many small and medium-sized businesses in the service sector are increasingly falling victim to misleading business directory scams. The scams have hit businesses by masquerading as legitimate directories, then charging the unsuspecting businesses for a service they did not ask for, or willingly sign up to. Of course then they are hit with bills in a very difficult economic climate for fighting this fraud.

While Directive 2006/114/EC concerning misleading and comparative advertising is in place, this is proving to be of little practical use to SMEs who are faced with threatening letters from debt collectors collecting for a service that the SMEs have not signed up for. Can the Commissioner outline what measures are in place at European Union level to assist the countless SMEs that have been defrauded, scammed and harassed?

Michel Barnier, *Member of the Commission.* – (FR) Mr Aylward, speaking quite frankly, it is hard for me to give a precise answer to the point you have raised, as none of the three Members of the Commission here is directly responsible for it. It actually falls within the remit of our colleague, Viviane Reding. I shall therefore ask her to send you an answer.

However, I am able to talk about a point that concerns many small businesses and the illegal activities to which they fall victim, such as counterfeiting, for example. Yesterday, we spoke about the creation of the European Observatory on intellectual property infringement, which you supported. This subject is linked to the one you have brought up.

We have made progress in this area, since we are in the process right now of creating this observatory, via the Trademarks Office in Alicante, and giving it more powers. The observatory will look into problems such as piracy, of course, and the problem of counterfeiting in particular, in order to give us a clearer picture of the situation so that we can take the appropriate measures. These will not always, I may add, be enforcement measures: they will often involve explanation and training, in order to combat the counterfeiting to which very many small and medium-sized enterprises in Europe fall victim. It has been calculated that counterfeiting has caused the loss of 200 000 jobs across Europe.

On the specific point you raised, we shall ask our colleague Ms Reding to send you a written answer within the next few days.

Liam Aylward (ALDE). - *(opening remarks missing as microphone not switched on)...* misleading business directory scams which are currently operating fraudulently within the EU. Would the Commissioner consider conducting an inquiry into the proliferation

of these scams and their impact on SMEs in the service sector? I think it would be wise to do that for the benefit of all concerned.

Michel Barnier, *Member of the Commission.* – (FR) I should like to reiterate that we shall be responding positively to this issue. Our colleague Viviane Reding is preparing a statement by the European Commission precisely on this matter. It will cover all the aspects and issues surrounding advertising scams, to which not only businesses but also sometimes consumers fall victim. Ms Reding is therefore preparing a statement on the subject.

Evelyne Gebhardt (S&D). – (DE) Mr President, Commissioner Barnier, as rapporteur for the Services Directive, I did ensure, at that time, that services of common economic interest and services of general interest were excluded from the scope of that directive. At the same time I said that it is absolutely necessary for these services to be regulated at European level in order to protect them. Since then, we have seen the advent of the Treaty of Lisbon and its supplementary Protocol No 26, which gives the Commission a duty. Commission President Barroso promised us that he would act in this regard and we await real and substantial action from the Commission in this area.

My question for you, Commissioner, is: when can we expect a legislative text from you? This is something that is needed, in my opinion. It is needed not because we want to regulate these services, but because we want to ensure that these services continue to remain in the hands of the competent people and bodies in the Member States, and with the highest possible level of quality.

Michel Barnier, *Member of the Commission.* – (FR) Ms Gebhardt, I am personally aware of how closely you monitor and follow this subject of services of general economic interest. I should also add that, going beyond social services of general interest, you and I share the same concern, since we are aiming at the same political goal for the sake of this competitive social market economy. This goal, which must be, or must become once again, the basis for European action, is to guarantee the quality, accessibility and sustainability of public services in Europe, and wherever necessary to adapt the existing legislation to the realities of the 21st century.

We have made a major commitment, which we are keeping through the Commission's cross-cutting action on public services, to forge closer links between economic realities and freedom on the one hand and social realities on the other. I am thinking about fundamental social rights within the internal market.

We may argue and debate the issues among ourselves, but I think President Barroso has always been keen to talk about a quality framework. The forthcoming cross-cutting document to be presented by Commissioner Andor on the posting of workers ties in with this subject, as does the document presented by our colleague Mr Almunia on state aid, to which I also contributed. In particular, Ms Gebhardt, the 'Almunia-Barnier package' includes a document that clarifies the situation, and provides, for example, for a complete exemption from the state-aid notification procedure for public funding for healthcare services and essential social services, where these fall within the scope of EU law. This package is the second in this quality framework.

The third package is the one I presented on the directives on public procurement and concession contracts, which I have ensured will play a very specific role in the whole area of invitations to tender and public procurement of social services, with higher thresholds and simplified procedural rules.

We do not think that an overall legislative framework is needed over and above the above-mentioned or future cross-cutting directives, and the vertical, or sectoral directives which, if one looks at the list, cover practically all services. Take, for example the Postal Directives, for which I am responsible. I am overseeing the implementation of the directive very closely, from now on in conjunction with users.

I believe these cross-cutting directives, with the improvements I have just spoken of and further consolidation by Parliament, together with the sectoral directives, make up the quality framework that President Barroso has undertaken before this House to establish or consolidate.

Evelyne Gebhardt (S&D). – (DE) Mr President, with respect, Commissioner, I do not see this the same way as you. What you have just presented is a breakdown of the legislation, and not the implementation of what is stipulated under Protocol No 26 of the Treaty of Lisbon, which quite clearly sets out that we need a legislative framework within which the protection of these services of general economic interest is to be regulated. That is something quite different to what you just presented to us I would like to know when you actually intend to implement the Treaty on European Union.

Michel Barnier, *Member of the Commission.* – (FR) The debate will continue beyond this meeting today, and I am sure you will have a further opportunity to bring this issue and this call to act before the President of the Commission.

We are aware of the Treaty, of course. The Commission's primary role, Ms Gebhardt, is as guardian of the Treaty, and it must apply all aspects of it, although of course certain articles, such as Article 14, are debatable.

What matters to me, with respect to those people who are anxious and vulnerable, and can see the effects that the economic crisis is having, is to preserve the fundamental services to which they are entitled. This is what matters to me.

There is, indeed, this debate about a framework directive, or a more overarching legal instrument. At this moment in time, thinking in practical terms about people's anxiety and concerns, especially those about social services and healthcare, we feel that all the concrete, practical protection that citizens need is provided by the directives and cross-cutting texts I have mentioned, as well as the sectoral directives. The latter are also at issue and must be implemented or improved where necessary, but above all be properly drafted. We shall therefore be continuing the debate to see if more can be done; however, what matters to me is to guarantee these services and ensure that people are protected, especially the most isolated and vulnerable.

Raffaele Baldassarre (PPE). – (IT) Mr President, I should like to ask Mr Tajani a question.

I shall take the liberty, Commissioner, of returning to an issue already addressed a few months ago, during an identical Question Time, and that is the transposition and implementation procedure for the Late Payment Directive.

Your reply at the time maintained that you had written to all the Member States and were waiting for the relevant confirmations. My questions are as follows: what stage have we reached? Have you received replies? Do you have information on individual countries and, most important, can you point out those countries that are in good order and those by contrast that are still taking their time?

Antonio Tajani, *Vice-President of the Commission*. – (IT) Mr Baldassarre, access to credit is one of the fundamental requirements for the growth that we are discussing at length and on which Mr Barnier also spoke. This must be the subject of vigorous measures. I am personally drawing up a series of points to present to the College of Commissioners on the theme of growth, one of which will precisely be access to credit.

Turning to the details of your question, we have already received replies from the Member States. A meeting took place in Brussels on 3 February this year with representatives from the 27 Member States. During this meeting, we received some comforting replies, others less so.

For example, Austria decided to transpose the Directive before summer 2012; Belgium before the end of 2012; Bulgaria by the end of summer 2012; Cyprus in summer 2012; and the Czech Republic in March 2013, which is the final deadline. The same can be said for Denmark. Estonia will adopt the Directive in March 2013; Finland for the end of 2012; France has assured us that it will proceed to transposition by March 2013; Germany by the first four months of 2012 (adoption by its Parliament); Greece will wait for March 2013, as will Hungary and Ireland; Italy will do so on 14 November 2012; Latvia in September 2012; Lithuania in autumn 2012; Luxembourg by the end of 2012; Malta has not yet set a date but will certainly comply with the deadline; the Netherlands will do so by summer 2012; Poland by the end of 2012; Portugal will do so at the end of March 2013; Romania in March 2013; Slovakia by the end of 2012; Slovenia did not attend the meeting; the Spanish Parliament will examine the text of the legislation in autumn 2012, following which, adoption will take place in March 2013; Sweden will adopt it by the end of 2012, whereas the United Kingdom has confirmed that the Directive will be transposed in March 2013. This is all the information I have concerning the Member States.

I shall continue to ensure that the deadlines are respected, since I believe that an acceleration of the timetable is fundamental for small and medium-sized enterprises, especially in times of crisis, so that they can be paid not only by the public sector but also by larger suppliers.

Alejandro Cercas (S&D). – (ES) Mr President, the philosophy behind the Services Directive and the agreement we have reached state that workers are always covered by the labour and social law of their host country and not that of their country of origin. The current directive and subsequent legal rulings have undermined that principle, which has jeopardised workers' fundamental rights and even essential rights.

I listened to your replies to Ms Turunen and Ms Steinrueck and I congratulate you because, finally, after managing to overcome the problems, we will have a directive and a regulation in March. However, what matters now, Mr Andor, is that these should not be just any directive or regulation but an outstanding directive and regulation that resolve these problems.

So, Mr Andor, I am asking you now whether this directive and regulation are finally going to reflect reality: that workers should always be covered by the labour law and social law of the host country and never those of their country of origin, and first and foremost, that they should not be disadvantaged by companies' freedom of establishment?

László Andor, *Member of the Commission*. – As I have already mentioned, the intention of the Commission was not to reopen the original directive but to sustain it and support the implementation with a lot of clarifications. This also applies to the question of how core rights and social provisions are dealt with in the directive, because we have to

distinguish between posted workers and those workers who have become integrated into the labour market of the host country. This is the fundamental distinction we have to make.

It is nevertheless extremely important to ensure that what is guaranteed in the original directive is provided, and then also monitored in a transparent manner. We do indeed have to protect the rights and working conditions of posted workers as well. There also has to be closer and more reliable monitoring of those working conditions, but without undermining the practices themselves, without interventions that would threaten the free movement of services between European countries.

Alejandro Cercas (S&D). – (ES) Mr President, Commissioner, I agree with your statement, but nor should we jeopardise the principle that workers should be covered by the legislation of the country where they work, and this principle should never be violated unless we want to destroy the European social model and our hopes.

We will continue to support you, but the battle will not be won once we have a directive and a regulation, but only when we have the directive and the regulation that the citizens of Europe demand.

László Andor, *Member of the Commission* . – As I said, on this particular question the original directive laid out the foundations which we are not going to change; that would certainly cause greater ambiguity about posting practices, rather than providing clarification

It is very important that regulations in the host countries include a core group of provisions on the posting of workers that apply to workers posted from another country who remain employees of a company that operates in a different Member State. This also has to be taken into account.

This is not an easy question, but we have to be attentive to two sides of the issue: posted workers are employees from Member State A, but they act and work in Member State B. We have to choose carefully what applies to the regulation of employment in the light of this dual nature of posted workers.

Anneli Jäätteenmäki (ALDE). – (FI) Mr President, Commissioner, you have raised an important matter, that of fake brands. If you will allow me, I would like to extend this Services Directive issue to the matter of the Anti-Counterfeiting Trade Agreement (ACTA).

The EU has just concluded an international agreement that has been harshly criticised. It was negotiated with great secrecy. Commissioner Barnier, do you think that ACTA strikes the right balance between the protection of trademarks and the individual rights of users of the Internet? In my opinion, this has to do with the subject being discussed. I will repeat the question, since there was some commotion there. Has the recently negotiated Anti-Counterfeiting Trade Agreement struck the right balance between the protection of trademarks and the individual rights of Internet users?

Michel Barnier, *Member of the Commission*. – (FR) Madam, this is an important subject; in fact I referred to it here in Parliament yesterday during the debate on the internal market. Our colleague Karel De Gucht is in charge of this subject. What I can say about the ACTA agreement under discussion is that we really must look at it objectively, and not become embroiled in passionate arguments and polemics.

The Commission supports ACTA because, based on a legal analysis, it believes the agreement complies with the body of EU law, which in turn complies with the Charter of Fundamental

Rights. It also believes the agreement is compatible with all the work we do in the area of e-commerce. Therefore, we are glad that the subject is being discussed, as this is only right and democratic. However, let us not get involved in pointless polemics or fears on behalf of consumers and citizens.

I should also point out that you will have several opportunities to debate the issue, at the end of February or beginning of March, and most importantly, I think a major public hearing is planned for early March. Our colleague Mr De Gucht, who is following up this issue for the Commission, has made it known that he is available to answer all your questions and to take part in these debates in Parliament.

Anneli Jäätteenmäki (ALDE). – (FI) Commissioner, I would like to ask a supplementary question. You said that this would provoke fierce debate, and, in a way, you found fault with this debate. Martin Schulz, President of the European Parliament, has just criticised this ACTA agreement, saying that it is unbalanced. What is your response to that?

Michel Barnier, *Member of the Commission.* – (FR) I understand and agree that it is quite proper that there should be a debate, since there are concerns among consumers, citizens and Internet users.

Moreover, we are all responsible for implementing international agreements on intellectual property rights which ensure there is a level playing field and fair treatment when it comes to protecting these rights. We all know, madam, that they are a key factor for growth. I think everyone on these benches is unanimous on this point, although there may be some differences of opinion on how to go about it.

Creativity, invention, art and innovation must be properly protected and remunerated. At the same time, as I said yesterday, it is important for this intellectual property to keep up with the times. At the moment, this means with the European dimension at the very least, and that of the Internet.

We took note of the concerns expressed by your President, Mr Schulz, of course, and I can reiterate that based on a legal analysis and on the work we have carried out, we believe the text complies with the body of EU law and respects citizens' fundamental rights.

As I have said, our colleague Mr De Gucht will be able to continue this debate and this dialogue and answer all your questions, so as to reassure you and, quite rightly, reassure the people in your constituencies who are worried.

Erminia Mazzoni (PPE). – (IT) Mr President, I too would like to go back to the results of implementing the Services Directive in the countries of the EU. This has become a hot topic again, not so much because we are coming to the end of the two-year period for the Commission to present its report on implementation of the directive, but because the directive has led to a lot of problems in many countries.

In particular, the most prominent issue concerns the application of derogations to the authorisation system, which are provided for where the system is not discriminatory or is justified on public interest grounds and meets the proportionality criterion.

The Commission's rigid application – or, rather, interpretation – of the derogation provisions stands in contrast to measures on safeguarding trust and on legal certainty. Furthermore, in combination with the measures on licensing and public procurement – even in the latest version proposed by the Commission, which excludes the licensing of activities in public areas from its provisions – it reveals a regulatory vacuum at EU level,

which has thrown major sectors into chaos, as has happened with beach establishment operators in Italy, tulip growers in the Netherlands and Christmas market traders in Germany, to mention just a few.

Does the Commission not think that intervention is needed to properly regulate free competition, to benefit small and medium-sized enterprises and to preserve the character of certain sectors that are important to many Member States?

Michel Barnier, *Member of the Commission*. – (FR) Ms Mazzoni, I am very familiar with the initial version of the directive, as I was a member of the European Commission at the time the Commission proposed it. It is something of an understatement to say that, at the initiative of Ms Gebhardt, Mr Schwab and many others among you, the directive has been extensively amended, improved and clarified, especially the sections on protecting social services. This is a good thing.

It was two years ago yesterday, 10 February, that I returned to the Commission, where I am now responsible for the internal market and services. You have every right to ask the question, and as part of my job I have the duty to implement the directive in its current state as adopted by Parliament, with respect to the sectors that it covers.

You mentioned tulip producers in the Netherlands, for example. As for your own country, when I visited the Italian Parliament where I met various committees, many Italian MPs and senators brought up the subject of beach-concession holders, which is a sensitive issue in Italy. I could quote other cases also.

I did not think up this directive. I am not going to say that we shall add or remove this or that occupation. It covers some occupations, and does not cover others. In fact, there are very few now – security services and online gambling – that are not covered by European legislation. This is so for the time being, at any rate, since, as regards online gambling, we shall be bringing in legislation and taking steps with the action plan. Everything else is covered in one way or another, either by a cross-cutting directive or a sectoral directive.

Naturally, I am obliged to oversee the proper implementation of the directive, whilst maintaining the principle of proportionality, as you mentioned yourself. My staff and I are prepared to go through the cases that pose the most problems with a fine-toothed comb. I said so in the case of beach-concession holders, and I can say it for other occupations also. Nonetheless, the occupations that are covered by this directive must abide by it and must develop within the framework of the directive's provisions. I am able to say this much. I can confirm to you that I am willing to work on individual cases, with a pragmatic, non-ideological approach. However, my job is to implement the directive as intelligently and speedily as possible.

Erminia Mazzoni (PPE). – (IT) Thank you, Commissioner, for presenting your views so willingly and openly to this House on such an important issue, both for Italy and for many other countries.

Above all, I think it is essential to guarantee full compliance with the principle of transparency of administrative procedures by ensuring that the way in which the Services Directive is implemented in certain industries takes account of certain basic principles, which are guaranteed by other directives, concerning continued compliance with the principle of competence, proficiency and technical knowledge.

Claudio Morganti (EFD). – (IT) Mr President, my question is addressed to Commissioner Barnier and again concerns beach establishments.

A few months ago, here in this Chamber and during this same procedure, the Commissioner stated that he was working with the Italian Government. I would therefore like to know what stage the agreement has reached and whether any progress has been made in the interests of the 30 000 small and medium-sized enterprises that represent the Italian beach establishment industry in Europe.

Michel Barnier, *Member of the Commission.* – (FR) As I have already mentioned, sir, beach concessions come under the Services Directive. This is what Parliament voted for, and what the Council approved when the Directive was adopted in 2006. I have the task of implementing it as precisely, speedily and intelligently as possible, including on the issue of beach concessions. It is my duty to do so, and it is my job: you cannot expect me to do otherwise.

I am aware what a sensitive issue this is in Italy. As I said in Rome, and shall reiterate to you, we have engaged in constructive dialogue with the Italian authorities to bring the national framework into line with the Directive. In fact, there is legislation in the pipeline in Italy, and in implementing the Directive, we shall take all the services these beach-concession holders provide into consideration, especially in the area of safety.

What I can confirm is that we shall apply the Services Directive strictly, honestly, but pragmatically to all sectors covered by this law, for which you voted.

Claudio Morganti (EFD). – (IT) Commissioner, how would the Commission react if the Italian Government, on the basis of the legislation transposing the Services Directive, were to state in an interministerial decree pursuant to Article 2(3) of Legislative Decree No 59 of 2010 that tourism and beach establishment enterprises were excluded from public procurement?

You should also realise, Commissioner, that two thirds of Italian beaches are free from licensed concessions: would it not be fairer and more sensible to confine public procurement to those beaches?

Michel Barnier, *Member of the Commission.* – (FR) Mr Morganti, from the information I have at my disposal, I do not get the impression that the Italian Government intends to issue a decree that would amend a European law approved by the Council of the European Union and the European Parliament. At any rate, I do not think Italy's new Prime Minister has this in mind. I know him well; he was a member of the European Commission himself for ten years, and therefore a guardian of the Treaties, as we are now.

The work that is currently in the pipeline, in which I am involved, is practical, pragmatic, thorough work to ensure that this Directive, which covers beach concessions, can be applied to this sector whilst taking account, in an intelligent way, of the needs of the tourism sector, of which I am well aware.

Mr Morganti, in a previous role, I was responsible for a region that is one of France's biggest tourist areas, and I am aware of the importance of the tourism market. However, at the same time, there is no reason why the Services Directive should not be applied to those involved in this field of market competition, whilst taking into consideration the specific features of particular occupations.

This is our approach at the moment, therefore: to apply the Services Directive strictly and honestly, but pragmatically to all the sectors it covers, in keeping with the law for which you yourselves voted.

President. – That concludes Question Time.

I apologise to those who were not called, especially those in the EPP. There were 19 questions from the EPP. Five questions were finally taken, four from the Socialists, three from the ALDE, so a proportionate response. One from the EFD, one from the ECR. Thank you all very much indeed.

(The sitting was suspended for a few moments)

5. Other business

President. – Colleagues, Mr Helmer has a point of order.

Roger Helmer (ECR). – Mr President, the first intervention ever made in this House by an elected Member was by the Reverend Dr Ian Paisley in 1979, who drew attention to the fact that the British flag was flying upside down. The first intervention I ever made in this House 20 years on, in 1999, was to draw attention to the fact that the British flag was flying upside down. This morning I entered the Parliament at about 7 a.m. and, guess what? The British flag was again flying upside down. I note that this has now been corrected, but can you please assure me that this will not occur again. After 33 years we should by now have learned which way up to hang the British flag.

President. – It is a failing on the part of the French, I am afraid.

Corneliu Vadim Tudor (NI). – Mr President, in Europe we are having a very hard winter. Many people are dying every day. In my country 75 people have already died. It is a real tragedy.

I urge you to propose a moment's silence in memory of our brothers and sisters who have died in Romania and in other European countries.

Gerard Batten (EFD). – Mr President, I just wanted to add to what Mr Helmer said. Mr Helmer is well aware that flying the Union flag upside down is a signal of distress, so it is entirely appropriate that it should be flown upside down in this place. I would recommend that we fly it that way permanently.

(Laughter)

President. – On the point raised by Mr Tudor, this was apparently on the agenda on Monday and was dealt with then, but thank you for the suggestion.

6. Return of the sealed-off section of Famagusta to its lawful inhabitants (written declaration)

President. – The written declaration submitted by Ms Geringer de Oedenberg, Willy Meyer, Mr Tremopoulos, Ms Wikström and Mr Zasada on the return of the sealed-off section of Famagusta to its lawful inhabitants has been signed by a majority of Parliament's component Members.

Artur Zasada, *author.* – (PL) Mr President, there is a location within the territory of the European Union, in Cyprus to be precise, where barbed wire surrounds an area containing thousands of empty houses, churches, schools, kindergartens, sports fields and children's playgrounds. The inhabitants of that town dream of the day when they will be able to return to their childhood haunts. Assistance from international institutions, and in particular the European Parliament, is necessary and vital if these dreams are to become a reality. I would like to thank you all very much for this assistance on my own behalf and on behalf of all those who signed Written Declaration No 0042, and in particular on behalf of the inhabitants of Famagusta, their children and their grandchildren. I believe that this document will motivate the European Commission, the Member States, the UN and especially the government of Turkey to work more closely together and to take further action on this matter.

7. Voting time

President. – The next item is the vote.

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

7.1. Office for Harmonisation in the Internal Market and protection of intellectual property rights (A7-0003/2012 - Antonio Masip Hidalgo) (vote)

7.2. Interconnection of central, commercial and companies registers (A7-0022/2012 - Kurt Lechner) (vote)

7.3. EU–Guinea-Bissau protocol on fishing opportunities (A7-0017/2012 - Carl Haglund) (vote)

7.4. Participation of Morocco in Union programmes (A7-0016/2012 - Annemie Neyts-Uyttebroeck) (vote)

7.5. Vaccination against bluetongue (A7-0031/2012 - Janusz Wojciechowski) (vote)

– Before the vote:

Janusz Wojciechowski, *rapporteur.* – (PL) Mr President, we are coming to the end of what has been quite a long period of work on a very important directive which will make vaccination against bluetongue easier. Bluetongue is a very serious disease affecting cattle breeding in many European countries. The vaccinations themselves will be better, and they will be easier for cattle breeders to use. I propose that we adopt this report unreservedly, because it is urgently needed by cattle breeders across all of Europe. For reasons beyond Parliament's control, work on the report took longer than anticipated, and in fact we have voted on it once before. We are now bringing our work to a close, and I would like to thank you for your attention and urge you to support this report.

7.6. Technical requirements for credit transfers and direct debits in euros (A7-0292/2011 - Sari Essayah) (vote)

7.7. Appointment of a member of the Court of Auditors - Mr Baudilio Tome Muguruza / ES (A7-0036/2012 - Inés Ayala Sender) (vote)

– *Before the vote:*

Hannes Swoboda, *on behalf of the S&D Group*. – Mr President, I have a question to the rapporteur. As far as I remember, we have already voted for a member of the Court of Auditors for Spain. My question is whether Spain now has two members of the Court of Auditors, whether the man for whom we voted resigned and was withdrawn, or whether he was withdrawn artificially by the Government of Spain.

I find it strange that Parliament here should vote for a member and then that the Council should not respect our vote. So I would ask what exactly is happening, because our Group would protest strongly if, after the European Parliament has taken a decision on a majority vote, the Council does not respect our decision.

President. – Mr Swoboda, apparently the mandate of the current auditor is expiring this month and therefore the proposal is in order, so I am advised.

(That concludes the vote)

8. Explanations of vote

Oral explanations of vote

Report: Antonio Masip Hidalgo (A7-0003/2012)

Kay Swinburne (ECR). - Mr President, safeguarding intellectual property rights is an essential tenet in a developed country which encourages businesses to invest in the EU to maximise their innovative capabilities. There is little reward in investing in high-quality research in a region when there is little or no enforcement of these intellectual property rights.

Although I am still to be convinced of the need for a new EU institution to be tasked with data collection and exchange of good practice, I am prepared to support this initiative so long as it will provide a robust and efficient method to deal with infringements of intellectual property rights in the internal market. This seems a necessary move by the EU to ensure that intellectual property rights are well protected and that best practice for the enforcement and harmonising of these intellectual property rights is delivered for businesses operating in the EU as a whole.

Iva Zanicchi (PPE). – *(IT)* Mr President, intellectual property rights are a tool for safeguarding European cultural diversity and at the same time ensure the Union's economic growth, while also acting as a reservoir for the creation of new jobs.

In view of the huge economic damage that infringements of those rights cause to EU income, it has become necessary in recent years for the Member States and the European institutions to step up their efforts to fight such infringements.

Therefore, measures to inform consumers of the dangers of buying counterfeit goods and to make them more aware of the negative impact of piracy and counterfeiting on European industry are, I believe, justified. That is why I voted in favour.

Paolo Bartolozzi (PPE). – (IT) Mr President, the increase in intellectual property infringements observed in recent years threatens to undermine the strategy on intellectual property rights in the single market that was launched by the Commission in May 2011.

To combat such infringements and ensure the success of the intellectual property protection policy, it has been proposed that the Office for Harmonisation in the Internal Market be entrusted with certain tasks relating to the running of the European Observatory on Counterfeiting and Piracy, set up in 2009. The purpose of this is to provide the Observatory with the human and financial resources to combat intellectual property infringements and to conduct campaigns to raise public awareness of the risks of buying counterfeit products.

Our adoption of the report therefore marks a very important moment in the fight against the trade in counterfeit goods and in defence of innovation, growth and the competitiveness of small and medium-sized enterprises, as well as the jobs and security of the people of Europe.

Report: Inés Ayala Sender (A7-0036/2012)

Daniel Hannan (ECR). – (ES) Mr President, I am glad that Parliament has backtracked on the path it took last December when it endeavoured to vote for the candidate put forward by Spain's previous socialist government on the very eve of the announcement of the elections which gave the *Partido Popular* an absolute majority.

It was a mistake to take a vote – particularly when these elections had already taken place – on a candidate whom we already knew lacked the support of the Spanish Government.

Let us hope that the Court of Auditors, acting together with the Council and Parliament, can carry out its work with the efficiency that we need now more than ever in this time of crisis.

Report: Antonio Masip Hidalgo (A7-0003/2012)

Antonello Antinoro (PPE). – (IT) Mr President, intellectual property may sound like a contradiction in terms but, on the contrary, it is in many respects very consistent.

I voted in favour of this proposal because its aim – to entrust the Office for Harmonisation in the Internal Market (Trade Marks and Designs) with certain tasks relating to the running of the European Observatory on Counterfeiting and Piracy – is necessary and indispensable for fighting violations of intellectual property rights. Its main objectives are to increase awareness in the public and private sectors of the impact of counterfeiting and piracy and to inform consumers of the dangers of buying counterfeit goods.

Agreement was reached at first reading on 19 December, on the basis of 33 compromise amendments. The amendments mean that the title of the regulation and the name of the Office are not changed in line with the European Observatory. An even more important and fundamental point is the fact that civil society will be represented at the meetings. All of that will further raise the level of democracy and participation of the key event that we are about to celebrate with today's vote.

Charles Tannock (ECR). - I apologise, Mr President, but unfortunately the names were not being flashed up and I did actually ask to speak on this matter. I voted alongside my Group, the ECR, in favour of the report on the Office for Harmonisation in the Internal Market. We believe that the formal establishment of a European observatory for

infringements of intellectual property rights is an important step towards fighting counterfeiting and piracy.

This observatory will also promote the sharing of good practices in many areas and will be able to collect a wide pool of data. We believe that this will be a useful source of evidence in the debate on copyright infringement and on intellectual property rights more generally, particularly as certifiably impartial data in this area are currently very hard to come by with the existing set of regulations.

Anna Záborská (PPE). - (SK) Mr President, I supported the report by Mr Hidalgo and I congratulate him on the text. The Commission proposal is closely connected with the Anti-Counterfeiting Trade Agreement (ACTA). However, it does not only concern the fight against counterfeiting and piracy on the Internet. It will lead to an improvement in the understanding of the overall scope and impact of infringements of intellectual property rights. I consider this beneficial. Raising public awareness of the value of authorship is very important for a wider understanding of the need to protect intellectual property rights. This will contribute to the promotion and maintenance of economic growth. The Office for Harmonisation in the Internal Market should also monitor the development of competitive new business models. It would thereby support not only the exchange of information between Member State institutions, but also public awareness.

Sergio Paolo Francesco Silvestris (PPE). - (IT) Mr President, I voted in favour of the report put to the vote this morning in an attempt to revitalise the work of the European Observatory on Counterfeiting and Piracy. So far the Observatory has not produced any significant results and has been unable to effectively carry out its remit because it has lacked sufficient human, financial and practical resources.

My vote is therefore intended to help revive the Observatory; once it is made dependent on the Office for Harmonisation in the Internal Market, it will be able to make use of the Office's financial resources.

To conclude, in order to effectively revitalise the work of the Observatory, the Office must be provided with appropriate professional resources and knowledge as well as indispensable technical expertise, including that to be found in the Member States' own intellectual property authorities. This will enable it to effectively exercise its new powers associated with the running of the Observatory and perform these duties with the same commitment and concern for every intellectual property right recognised at EU level, without imposing any hierarchical order when safeguarding such rights.

Zoltán Bagó (PPE). - (HU) Mr President, infringements of intellectual property rights have become increasingly frequent, causing considerable financial losses to the cultural and creative sectors. During this time the activities of the European Observatory on Counterfeiting and Privacy established by the Commission have multiplied. For that reason I voted in favour of the regulation, that is for the observatory to be run by the Office for Harmonisation in the Internal Market. The merger will also result in budgetary savings. In drafting the report, the rapporteur included the opinion of the Committee on Culture and Education, which means the cultural dimensions of intellectual property rights were also put forward. The proposals of the European Parliament therefore show the emphasis that we place on promoting new business models that expand the legal supply of cultural and creative content, as well as the fact that we wish to protect the intellectual property rights of small- and medium-sized enterprises.

Emma McClarkin (ECR). - Mr President, today I am happy to support giving legal effect to a European observatory to assist with combating the infringement of intellectual property rights (IPR). The observatory will be effective in dealing with infringement because until now there has been a severe shortage of information for tackling counterfeiting and piracy. It also brings harmonisation across Member States, meaning that the EU can become a more effective machine when it comes to IPR and infringement.

It is, however, important that the Office for Harmonisation in the Internal Market can work closely with the Member States, as well as private industry and the Commission, to tackle infringement. Without such cooperation, duplication could potentially harm progress, and in a supportive role a European observatory can help bring real value to IPRs.

We can also save the EU budget, and indeed taxpayers, some much-needed money in these difficult financial times by entrusting the Office of Harmonisation with this very important task. I have also called for a focus, not just on counterfeiting and piracy, but also on other types of infringement. I welcome this vote today.

Report: Kurt Lechner (A7-0022/2012)

Kay Swinburne (ECR). - Mr President, this report on interconnection of central, commercial and companies' registers seems to incorporate the primary aims of the single market. The existing system of having separate national regional business registers has proved quite cumbersome over the years and has often seen a great variance in the type and quality of data being stored. This can make it difficult to interpret for businesses hoping to engage in cross-border trades as data cannot always be relied upon.

The proposal to create a single EU register for businesses to provide a platform where companies themselves can access information on other EU companies – thus facilitating cross-border trade – is one that I can support. It could potentially save time and money for European businesses as trading partner information would be accessible in a more efficient and timely manner. Importantly, this proposal needs to ensure no additional burden of red tape is placed on our companies whilst facilitating the overarching objective of completing the single market.

Iva Zanicchi (PPE). – (IT) Mr President, Mr Lechner's report falls into the class of actions designed to improve services for citizens and businesses within the European Union.

The interconnection of central and commercial registers is indeed an excellent way to make communications and the retrieval of information by citizens and businesses more accessible and, above all, faster. That is why I voted in favour, Mr President.

Charles Tannock (ECR). - Mr President, I too voted alongside my group, the ECR, in favour of the report on the interconnection of central, commercial and companies' registers. As a group we are fully in favour of all measures which can be put in place to simplify trading, particularly those that, in so doing, serve to increase economic activity across the single market.

We believe that, once implemented, the proposals put forward in the report will have this effect. We believe that these measures should be put in place as an important network to help businesses which are seeking to trade across EU borders. The current system – which is predominantly one of national and regional registers only – makes it difficult to search for information about companies in parts of Europe outside one's own Member State. This

proposal seeks to link national and regional registers to form an international EU database, and we fully support such a move.

Sergio Paolo Francesco Silvestris (PPE). – *(IT)* Mr President, finding out the facts and figures about a business through legally regulated disclosure systems is an essential factor in ensuring that the markets operate efficiently and in accordance with the law. For this purpose, there are rules underpinning a wide range of national systems for the management of numerous public economic and administrative registers. The most important one in my country, Italy, is the companies' register, which all companies operating in Italy have to join.

This morning I voted in favour of the interconnection of business registers, as provided for in the document discussed in this Chamber. This proposal for a directive is a significant measure that will foster further integration of the economic area within the EU and improve legal certainty for businesses and citizens. I must also stress that it will enable our businesses, especially those that operate in several EU countries, to save a lot of money. At a time of crisis like the present, that is not to be sneezed at!

Report: Sari Essayah (A7-0292/2011)

Charles Tannock (ECR). – Mr President, I voted along with my Group, the ECR, in favour of the report on technical requirements for credit transfers and direct debits in euros. The development of the single euro payments area has as its principal aim the integration of payments across the whole of the European Union, and this includes the UK.

These developments do not just affect the euro zone, as I have said, and we believe that this will bring benefits to consumers, businesses and banks, including for my country, which is outside of the eurozone and will remain outside of the eurozone.

Much of the system is already operational and works well so far. The latest developments will in theory make the country in which a bank account is held immaterial in future and so ultimately will mean that there can be a great deal more competition between banks and businesses throughout the European Union.

We are therefore in favour of such a move although, of course, the United Kingdom will remain outside of the eurozone.

President. – I have a point of information concerning the point of order raised by Mr Helmer, which is that the British flag should be flown with the thick white stripe uppermost near the flagpole.

Written explanations of vote

Report: Antonio Masip Hidalgo (A7-0003/2012)

Damien Abad (PPE), *in writing.* – *(FR)* The Office for Harmonisation in the Internal Market (OHIM), which was set up in 1994, is the European agency responsible for administering the registration of Community trade marks and designs. As I support the protection of intellectual property rights I voted in favour of the Hidalgo report, which advocates extending the role of the OHIM to include combating counterfeiting and piracy.

Luís Paulo Alves (S&D), *in writing*. – (PT) I am voting in favour, as this new agency will guarantee the representation of industries, consumers, SMEs, on-line service providers and individual creators, including independent authors. It is important to protect the rightful intellectual property rights of creators and innovators. Incidentally, it is the Digital Agenda for Europe associated with the Europe 2020 strategy that defines these guidelines. In line with what the S&D Group advocates, I would also highlight the important role of the former European Observatory on Counterfeiting and Piracy in collecting objective data in terms of infringements of this kind.

Laima Liucija Andrikienė (PPE), *in writing*. – I voted in favour of the proposal related to the management of the European Observatory on Counterfeiting and Piracy in order to fight against infringements of intellectual property rights, increase the awareness of public and private sectors of the impact of counterfeiting and piracy and inform consumers of the dangers related to the purchase of fake products. I supported adjusting the observatory's title to its more extended role by changing its name from 'European Observatory on Counterfeiting and Piracy' to 'European Observatory on Infringements of Intellectual Property Rights'. I also supported the proposal to clarify the scope of the Regulation in line with Directive 2004/48.

Elena Oana Antonescu (PPE), *in writing*. – (RO) Improving the understanding of the value of intellectual property and a proactive approach to intellectual property rights are vital to achieving the ambitious Europe 2020 strategy objectives. The high number of infringements against intellectual property rights poses a serious threat to the proper functioning of the internal market and, in many cases, to European consumers' health and safety too. In addition, the rise in counterfeiting and piracy results in considerable tax revenue losses for Member States. Efficient, immediate and coordinated measures are required at national, European and global level to tackle this problem effectively. I would like to emphasise amongst these measures the importance of creating new competitive business models that enlarge the legal cultural and creative content offering required to foster economic growth, employment and cultural diversity. I voted in favour of this report.

Sophie Auconie (PPE), *in writing*. – (FR) I welcome the outcome of this week's vote on incorporating the European Observatory on Counterfeiting and Piracy into the Office for Harmonisation in the Internal Market (OHIM). Considering that the European Union's economic well-being is also dependent upon maintaining its creativity, cultural diversity and capacity for innovation, I believe this merger will be of benefit to our businesses, those involved in innovation and consumers as well. This Observatory, which was set up in 2009, will now benefit from more financial resources and the latest expertise. The regulation will enable us to further improve the quality of information and statistics on counterfeiting and piracy within the EU internal market, and to continue creating and disseminating the most effective enforcement strategies and techniques implemented in both the public and private sectors.

Zigmantas Balčytis (S&D), *in writing*. – (LT) I voted in favour of this report. The Europe 2020 strategy is based on smart growth, which consists of promoting creativity, knowledge and innovation. In the next decade it is essential to improve EU research results and ensure greater application of smart products and services in the market. The successful creation of a single market for research will depend on guaranteeing effective protection of intellectual property rights. The recent increase in intellectual property rights infringements (a study conducted in 2010 indicates that EUR 10 billion and more than 185 000 jobs were lost due to piracy in the music, movie, TV, and software industries in the EU in 2008)

is reducing investments in innovations, killing jobs, threatening the health and safety of European consumers and preventing small and medium-sized enterprises from developing. I agree that the Office for Harmonisation in the Internal Market should be strengthened for this purpose and it should be entrusted with certain tasks related to the protection of intellectual property rights, which would help use to better understand the scale of intellectual property right infringements and respond to them more effectively.

Regina Bastos (PPE), *in writing*. – (PT) The European Observatory on Counterfeiting and Piracy was created in 2009, and became a specialised centre for collecting, monitoring and communicating information and data relating to all violations of intellectual property rights (IPR) as well as a platform for cooperation. Since its creation, the Council has added new responsibilities to its other competencies and the European Parliament has requested that the Observatory compile data from scientific research into counterfeiting and IPR regulations. The continuous rise in IPR violations is a significant threat not only to the economy but also to the health and safety of European consumers. The present report, which I have supported, aims at entrusting the Office for Harmonisation in the Internal Market (OHIM) with the tasks that are currently performed by the European Observatory on Counterfeiting and Piracy, with a view to improving the performance of the duties attributed to it and allowing the Observatory to have access, as quickly as possible, to the specialist knowledge and financial resources needed to perform its functions. The Office will invite government and private sector representatives to the Observatory meetings, ensuring that consumer organisations, small and medium-sized enterprises, authors and other creators are properly represented.

Mara Bizzotto (EFD), *in writing*. – (IT) The report concerns entrusting the Office for Harmonisation in the Internal Market with new powers relating to the protection of intellectual property rights. It is not a new body that is being set up, therefore, but an existing one that is being strengthened to tackle the challenges posed by the growing problem of the trade in counterfeit and pirated goods. Every year this problem causes our businesses to become less competitive, puts the health and safety of millions of European consumers at risk, cheats the Member States' coffers of slices of their revenue, and erodes parts of the European labour market. Moreover, this thriving activity, which is increasingly difficult to control, subsidises organised crime. I therefore welcome the attempt to fight this growing problem by every means possible, not least by setting up a coordinating forum for the competent national authorities to exchange good practices as well as information and joint strategies to tackle the issue through cooperation, but without threatening the individual national authorities' powers. I therefore voted for the report.

Vilija Blinkevičiūtė (S&D), *in writing*. – (LT) I voted in favour of this report because with it the European Parliament has expressed its position on European Commission's proposal on combating piracy and infringements of intellectual property rights. The Commission has presented the European Parliament with a proposal on merging the management of two different institutions established to gather information about intellectual property and brands and to combat intellectual property infringements.

Its work would thus become more effective and this would also save money. Such a proposal was greatly welcomed in the European Parliament because back in 2010 the European Parliament contacted the Commission requesting the strengthening of the role of the European Observatory on Infringements of Intellectual Property Rights, and it will be possible to do this by entrusting certain functions that require additional resources to the Office for Harmonisation in the Internal Market established in 1996.

The new structure of the European Observatory on Infringements of Intellectual Property Rights with additional resources will cover more transparent governance on the basis of a clear methodology set out in advance, greater accountability to the European Parliament, the Commission and civil society, and its work will equally represent the interests of industry, consumers, small business and independent producers.

It is important to note that the European Observatory on Infringements of Intellectual Property Rights will not carry out any functions that could be compared to the role of law enforcement authorities.

Sebastian Valentin Bodu (PPE), *in writing*. – (RO) The European Union's economic well-being relies on sustained creativity, cultural diversity and innovation as these are the driving forces in an evolving knowledge society.

This means that the protection of intellectual property rights (IPR) is beneficial to business, innovators, consumers and those involved in producing creative cultural works. To encourage greater cooperation between Member States on IPR protection, the Commission has created the European Observatory on Counterfeiting and Piracy. The Observatory and its growing number of activities and tasks must be embedded in an operational, cost-efficient institutional structure, which allows it to perform its tasks effectively and support the fight against IPR infringements. I also think that it would be beneficial to European citizens, business and public administration if the Observatory developed a publicly accessible online platform providing information and examples of best practice, free downloadable awareness-raising tools and capacity-building initiatives concerning the numerous legislative and non-legislative means of combating IPR infringements.

Vito Bonsignore (PPE), *in writing*. – (IT) I voted in favour of Mr Masip Hidalgo's report. The European Observatory on Counterfeiting and Piracy is a centre of expertise for gathering, monitoring and reporting data on infringements of intellectual property rights and a platform where stakeholders can exchange ideas on best practices with a view to developing strategies to enforce those rights.

Entrusting the Office for Harmonisation in the Internal Market (OHIM) with tasks currently carried out by the Observatory is proving necessary and appropriate, since the Office has the financial resources and expertise capable of delivering on the Observatory's recently expanded tasks. The purpose of the proposal is to improve the way the responsibilities assigned to the Observatory are carried out. In the current context of the continuous growth of trade in counterfeit goods, which causes substantial losses of tax revenue for the Member States, as well as job losses and reduced investment in innovation, it is even more important for OHIM to take over its activities.

The Observatory, on the other hand, will become a permanent forum for representatives of the public and private sectors on counterfeiting and piracy in Europe.

John Bufton (EFD), *in writing*. – I voted against this report, as I believe that in a time of economic hardship and spreading financial crisis we can ill afford another unnecessary EU institution. The Office for Harmonisation in the Internal Market will be another bureaucracy-generating institution that will likely place a stranglehold on innovation and growth by undermining domestic capabilities in the area of intellectual rights, trademarks and design laws with restrictive European legislation. I do not agree that current UK law governing intellectual property should be usurped by a European model. What will result will be confusion as international intellectual property law, WIPO and its related

competences, as well as national provisions are pitted against an influx of EU legislation that is simply not needed.

Cristian Silviu Buşoi (ALDE), *in writing*. – (RO) In order to achieve the EU 2020 strategy objectives, especially the smart growth element, the EU needs research and innovation. To ensure that innovators are rewarded according to their intellectual and financial efforts, appropriate protection must be afforded to intellectual property rights. This is why I supported the agreement at first reading between Parliament and the Council, whose objective is to increase the efficient operation of the European Observatory on Counterfeiting and Piracy by transferring it to the management of the OHIM, thereby providing the ideal solution in terms of cost and ensuring that the Observatory has access to the OHIM's expertise and resources. The Observatory will therefore be able to make a more effective contribution to raising consumers' awareness of the problem of counterfeiting and piracy, including their economic impact and the risks to consumers. I also firmly believe that the new regulation will improve cooperation at both European and global level on combating counterfeiting and piracy, and will help develop new business models that will increase the legal cultural content offering, thereby supporting economic growth and cultural diversity.

Alain Cadec (PPE), *in writing*. – (FR) I voted in favour of the report on the proposal for a regulation on the protection of intellectual property rights. I feel it is important to raise public awareness about the threats posed by counterfeiting and piracy. As we live in an age where technology enables us to easily access different content, it is vital that the people who produce this content are protected. I note that the new tasks assigned to the Office, now to be known as 'the European Observatory on Infringements of Intellectual Property Rights', also strengthen the competent national authorities. I approve the new opportunity for the Observatory to make recommendations at the Commission's request.

Antonio Cancian (PPE), *in writing*. – (IT) The proposal contained in the Masip Hidalgo report comes within the context of measures aiming at the implementation of the Commission's strategy for creating a single market for intellectual property rights, which will reform several areas by 2014.

The main purpose of the proposal that we have adopted today is to coordinate the Office for Harmonisation in the Internal Market (OHIM) and the current European Observatory on Counterfeiting and Piracy (to be renamed the European Observatory on Infringements of Intellectual Property Rights), in order to carry on an effective, appropriate and targeted fight against infringements of intellectual property rights in a concerted manner at both national and European levels.

I voted in favour of the proposal because I consider it a valuable step towards achieving the rational and effective implementation of the principle of defending all forms of intellectual property rights. I welcome the coordination of the Observatory within OHIM so as to enable it to act consistently and in a concerted manner in a sector that is both important and sensitive. On the one hand it will raise awareness in the public and private sectors of the impact of counterfeiting and piracy, and on the other it will inform consumers of the dangers associated with buying counterfeit goods.

Maria Da Graça Carvalho (PPE), *in writing*. – (PT) I voted in favour of this initiative as this resolution is aimed at safeguarding intellectual property rights and as it is a fundamental precept in a developed country, which encourages companies to invest in the EU so as to maximize their innovative capabilities. I welcome this initiative as it considers that

intellectual property rights are essential commercial assets, which contribute to ensuring that creators and innovators receive fair compensation for their work and that their investment in research and new ideas is protected.

Nikolaos Chountis (GUE/NGL), *in writing.* – (EL) Any decision on intellectual property rights must take account of the fact that different types of problems cannot be addressed with a general rule, as defined by the term ‘intellectual property’. The imitation of goods and works governed by an intellectual property scheme relates, firstly, to the distribution of work at global level and, secondly, to creativity, as shaped by the spread of new technologies, with radically different conditions of production and consumption. The inability to recognise and manage issues relating to outdated materials and unprofitable intangible resources negates the contraction sought by the term ‘intellectual property’. Creating and strengthening an organisation to monitor such rights, in view of the ACTA trade agreement, which also contracts disparate problems, to the point at which it goes beyond fundamental democratic rights and functions, will turn the observatory into a police body to monitor citizens’ private lives and communications and undermine creativity and innovation in the Union. The possible cooperation between this body and private firms paves the way for the policing of citizens’ public and private life by private individuals, a prospect which is incompatible with democratic principles and values. As neither the original proposal nor the proposed changes satisfactorily meet the need to protect the personal and democratic rights of European citizens, I abstained.

Corina Crețu (S&D), *in writing.* – (RO) This European Parliament legislative resolution – on the proposal for a regulation of the European Parliament and of the Council on entrusting the Office for Harmonisation in the Internal Market (OHIM) (Trade Marks and Designs) with certain tasks related to the protection of intellectual property rights, including the assembling of public and private sector representatives as a European Observatory on Counterfeiting and Piracy – should facilitate and support the activities of national authorities, the private sector and EU institutions relating to respect for intellectual property rights and, in particular, to their activities in combating the infringements of these rights. Especially in view of the impact of digitisation and new technologies on the protection of intellectual property rights, the tasks of the European Observatory on Counterfeiting and Piracy must be transferred to the OHIM, given that the latter has the necessary financial resources and expertise. I support this merger in strengthening a coordinated policy for combating counterfeiting, as well as the proposal for developing a public platform accessible online, aimed at informing and raising public awareness about the risks of counterfeiting and piracy which can affect both consumers’ health, due to the lack of quality, and Member States’ budgets, due to considerable tax revenue losses.

Vasilica Viorica Dăncilă (S&D), *in writing.* – (RO) The European Union 2020 strategy gives priority to smart growth, as well as to creativity, knowledge and innovation as these are all regarded as drivers of future growth. To achieve this, research activities need to be encouraged, innovation promoted and knowledge transferred. In addition, innovative ideas need to be turned into new products and services as they are capable of contributing to the creation of good-quality jobs. I think that, in view of this, it is beneficial to focus particular attention on the activities of small and medium-sized enterprises to prevent them from having difficulty with access when they need to affirm their intellectual property rights. I also think that it is beneficial to carry out joint actions, also with the aim of consulting Member States and encouraging international cooperation with intellectual

property offices in third countries, with a view to devising strategies and techniques for enforcing intellectual property rights, as well as the skills and tools specific to this area.

Christine De Veyrac (PPE), *in writing.* – (FR) I voted for this text which gives the Office for Harmonisation in the Internal Market (trademarks and designs – OHIM) new powers for the protection of intellectual property rights and in particular the fight against counterfeiting and piracy. Increasing the protection against these two scourges will help prevent damage to the European economy and to the health and safety of our citizens.

Anne Delvaux (PPE), *in writing.* – (FR) I voted for this report, the main objective of which is to entrust the OHIM with certain tasks associated with the running of the European Observatory on Counterfeiting and Piracy to better fight against infringements of intellectual property rights. The aim is to increase awareness among the public and private sectors of the impact of counterfeiting and piracy and to inform consumers about the dangers of purchasing counterfeit products and the fact that this practice is totally illegal.

Diogo Feio (PPE), *in writing.* – (PT) At a time when the dematerialisation of information, knowledge, and cultural, artistic, and commercial production is becoming increasingly relevant, it is clearly necessary to tighten the reins on the protection of intellectual property rights for companies and for European citizens, especially through increasing consumers' awareness of the dangers to themselves and to the European economy that result from counterfeiting and piracy. Without this tightening of regulations, the risk of a rise in infringements connected with these kinds of rights threatens to grow exponentially. Due to its nature and wealth of experience, the Office for Harmonisation in the Internal Market is clearly the appropriate body to take on the responsibility for these new tasks. I hope that the amendments proposed by Parliament have enriched the Commission's original text and that the new tasks to be entrusted to the Office will have a positive impact on safeguarding industrial property rights and consequently on safeguarding the innovation and competitiveness of European companies. Without adequate protection and a collective awareness of their importance, this will not be possible.

José Manuel Fernandes (PPE), *in writing.* – (PT) Antonio Masip Hidalgo's report concerns the proposal for a regulation of the European Parliament and of the Council on entrusting the Office for Harmonisation in the Internal Market (Trade Marks and Designs) with certain tasks such as the protection of intellectual property rights. This regulation also provides for the creation of a European Observatory on Counterfeiting and Piracy, located in the Spanish region of Alicante, made up of representatives of the public and private sectors, which would register trademarks at European Union level. A modern society protects its creative people and combats counterfeiting and piracy. With this recommendation, the European Parliament is not only showing that it supports a sector which encourages culture and creativity, but also that it supports innovation and the growth of small and medium-sized enterprises. As I am aware of the detrimental consequences of piracy and counterfeiting for growth and employment, I voted in favour of this report. It is essential to enable this Observatory to become operational as soon as possible in order to protect intellectual property rights, inform consumers and combat piracy and counterfeiting.

João Ferreira (GUE/NGL), *in writing.* – (PT) The European Observatory on Counterfeiting and Piracy has been functioning for several years. The mission of the observatory is to detect and record infringements of intellectual property rights, and to make a statistical register of these, without any kind of collection of personal data.

With a view to reducing the Observatory's operational expenses, the European Commission is proposing to incorporate it into the Office for Harmonisation in the Internal Market. This report focuses only on this, and touches neither on the definitions of data collection, nor on other questions of this type, and serves merely to transfer the tasks from one institution to another. Despite the scope and practical effects of this report being relatively limited, we must stress our reservations and distance ourselves from it, both with regard to the concept of intellectual property rights that is current in the EU and is shared by the majority in this Parliament, and with regard to the role and aims of the Office for Harmonisation in the Internal Market.

Monika Flašíková Benová (S&D), *in writing*. – (SK) The economic well-being of the European Union relies on sustained creativity and innovation. It is therefore important to make efforts towards measures for their effective protection. Intellectual property rights are vital business assets that help to ensure that innovators and creators get a fair return for their work and that their investment in research and new ideas is protected. Despite all efforts, there is a constant rise in infringements of these rights, which constitutes a threat not only to the Union economy, but also to health and safety of the population. Therefore, effective, immediate and coordinated actions at European and global levels are needed to successfully combat this phenomenon. One of the major initiatives of the Council and the Commission back in 2009 was the launching of a European Observatory on Counterfeiting and Piracy in order to respond to this threat. I firmly believe, though, that it is equally important that individual Member States make efforts to enhance cooperation between the office in question and the national Intellectual Property Offices.

Data and the exchange of best practices are needed on the entire range of intellectual property rights in order to obtain a complete picture of the situation and to allow the design of comprehensive strategies to reduce intellectual property rights infringements. The Office's mandate should also be extended to cover the protection of patents, copyright and related rights, as well as geographical indications.

Lorenzo Fontana (EFD), *in writing*. – (IT) The proposal for a regulation confines itself to implementing the powers of an existing office, the Office for Harmonisation in the Internal Market (Trade Marks and Designs) and changing the name of the European Observatory on Counterfeiting and Piracy to the European Observatory on Infringements of Intellectual Property Rights. Since the Observatory is expected to perform its functions by using own funds, since this regulation highlights the protection of innovative small and medium-sized enterprises, and since it does not prevent the Member States from exercising their own powers in this field, I voted in favour.

Ildikó Gáll-Pelcz (PPE), *in writing*. – (HU) I voted against today's Socialist-Liberal motion for a resolution condemning Hungary because in submitting that motion the Socialist-Liberal groups crossed the line of what one can accept even from a political opponent. The resolution, which ultimately was adopted today, is against the Hungarian people and the whole of Hungary. Hungarian Socialist politicians are sacrificing the country for their own political aims, which amounts to treason. The motion for a resolution itself is a trumped up document that distorts the truth and is overbearingly accusatory. Although the political resolution has no binding force, the political intention behind it is clear – weakening the Hungarian Government and using smear tactics to undermine the credibility of its measures.

Clearly the Socialists, in league with the Greens and the Liberals, had to mobilise all their forces to get a motion approved that is teeming with distortions and lies and that severely violates our right to self-determination. The Hungarian Socialists like to hide behind the skirts of others. In 1956 they called in the Soviet Union. Now they have turned to the advisory bodies of the European Union and even the United Nations and the Organisation for Security and Cooperation in Europe without even waiting for the completion of the regular procedure, namely the end of the consultations between the government and the Commission. This was a true modern show trial in a democratic guise.

Louis Grech (S&D), *in writing*. – This report outlines the proposal for a Regulation entrusting the Office for Harmonisation in the Internal Market (Trade Marks and Designs) with certain tasks which are currently being dealt with by the European Observatory on Counterfeiting and Piracy. Should this proposal be adopted, some key factors listed in the Hidalgo report must be fully taken into account: (1) full transparency of the methodology used; (2) balanced representation – meaning that this must include not only large industries, but also consumers, SMEs and internet service providers; (3) the Office must fully abide by EU law on data protection.

Juozas Imbrasas (EFD), *in writing*. – (LT) I welcomed this document because the economic well-being of the European Union relies on sustainable creativity and innovation. Measures for their effective protection are therefore essential for ensuring the EU's future prosperity. Intellectual property rights are vital business assets that help to ensure that innovators and creators get a fair return for their work and that their investment in research and new ideas is protected. We need a sound, harmonised and progressive approach to intellectual property rights. The constant rise in infringements of intellectual property rights constitutes a genuine threat not only to the Union economy, but often also to the health and safety of Union consumers. Effective, immediate and coordinated actions at national, European and global levels are therefore needed to successfully combat this phenomenon. Given the need to defend intellectual property rights, the Council called on the Commission to launch a European Observatory on Counterfeiting and Piracy. The Observatory should become the central resource for gathering, monitoring and reporting information and data related to all intellectual property rights infringements. It should be used as a platform for cooperation between representatives from national authorities and stakeholders to exchange ideas and expertise on best practices and to make recommendations to policy-makers for joint enforcement strategies.

Philippe Juvin (PPE), *in writing*. – (FR) I voted in favour of this report, the objective of which is to strengthen the role of the Office for Harmonisation in the Internal Market (OHIM) in fighting counterfeiting and piracy. The main objectives are to increase awareness among the public and private sectors of the impact of counterfeiting and piracy and to inform consumers about the dangers.

Agnès Le Brun (PPE), *in writing*. – (FR) I voted for this report, the object of which is to entrust the Office for Harmonisation in the Internal Market (OHIM) with certain tasks associated with the running of the European Observatory on Counterfeiting and Piracy to fight against infringements of intellectual property rights. The ultimate aim is to increase awareness among the public and private sectors of the impact of counterfeiting and piracy.

Constance Le Grip (PPE), *in writing*. – (FR) I voted in favour of Mr Masip Hidalgo's report on the Office for Harmonisation in the Internal Market (OHIM) and the protection of intellectual property rights. The new tasks assigned to the OHIM under this new regulation

will ensure greater enforcement of intellectual property rights and avoid the significant damage caused by counterfeiting and piracy to the European economy as well as to the health and safety of European citizens.

I welcome in particular the establishment of a European Observatory on Counterfeiting and Piracy within the OHIM which will allow for a better exchange of information and concerted action between the various private and public parties.

Bogdan Kazimierz Marcinkiewicz (PPE), *in writing*. – (PL) I believe that in the age of the global transmission of information, and especially of digitisation in its broadest sense, particular attention should be paid to protection of the rights of individuals and of their creations as regards so-called piracy. Special care must be taken to protect increasing creativity and innovation, along with new technological developments, in respect of intellectual property rights. Intellectual property is also the result of creative activity by ordinary individuals and entrepreneurs. In the broadest sense of the term it is not unusual for consumers to be involved too.

Unrestricted access to the Internet, available to all, has resulted in a dramatic increase in the amount of counterfeiting, and also illegal use and trade in intellectual property, to the detriment of many sectors of the European Union's economy. The right action is being taken. The creation of a special Internet platform for citizens, enterprises and public administrations making available essential data concerning the correct management of information in their possession is particularly important. Nonetheless, I feel we should guard against the certain danger of excessive interventionism. We must realise that it is not sensible to adopt legislation covering practically every sphere of activity. Furthermore, such action could severely restrict and be detrimental to that very creativity in the area of new intellectual property protected by law.

David Martin (S&D), *in writing*. – I welcome the Commission's proposal to entrust the Office for Harmonisation in the Internal Market with the tasks of the observatory, with a view to improved implementation of the responsibilities assigned to it. In the context of a continuing growth of trade in counterfeit and pirated goods – reducing the incentive for EU enterprises to innovate, and often resulting in job reductions – it seems appropriate to strengthen a coordinated policy in this regard. Moreover, counterfeiting of certain categories of product (such as medicines, toys, automotive components, household equipment, etc.) threatens human health and leads to a considerable decline in consumer protection. Therefore I consider it justified to inform the public and raise awareness about the possible dangers and consequences of the exponential increase in counterfeiting and piracy observed in recent years.

Clemente Mastella (PPE), *in writing*. – (IT) The European Observatory on Counterfeiting and Piracy, set up in 2009, has become a centre for collecting, monitoring and reporting information and data on infringements of intellectual property rights in Europe. It is also a platform for cooperation among representatives of national authorities and stakeholders to exchange ideas and expertise on best practices, so as to develop joint enforcement strategies. Since it has been given additional responsibilities and powers, we deem it necessary in this report to modify its current status by introducing sustainable changes with regard to infrastructure, human resources, IT and, most importantly, necessary expertise.

We therefore welcome the proposal of the Commission to entrust the Office for Harmonisation in the Internal Market with the tasks of the Observatory with a view to

improving implementation of the responsibilities involved in enforcing intellectual property rights, provided that there is always a guarantee that the information collected, analysed and disseminated fulfils numerous criteria with regard to completeness and the quality and transparency of data.

Mario Mauro (PPE), *in writing.* – (IT) I am voting in favour of the report by Mr Masip Hidalgo. I particularly agree with the decision to include in the regulation the reference to the Digital Agenda for Europe to fulfil the Europe 2020 objectives on intellectual property rights. I agree that a sound, harmonised and, above all, progressive approach is needed.

Nuno Melo (PPE), *in writing.* – (PT) The economic welfare of the Union is based on continued creativity and innovation. Consequently, measures for its effective protection are vital in order to ensure the future prosperity of the Union. Intellectual property rights are essential commercial assets that contribute to ensuring that creators and innovators receive fair compensation for their work and that their investment in research and new ideas is protected. The continuous increase in violations of intellectual property rights constitutes a genuine threat not only to the economy of the Union but also, in many cases, to the health and safety of consumers. Therefore efficient and immediate action coordinated on a national, European and world-wide scale is required to combat this phenomenon effectively. Hence, my vote in favour.

Louis Michel (ALDE), *in writing.* – (FR) The European Union's economic prosperity is down to its creativity, its cultural diversity and its ability to innovate. Yet, the trade in counterfeit and pirated goods undermines innovation in European companies and leads to increasing job losses. Furthermore, counterfeiting certain products such as medicines, children's games or household appliances can be dangerous and even fatal for consumers. This issue is a cause for concern for the Committee on Consumer Protection. The protection of intellectual property rights therefore benefits not only innovators but also businesses and consumers. Lastly, the merger of the OHIM with the Observatory will allow for an efficient use of financial and human resources by providing the Observatory with the necessary financing and infrastructure required to carry out its activity.

Miroslav Mikolášik (PPE), *in writing.* – (SK) The current situation in the Member States shows that the priority for governments at national and European level must be to ensure economic growth and related job security. Research and innovation have become an area where European nations are acquiring a competitive advantage. Inventions and patents are the fruits of time-consuming and costly research and development, and therefore deserve due appreciation and protection in order to achieve an actual return on investment and to encourage similar investments in the future. The area of intellectual property rights is enjoying very rapid development, and numerous European experts are working in this area. Not only does this create new jobs but, thanks to these new inventions, Europe has become a prime location for innovators. If we wish to preserve our position in the face of fierce global competition, we must create and protect an environment in which authors, inventors and manufacturers will not be afraid to offer their creations and knowledge for public use, but will instead produce higher quality products.

Alexander Mirsky (S&D), *in writing.* – I support the enhancement of the role of the – already established – Observatory on Counterfeiting and Piracy in the collection of objective data on the scale of IPR infringements. I voted 'in favour', therefore.

Franz Obermayr (NI), *in writing.* – (DE) A sound, harmonised and gradual approach when it comes to intellectual property rights is of fundamental importance. The constant

increase in the number of infringements against intellectual property rights represents a threat that needs to be taken seriously. However, intellectual property rights should enable creators to obtain a fair return on their investments while also allowing the public, the consumers, to access information and knowledge. The EU needs a balanced system if it wants to be a knowledge-based economy. All these monitoring measures must not end up leading to an excess of protection and disproportionate enforcement measures. I see a risk here that the balance could be tipped to the disadvantage of consumers and EU citizens and I therefore voted against this report.

Rolandas Paksas (EFD), *in writing*. – (LT) I welcomed this resolution because we need to encourage greater cooperation between the Member States and EU institutions. Above all we need to encourage private–public cooperation in enhancing law enforcement cooperation. Attention should be drawn to the fact that the regulatory framework should not create an additional administrative burden.

New competitive business models that enlarge the legal offer of cultural and creative content need to be developed in order to foster economic growth, employment and cultural diversity.

The European Observatory on Infringements of Intellectual Property Rights should thus be used as a platform for cooperation between representatives from national authorities and stakeholders that would help to stop infringements of intellectual property rights.

Alfredo Pallone (PPE), *in writing*. – (IT) I agree with Mr Masip Hidalgo's report on enforcing intellectual property rights since there is still a need to find an overall framework for creating a single market for these rights. The proposals contained in this report aim at modernising the legal framework by assigning the tasks of enforcing these rights to the Office for Harmonisation in the Internal Market (OHIM). There is also a need to revitalise the role of the European Observatory on Counterfeiting and Piracy, which requires greater human, financial and technological resources in order to perform its essential role of monitoring and data collection.

Georgios Papanikolaou (PPE), *in writing*. – (EL) I voted in favour of the report. Support for innovation and the effective utilisation of resources for research and technology depends on safeguarding intellectual rights and protecting intellectual property rights. Within that framework, we must remember that the European Commission operates the European Observatory on Counterfeiting and Piracy, one of the aims of which is to develop technical tools designed to prevent imitation, illegal copying and piracy. That is why the Commission's proposal for a regulation entrusting the Office for Harmonisation in the Internal Market with the operation of the European Observatory on Counterfeiting and Piracy is a move in the right direction, as this merger will allow the Observatory to access the financing and infrastructure needed in order to perform the tasks and activities, while at the same time benefiting from the expertise of the Office for Harmonisation, thereby saving approximately EUR 40 000 to the EU budget.

Maria do Céu Patrão Neves (PPE), *in writing*. – (PT) The economic welfare of the European Union depends on the maintenance of its creativity, cultural diversity and capacity for innovation – driving forces of the knowledge society. That is why the protection of intellectual property rights is equally beneficial to companies, innovators, and consumers as well as to parties interested in cultural creation. Over recent years, there has been an increase in copyright abuse and in the trade in counterfeit and pirated goods, which, as well as causing inherent economic damage, is also morally reprehensible and a punishable

civil act. The digital economy has seen a rise in the number of violations of intellectual property rights due to falsification, unauthorised copying and piracy, and these are extremely damaging to the creative and cultural economy of the European Union. It is for these reasons that I have voted in favour of the present report, which aims to implement measures to combat this scenario.

Paulo Rangel (PPE), *in writing*. – (PT) The technological revolution that we have been experiencing has led to a redefinition of the notion of wealth: this concept, traditionally identified with land ownership, has begun to be associated above all with credit, and today there is also a move towards advocating the exclusive use of ideal entities. It is impossible nowadays to think of exclusive use of specific assets without considering intellectual property rights, especially in their economic dimension: this is a major reason for engaging in innovation and development activities. Without this level of protection, which offers the possibility of a return on investment, it is unlikely that companies would embark on the process of creating new products and services with the same impetus. Therefore the proposal to integrate the European Observatory on Counterfeiting and Piracy in the Office for Harmonisation in the Internal Market is admirable, seeking as it does to aggregate the Observatory's activities with the Office's know-how and financial resources. It thus provides for a reinforcement of the detection and prevention of piracy cases, which not only have an economic impact but may also jeopardise consumer protection. Thus I have voted in favour.

Crescenzo Rivellini (PPE), *in writing*. – (IT) In today's plenary session of the European Parliament in Strasbourg we voted on the report by Mr Masip Hidalgo. The aim of the proposal is to entrust the Office for Harmonisation in the Internal Market (Trade Marks and Designs) with certain tasks concerning the running of the European Observatory on Counterfeiting and Piracy in order to combat infringements of intellectual property rights.

The main objectives are to increase awareness in the public and private sectors of the impact of counterfeiting and piracy and to inform consumers of the dangers of buying counterfeit goods.

Raül Romeva i Rueda (Verts/ALE), *in writing*. – Abstention. Our three main amendments were carried: 1) on the need for the observatory to establish a transparent methodology for the collection, analysis and reporting of independent, objective, comparable and reliable data related to infringements of intellectual property rights; 2) on the involvement of relevant representatives of civil society; and 3) calling for new competitive business models that enlarge the legal offer of cultural and creative content. Nevertheless, doubts remain about the aim and outcome of the observatory's activities.

Licia Ronzulli (PPE), *in writing*. – (IT) I voted in favour of this report since I believe that there is a need to identify and promote better practices and enforcement strategies in order to fight the problem of intellectual property right infringements effectively.

I therefore agree with having stakeholders take part in the Observatory's meetings. In that way it will be able to act as a platform for exchanging ideas and experience on best practices and developing guidelines for joint enforcement strategies.

Lastly, if consumers and small and medium-sized enterprises are adequately represented, it will help to improve awareness of the value of intellectual property and of the extent and impact of infringements of those rights.

Oreste Rossi (EFD), *in writing.* – (IT) In view of the constant growth of the trade in counterfeit and pirated goods, I am in favour of the proposal for a European Observatory on Counterfeiting and Piracy. This is an important step designed to combat organised crime and to protect consumers by improving their safety and reducing the risks to their health, as well as to support small and medium-sized enterprises, which are increasingly threatened by the illegal trade in goods.

While respecting the principle of subsidiarity, the Observatory should act as a platform for the exchange of best practice at both national and European levels, and it should carry out its activities by making use of its own budgetary means. I agree that it should implement the tasks assigned to it so as to guarantee the proper use of consumers' and companies' data in order to protect their privacy.

Czesław Adam Siekierski (PPE), *in writing.* – (PL) The problem of counterfeiting and piracy is becoming ever more serious, and the ensuing costs for the European economy are difficult to estimate. They are certainly of the order of billions of euros. Some of the consequences of counterfeiting and piracy becoming more widespread are a reduction of investment in innovation which in turn leads to job losses, the health and safety of consumers being put at risk in Europe, the national budgets of Member States losing income from tax, and a rise in organised crime. A long-term consequence for the entire EU is the threat posed to one of the priorities of the Europe 2020 strategy, namely smart growth. An effective policy for the protection of intellectual property certainly has a very important part to play in this regard.

The Office for Harmonisation in the Internal Market was created in 1995 and tasked with managing a register of all Community trade marks and designs. Its remit in the area of intellectual property rights should now be broadened. This has become necessary because of the nature of its tasks to date and the particular features of the common market. By managing a database of protected trade marks and designs, the Office will be able to deal effectively with the phenomena of counterfeiting and piracy.

When compared to Japan or the USA, the level of innovation in the European economy still leaves much to be desired. Combating infringement of intellectual property rights effectively should become a priority for us in the context of implementation of the Europe 2020 strategy.

Nuno Teixeira (PPE), *in writing.* – (PT) The protection of intellectual property is the subject of a large number of international agreements. The European Union has two institutions for carrying out this strategic mission, namely the Office for Harmonisation in the Internal Market (OHIM) and the European Patent Office (IPO) which are responsible for the registration of EU trademarks and designs. I endorse the Commission's proposal to transfer some of the tasks of the European Observatory on Counterfeiting and Piracy to the Office for Harmonisation in the Internal Market, particularly those relating to the protection of intellectual property rights such as trademarks and designs. I therefore agree with the current report since I understand that we need to strengthen measures to protect intellectual property, thus reducing the risks to which European companies are exposed and enhancing consumer protection.

Silvia-Adriana Țicău (S&D), *in writing.* – (RO) I voted for the legislative resolution on the proposal for a regulation on entrusting the Office for Harmonisation in the Internal Market (Trade Marks and Designs) with certain tasks related to the protection of intellectual property rights (IPR), including the assembling of public and private sector representatives

as a European Observatory on Counterfeiting and Piracy. IPR enforcement provides both appropriate benefits for creators and innovators and protection for consumers against the risk of buying counterfeit products.

A Eurobarometer survey conducted in 2009 highlighted that one in five EU citizens has unwittingly bought a counterfeit product at least once. Particular attention must be focused on tackling the counterfeiting of medicines, foods and cosmetic products or domestic appliances, which can result in serious harm to consumers. I think that it is important for all consumers to be constantly informed about the effects and dangers of counterfeiting and piracy and that sustainable, coordinated action needs to be taken to combat IPR infringements, in full compliance with fundamental human rights and freedoms. Furthermore, the information obligations imposed on Member States and the private sector by this regulation must not create an unnecessary administrative burden, and it should be possible for the data already supplied to EU institutions to be reused.

Thomas Ulmer (PPE), *in writing.* – (DE) I voted in favour of this report. The report is a logical consequence on the way to a uniform and practical protection of material and intellectual property rights in the European Union. In respect of the contentious arguments about the Anti-Counterfeiting Trade Agreement (ACTA), it makes sense for the groundwork to be laid. ACTA needs to be discussed for longer and more intensively. If necessary, amendments must be put in place here, too. It is important, above all, that EU citizens should not be afraid of a trade agreement.

Angelika Werthmann (NI), *in writing.* – (DE) The European Observatory on Counterfeiting and Piracy was created in order to collect data about cases of infringements of intellectual property rights, enforce intellectual property rights and raise public awareness of this issue. A transfer of certain responsibilities to the Office for Harmonisation in the Internal Market makes sense, as the Observatory lacks adequate resources and the necessary infrastructure to be able to efficiently perform its duties. The Observatory could benefit from the facilities and specialist know-how of the Office without giving rise to additional costs for the EU budget.

Marina Yannakoudakis (ECR), *in writing.* – The formal establishment of the European Observatory on Infringements of Intellectual Property Rights should help provide independent data and facilitate the exchange of good practice in the area of counterfeiting and piracy. One of the main disputes over Intellectual Property Rights abuse is the impartiality of data. By voting in favour of this report I hope the establishment of the Observatory will be able to act as an independent source that is accepted by all sides.

Inês Cristina Zuber (GUE/NGL), *in writing.* – (PT) The mission of the European Observatory on Counterfeiting and Piracy is to detect and register violations of intellectual property rights and compile a statistical register of these, without collecting any personal data. This report puts forward a measure to reduce the Observatory's running costs, in this case by proposing to incorporate it into the Office for Harmonisation in the Internal Market. This report proposes simply to transfer tasks from one institution to another, without altering the system for definition of data collection. On this occasion we have to express our reservations and distance ourselves from both the concept of intellectual property rights currently in force within the European Union and shared by a majority in this Parliament, and the role and objectives of the Office for Harmonisation in the Internal Market.

Tadeusz Zwiefka (PPE), *in writing*. – (PL) Several unusual circumstances arose in the course of the work of the Committee on Legal Affairs on Mr Masip Hidalgo's report that we are discussing today. Firstly, we are dealing with a Union agency that not only earns money for itself but also hopes to be entrusted with new tasks, as it considers it has sufficient financial and human resources to cope with additional work.

Secondly, what is at issue is the inclusion of a new observatory into the Office for Harmonisation in the Internal Market. This observatory would monitor instances of violation of intellectual property rights, providing us with more detailed information and indicating where exactly the root of the problem of protecting intellectual property in Europe lies.

Thirdly, work on this report was completed at almost the end of last year, and despite it being the run-up to Christmas, Mr Masip Hidalgo and the Polish Presidency succeeded in creating a version acceptable to both sides in a comparatively short time. Both sides had to display perseverance and exceptional negotiating skills. In view of the current intense debate on the protection of intellectual property rights and combating all types of violations of the latter including in the sphere of the Internet, we must equip ourselves with the necessary knowledge and tools to enable us to deal effectively with the problem. I hope that including the observatory within the structure of the Office for Harmonisation in the Internal Market will allow our expectations to be met and enable us to gather and analyse data in a reliable and objective manner. That is why I voted in favour of this report.

Report: Kurt Lechner (A7-0022/2012)

Damien Abad (PPE), *in writing*. – (FR) In a single market where cross-border activities are becoming more and more frequent, company registers can no longer be managed at national level alone. They must also be managed at European level. That is why I voted in favour of the Lechner report which advocates networking Member States' commercial and companies registers. This networking will facilitate cross-border access to information about companies, reduce the administrative burden, enhance legal certainty and transparency and increase confidence in the market.

Luís Paulo Alves (S&D), *in writing*. – (PT) I am in favour of this report, the main aim of which is to set up a Europe-wide platform for existing national business registers. It would be beneficial if this platform enabled exchange of basic information on businesses, and would hence be useful to potential investors, regulators and so on, and it would also make it easier to access and understand information in this area throughout the European Union.

Laima Liucija Andrikienė (PPE), *in writing*. – I voted in favour of this resolution on the proposed Directive because there is an increasing demand for access to information on companies in a cross-border context, either for commercial purposes or to facilitate access to justice. Cross-border groups, as well as many restructuring operations such as mergers and divisions, involve companies from different Member States of the EU. Cross-border access to business information requires cooperation between business registers. Some cooperation between them already exists, but it is limited to certain types of information and does not cover all Member States. This proposal will benefit the citizens of the EU.

Elena Oana Antonescu (PPE), *in writing*. – (RO) Since the single market was established, many businesses have expanded their activities beyond their national borders. This upsurge in cross-border economic activity requires better interconnection of business registers. At present, it is easy to find information about companies in the country where they are

registered. However, access to the same information in another Member State may be hampered by a number of technical or linguistic obstacles. The frequency of updating commercial data is not harmonised, with users lacking information about how correct this data is. Interconnecting business registers is of paramount importance. However, the success of this interconnection will depend entirely on the closest possible cooperation between the Commission and Member States.

Sophie Auconie (PPE), *in writing.* – (FR) As you know, I am an active campaigner for an ever more integrated internal market that makes day-to-day life easier for hundreds of millions of European citizens. I therefore approved the proposal for a directive on the interconnection of commercial registers by my colleague from the European People's Party (Christian Democrats), Kurt Lechner, and presented by our Internal Market Commissioner, Michel Barnier. With a background in the private sector, I know how useful it is to centralise this information. What is more, these days many companies carry out cross-border activities and need to have standardised, clear and transparent information about their partners, customers, competitors and so on. Not only are registers not standardised but, depending on the country, they may be national, regional or even local. It is a waste of time and money as the administrative costs associated with these disparities are valued at EUR 69 million a year. The information in this new register will be available in the 23 languages of the European Union via a single European electronic platform. We hope that from now on the Member States, under the Council of Ministers, will follow our recommendations which pose a key challenge for all European entrepreneurs.

Zigmantas Balčytis (S&D), *in writing.* – (LT) I voted in favour of this Directive, which is aimed at ensuring the technical interconnection of existing national registers. The interconnection of business registers is an important measure for fostering further integration of the economic area within the EU and improving legal certainty for businesses and citizens. Business registers are currently kept at national and regional level and vary in many respects, *de jure* and *de facto*, with regard to their legal significance and the reliability of the data recorded in them. With the increase in cross-border economic activity in the EU, it is essential to ensure greater legal certainty and transparency, and enhanced interconnection of business registers.

Mara Bizzotto (EFD), *in writing.* – (IT) The report presents a balanced account of the need to improve the interconnection between central, commercial and companies' registers. The current situation of production in Europe is seeing a continuous and positive expansion of businesses outside their national borders, facilitated by the ongoing consolidation of the single market. A consistent legal and fiscal environment and a framework for cooperation need to be created among the Member States, not least by strengthening and improving the interconnection of business registers. Businesses would really benefit from this in terms of both cost reductions and time savings. In addition, it would enhance their competitiveness and better protect consumers, creditors and other possible commercial partners. The report brings balance and common sense to the subject while ensuring that it achieves its ultimate aim, which is to provide legal certainty and to render the various national situations transparent without increasing the bureaucratic burden on the production system I voted in favour.

Vilija Blinkevičiūtė (S&D), *in writing.* – (LT) I voted in favour of this report because it aims to simplify the exchange of business information at EU level. The exchange of business register information in the European Union is currently regulated by several directives, but

these registers are nevertheless kept at national and regional level and vary in many respects as regards to their legal significance and the reliability of the data recorded in them.

With the increase in cross-border economic activity, enhanced interconnection of business registers is necessary for reasons of legal certainty and transparency. It is important to note that this Directive will only regulate the exchange of information between national registers and will not establish a separate business register with its own data.

It will simply create a platform for improving and speeding up communication and retrieval of information by citizens and businesses. Such an EU platform for business data will ensure greater legal certainty for companies, potential investors and citizens.

Sebastian Valentin Bodu (PPE), *in writing*. – (RO) Improving access to up-to-date information about companies can encourage greater confidence in the market, help economic recovery and boost the competitiveness of European businesses. The objectives of the directive being tabled by the European Commission are as follows: to increase confidence in the single market by creating a safer business environment for consumers, creditors and other commercial partners; to boost European businesses' competitiveness by reducing the administrative burden and providing greater legal certainty; to make public administration operate more efficiently by promoting cooperation between business registers in Europe in the area of cross-border mergers, seat transfers and updating the registration of branches abroad and of procedures where the cooperation mechanisms are currently lacking or are inadequate.

The aim of the amendments made to the current legislation is to facilitate cross-border access to official business information by setting up an electronic network of registers and defining a common minimum set of information to be made available to third parties electronically in every Member State.

Vito Bonsignore (PPE), *in writing*. – (IT) I voted in favour of this report, the aim of which is to achieve the interconnection of business registers. This will be a purely technical interconnection, not a harmonisation of the legal consequences of the registers, the aim being, rather, to foster further integration of the economic area within the EU and improve legal certainty for businesses and citizens.

Moreover, with the increase in cross-border economic activity, enhanced interconnection of business registers is necessary for reasons of transparency, and it will also save money and time. The proposal adopted in this Chamber today regulates the exchange of information between registers and does not establish a separate business register with its own data. The platform to be created will, in the end, improve, simplify and speed up communication and data retrieval by citizens and businesses and enable the full potential of computerised registers to be exploited.

John Bufton (EFD), *in writing*. – I decided to vote against this report as the ambition of EU level interconnection is but a preparatory stage for the introduction of new EU harmonised legislation. Bearing in mind examples of the previous introduction of interconnectivity, I cannot agree to support the document, which can, and most likely will, lead to creation of an EU wide business register that will replace national registers.

Alain Cadec (PPE), *in writing*. – (FR) The European Union, which made the free movement of people and capital possible, must now respond to the growing demand for access to information on companies. This access to information is a strategic economic challenge for our companies which are developing more and more cross-border strategies. I therefore

voted for the interconnection of national commercial registers to facilitate the development of our companies abroad.

Maria Da Graça Carvalho (PPE), *in writing.* – (PT) I voted in favour of this initiative because this directive should not limit the rights of Member States to levy fees for obtaining company information through the system of linked registers, if allowed under national legislation. If this is the case, the means and technical specifications of the system of linked registers should make it possible to set up methods of payment. The current directive should not affect any specific technical solution in this area, given that payment methods should be set out in the phase of adoption of the instruments of execution, given the widely available facilities for on-line payment.

Corina Crețu (S&D), *in writing.* – (RO) At a time when there is an upsurge in cross-border economic activities, the interconnection of business registers needs to be enhanced in order to improve transparency and legal certainty, as well as expand the European integration process. In addition, the administration of registers that are computerised, interconnected and subject to uniform regulations, with the aim of reducing the differences in managing them at national level, will produce a saving in terms of resources and time, especially when it comes to company seat transfers and restructuring operations, such as mergers and divisions involving companies from different Member States. Although Directive 2005/56/EC of the European Parliament and of the Council of 26 October 2005 on cross-border mergers of limited liability companies stipulates the obligation for registers to cooperate at cross-border level, in practice, there is still no cooperation and effective cross-border official communication speeding up the procedures and reducing the costs for companies operating in several countries.

Anne Delvaux (PPE), *in writing.* – (FR) Businesses are increasingly expanding beyond national borders, using the opportunities offered by the single market and globalisation. Consequently, there is an increasing demand by these businesses for access to information on companies in a cross-border context (either for commercial purposes or for better access to justice). However, this cross-border access to information on companies assumes cross-border cooperation between commercial registers. To a certain extent, this cooperation was already in place but was limited to certain types of information and did not involve all Member States. That is why I welcome the adoption of this directive which establishes a purely technical interconnection of existing national registers. A platform has also been created to improve and speed up communication and retrieval of information by citizens and businesses.

Edite Estrela (S&D), *in writing.* – (PT) I voted in favour of this report as I support important measures to enhance legal certainty for companies and consumers involved in cross-border activities. These measures foster greater integration and transparency within the European Union's economic space.

Diogo Feio (PPE), *in writing.* – (PT) When we talk about the internal market we need to realise that one of its consequences is growth in cross-border economic activity. This is welcome and should be encouraged, but it brings with it the need to give the public access to official and reliable information on companies operating within the European Union. Without uniformity in the data held on different commercial registries there is legal uncertainty, which is not helpful to companies or consumers. We therefore need to create a centralised European access point where registry data from all Member States can be found in a uniform fashion. This will increase transparency, efficiency and legal certainty

and will strengthen confidence among the 500 million European consumers, which is essential if we want to emerge from this crisis. Lastly I would again like to underline that a new linked system should not present European companies with an additional administrative burden. This system should make life simpler for all market actors rather than being one more bureaucratic hurdle.

José Manuel Fernandes (PPE), *in writing*. – (PT) New information technologies have been making life easier for individuals and companies, saving them time and money. However, while much progress has been made, there still remains a lot to be done in this area and on making the internal market fully functional. This report, drafted by Mr Lechner, concerns the proposal for a directive of the European Parliament and of the Council amending Directives 89/666/EEC, 2005/56/EC and 2009/101/EC as regards the interconnection of central, commercial and companies registers. At a time when the requirements of growth mean that companies are needing to go international, the fact that registers only exist at national level complicates life for companies, particularly small and medium-sized enterprises (SMEs). In fact, this is something that SMEs are demanding. This directive therefore constitutes a fantastic instrument for faster communication between the public and businesses, and a means of putting a stop to fictitious subsidiaries whose parent companies have disappeared. I am voting for this proposal, since it represents a significant step forward for the single market, by making commercial transactions safer and more transparent. It also constitutes crucial help for companies wanting to open a subsidiary in another Member State or establish trade relations with other countries.

João Ferreira (GUE/NGL), *in writing*. – (PT) This report proposes creating a technical linkage between existing national registers (commercial and company). This proposal has no legal consequences in terms of harmonisation. It merely proposes to create a platform to enable more rapid access to such registers, without altering or modifying them.

Amendments 10, 11 and 12, proposed by the rapporteur, clarify the report's objectives and scope. They state in particular that since the objective of this directive is not to harmonise national systems of central, commercial and companies registers, there is no obligation on the Member States to change their internal system of registers, in particular as regards the management, storage of data, fees, use and disclosure of information for national purposes. Under the conditions proposed, we voted in favour of this report.

Monika Flašíková Benová (S&D), *in writing*. – (SK) Businesses increasingly expand beyond national borders using the opportunities offered by the internal market. There is an increasing demand for access to information on companies in a cross-border context. Official information on companies is, however, not always easily available on a cross-border basis, and the current voluntary cooperation between registers has not proved to be sufficient. The interconnection between central, commercial and company registers should contribute towards fostering the competitiveness of European business by reducing administrative burdens and increasing legal certainty. It would thus contribute towards exiting the crisis, one of the priorities of the Europe 2020 strategy. It should also improve cross-border communication between registers by using the innovations of information and communication technology.

However, I am convinced that the shift in cross-border access to business information can occur only if all Member States are involved in the building of an electronic network of registers, which should at the same time provide a guarantee of competence and correctness.

I am also of the opinion that information should be submitted to business information users in a standard format throughout the Union.

Ildikó Gáll-Pelcz (PPE), *in writing.* – (HU) A single company register would help not only shoppers, but would also have significant benefits for enterprises too, since free-of-charge access would save them considerable time and costs. That could even mean savings of tens of millions of euros. At present, the fact that the companies registers of some Member States only contain certain types of data; that information is not always updated; that access is cumbersome; and that there is frequently a lack of translated information, causes a lot of difficulties for those in the business world. In my view, further integration of the internal market in this field needs to be the foremost priority for these reasons, which is why it is important to eliminate existing legal and practical hurdles as quickly as possible. Today more and more companies are advertising their services beyond national borders, resulting in substantial growth of the number of online shoppers within the European Union. For the security of shoppers, a system making it possible to check the legal operation of the companies in question needs to be established. The aim of the proposal being debated is precisely that of increasing legal security and the transparency of the legal relationship between shoppers and companies, which is why I support the proposal.

Elisabetta Gardini (PPE), *in writing.* – (IT) The economic sphere is certainly the area in which the Member States have made the greatest effort, giving up substantial parts of their national sovereignty to the European institutions in an attempt to bring down barriers and create a European economy. The creation of a common market is the most important outcome of the European integration processes that began over 50 years ago.

Even so, there are still sectors today where action is needed to remove some of the remaining barriers. One such barrier is the existence of different laws on business registers, which can therefore vary considerably in format, legal significance and the information they contain.

That is why the proposals contained in the report adopted today represent an important step forward towards an increasingly common single market, because they will speed up the bureaucratic procedures that operators in the sector often have to face.

Juozas Imbrasas (EFD), *in writing.* – (LT) I welcomed this document because with the increase in cross-border economic activity, enhanced interconnection of business registers is necessary for reasons of legal certainty and transparency. It will save money and time. Only through such interconnection will the full potential inherent in maintaining computerised registers be exploited. The aim of the Directive is a purely technical interconnection between the existing national registers, and not a harmonisation of their legal consequences. It regulates the exchange of information between registers and does not establish a separate business register with its own data. It creates a platform for improving and speeding up communication and retrieval of information by citizens and businesses. Business registers can only be successfully interconnected if the Commission and the Member States work together closely, which should at the same time provide a guarantee of reliability and correctness.

Philippe Juvin (PPE), *in writing.* – (FR) I voted for this report, the objective of which is to establish an electronic network linking Member States' commercial registers. It is a purely technical interconnection between the existing national registers and not a legal

harmonisation. This report is all the more necessary as businesses are increasingly expanding beyond national borders.

Krišjānis Kariņš (PPE), *in writing*. – (LV) I supported the European Parliament's position on the interconnection of central, commercial and companies registers because I believe that closer cooperation between registers will improve the working of the European Union's internal market. The European Union must make use of the opportunities offered by technology to develop the internal market. Through the use of newer technologies, the system of interconnection of registers brought in by this proposal for a directive will encourage cross-border cooperation between businesses, new cross-border investment and the creation of new jobs. The proposal for a directive is a step towards reducing red tape for businesses that would like to work together with businesses from another Member State. The minimum requirements set down in the proposal for a directive for the pan-European platform, through which registers will be able to exchange information, make it clear for businesses what information it will be possible to obtain about a business from another Member State. For example, before entering into an agreement with a business in another Member State, it is important for any business to be sure that the other has not been liquidated. For this reason I am convinced that the proposal for a directive will create an additional incentive for cross-border cooperation and for the creation of new jobs, which are so vital for the economies of European countries.

Agnès Le Brun (PPE), *in writing*. – (FR) National and European businesses are increasingly using the opportunities offered by the internal market in the European Union and are increasingly expanding beyond national borders. The aim of this report, which I voted for, is to develop cross-border cooperation between commercial registers in order to facilitate access to information on companies in a cross-border context, whether for commercial or legal reasons. It is a purely technical interconnection between the existing national registers and not a harmonisation of their legal consequences.

Bogdan Kazimierz Marcinkiewicz (PPE), *in writing*. – (PL) I voted in favour of this report because I believe that, especially in the current crisis situation, it is appropriate to save time and cost, and integrating the registers would make that possible. It is therefore essential to make every effort to undertake technical changes to the existing national registers, so as to enable both citizens and entrepreneurs from across the European Union to access information quickly.

David Martin (S&D), *in writing*. – I voted for this report. The interconnection of business registers is a significant measure that will foster further integration of the economic area within the EU and improve legal certainty for businesses and citizens. Business registers are kept at national and regional level. They vary in many respects, *de jure* and *de facto*, for example with regard to their legal significance and the reliability of the data recorded in them. With the increase in cross-border economic activity, enhanced interconnection of business registers is necessary for reasons of legal certainty and transparency. It will also save money and time. Only through such interconnection will the full potential inherent in maintaining computerised registers be exploited. The broad lines of the Commission proposal, which is confined to the essential aspects, should be approved. The aim of the directive is a purely technical interconnection between the existing national registers, and not a harmonisation of their legal consequences. It regulates the exchange of information between registers and does not establish a separate business register with its own data. It creates a platform for improving and speeding up communication and retrieval of information by citizens and businesses.

Clemente Mastella (PPE), *in writing.* – (IT) We believe that interconnecting business registers is an important and necessary measure for fostering further integration of the economic area within the European Union and improving legal certainty for businesses and citizens. Business registers are kept at national and regional level. They vary in many respects, *de jure* and *de facto*, with regard to their legal significance and the reliability of the data recorded in them.

Now more than ever, with the increase in cross-border economic activity, enhanced interconnection of business registers is necessary for reasons of legal certainty and transparency, and it will also save money and time.

We welcome this directive, the aim of which is a purely technical interconnection between the existing registers and not a harmonisation of their legal consequences. It seeks to regulate the exchange of information between registers and does not establish a separate business register with its own data. A platform may be created for improving and speeding up communication and retrieval of information by citizens and businesses.

We think it would be appropriate, however, to delegate the regulation of the technical details to future legal acts resulting from the Commission and the Member States working closely together.

Mario Mauro (PPE), *in writing.* – (IT) With the increase in cross-border economic activity, enhanced interconnection of business registers is necessary for reasons of legal certainty and transparency. In this context, the interconnection of business registers is a significant measure that will foster further integration of the economic area within the European Union. I voted in favour.

Nuno Melo (PPE), *in writing.* – (PT) Given the opportunities the single market offers, companies are increasingly expanding their activities across national frontiers. We are seeing the emergence of transnational groups as a result of company restructuring, mergers and divisions. Against this background the importance of having access to information on companies operating transnationally is obvious. As it is not always easy to obtain this information at present, the current legislative resolution is an important step towards greater integration of the European Economic Area. I therefore voted in favour of the current bill, and I also believe that the system of linking central, commercial and company registers should specify what data are needed for the central platform to function correctly, and that care should be taken when making such data available, and it should not be made directly available to the public.

Miroslav Mikolášik (PPE), *in writing.* – (SK) The directive, in my opinion, is clearly a step in the right direction for building an internal market in the European Union. Insufficient interconnection of registers and difficulties in obtaining accurate information on companies often causes obstacles to cross-border trade. Improving the interconnection between registers, which will involve all Member States through standardised sharing of basic information, will, on the contrary, increase legal certainty and trade, and will ultimately lead to economic growth. I firmly believe that the interconnection between registers will also contribute to the protection of third parties and will increase the share of SMEs in cross-border trade. I therefore also consider the interconnection between registers to be another tool for strengthening the internal market and increasing its competitiveness.

Alexander Mirsky (S&D), *in writing.* – If the platform makes the exchange of basic business information simpler, this will benefit potential investors, regulators, and the public

as a whole. The platform does not replace any national business registers, but simply makes it easier to access and understand information from across the EU. I am in favour.

Andreas Mölzer (NI), *in writing*. – (DE) Commercial and business registers in the EU vary as a result of the different legal situations in the Member States. Ultimately, commercial registers are kept at national and regional level. In this area, in particular, there have been differing developments when it comes to legal significance. Given these differences – within a single Member State, even, quite apart from the differences across national borders – I am far from convinced about whether interconnection makes sense at this point in time. I therefore abstained from the vote.

Katarína Neveďalová (S&D), *in writing*. – (SK) Business registers are currently kept exclusively at national and regional level, which creates variances mainly in the reliability and range of data recorded in them, and also in their legal significance. The aim of the directive is a purely technical interconnection between the existing national registers, and not a harmonisation of their legal consequences. Such an interconnection is a significant measure that will foster further integration of the economic area within the EU and improve legal certainty for businesses and citizens. Another positive benefit of this directive will be the opportunity to utilise the full potential inherent in maintaining computerised records, which will result in time and money savings. It should be noted that a lot of questions, in particular those relating to technical details, cannot be answered conclusively. It will be necessary to seek solutions to problems that arise in the course of the creation of the network. We should leave decisions to the Member States, which must not, however, lose sight of the usefulness and savings that such an interconnection will bring.

Franz Obermayr (NI), *in writing*. – (DE) The interconnection of business registers is a measure that is to be welcomed, as the aim is to create a platform that can improve and accelerate communications and data acquisition for citizens and businesses. This will promote the integration of the economic area within the EU and increase legal certainty for businesses and citizens. However, business registers across the different Member States of the European Union differ in many ways, two examples being their legal significance and the reliability of the data they contain. It goes without saying that growing cross-border economic activity makes the interconnection of business registers necessary for reasons of legal certainty and transparency. The directive aims only to interconnect existing national registers on a purely technical basis, not to harmonise their legal consequences. Only the exchange of register data is regulated – no commercial register is to be set up with its own data. For me, the interconnection of business registers can only succeed if the Commission and the Member States work more closely together. In my book, a large part of the proposal, in particular in relation to questions concerning technical details, was unable to provide adequate answers. Questions – as well as solutions – must emerge hand-in-hand with the establishment of the network and then be developed further. There are still a number of open questions to be resolved, and I therefore abstained from the vote.

Rolandas Paksas (EFD), *in writing*. – (LT) A system for interconnecting business registers must not create an additional fiscal or administrative burden for business operators. Furthermore, we must ensure that the functioning of such a system does not modify either the content of the data on companies stored in domestic registers or the information about companies transmitted through the system of central commercial and companies registers.

Appropriate financing needs to be allocated in order to ensure that this interconnection of business registers functions effectively. However, Member States should not have to shoulder the additional financial burden of adjusting their domestic registers to this system.

Georgios Papanikolaou (PPE), *in writing.* – (EL) The interconnection of companies registers is one the steps yet to be taken for the purpose of completing the economic area within the EU and improving security of law for firms and individuals. As a result of increasing cross-border economic activity, parent companies need to be interconnected more effectively, for reasons of security of law, transparency and practicality (as companies registers differ from one Member State to another). One immediate benefit is that both time and money will be saved, while new technologies and online registers will create even more favourable conditions for eliminating any obstacles and differences. However, this specific directive, which I supported, only regulates the exchange of information contained in the registers and does not set up a companies register on its own merits. Therefore, there is no question of a radical change in national practices, simply better cooperation and coordination between them.

Maria do Céu Patrão Neves (PPE), *in writing.* – (PT) Business registers are kept at national and regional level, and there are systematic *de facto* and *de jure* differences between them, particularly with respect to their legal importance and the reliability of the data they contain. Because I believe that linking up company registers is an important means of integrating the economic space within the European Union and strengthening legal certainty for companies and consumers, I voted for this report, which aims to promote legal certainty and transparency by providing a better linkage between business registers, saving companies time and money.

Aldo Patriciello (PPE), *in writing.* – (IT) The interconnection of business registers will allow the full potential inherent in maintaining computerised registers to be exploited. Moreover, it will enhance legal certainty and transparency and also save money and time. In order to improve and speed up communication and retrieval of information by citizens and businesses, I voted in favour of the proposal on the interconnection of central, commercial and companies registers.

Paulo Rangel (PPE), *in writing.* – (PT) Registers are often overlooked, but they make a crucial contribution to ensuring that transactions are sound and facts are legally certain, thus helping to avoid uncertainties and hence litigation. It is thus understandable that, at a time when the economies of the various Member States are showing a high degree of integration, which contributes to the increase in international legal relationships, there is a need for rapid access to information held in the registers of the different Member States. As we know that the registration systems of the different States vary – both in the legal value attached to the data registered and the proof required for registration – the Directive proposes simply to provide the necessary means for exchanging information between Member States, reducing obstacles to trade within the single market. On an initial appraisal it is a praiseworthy initiative. Therefore I voted in favour, and supported the proposed amendments put forward by the Committee on Legal Affairs.

Robert Rochefort (ALDE), *in writing.* – (FR) The proposal submitted to us aims to enable electronic cross-border access to essential information on companies established in one or more Member States. In fact, the proposal on which we are voting provides for the interoperability and interconnection of Member States' central commercial and companies registers – by networking them - and the obligation for States to ensure that the registers

are updated (in particular regarding the status of companies and their branches, their possible striking off, their legal form, and so on). I am pleased that the trilogue in late January reintroduced a reference to Directive 95/46 as regards the use of personal data, which, in my opinion, had wrongly been removed from the draft text during negotiations. I supported this text insofar as its application will increase the reliability of information available to companies, their business partners (existing or potential), and citizens and will stimulate cross-border trade and improve transparency in the business world.

Raül Romeva i Rueda (Verts/ALE), *in writing*. – In favour. The aim of the directive is a purely technical interconnection between the existing national registers to foster integration of the economic area. There is no harmonisation of their consequences.

Licia Ronzulli (PPE), *in writing*. – (IT) I voted in favour of this proposal since I believe that the interconnection of central, commercial and companies registers is a measure designed to help create a more business-friendly legal and fiscal environment.

Fostering the competitiveness of European business and reducing administrative burdens would contribute to exiting the crisis, one of the priorities of the Europe 2020 agenda.

In view of the increasing demand for access to information on companies in a cross-border context, establishing the European central platform would make it easier to obtain official information on companies in other Member States. That would improve and speed up communication and retrieval of information by citizens and businesses.

I am convinced that the full participation of the Member States in such a network would foster further integration of the European Economic Area. I would also like to see third countries taking part in the register interconnection system in future.

Vilja Savisaar-Toomast (ALDE), *in writing*. – (ET) Today I supported the adoption of the report on the interconnection of central, commercial and companies registers. The interconnection of commercial registers is an extremely necessary and long-awaited measure to further the development of the European Union economic area and increase legal certainty among citizens and companies. Considering the economic situation in recent years in the European Union and in its Member States, there has been a significant increase in the need to ensure and increase legal certainty when it comes to cross-border economic activities. Thus, it is important that a company in one Member State should be able to verify the legal status of its business partner and obtain information about that business partner, as this would increase the availability of data. Although this directive is quite technical in nature and deals with the interconnection of various countries' registers and the exchange of information between them, it has a significant influence on the development of the EU's internal market and is therefore of far greater importance than one may initially think. The changes to the directive accelerate the exchange of information and increase its availability to citizens and companies, thereby reducing the opportunities for malevolent or criminal individuals to exploit companies in different Member States and carry out illegal transactions.

József Szájer (PPE), *in writing*. – (HU) With the increase in the cross-border mobility of companies, a greater need has arisen for information concerning enterprises to be made publicly and uniformly accessible to the citizens of any Member State. Currently, however, commercial registers are regulated differently from Member State to Member State and in some cases even from region to region, which creates legal uncertainty for third parties and prevents the restoration of trust in the markets. In my opinion economic players need

to have access to up-to-date and reliable company information in order for the internal market to operate effectively. I believe that approval of the proposal will bring us closer to that goal.

Nuno Teixeira (PPE), *in writing*. – (PT) The linking of business registers is an important measure for promoting integration within the European Union's economic space and strengthening legal certainty for companies and consumers. The rapporteur believes that, by way of exception, it is justifiable to postpone decisions to future legal instruments, some of which will take the form of implementing acts, with the full involvement of the Member States. Thus, the linking of business registers will only succeed if the Commission and Member States cooperate closely. For these reasons I voted in favour of the text.

Silvia-Adriana Țicău (S&D), *in writing*. – (RO) I voted in favour of the European Parliament legislative resolution on the proposal for a Directive of the European Parliament and of the Council amending Directives 89/666/EEC, 2005/56/EC and 2009/101/EC as regards the interconnection of central, commercial and companies registers. There is an ever-increasing demand for access to information on companies in a cross-border context as a result of companies expanding their activities beyond their national borders. The interconnection of central, commercial and companies registers is also necessary due to a large number of restructuring operations, such as mergers and divisions frequently involving companies from different Member States.

The objectives of this directive are to improve cross-border access to business information, to create the conditions required to store up-to-date information in the registers of branches, and to establish clear communication channels between registers as part of cross-border registration procedures. In accordance with the directive, the register interconnection system will comprise the following: Member States' registers, a European central platform and the portal acting as a European electronic access point. Member States will ensure the interoperability of their registers via the platform and will be able to create optional access points to the European register interconnection system.

Thomas Ulmer (PPE), *in writing*. – (DE) I voted in favour of this report. Better interconnection and easier availability of company data is a self-evident must in a growing community.

Angelika Werthmann (NI), *in writing*. – (DE) The growth in cross-border economic activity resulting from the increasing integration of Europe's internal market makes the interconnection of the national business registers indispensable. Alongside greater transparency and legal certainty, doing this also ensures savings in terms of both costs and time. Only with pan-European interconnection can electronic business registers achieve their full potential.

Marina Yannakoudakis (ECR), *in writing*. – I voted for this report because I believe it will help businesses. The proposal builds on the current system by providing the technical framework necessary for a proper exchange of information. The interconnection of central, commercial and company registers will improve accessibility of information for businesses looking to trade cross-border. My constituency of London is home to many hundreds of businesses and I support any measures that will simplify and increase trading within the Single Market.

Inês Cristina Zuber (GUE/NGL), *in writing*. – (PT) Amendments 10, 11 and 12, proposed by the rapporteur, clarify the report's objectives, limits and scope. They say that, since the

objective of this Directive is not to harmonise national systems of central, commercial and companies registers, there is no obligation on the Member States to change their internal system of registers, in particular as regards the management, storage of data, fees, use and disclosure of information for national purposes. What this report does propose is a technical link between existing national registers (business and company) rather than a harmonisation of their legal consequences. The aim is to create a platform to enable more rapid access to such registers, without altering or modifying them, and therefore we voted in favour.

Recommendation: Carl Haglund (A7-0017/2012)

Damien Abad (PPE), *in writing*. – (FR) I voted for the new fishing protocol between the European Union and Guinea-Bissau. It will enable Member States to fish in Guinean Bissau waters in return for a financial contribution to help it develop its fisheries policy. Under the terms of the Treaty of Lisbon, the European Parliament must give its consent to this protocol as it is an international agreement concluded by the Member States.

Luís Paulo Alves (S&D), *in writing*. – (PT) I am in favour of this report as it is in both parties' interests to sign the proposed protocol. However, I regret the way in which the Commission delayed reaching a consensus with the European Parliament, meaning that Parliament could not take a decision until half way through the Protocol, which shows a lack of respect for Parliament as an institution.

Laima Liucija Andrikiienė (PPE), *in writing*. – I voted in favour of this resolution, whereby the Parliament gives its consent to the new Protocol of the Fisheries Partnership Agreement between the European Community and the Republic of Guinea-Bissau. While maintaining the provision of financial assistance to Guinea-Bissau, it renews the terms of the previous Protocol and contains an additional clause providing for its suspension should human rights and democratic principles not be respected. I agree with the rapporteur on the need to monitor closely the implementation of the measures set out in the Council Decision of 18 July 2011 concerning the conclusion of the consultation procedure with the Republic of Guinea-Bissau under Article 96 of the Cotonou Agreement. I strongly support the EP position that Article 9 of the Cotonou Agreement must be respected and its emphasis on the need to monitor the human rights situation in Guinea-Bissau.

Antonello Antinoro (PPE), *in writing*. – (IT) I voted in favour of this new agreement with Guinea-Bissau, after the difficulties we had in signing the previous one. In fact, the last fisheries agreement was never ratified because of the coup that took place a few days after it was signed.

The new protocol covers a period of one year. It contains an additional clause that means it can be suspended in cases of violation of human rights and democratic principles. The global financial contribution under the protocol is EUR 7.5 million, to support the fisheries policy of Guinea-Bissau, and it will provide authorisations for European tuna vessels and trawlers.

Pino Arlacchi (S&D), *in writing*. – I support this agreement because it is in the interest of both parties to conclude a new Protocol that would extend the partnership between Guinea-Bissau and the EU. Indeed, contrary to the fisheries agreement with Morocco that was the lowest-cost (most cost-effective) of all agreements that the European Parliament rejected in December, the Fisheries Agreement with Guinea-Bissau has provided access to fishing opportunities for EU fleet segments, creating employment, and generating additional supplies for the EU market. It is also important to underline that Guinea-Bissau is one of

the poorest countries in the world and is highly dependent on donor support. The EU is the major donor, providing about one third of the international assistance. Furthermore the Fisheries Agreement accounts for about one quarter of all transfers from the EU to Guinea-Bissau, and therefore represents an important additional support.

Sophie Auconie (PPE), *in writing.* – (FR) Guinea-Bissau is a struggling country despite its wealth of assets, such as its natural resources or its vast potential in terms of agricultural and fishery resources. The European Union and Guinea-Bissau have long-standing agreements regarding the fisheries sector. I was in favour of renewing the agreement under which European fishermen, mainly the French, Portuguese and Spanish can come and fish in the territorial waters of Guinea-Bissau in return for an annual fee of EUR 9.2 million. The previous agreement only covered 7.5 million per year but this year, EUR 3 million will support the development of fishing and help this country strengthen one of its assets.

Elena Băsescu (PPE), *in writing.* – (RO) I voted in favour of this resolution. A new protocol needs to be signed between Guinea-Bissau and the European Union. The protocol will accompany the Fisheries Partnership Agreement signed between the two parties in 2008. The overall production from industrial fishery in the Guinea-Bissau region was estimated at 53 000 tonnes. Half of the production in this area is made up of small pelagic fish. The capacity to provide monitoring, control and surveillance of fisheries, as well as sanitary inspections must be improved. I should point out that it is important for the EU to monitor the Guinea-Bissau authorities' respect for human rights. I welcome the inclusion of additional clauses in the protocol concerning the suspension and revision of financial compensation. These clauses must be applied when human rights and democratic principles are violated.

Regina Bastos (PPE), *in writing.* – (PT) On 17 March 2008, the Council adopted Regulation (EC) No 241/2008 on the conclusion of the Fisheries Partnership Agreement (FPA) between the European Community and the Republic of Guinea-Bissau for a period of four years, tacitly renewable, unless either party terminates it. The FPA has supported the presence of the EU fleet in West Africa, created employment and provided additional fish supplies for the EU market. It has also proved relevant to Guinea-Bissau's needs, both as a major contribution to budgetary and macroeconomic stability and in terms of national fisheries policy, since it finances major measures to support the economic development and sustainability of the fishing sector. It therefore appears to be in the interests of both parties to conclude a new protocol and this resolution recommends that the European Parliament approves its conclusion. Concerns over the need for better monitoring of resources using the best available scientific advice should be taken on board during negotiations, by speeding up the work programme of the Joint Scientific Committee. On these grounds I voted for the recommendation.

Izaskun Bilbao Barandica (ALDE), *in writing.* – (ES) I voted in favour of this report because it offers segments of the EU fleet from fisheries-dependent regions the possibility to fish. This agreement will have positive results in terms of reducing illegal, undeclared and unregulated fishing while also helping to ensure that the fishing industry of Guinea-Bissau complies with the conditions that the European Union demands regarding the marketing of fish products.

I would like to finish by highlighting the rapporteur's concern about the European Commission's lack of consideration towards Parliament: it deferred Parliament's chance to give its approval, only allowing it to take an approval decision when the protocol was

already half completed. I hope the Commission will in future give Parliament the right to decide from the start of the procedure.

Vilija Blinkevičiūtė (S&D), *in writing*. – (LT) I voted in favour of this report, because with it the European Parliament consents to the conclusion of the new Protocol to the Fisheries Partnership Agreement between the European Union and Guinea-Bissau. This Protocol sets out the fishing opportunities for EU Member States in Guinea-Bissau's territorial waters and financial compensation.

The new Protocol sets out the allocation of fishing opportunities between the Member States concerned and the fishing terms remain largely unchanged. However, the new Protocol contains additional clauses concerning the suspension and revision of financial compensation, as well as suspension of the implementation of the Protocol to this Agreement should Guinea-Bissau breach essential and fundamental principles of human rights and democracy.

Under the Protocol to the Fisheries Partnership Agreement, EUR 7.5 million has been allocated for a one-year fishing licence for a limited number of European Union boats, part of which has been earmarked to support the Guinea-Bissau sectoral fisheries policy and to improve sanitary conditions for fishery products.

Vito Bonsignore (PPE), *in writing*. – (IT) I voted in favour of this report because I am a strong believer in the effectiveness of fisheries partnership agreements. A feature of such agreements is that they both safeguard fish stocks through regulated fishing and create jobs and provide economic support in places that need European economic assistance. In this particular case, the agreement with Guinea-Bissau provides for the renewal of the previous partnership for one year to give both parties time to draw up a new protocol of understanding valid for four years.

Guinea-Bissau has a largely agricultural economy characterised by the use of very outdated methods, but it has rich fishery resources, both coastal and oceanic, which are being developed. The protocol contains an additional clause allowing for its immediate suspension if breaches of human rights and democratic principles occur. It represents a very important economic incentive tool for a country regarded as one of the poorest and least developed in the world. At the same time, it gives Europe the assurance that a democratic process will be set in motion.

John Bufton (EFD), *in writing*. – I voted against this measure, as I fear European involvement in the fisheries sector of Guinea-Bissau. Guinea-Bissau is one of the least developed economies in the world. One third of GDP comes directly from foreign aid. While I support the notion of aiding Guinea-Bissau to develop self-sufficiency across the maritime and agrarian sectors, the EU has no track history of having a beneficial presence in third-country waters. On the whole, foreign EU vessels pillage the fish stocks of third countries in return for financial hand-outs which result in long-term lasting damage to the fisheries sector, destroying entire subsistence communities. It is hardly surprising that the contract allows for no fewer than 20 Spanish vessels to operate within the area. I am disgusted that the European Union would seek to take advantage of fish stocks in such a deprived country due to the EU's own dwindling reserves as a result of over-fishing, and operate under the guise of development assistance. Instead Member States should be individually seeking to help Guinea-Bissau develop their maritime industry to enable them to trade independently with the wider world at a fair market price, not paying for our own vessels to trawl their waters dry.

Alain Cadec (PPE), *in writing.* – (FR) I welcome the renewal of the Fisheries Partnership Agreement between the European Union and the Republic of Guinea-Bissau which ended in March 2012. This agreement is a continuation of the Cotonou Agreement marking the rapprochement between the EU and the ACP States. Guinea-Bissau, which is rich in fishery resources, has also entered into partnership agreements with China and Senegal. It is important that the EU retains its fisheries partnership with this country both for strategic reasons and to supply our market. I also think that these partnerships are key to helping develop the fisheries sector in ACP countries. This is good news for all fishermen, both European and Guinean-Bissau.

Maria Da Graça Carvalho (PPE), *in writing.* – (PT) Knowing that the Fisheries Partnership Agreement between the EU and Guinea-Bissau covering the 2007–2011 period was due to expire on 15 June 2011 and that there was no agreement between the parties over a future new protocol, I was pleased to learn that the two parties had decided to conclude a protocol covering a period of at least a year, with the terms of the previous protocol being renewed virtually unchanged. I commend this protocol because it permits fishing for tuna (Spain, France and Portugal), shrimp (Spain, Italy, Greece and Portugal), fish and octopus (Spain, Italy, and Greece), in exchange for payments of EUR 7 million, of which 35% would go to help Guinea-Bissau develop a sustainable and responsible fishing industry. I voted for this cooperation agreement because it has proved its importance for Guinea-Bissau, especially in contributing to the country's economic and budgetary stability.

Corina Crețu (S&D), *in writing.* – (RO) Guinea-Bissau is one of the least developed countries in the world, hugely dependent on the support of international donors which provide almost a third of its national income. Therefore, the EU, its main donor, provides a tenth of this state's national income with an annual contribution of around EUR 100 million. In these circumstances, support must continue to be provided in promoting the sustainability of fisheries resources in Guinea-Bissau. It is important to include additional clauses in this new protocol, stipulating that any violation of human rights in Guinea-Bissau may result in the payment of the EU's financial contribution being suspended, in accordance with Article 9 of the Cotonou Agreement. I also believe that closer monitoring is required of problems which persist, such as illegal fishing, due to inadequate surveillance, increasing levels of discards of undersized species and of non-commercial species, non-compliance with EU sanitary rules, affecting bilateral trade, as well as non-compliance with reporting conditions imposed on EU vessels. Last but not least, I am concerned, in connection with this report, by the way in which the European Commission has decided to cooperate with Parliament and respect the latter's decision-making role.

Mário David (PPE), *in writing.* – (PT) As a European and a Portuguese, I was very pleased to vote for the protocol to the EU–Guinea-Bissau Fisheries Partnership Agreement, as Guinea-Bissau is a member of the Community of Portuguese-Speaking Countries (CPLP), which is headquartered in Lisbon. The protocol allows EU vessels to continue fishing in Guinea-Bissau waters for an additional year, up to a maximum of 37 authorisations for tuna vessels and an annual reference tonnage of 8 800 gross registered tonnage for trawlers. Four licences are allocated to Portugal, for tuna vessels and shrimp trawlers. Aside from the specifics of negotiating this new protocol, I believe it is important to highlight that the scientific opinion on the sustainability of exploiting the fishery resources in Guinea-Bissau waters at the current level of fishing suggests it is sustainable for a number of species. I also consider it important to highlight that two safeguard clauses have been included in the

areas of respect for human rights and democratic principles, and of promoting improvements in the sanitary conditions of the sector will be promoted as a way to develop the sector as a whole nationally. Agreed payments can be suspended if it is found these clauses are not being respected.

Christine De Veyrac (PPE), *in writing.* – (FR) I voted in favour of this Protocol which renews the Fisheries Partnership Agreement between the European Union and Guinea-Bissau so as to prevent any interruption of the activity of the French tuna fleet off the coast of West Africa, which would be detrimental for our fishermen and, ultimately, for the consumer.

Anne Delvaux (PPE), *in writing.* – (FR) Based on the mandate with which it was entrusted by the Council, the European Commission held negotiations with the Republic of Guinea-Bissau to renew the Protocol to the Fisheries Partnership Agreement between the European Union and the Republic of Guinea-Bissau, dated 17 March 2008. This new protocol, which the European Parliament has just approved, covers a period of one year from June 2011. It renews the terms of the previous protocol and contains a clause – which I welcome – allowing its suspension if human rights and democratic principles are not respected in Guinea.

Edite Estrela (S&D), *in writing.* – (PT) I voted for the report on the protocol agreed between the European Union and Guinea-Bissau setting out fishing opportunities, because I believe the agreement, which contains clauses concerning respect for human rights and democratic principles, benefits both parties. However, I regret the delay in the process of seeking the European Parliament's consent.

Diogo Feio (PPE), *in writing.* – (PT) The protocol agreed between the European Union and the Republic of Guinea-Bissau setting out fishing opportunities and a financial contribution means that EU countries, particularly Portugal, can fish in Guinea-Bissau territorial waters. It means that both parties to the agreement can benefit mutually and economically from a healthy relationship, which will contribute greatly to the economic sustainability of this African country. Furthermore, this agreement, which replaces the previous fisheries partnership agreement of 18 March 2008, proves that constructive collaboration between the EU and this African country has been beneficial to both parties and could, thereby, contribute to the progressive development of Guinea-Bissau and the security of the maritime area of which it is a part.

José Manuel Fernandes (PPE), *in writing.* – (PT) On 15 June 2011 – the expiry date of the Fisheries Partnership Agreement between the European Community and the Republic of Guinea-Bissau, which had been in force for four years – a new year-long protocol was signed, with a view to drafting a new agreement in that period that respected the provisions of the Cotonou Agreement. Pursuant to the Treaty on the Functioning of the European Union, in order for the Council to be able to conclude a new protocol, Parliament needs to approve this draft protocol agreed between the European Union and the Republic of Guinea-Bissau, setting out the fishing opportunities for EU fishing fleets in Guinea-Bissau's waters and the financial contribution to be paid by the Union. Given that this protocol renews the terms of the previous protocol, adding nothing more than 'additional clauses concerning the suspension and revision of the financial compensation and the suspension of its implementation in case of breach of the essential and fundamental elements of human rights and democratic principles as provided for in Art. 9 of the Cotonou Agreement', I voted for this recommendation to adopt the new protocol.

João Ferreira (GUE/NGL), *in writing*. – (PT) The EU-Guinea-Bissau Fisheries Partnership Agreement for the period 2007–2011 expired on 15 June 2011. The EU has refused to accept Guinea-Bissau's position demanding an increased financial contribution; in the absence of an agreement between the two parties on a new protocol, they have decided to conclude a one-year protocol, with the terms of the expired protocol renewed and basically unchanged.

Therefore, the 37 fishing licences for Member-State fleets have been retained, four of which are for Portugal. It is important to remember that the current agreement was temporarily suspended by the EU, citing problems with the Guinea-Bissau Government's capacity for absorbing the funds relating to sectoral support. It is also important to remember the timely demands we made, which we would reiterate here, to increase EU aid and to adopt measures, jointly discussed and agreed with Guinea-Bissau, aimed at improving its capacity for absorbing EU funds. Regrettably, little was done by the EU in this area. This reveals the weakness of the development aid component in these agreements. These weaknesses have to be looked at and urgently need to be overcome.

Monika Flašíková Benová (S&D), *in writing*. – (SK) Following negotiations between the European Commission and the Republic of Guinea-Bissau, a new protocol entered force for one year from 16 June 2011, the previous protocol having expired on 15 June 2011. Guinea-Bissau is a tropical West African country with limited natural resources and a population estimated at around 1.6 million. It is one of the least developed and poorest countries in the world. The economy is largely agricultural, with a high dependency on the export of a single crop, cashew. The country is extremely dependent on donor support; the major donor is the EU, which in 2008 provided about one third of the international donor assistance. The potentially beneficial trade with the EU in fishery products is prevented due to non-compliance with EU sanitary measures. At the same time, Guinea-Bissau has many fishery resources, both coastal and oceanic species. Catches from the artisanal sector have recently been estimated to be in the range of 30 000 to 50 000 tonnes per year.

The Fisheries Partnership Agreement has provided access to fishing opportunities for EU fleet segments from highly fishery dependent areas, supported their regional presence in West Africa, created employment, and generated additional supplies for the EU market. It is in the interest of both parties to conclude a new protocol, and it is also for this reason that I believe that Parliament should consent to its conclusion.

Catherine Grèze (Verts/ALE), *in writing*. – (FR) After 16 years of the Group of the Greens/European Free Alliance systematically rejecting fisheries agreements with unsustainable environmental and social impacts, we have now decided to take each case on an individual basis. Regarding the agreement with Guinea-Bissau, it was suspended for one year due to its failure to comply with human rights. I therefore abstained today on this agreement. On the one hand, there have been significant improvements with regard to human rights, but there is still a long way to go. While the fisheries sector accounts for 7% of the Guinean-Bissau economy, without this agreement, the Union would be sending a message of 'abandonment' and there would be the obvious risk of leaving the industry in the hands of the Mafia. On the other hand, the agreement does not provide a satisfactory response to the environmental and social impacts, in particular for small-scale fishermen.

Jim Higgins (PPE), *in writing*. – I very much welcome this report. I also welcome the additional clauses concerning the suspension and revision of financial compensation and

the suspension of the Protocol's implementation in the event of breach of the essential and fundamental elements of human rights and democratic principles, as provided for in Article 9 of the Cotonou Agreement.

Juozas Imbrasas (EFD), *in writing*. – (LT) I welcomed the conclusion of the Protocol to the Agreement because it has proved to be relevant to the needs of Guinea-Bissau, both as a major contribution to macroeconomic and budgetary stability and in terms of national fisheries policy, since it provides financial means for the implementation of important measures to support economic development and sustainability of the sector (according to the evaluation report it provided an average of about 7.3% of the annual government revenues and around 88% of budgeted fisheries expenditure). This Agreement has had a particular impact on reducing IUU fishing and bringing the sector closer to meeting EU sanitary conditions for trade in fishery products, both important conditions for development of a national fisheries sector. The Fisheries Partnership Agreement provides an important vehicle for sustaining the development agenda during periods of economic and budgetary instability. It has also allowed the EU and the Guinea-Bissau authorities to maintain a political dialogue, with a view to promoting responsible fishing.

Philippe Juvin (PPE), *in writing*. – (FR) Adopted unanimously by the Parliamentary Committee on Fisheries, this report is aimed at supporting the renewal of the Protocol to the Fisheries Partnership Agreement between the European Union and the Republic of Guinea-Bissau concluded on 17 March 2008.

David Martin (S&D), *in writing*. – From the information provided it appears that it is in the interest of both parties to conclude a new protocol between Guinea Bissau and the European Union. For this reason I supported it.

Mario Mauro (PPE), *in writing*. – (IT) I am in favour of the conclusion of the Protocol to the Agreement between the European Union and Guinea-Bissau on fishing opportunities. The new text is sufficiently binding in terms of respect for human rights and our democratic principles, as provided for in Article 9 of the Cotonou Agreement. I voted in favour.

Nuno Melo (PPE), *in writing*. – (PT) On 17 March 2008, the Council adopted a regulation on the conclusion of the Fisheries Partnership Agreement (FPA) between the European Community and the Republic of Guinea-Bissau, applicable for a period of four years, tacitly renewable, unless either party terminates it. The FPA was accompanied by a protocol setting out the fishing opportunities and the financial compensation for the period from 16 June 2007 to 15 June 2011. As very limited time remained for concluding a new protocol before the expiry of the previous one, the two parties decided to conclude a protocol for one year to give both parties time to assess the prospect of a future protocol of longer duration. In order to allow EU vessels to carry on fishing pending the completion of the procedures for its conclusion, Article 14 of the new Protocol provides for it to be applied on a provisional basis as from 16 June 2011. According to Article 14(3), 'the Parties shall attempt to conclude negotiations for a future Protocol no later than 15 March 2012'.

Alexander Mirsky (S&D), *in writing*. – It is known that the Council adopted Regulation (EC) No 241/2008 on the conclusion of the Fisheries Partnership Agreement (FPA) between the European Community and the Republic of Guinea Bissau. The Union has negotiated with the Republic of Guinea-Bissau a new protocol granting EU vessels fishing opportunities in waters in which Guinea-Bissau exercises its sovereignty or jurisdiction as regards fishing. Consequently, a new protocol was initialled on 15 June 2011, covering a period of one year from 16 June 2011. Its conclusion by the Council is subject to the prior consent of

the EP under Articles 43(2) and 218(6)(a). Regarding the content, the new protocol contains additional clauses concerning the suspension and revision of the financial compensation and the suspension of its implementation. In that sense the protocol is very timely. I voted 'in favour'.

Andreas Mölzer (NI), *in writing.* – (DE) Fisheries agreements represent a fixed point in the common fisheries policy and are designed to give the EU's fishing fleet more weight in comparison with the fleets of other fishing nations while also providing our fleet with access to exploitable fishing resources that (following the extension of the exclusive economic zone from 12 to 200 nautical miles in the 1970s) are located in the territorial waters of other nations. These agreements thus have an impact on the fishing activity of the EU fleet in international and third-country waters. As there does not appear to be any reason not to do so, I have voted in favour of this report.

Franz Obermayr (NI), *in writing.* – (DE) The EU's fishing industry is the third-largest in the world, and fisheries policy is a common concern of the 27 Member States of the EU. The EU's common fisheries policy is based on free and equal access to fish stocks in EU waters, international waters and the waters of third countries with which the EU enters into treaties. The key motives behind the EU entering into fisheries agreements with third countries are to cover its growing demand for fish, to maintain jobs in the fishing industry, to utilise the 40% overcapacity in the EU fleet and to protect stocks in its own waters. The EU and Guinea-Bissau have now decided to intensify the cooperation between the actors in the fishing industry. This is to be welcomed and I therefore voted in favour.

Rolandas Paksas (EFD), *in writing.* – (LT) I voted in favour of this resolution, which approves the conclusion of the new Protocol between the European Union and Guinea-Bissau. It should be noted that Guinea-Bissau has many fishery resources, both coastal and oceanic species. Furthermore, this Protocol will benefit both parties to the Agreement by ensuring the continuation of political dialogue to promote responsible fishing.

I welcome the new provision included in the Protocol suspending financial compensation in cases where the essential and fundamental principles of human rights and democracy are breached. It is also appropriate to suspend the implementation of the Protocol if Guinea-Bissau fails to work towards responsible and sustainable fishing.

Maria do Céu Patrão Neves (PPE), *in writing.* – (PT) The Fisheries Partnership Agreement (FPA) between the European Union and the Republic of Guinea-Bissau has provided access to fishing opportunities for EU fleet segments from highly fishery-dependent areas, supported their regional presence in West Africa, created employment, and generated additional supplies for the EU market. It is estimated that the agreement supported the employment of 470 EU nationals. The FPA has also proved to be relevant to the needs of Guinea-Bissau, both as a major contribution to macroeconomic and budgetary stability and in terms of national fisheries policy, since it provides financial means for the implementation of important measures to support the economic development and sustainability of the sector: according to the evaluation report, it provided an average of about 7.3% of annual government revenue and around 88% of budgeted fisheries expenditure. It has had a particular impact on reducing illegal, unreported and unregulated fishing and bringing the sector closer to meeting EU sanitary conditions for trade in fishery products, both important conditions for development of a national fisheries sector. I voted for the extension of the fisheries protocol for all these reasons.

Aldo Patriciello (PPE), *in writing*. – (IT) The new Protocol aims to strengthen partnership and cooperation in the fisheries sector using all the financial instruments available. It contains additional clauses concerning the suspension and revision of the financial compensation and the suspension of its implementation in case of breach of the essential and fundamental elements of human rights and democratic principles as provided for in Article 9 of the Cotonou Agreement. I voted in favour of the draft decision in order to strengthen partnership and cooperation in the fisheries sector.

Paulo Rangel (PPE), *in writing*. – (PT) Regulation (EC) No 241/2008, adopted by the Council on 17 March 2008, had the objective of concluding a fisheries partnership agreement between the European Union and the Republic of Guinea-Bissau. The agreement was accompanied by a protocol setting out the fishing opportunities and the financial compensation for the period from 16 June 2007 to 15 June 2011. Meanwhile, as the previous protocol was no longer being applied, negotiations began with a view to replacing it. This agreement was signed on 20 December 2011 and is currently awaiting the consent of the European Parliament. The cost-to-benefit ratio for the Union has been 2.2: for an annual cost of EUR 6.6 million, there has been an estimated benefit of EUR 14.5 million. The new protocol strengthens the EU position regarding external partnerships. Similarly, the protocol has benefits for Guinea-Bissau. In addition to contributing to government revenue, it represents support for the local fisheries sector, contributing about 88% of spending in the sector, and is very important to the Guinea-Bissau economy. I therefore voted in favour.

Raül Romeva i Rueda (Verts/ALE), *in writing*. – In favour. The protocol allows vessels to fish for tuna (Spain, France, Portugal), shrimp (Spain, Italy, Greece, Portugal) and fish and octopus (Spain, Italy, Greece), in exchange for payments of EUR 7 million per year, of which 35 % has been earmarked for helping Guinea-Bissau develop sustainable and responsible fisheries. A further EUR 500 000 is to improve sanitary conditions for fisheries products (currently, Guinea-Bissau does not meet the EU's sanitary requirements and so cannot export fish to the EU). These are the same conditions as in the previous protocol. The renewal, however, added two elements. One is a clause that allows the EU to suspend the aid for sanitary improvements should the money not be well spent. An additional clause allows the EU to suspend all payments if 'there has been a violation of the essential and fundamental elements of human rights and democratic principles'. The evaluation of the previous protocol, conducted by external experts, notes that several species exploited under the protocol are fished sustainably (most tuna, shrimp).

Licia Ronzulli (PPE), *in writing*. – (IT) I voted in favour of this draft decision because I believe it is necessary to include in the current Protocol some additional clauses concerning the suspension and revision of the financial compensation in case of breach of human rights and democratic principles. In the event of such violations it is also necessary to suspend the actual implementation of the Protocol. So far, in fact, the agreement has proved fundamental to the European Union, as it provides access to fishing opportunities and supports its presence in West Africa, as well as creating a large number of jobs.

The partnership agreement has also shown its importance to Guinea-Bissau, particularly because it has contributed to economic and budgetary stability in the country.

Sergio Paolo Francesco Silvestris (PPE), *in writing*. – (IT) On 15 June 2011 the European Union and Guinea-Bissau signed a Protocol to the Fisheries Partnership Agreement to

cover the period 16 June 2011–15 June 2012. It provides for a financial contribution of EUR 7 500 000, including EUR 2 950 000 to support the fisheries policy of Guinea-Bissau.

The agreement allows European fishing vessels – primarily from Spain, Portugal, Italy, Greece and France – to operate in the waters of Guinea-Bissau, and is one of several tuna fishing agreements concluded with West African countries. As an Italian citizen, I welcome the renewal of the protocol, the aim of which is partly to help a developing country that has few resources and is making fishing its main source of revenue.

Nuno Teixeira (PPE), *in writing*. – (PT) In 2008, the European Union and the Republic of Guinea-Bissau concluded a fisheries partnership agreement, accompanied by a protocol setting out the fishing opportunities and the financial compensation for the period from June 2007 to June 2011. In June 2011, another protocol was agreed for one year to give time to negotiate a future protocol of longer duration. This new protocol includes additional clauses concerning the suspension and revision of financial compensation and the suspension of its implementation in case of breach of human rights and democratic principles. The new financial contribution is equivalent to EUR 7 million per year of support to Guinea-Bissau fisheries policy and to the sustainability of its fisheries resources, and EUR 500 000 to improve sanitary conditions in the fishing sector. As Portugal has historical links with this African country, this new protocol represents new fishing opportunities for Portuguese vessels and, simultaneously, development support to the Guinea-Bissau fisheries sector. Once again, I would stress the need for Parliament to be more directly involved at all stages of the procedures relating to the new protocol and its renewal.

Angelika Werthmann (NI), *in writing*. – (DE) The fisheries agreement between the European Union and Guinea-Bissau offers extensive benefits to both sides. For the EU, the agreement opens up additional fishing options, while Guinea-Bissau benefits from the EU's financial contributions and a better standard of hygiene, as well as from the combating of illegal fishing. The new protocol is to be welcomed, above all for the fact that it enables the EU to suspend financial payments if Guinea-Bissau fails to maintain human rights or democratic standards.

Marina Yannakoudakis (ECR), *in writing*. – I am pleased to have voted for this consent as it means another year of British vessels being able to access territorial waters off Guinea-Bissau. This has no negative impact on Guinea-Bissau as EU catches account for less than 2% of any species' annual catch. Similarly the EUR 7.5 million given for fisheries support is good for the sustainability of the sector. The extension retains the same provisions as the previous agreement and will hopefully give enough time for current negotiations regarding a new four-year agreement to be concluded.

Iva Zanicchi (PPE), *in writing*. – (IT) I voted in favour of Mr Haglund's recommendation, which I dealt with during the work of the Committee on Development. The new Protocol, which concerns authorisations for tuna vessels and trawlers, covers a period of one year for a global contribution of EUR 7.5 million. It contains an additional clause that allows it to be suspended in the event of breaches of human rights or democratic principles.

Inês Cristina Zuber (GUE/NGL), *in writing*. – (PT) The EU–Guinea-Bissau Fisheries Partnership Agreement applied for the period 2007–2011 and came to end on 15 June 2011. The two parties have decided to conclude a one-year protocol, with the terms of the expired protocol renewed and basically unchanged. The absence of a protocol until now was due to refusal by the EU to accept Guinea-Bissau's demand for an increased financial contribution. With this agreement, the 37 fishing licences for Member State fleets

continue, four of which are for Portugal. We would also note that there are a number of problems with development aid that should be overcome.

Recommendation: Annemie Neyts-Uyttebroeck (A7-0016/2012)

Luís Paulo Alves (S&D), *in writing.* – (PT) I abstained from the vote on this report. I believe that it will open doors to European exports, which will be of benefit to many European producers; however, this is not clear in all cases, particularly for the agricultural populations most weakened by the current crisis. On the other hand, I cannot disagree with creating a partnership with the poor country, which is an important process in the democratic transition.

Sophie Auconie (PPE), *in writing.* – (FR) For a number of years now, the Kingdom of Morocco has been committed to a process of political, economic and social reform. Having worked for several years with Morocco, I supported the deepening of this cooperation because it is conditional on the efforts made by that country. I therefore support Morocco's participation in the work of the Community's agencies and in Community programmes. We had already adopted a 'Joint EU–Morocco document on establishing Morocco's advanced status in its relations with the EU' in 2008 as part of the European Neighbourhood Policy. This was in response to Moroccan aspirations for a gradual integration of Morocco into the internal market. It is our duty to continue a structured and frank dialogue with Morocco, in particular with regard to human rights. I therefore approved this Protocol which reflects the EU's strong support and encouragement of the efforts made by Morocco to deepen the reforms undertaken by ensuring the effective participation of its citizens. Rather than closing our doors to Morocco, we should be urging this country to observe its commitments, to be in line with our standards and to share our values.

Zigmantas Balčytis (S&D), *in writing.* – (LT) The Kingdom of Morocco committed itself to a global process of political, economic and social reform several years ago and the EU has constantly supported Morocco in its efforts to implement its reform programme. On 13 October 2008 the European Union and the Kingdom of Morocco adopted the 'Joint EU–Morocco document on establishing Morocco's advanced status in its relations with the EU'. The Advanced Status reflects a common desire to support a process of home-grown reform, accompanied by a structured and frank dialogue in which human rights is one vital element. I welcomed this report and its acceptance of the need to continue and intensify dialogue through the EU–Morocco summits, the Association Councils and the Subcommittee on Human Rights, Democratisation and Governance.

Mara Bizzotto (EFD), *in writing.* – (IT) I voted against this report on the proposal for a Council decision to step up Morocco's participation in EU programmes. The European Union justifies these proposals by claiming that greater cooperation with Morocco itself will result in better governance of the Euro-Mediterranean area. However, the EU's inertia in the face of the problems of summer 2011, when thousands of illegal immigrants took advantage of the chaos in North Africa to cross the Mediterranean and flood over the coasts of Italy, shows that the numerous agreements that have so far been signed with our so-called 'Mediterranean partners' are totally worthless to the EU and are unable to ensure any kind of 'Euro-Mediterranean governance'. Instead, the Mediterranean area seems to be 'strategic' only to the countries of North Africa, which are benefiting more and more from the unjustified concessions that the EU is signing over to them, while the Member States of the EU itself, and Italy most of all, are finding themselves increasingly stripped of their ability to protect their own territories, their trade and their rights. Secondly, the EU seems

to take little notice of the fact that the Moroccan Government is still heavily involved in corruption on a vast scale. I voted against the conclusion of these agreements for the reasons given above.

Vilija Blinkevičiūtė (S&D), *in writing*. – (LT) I voted in favour of this report because with it the European Parliament has expressed its position on the conclusion of an agreement between the European Union and the Kingdom of Morocco on the participation of Morocco in Union programmes. The European Parliament welcomed the conclusion of this agreement because the European Union will thus be able to support economic development and other positive changes in neighbouring Morocco. This consent approved the Advanced Status allowing Morocco to participate in EU programmes. The profound changes taking place on the southern shores of the Mediterranean since the Tunisian revolution and subsequent events in neighbouring countries are indeed encouraging the EU to support the aspirations of people in these countries even more to develop a partnership with the European Union. Under this agreement Morocco is given the right to take part in those current and future Community programmes open to it. Morocco is also being encouraged to intensify its current reforms and future ones, while giving citizens and society the opportunity to play a somewhat more active role in the implementation of these reforms.

John Bufton (EFD), *in writing*. – I voted against this, as I believe it should be the prerogative of Member States to establish unique bilateral contracts with third countries. Although the strategic importance of Morocco in North Africa, given the recent uprisings of the Arab Spring, cannot be denied, cooperation involves the corroboration of an EU arm of foreign policy which, again, I deem to be unaccountable, as I hold the opinion that only domestic governments should have sovereignty over the foreign relations of Member States.

Alain Cadec (PPE), *in writing*. – (FR) I agree with the rapporteur's position on the need to deepen the existing partnership with the Kingdom of Morocco. Having been granted an 'advanced status' by the European Union, Morocco is actively cooperating on political, economic and even financial issues. We have a duty to support this country's gradual integration into the internal market and to show that we are capable of responding positively to the desire for openness and dialogue voiced by the Moroccan nation. The Kingdom of Morocco's participation in Community programmes marks an important stage in supporting the reforms undertaken by the Moroccan Government. I would also like to point out that this protocol to the Euro-Mediterranean Agreement is consistent with the objectives of the EU's new neighbourhood policy.

Maria Da Graça Carvalho (PPE), *in writing*. – (PT) I voted for this initiative because, with the profound changes taking place in the southern Mediterranean since the Tunisian revolution and subsequent events in neighbouring countries, it is important that the EU do even more to support the aspirations of people in these countries, now that these aspirations are shared by their leaders. The Kingdom of Morocco committed itself to a global process of political, economic and social reform several years ago and the EU has constantly supported Morocco in its efforts to implement its reform programme.

Nessa Childers (S&D), *in writing*. – While Morocco may be entitled to participate in Union programmes, and this is for the most part encouraged, the issue of the independence of Western Sahara should not be allowed to be forgotten in the Union's negotiations.

Nikolaos Chountis (GUE/NGL), *in writing.* – (EL) Following efforts to execute a fisheries agreement, I again voted against the participation of the Kingdom of Morocco in Union programmes. The situation in the Western Sahara was the main reason why I voted against the recommendation. The Union cannot proceed along the lines of ‘business as usual’ and ignore the continuing infringement of international law and the human rights of the Sahrawi by the Kingdom of Morocco. Furthermore, on the pretext of competitiveness and the need for cheap imports of agricultural products and fish in the European market, Moroccan farmers and fishermen have extremely low wages. Finally, I voted against the recommendation, because it does not ensure that crops are grown in accordance with the necessary food safety criteria and respect for the environment and preservation of natural resources.

Rachida Dati (PPE), *in writing.* – (FR) This agreement between the European Union and Morocco provides a framework for future relations, enabling Morocco to participate in European Union programmes. It is a key element in deepening our relations with Morocco and will enable significant sectoral approximation. It guarantees Morocco a fair share of the Union’s budget allocated to specific programmes in which it can choose to take part. It is an essential stage in forging ever closer links with our ‘advanced status’ partner, Morocco.

Mário David (PPE), *in writing.* – (PT) For the reasons that I gave in my explanation of vote on the reciprocal liberalisation of agricultural/fishery produce between the EU and the Kingdom of Morocco, and the additional reason that I was this Parliament’s rapporteur for the review of the European Neighbourhood Policy, it is with satisfaction that I note the deepening of relations between the EU and its neighbouring countries. In the particular case of Morocco, we can see that this country committed itself several years ago to a process of political, economic and social reform which the EU has supported and must continue to support. As can be read in this recommendation, the Advanced Status reflects a common desire to support a process of home-grown reform, accompanied by a structured and frank dialogue in which human rights is one vital element. I have therefore voted in favour of this recommendation, which I hope may act as a further stimulus to an absolutely necessary task: that is, the practical implementation of the current reforms and their further development with a view to increased civic and political participation by the country’s citizens at local, regional and national level. I can confirm that the legislative elections held last November proved that the country is on the right road in this matter.

Anne Delvaux (PPE), *in writing.* – (FR) Twelve years after the Association Agreement between the EU and Morocco was signed, and following the granting of ‘advanced status’ to this country in 2008 (remember that the country’s advanced status reflects the ambition to promote and maintain a structured and frank dialogue in which human rights and democratisation and governance are vital elements), I welcome the adoption of the Euro-Mediterranean Protocol adopted today because it covers the general principles for Morocco’s participation in current and future Union programmes open to it, one year after the ‘Arab Spring’, in accordance with the objectives of the European Neighbourhood Policy.

Edite Estrela (S&D), *in writing.* – (PT) I have voted in favour of the report on participation by the Kingdom of Morocco in Union programmes because I consider the agreement to be a positive move, in that the EU is thereby encouraging Morocco to continue and intensify its current reforms, while guaranteeing that its citizens will play a real role in these.

Diogo Feio (PPE), *in writing.* – (PT) The process by which the Kingdom of Morocco participates in European Union programmes is an incentive for that country, which enjoys a strategic neighbouring position in relation to the EU bloc, to continue with its current reforms and feel motivated to initiate future ones that are of course essential for its citizens. Following the European Parliament's award of the 2011 Sakharov Prize to five leading figures in the Arab Spring and our celebration of the progress towards democracy and human rights in the Arab world, the framework agreement between the EU and the Kingdom of Morocco on the general principles for the neighbouring country's participation in Union programmes will allow the two parties to strengthen their mutually beneficial ties of cooperation.

José Manuel Fernandes (PPE), *in writing.* – (PT) The European Union supported all the changes that some southern Mediterranean countries have been undergoing since the Tunisian revolution, known as the Arab Spring. This recommendation concerns the Proposal for a Council decision on the conclusion of a Protocol to the Euro-Mediterranean Agreement establishing an association between the European Communities and their Member States, of the one part, and the Kingdom of Morocco, of the other part, on a framework agreement between the European Union and the Kingdom of Morocco on the general principles for the participation of the Kingdom of Morocco in Union programmes. In view of the history of bilateral relations and of the Kingdom of Morocco's interest in joining the EU single market, the Union has been supporting its development at a number of levels, because it has noted the efforts by the Moroccan authorities to implement a range of political, economic and social reforms. I voted for this recommendation and I welcome the conclusion of the protocol to the EU–Morocco Euro-Mediterranean Association Agreement, which allows the country to participate in EU programmes, in line with the new European Neighbourhood Policy.

João Ferreira (GUE/NGL), *in writing.* – (PT) By adopting this agreement, the majority in Parliament are giving their support to Morocco's participation in specific EU programmes and its progressive integration with the EU internal market. The negative consequences for both the Moroccan people and the people of EU countries have been ignored, particularly for those in nearby countries with competing industries, such as Portugal.

This agreement and the measures it provides for are in line with the reciprocal trade liberalisation agreement for agricultural products, fish and fisheries products, the objective of which is the economic colonisation of new territories to overcome the accumulation crisis of big capital in the EU. Large European multinational agribusinesses will benefit, as they seek to reduce production costs by exploiting workers and removing restrictions on the expropriation of natural resources. Small-scale producers of Mediterranean fruit and vegetables in the countries of the southern EU are under threat. Also noteworthy is the implicit support for Morocco's continued occupation of Western Sahara, in a clear affront to international law.

Monika Flašíková Benová (S&D), *in writing.* – (SK) The 'Joint EU–Morocco document on establishing Morocco's advanced status in its relations with the EU' was adopted by the European Union and the Kingdom of Morocco on the occasion of the Association Council of 13 October 2008. This document confirmed the objectives of the Advanced Status granted by the EU in response to Morocco's desire to deepen its partnership with the EU. The Kingdom of Morocco committed itself to a global process of political, economic and social reform several years ago, and the EU has constantly supported Morocco in its efforts to implement its reform programme. The Advanced Status reflects a common desire to

support a process of home-grown reform, accompanied by a structured and frank dialogue in which human rights is one vital element. The general principles of the European Neighbourhood Policy and the neighbourhood policy action plan, adopted by both parties in July 2005, ushered in a new stage in bilateral relations by offering Morocco the opportunity to move gradually into the EU's internal market. The Advanced Status confirms this policy option; it opens up the possibility of taking part in the work of the Community's agencies and in Community programmes, and also envisages financial support. The Protocol to the Euro-Mediterranean Association Agreement between the EU and Morocco is a crucial stage in bilateral relations and is consistent with the objectives of the EU's new neighbourhood policy.

Brice Hortefeux (PPE), *in writing.* – (FR) Morocco is a privileged partner of the European Union in the southern Mediterranean region. The EU maintains a well sustained and intensive dialogue with this country in a number of fields. The principle of 'advanced status' was recognised for Morocco in 2008 as part of the European Neighbourhood Policy. The legislative elections of 25 November 2011 followed by the formation of a coalition government appointed on 3 January 2012 by King Mohammed VI are major steps in the country's process of constitutional and democratic reform. This is a movement which the EU should naturally support. This has now been done. In fact, on Tuesday 14 February, the European Parliament fully endorsed the protocol that will enable our strategic partner to participate in Community programmes open to third countries such as the Competitiveness and Innovation Programme (CIP) or the 'Customs 2013' programme.

Juozas Imbrasas (EFD), *in writing.* – (LT) I welcomed the conclusion of the Protocol because the Protocol to the Euro-Mediterranean Association Agreement between the EU and Morocco, covering the general principles for the Kingdom of Morocco's participation in Union programmes, marks a decisive stage in bilateral relations. It gives Morocco the right to take part in those current and future Community programmes open to it. This new prospect is consistent with the objectives of the EU's new neighbourhood policy. Through the Protocol, the EU is supporting and strongly encouraging Morocco in its efforts to intensify its reforms and to initiate future ones, while guaranteeing that its citizens will play a real role therein.

Peter Jahr (PPE), *in writing.* – (DE) I support the conclusion of a framework agreement between the EU and Morocco, leading to a closer partnership. The events of the so-called Arab Spring have shown what potential and will there is for change in the mostly very young population of the Arab world. The EU has a one-off opportunity here to play its part, through a framework agreement and corresponding EU programmes, in the positive developments already underway. Operational, but above all also strategic, cooperation and adequate financial backing will pave the way for stable bilateral relations in future.

Philippe Juvin (PPE), *in writing.* – (FR) Morocco was granted advanced status by the European Union in 2008. The objective was, firstly, to take into account the strategic priorities to pursue following the Association Agreement signed with Morocco in 1996 and, secondly, to gradually integrate Morocco into the internal market. I supported this report which seeks to approve the conclusion of the Protocol to the Euro-Mediterranean Association Agreement between the EU and Morocco.

David Martin (S&D), *in writing.* – With the profound changes taking place in the southern Mediterranean since the Tunisian revolution and subsequent events in neighbouring countries, it is important that the EU supports the aspirations of people in

these countries even more, now that these aspirations are shared by their leaders. The Kingdom of Morocco committed itself to a global process of political, economic and social reform several years ago and the EU has constantly supported Morocco in its efforts to implement its reform programme.

The Advanced Status reflects a common desire to support a process of home-grown reform, accompanied by a structured and frank dialogue in which human rights is one vital element. This dialogue needs to be continued and intensified through the EU-Morocco summits, the Association Councils and the Subcommittee on Human Rights.

Clemente Mastella (PPE), *in writing.* – (IT) With the profound changes taking place in the southern Mediterranean since the Tunisian revolution and subsequent events in neighbouring countries, it is important that the EU supports the democratic aspirations of people in these countries even more.

The Kingdom of Morocco committed itself to a global process of political, economic and social reform several years ago. The Protocol to the Euro-Mediterranean Association Agreement between the EU and Morocco, which we have adopted here today, marks a decisive stage in our bilateral relations. It gives Morocco the right to take part in all current and future Union programmes, a step that is consistent with the main objectives of the neighbourhood policy.

We confirm our support and encouragement for Morocco in its efforts to intensify its reforms and to initiate future ones, while guaranteeing that its citizens will play a real role in them and that human rights will be upheld on its territory.

Mario Mauro (PPE), *in writing.* – (IT) With the upheavals that have been affecting the southern Mediterranean since the so-called Arab spring, it is important that the EU supports the aspirations of people in these countries even more, now that these aspirations are shared by their leaders. Morocco must therefore be enabled to take part in all the current and future Union programmes open to it. I hope that the EU neighbourhood policy moves increasingly in this direction. I voted in favour.

Nuno Melo (PPE), *in writing.* – (PT) When the Association Council met on 13 October 2008, the European Union and the Kingdom of Morocco adopted a 'Joint EU-Morocco document on establishing Morocco's advanced status in its relations with the EU'. With the profound changes taking place in the southern Mediterranean since the Tunisian revolution and subsequent events in neighbouring countries, it is important that the EU supports the aspirations of people in these countries even more, now that these aspirations are shared by their leaders. The Kingdom of Morocco committed itself to a global process of political, economic and social reform several years ago and the EU has constantly supported Morocco in its efforts to implement its reform programme. The Advanced Status reflects a common desire to support a process of home-grown reform, accompanied by a structured and frank dialogue in which human rights is one vital element. The Protocol to the Euro-Mediterranean Association Agreement between the EU and Morocco, covering the general principles for the Kingdom of Morocco's participation in Union programmes, marks a decisive stage in bilateral relations. It gives Morocco the right to take part in those current and future Community programmes open to it. This new prospect is consistent with the objectives of the EU's new neighbourhood policy.

Louis Michel (ALDE), *in writing.* – (FR) Morocco is a long-standing natural ally of the European Union. The adoption of this protocol recognising Morocco's legal basis to

participate in Community programmes in seven areas such as energy, customs, entrepreneurship, consumer policy, research, health, and so on is a new political signal underlining our desire to formalise the Euro-Mediterranean partnership and our support for the democratisation efforts undertaken by the Moroccan Government. This vote in favour is in line with the advanced status that the EU granted it in 2008. In view of the profound changes that have occurred in the southern Mediterranean since the Arab Spring, a strengthening of our relations was crucial.

Alexander Mirsky (S&D), *in writing*. – The Protocol gives Morocco the right to take part in those current and future Community programmes open to it. This new prospect is consistent with the objectives of the EU's new neighbourhood policy. Since through the Protocol the EU is supporting and strongly encouraging Morocco in its efforts to intensify its reforms and to initiate future ones, while guaranteeing that its citizens will play a real role therein, I voted in favour.

Katarína Neveďalová (S&D), *in writing*. – (SK) The joint EU–Morocco document on establishing Morocco's advanced status in its relations with the EU confirmed the objectives of the Advanced Status granted by the EU in response to Morocco's desire to deepen its partnership with the EU. These objectives are based around taking both parties' respective strategic priorities into better account, and Morocco's gradual integration into the internal market. The Advanced Status opens up the possibility of taking part in the work of the Community's agencies and in Community programmes, and envisages financial support. In this regard, the EU will pay particular attention to ensuring that Morocco's policies benefit all of the country's regions, especially Western Sahara, which requires stability and solutions. The Kingdom of Morocco has become a political and economic partner for us, and this Protocol is an important act of support and encouragement from the EU in relation to efforts towards the achievement of sustainable democracy in this region. I therefore believe and hope that Morocco will not betray our trust.

Rolandas Paksas (EFD), *in writing*. – (LT) I believe that permission for Morocco to take part in the work of the Community's agencies, as well as current and future programmes, is an excellent example giving Morocco the right to develop its partnership with the EU and gradually integrate into the EU internal market.

I welcome this Agreement because political and strategic cooperation is also backed up by moves to deepen economic and financial cooperation. Furthermore, on the basis of this Agreement Morocco is granted Advanced Status, which will encourage Morocco to carry out ongoing and new reforms. It will also create a favourable environment to hold a constructive and open dialogue, the main topic of which is human rights.

Maria do Céu Patrão Neves (PPE), *in writing*. – (PT) In 2008, the European Union and the Kingdom of Morocco adopted a 'Joint EU–Morocco document on establishing Morocco's advanced status in its relations with the EU'. In line with the objectives of the European Union's new neighbourhood policy, the Euro-Mediterranean Association Agreement between the EU and Morocco, covering the general principles for the Kingdom of Morocco's participation in Union programmes, marks a decisive stage in bilateral relations. It gives Morocco the right to take part in those current and future Community programmes open to it. For these reasons, I have voted in favour of the report.

Paulo Rangel (PPE), *in writing*. – (PT) The political turbulence that the Maghreb states (especially Tunisia, Egypt and Libya) have been going through demands the attention of the EU authorities, in the first place because of the geographical proximity of these states

to continental Europe, but also for the sake of protecting our shared space. The experience of the European Communities shows that economic cooperation, by creating ties of interdependence and reciprocity among peoples, provides an ideal means for pursuing certain essential aims of the Community project, such as the defence of fundamental human rights, of the rule of law and of the democratic legitimisation of governments. We must therefore applaud the adoption of a Euro-Mediterranean Association Agreement between the European Union and its Member States on the one hand and the Kingdom of Morocco on the other, covering the general principles for the Kingdom of Morocco's participation in Union programmes. This measure opens the door to closer relations between the two entities, allowing the Kingdom of Morocco, a Maghreb state, to take part in various Community projects. Since I regard this as an important political step forwards, I have voted in favour.

Mr Raül Romeva i Rueda (Verts/ALE), *in writing.* – Against. Until I see a credible move on the part of Morocco to solve definitively the problem of Western Sahara, I cannot give my support to the Recommendation on the Proposal for a Council decision on the conclusion of a Protocol to the Euro-Mediterranean Agreement establishing an association between the European Communities and their Member States, of the one part, and the Kingdom of Morocco, of the other part, on a framework agreement between the European Union and the Kingdom of Morocco on the general principles for the participation of Kingdom of Morocco in Union programmes [12712/2010 - C7-0430/2010 - 2010/0125(NLE)].

Licia Ronzulli (PPE), *in writing.* – (IT) I voted in favour of this draft resolution since I believe it is crucial to support Morocco in its process of partnership with the European Union, especially at this time of profound change in the southern Mediterranean. The advanced status enjoyed by Morocco, which for years has been committed to a process of political, economic and social reform, extends bilateral cooperation to spheres that were not envisaged in the 1996 Association Agreement.

I am sure that the Protocol to the Agreement marks a further stage in the development of EU–Morocco bilateral relations. Political and strategic cooperation would thus be backed up by moves to deepen economic and financial cooperation, offering Morocco the opportunity to move gradually into the EU's internal market.

Tokia Saïfi (PPE), *in writing.* – (FR) The European Union maintains one of the most intensive dialogues with Morocco, a country that is moving peacefully towards greater democracy. The protocol on the participation of Morocco in certain Community programmes represents an important step towards raising the status of relations between the EU and Morocco (advanced status). Signed in Brussels in December 2010 and in force since 1 March 2000, it outlines the objectives of this raised status, which are based around taking both parties' respective strategic priorities into better account and Morocco's gradual integration into the internal market. It gives Morocco the right to take part in all those current and future Community programmes open to it. This new prospect is consistent with the objectives of the EU's new neighbourhood policy, which is why I voted in favour of it in plenary.

Sergio Paolo Francesco Silvestris (PPE), *in writing.* – (IT) This morning's vote on the Protocol to the Association Agreement between the EU and Morocco provides for the North African country's participation in Union programmes. The decision to open these negotiations was taken in the Committee on Foreign Affairs. Morocco is, in fact, a vital

political and economic partner for many Member States, particularly the Mediterranean states.

We have therefore closely followed its adoption and hope that the reforms the country has initiated will soon be completed. I believe it is essential to support the country in its journey to full democracy, since a stable neighbouring country also means stability for the European Union. Morocco and Jordan are the only two partner states of the EU in the southern Mediterranean to have signed an advanced-status bilateral relations agreement.

Nuno Teixeira (PPE), *in writing.* – (PT) The Association Agreement signed with Morocco in 1996 under the Barcelona Process developed in 2008 into the Advanced Status, with the aim of integrating Morocco into the internal market and taking the strategic priorities of both the entities concerned into account. Moreover, the Advanced Status aspires to promote concrete reforms in Moroccan society and to maintain a political and strategic dialogue focusing on respect for human rights, on increasing democracy and on good governance. This particular status offers the opportunity not only to move gradually into the internal market, but also to take part in the work of EU agencies and in EU programmes, and envisages financial support for the purpose. It must be stressed that such support is available to all Morocco's regions, especially Western Sahara. In view of the Arab Spring and its effects on this geographical area, I believe the time is ripe for support to these countries, whose people are yearning for a better life.

Silvia-Adriana Țicău (S&D), *in writing.* – (RO) I voted in favour of concluding a Protocol to the Euro-Mediterranean Agreement establishing an association between the European Communities and their Member States, of the one part, and the Kingdom of Morocco, of the other part, on a framework agreement between the European Union and the Kingdom of Morocco on the general principles for the participation of the Kingdom of Morocco in Union programmes.

On 5 March 2007 the Council expressed its support for allowing European Neighbourhood Policy partners to participate in the activities of EU agencies and in EU programmes on their merits and when the legal bases permit it. In fact, Morocco has expressed its desire to participate in a number of EU programmes. The ways and specific conditions for Morocco's participation in each programme must be defined separately, especially in terms of its financial contribution and reporting and assessment procedures, based on an agreement between the Commission and the relevant authorities in Morocco. Morocco makes a financial contribution to the EU general budget according to the specific programmes it takes part in. Representatives from Morocco can take part, as observers and in connection with issues concerning Morocco, in the work of the management committees responsible for monitoring the programmes to which Morocco makes a financial contribution.

Dominique Vlasto (PPE), *in writing.* – (FR) I obviously voted in favour of this recommendation to the Council because it seems only right that the partnership between the European Union and Morocco should move up a gear. It was essential for Parliament to send a strong political message to our Moroccan friends. Morocco's participation in EU programmes has been under consideration since the conclusion of the Association Agreement in 1996 and then since being granted advanced status in 2008. For a number of years, Morocco has shown evidence of remarkable courage and a proactive approach to undertaking radical reforms moving towards democracy, rule of law and an enhanced dialogue with Europe. It was therefore only natural to reward its efforts and endorse its role

as the EU's main partner in the Arab world. This participation is not unconditional: it will be gradual and Morocco will have to make a financial contribution to the general EU budget in return. It is also conditional on further reforms and the successful implementation of the new Constitution, adopted in late 2011. I therefore welcome the decision taken by Parliament and am confident it will strengthen and enrich the strategic EU–Morocco partnership.

Angelika Werthmann (NI), *in writing.* – (DE) Morocco's gradual convergence with Europe's internal market and its participation in Community programmes will significantly improve bilateral relations between the two parties. With this protocol, the EU is supporting Morocco in the implementation of economic, political and social reforms for the benefit of its citizens. At the same time, it ensures that the EU's financial support will benefit all areas of Morocco, including Western Sahara.

Inês Cristina Zuber (GUE/NGL), *in writing.* – (PT) In the first place, this agreement ignores a vital question: the occupation by Morocco of another country – Western Sahara – and the continuing oppression and denial of the right to self-determination of the Sahrawi people, in total disregard of international law. By approving this agreement, the majority in this Parliament is giving its support to Morocco's participation in certain EU programmes and its gradual integration into the EU internal market. It disregards the negative consequences for both the Moroccan people and the peoples of the EU countries, particularly those countries that lie closest to Morocco and compete with it in production, such as Portugal.

This agreement and the measures that it envisages are of a piece with the agreement on the reciprocal liberalisation of agricultural products, fish and fishery products, the aim of which is the economic colonisation of new territories as a way out of the crisis of accumulation faced by big business in the EU. The winners are the big European agribusiness multinationals, which seek to lower production costs by exploiting their workers and eliminating the controls on the despoliation of natural resources. Equally threatened are the small growers of Mediterranean produce (fruit and vegetables) in the southern countries of the EU.

Recommendation for second reading: Janusz Wojciechowski (A7-0031/2012)

Damien Abad (PPE), *in writing.* – (FR) While the EU has taken measures since 2000 to combat bluetongue, new provisions taking into account new vaccination technologies should be implemented. I therefore voted in favour of the Wojciechowski report.

Luís Paulo Alves (S&D), *in writing.* – (PT) I am voting for this report because we must bear in mind that scientists have discovered an inactive vaccine which does not pose the risks that its predecessor did. It is now generally accepted that inactive vaccines are preferable as the means of controlling and preventing this disease in the European Union.

Sophie Auconie (PPE), *in writing.* – (FR) I voted in favour of the directive which will finally allow our farmers to vaccinate their cattle, sheep and goats under threat from bluetongue. This disease, which is mainly transmitted by the bite of certain species of mosquitoes, affects sheep acutely but other ruminants are susceptible. Although the disease has no impact on human health, either directly or through products, the consequences can be severe for livestock. This text is aimed at updating and relaxing the current rules on vaccination. I wanted this text to go through quickly so that these new rules can be

implemented from the next vaccination season. I now urge the French Government to transpose the Directive into French law as quickly as possible.

Elena Bănescu (PPE), *in writing*. – (RO) I voted for this report because I think that food security is a basic principle of the European Union. Vaccination against bluetongue must be adapted to the latest scientific developments. This means that using inactivated vaccines is much more effective than the current procedure using live attenuated vaccines. Furthermore, they are also more cost-effective. There has been a fall in the number of animals affected, and the vaccinated herds must not be isolated geographically. I should also emphasise the epidemiological risk posed by using live attenuated vaccines for the sheep population in the affected region. I also think that correlation tables must be introduced in the relevant legislation. This will help make the process of implementing these provisions more transparent. I think that it is vital to reach agreement on this technical amendment.

Maria Da Graça Carvalho (PPE), *in writing*. – (PT) I have voted in favour of this report because I know that it is intended to help and strengthen the fight against bluetongue and reduce the burden that it imposes on the agricultural sector. An adaptation of the present arrangements regarding recent technical progress will allow the development of an inactivated vaccine against the disease.

Vasilica Viorica Dăncilă (S&D), *in writing*. – (RO) I think that the Wojciechowski report on vaccination against bluetongue is of paramount importance. I believe that this legislation needs to be adopted quickly to allow Member States the option to use the bluetongue vaccination when needed to prevent infection or reduce the threat of other animals also becoming infected. The Commission will not only have to continue to monitor the outbreak of bluetongue, but also focus particular attention on the Schmallenberg virus which has recently appeared, and invest time and money in finding a solution to this devastating virus.

Diane Dodds (NI), *in writing*. – It is important that this legislation is enacted quickly to allow Member States the option to use the bluetongue vaccine when necessary to prevent infection or reduce the threat to other animals before the midge population become active and can carry/spread infection across the EU. The vaccine should only be used when the competent authority identifies significant risk to the livestock population. It is important that the Commission continues to monitor bluetongue outbreaks but also to direct attention to the recent outbreak of the Schmallenberg virus and invest time and money to find a solution for this devastating virus.

Edite Estrela (S&D), *in writing*. – (PT) I have voted in favour of the report on vaccination against bluetongue because it proposes measures towards a more effective use of vaccines to bring bluetongue under control and reduce the risks and burdens associated with this disease.

Diogo Feio (PPE), *in writing*. – (PT) Traditionally, vaccination against bluetongue was done with live attenuated virus vaccines, which involved a whole series of restrictions on vaccination in order to keep the virus from spreading to unvaccinated animals. However, scientific developments have allowed the creation of new, inactivated vaccines. Unlike live attenuated vaccines, these can be safely used without restrictions, since they pose no risk of any active virus circulating. In view of the grave effects of bluetongue on livestock farming, every means that makes vaccination easier and more effective should be adopted, to protect farmers against losing their stock and ultimately to guarantee food safety.

José Manuel Fernandes (PPE), *in writing*. – (PT) This text is a recommendation for second reading on the Council position at first reading with a view to the adoption of a directive of the European Parliament and of the Council amending Directive 2000/75/EC as regards vaccination against bluetongue. Bluetongue is a disease that mainly affects ruminant animals such as sheep, goats and cows, and may take on epidemic proportions under the right environmental and climatic conditions, particularly in late summer and early autumn. Although there is no record of human infection, it is vital to implement measures leading to its eradication. In November 2010, the European Union adopted a series of measures to eradicate it: specifically, a vaccination plan using what is known as ‘active immunisation’. However, what is known as ‘passive immunisation’ has been developed in recent years; in contrast to the older type, this can be used outside areas subject to restrictions. In view of the technological and scientific innovation in veterinary terms, I voted for this recommendation because it will make the vaccination programme against bluetongue more efficient, so reducing the costs to the farming sector of this disease.

João Ferreira (GUE/NGL), *in writing*. – (PT) Bluetongue is a disease affecting ruminants (cattle, sheep and goats), whose infectious agent, a virus, is spread from animal to animal by an insect vector, with serious consequences for the agricultural sector. This directive seeks to bring up to date the rules for vaccination against bluetongue, making them more flexible and constituting a means to prevent as well as control this disease.

Greater flexibility will allow wider use of the vaccine and remove restrictions limited to the areas where the disease has occurred. Moreover, the updating I have mentioned also covers new technical resources, in particular the inactivated vaccines that have become available and are safer than their predecessors, the live modified or live attenuated vaccines, which gave rise to undesired virus circulation among unvaccinated animals. These are pertinent reasons for welcoming the report. The Council agrees with the objectives proposed by the Commission and has adopted most of the amendments proposed by Parliament. This directive comes into force the day after its official publication, a matter of importance in view of the urgent need to combat and prevent this disease and reduce its harm to the agricultural sector.

Monika Flašíková Benová (S&D), *in writing*. – (SK) Council Directive 2000/75/EC of 20 November 2000 laying down specific provisions for the control and eradication of bluetongue also lays down control rules and measures to combat and eradicate the disease, including rules for the establishment of protection zones and surveillance zones and the deployment of vaccines. In order to ensure better control of the spread of bluetongue and to reduce the burden on the agricultural sector posed by the disease, it is right to amend the current rules for vaccination laid down in Directive 2000/75/EC in order to take account of the latest improvement in vaccine production technology. The amendments set out in this Directive should render the rules on vaccination more flexible, and should also take into account the availability of inactivated vaccines that can be used successfully outside areas subject to animal movement restrictions. It is my opinion that an amendment to legislation is required, to take account of technological advances in vaccine development. The proposed amendments would also facilitate the adoption of decisions on strategies for the control of bluetongue based on the specific situation in Member States, without undue interference by the Union.

Jim Higgins (PPE), *in writing*. – This report allows farmers the flexibility to proactively tackle the threat of bluetongue disease among livestock through the use of inactivated vaccines which are not limited to infected areas. Farmers can now take advantage of

technological advances in vaccine production to protect their stock. The disease causes intense suffering, and death, among affected animals. I welcome the fact that the number of outbreaks of bluetongue has fallen significantly across Europe in recent years, due to the effective combination of vaccination and restrictions. Member States can now be proactive in their approach, and have dramatically reduced the devastating impact of this disease. Vaccination, together with careful surveillance, can tackle bluetongue; while there will always be other diseases to threaten EU livestock, I am delighted to see that we are finally mastering bluetongue. At present a new animal virus has spread to Germany, the Netherlands, France, Belgium and Britain, the spread of which would appear to be similar to that of bluetongue. Our focus must now shift to other health threats to livestock.

Juozas Imbrasas (EFD), *in writing*. – (LT) I welcomed this proposal because bluetongue has caused major economic losses in the EU in the last decade and therefore the aim is to offer more flexibility to vaccination against bluetongue, a disease of ruminants (cattle, sheep, goats).

Peter Jahr (PPE), *in writing*. – (DE) An improvement of the conditions for vaccination against bluetongue is something that I believe to be more than reasonable. A relaxation of the rules in place up to now is overdue, as, thanks to new, inactive vaccines, it has been possible for some time to preclude infection with this dangerous disease in the course of immunisation. This would provide for protection through vaccination right across the Union, including in those areas that have not yet suffered from this disease. Given that Germany, Belgium, the Netherlands and Luxembourg will be declared free of bluetongue as of 15 February 2012, a quick resolution of this problem would be wise. What is needed now, for the farmers affected, is for a workable solution to be reached as quickly as possible.

Philippe Juvin (PPE), *in writing*. – (FR) The objective of this report is to strengthen and improve the fight against bluetongue and reduce its burden on the agricultural sector. This involves adapting the current provisions on vaccination to recent developments in vaccine production technology, a technology that has developed ‘inactivated vaccines’ against the disease. I voted in favour of this report in plenary.

Elisabeth Köstinger (PPE), *in writing*. – (DE) Bluetongue is an excruciating disease in ruminants and has caused considerable economic damage since the first outbreak of the epidemic waves of the disease in 2000. Third countries completely halted imports from many EU countries despite the vaccination of breeding cattle. Cattle breeders, in any case, have found their livelihoods threatened. The old directive on measures to combat bluetongue dates from 2000, when there was not yet a good vaccine. These days, the vaccines are much more mature and without alarming side-effects, for which reason it is appropriate to adapt the directive accordingly.

George Lyon (ALDE), *in writing*. – I supported the agreement on the proposed changes to the Bluetongue Directive so as to allow livestock farmers to vaccinate against bluetongue beyond areas subject to animal movement restrictions on 14 February 2012.

I believe this will provide greater flexibility to develop national strategies on the prevention and control of diseases, without placing an additional burden on both farmers and national administrations. Although the UK is not part of the bluetongue zone anymore, I am glad that this proposal allows farmers to protect their livestock from the risk of disease in the future by vaccinating preventively if they wish to do so. I welcome the fact that this vote has taken place on time, so as to ensure that vaccination campaigns can get under way this year before the bluetongue season starts.

David Martin (S&D), *in writing*. – I voted for this resolution on vaccination against bluetongue.

Mairead McGuinness (PPE), *in writing*. – Since the early 2000's, there have been several incidents of bluetongue within the EU causing significant losses and severe disruption to trade in live animals. I voted in favour of this report, which recommends the laying down of specific provisions for the control and eradication of bluetongue, including rules on the establishment of protection and surveillance zones and the use of vaccines against the disease.

Nuno Melo (PPE), *in writing*. – (PT) Vaccination against bluetongue used to be done with live attenuated virus vaccines, which involved a whole series of restrictions on vaccination in order to keep the virus from spreading to unvaccinated animals. However, recent scientific developments have led to the appearance of new vaccines which do not contain live viruses. These new vaccines can be used with a greater degree of safety and without any restriction, since they pose no risk of any active virus circulating. In view of the grave effects of bluetongue on livestock-farming, every means that makes good vaccination practice easier should be adopted, to protect farmers against the loss of their stock and the fatal damage to their trade that frequently results. I have therefore voted in favour.

Alexander Mirsky (S&D), *in writing*. – Council Directive 2000/75/EC lays down specific provisions for the control and eradication of bluetongue disease including rules on vaccination. I am not an expert in this field but I support the struggle for sheep health.

Andreas Mölzer (NI), *in writing*. – (DE) Mass immunisation against bluetongue can help to reduce clinical illnesses and losses, impede the spread of the disease and facilitate the safe handling of live animals. Given the varying risks of catching the disease, which are different for each region, mandatory inoculation is questionable on cost grounds. The risk of catching this disease seems to be higher in southern and western regions of the EU than in the north and east. Furthermore, morbidity and mortality also depend on a number of factors. In view of these considerations, I abstained from the vote.

Rareș-Lucian Niculescu (PPE), *in writing*. – (RO) I should emphasise the importance of the report on vaccination against bluetongue presented by Janusz Wojciechowski and approved today without a vote. However, I wonder why Parliament does not acknowledge the importance of this issue and why a debate was not organised in plenary, particularly as it would have given us the opportunity also to discuss another serious, neglected problem. I am talking about the Schmallenberg virus, detected on cattle farms in Germany, the Netherlands and Belgium.

Franz Obermayr (NI), *in writing*. – (DE) Bluetongue is a viral infection in ruminants which, in the worst case scenario, results in the animals dying. It is a notifiable animal disease, but it cannot be transmitted to humans and, therefore, is not dangerous to them. It has become clear that the serious impact which the vaccine has on animals can be identified immediately after vaccination. Vaccinated animals can suffer from a reduction in milk yield, diarrhoea and general poor health. More importantly, stillbirths have also been reported. In the case of goats, kids which suckled from newly vaccinated mothers have died. Furthermore, the vaccination affects not only farmers, but also consumers. Unless they stop eating meat and dairy products, they will be consuming the poisonous bluetongue vaccine. In addition, experts have told me that vaccination may well make it impossible to identify the real agents which cause the disease. The questions of whether animals that have been treated in this way can still be regarded as organic and of the impact

which the vaccination will have on meat quality and the healthy growth of future generations are legitimate issues that have not yet been resolved. For these reasons, I have abstained.

Rolandas Paksas (EFD), *in writing*. – (LT) I welcome this resolution because it is becoming increasingly difficult to control the spread of the bluetongue virus. Consequently it is necessary to offer more flexibility to vaccination against the bluetongue disease and allow animals to be vaccinated outside those areas where animals are subject to movement restrictions because the disease may become endemic in certain areas.

It should be noted that the vaccination of animals against the bluetongue disease is the only effective prevention and control measure. Furthermore, vaccination reduces economic losses that are emerging due to trade restrictions and the reduction in livestock yield, and halts the spread of the disease over a larger area.

Maria do Céu Patrão Neves (PPE), *in writing*. – (PT) I have voted in favour of this report, following the agreement between the European Parliament and the Council at first reading. It brings up to date and renders more flexible the present rules for vaccination against bluetongue as they are set out in Directive 2000/75/EC. Bluetongue is a disease affecting ruminants (such as cattle, sheep and goats) and transmitted by insect vectors which spread the virus from one animal to another. It has come to affect certain geographical areas in Europe, including Portugal. However, the use of vaccines has been limited under the present rules set out in Directive 2000/75/EC, which envisaged the use of vaccines only in areas where the disease had already occurred and which were therefore subject to animal movement restrictions. The flexible new rules contained in the proposal for a directive are based on the current availability of inactivated vaccines, which can also be successfully used outside the areas subject to animal movement restrictions.

Aldo Patriciello (PPE), *in writing*. – (IT) In contrast to 'live attenuated vaccines', the new inactivated vaccines do not pose the risk of the undesired circulation of the vaccine virus and may therefore be successfully used outside areas subject to animal movement restrictions. I voted in favour, with the aim of making the rules on vaccination against bluetongue more flexible, in particular by allowing the use of inactivated vaccines outside areas subject to animal movement restrictions.

Raül Romeva i Rueda (Verts/ALE), *in writing*. – In favour. This proposal applies only to 'inactivated vaccines', not to live vaccines – which have been known to mutate causing undesired vaccine virus circulation. In recent years, as a result of new technology, inactivated vaccines against bluetongue have become available which do not pose a risk to unvaccinated animals. It is important that this proposal goes through as quickly as possible to enable vaccination to begin before the active midge season, when disease will spread more rapidly.

Licia Ronzulli (PPE), *in writing*. – (IT) I voted for this document because I think the Commission's proposal to make the rules on vaccination against bluetongue more flexible is a sensible one. The provisions of Directive 2000/75/EC refer solely to the vaccines that were available at that time, permitting vaccination only in specific areas where the disease has actually occurred and which have therefore been subject to animal movement restrictions, because of the high transmission risk.

The new 'inactivated vaccines', on the other hand, do not pose the risk of infecting unvaccinated animals and may therefore be successfully used outside areas subject to animal movement restrictions.

Horst Schnellhardt (PPE), *in writing*. – (DE) Almost a year ago, the first reading of the amendments to the directive on vaccinating against bluetongue took place in the European Parliament. The aim was to be able to apply the new regulations in the 2011 vaccination season. The delays in dealing with this issue in the Council have resulted in it only being possible to introduce the proposed changes during the 2012 vaccination season at the earliest. The agreement that we have now reached is entirely due to the European Parliament's willingness to compromise. The fact that the Council only blocked the adoption of the amendment because there was a demand for correlation tables to provide proof that the amendment had been implemented in national regulations is both regrettable and negligent. Because of Parliament's readiness to compromise, bluetongue has been successfully combated and the interests of farmers have been protected. I am now calling on the Member States to begin implementing the new regulations as quickly as possible. Preventive vaccination without the undesirable risk of the virus used in the vaccine coming into circulation will prevent farmers from suffering losses and put an end to restrictions on trade. The amendment to the directive highlights the paradigm shift in the European animal health strategy, which has moved from culling to vaccination.

Sergio Paolo Francesco Silvestris (PPE), *in writing*. – (IT) Bluetongue is a disease subject to compulsory notification which affects ruminants and is spread by midges which pass the disease to animals when they bite them. Vaccination is an important tool in combating the disease.

Directive 2000/75/EC limits the vaccine to areas in which animal movements have been restricted. In recent years, new vaccines have been placed on the market. In contrast to their predecessors, these do not pose the risk of unwanted circulation of the virus to vaccinated animals.

In common with my political group and the other groupings, I voted for the recommendation. In fact, the text has inspired unanimity on almost all the points for some time now in the Committee on Agriculture and Rural Development and was recently approved without amendments for adoption at second reading. I support the aims of the Commission's proposal, designed to introduce further opportunities for vaccination against bluetongue and to reduce the burden that this disease represents for European agriculture.

Claudiu Ciprian Tănăsescu (S&D), *in writing*. – (RO) I supported this draft European Parliament legislative resolution for two important reasons. The first reason is that the bluetongue virus has spread throughout Europe in recent years, inflicting substantial losses on farmers (for example, due to morbidity levels and the distortions affecting the live animal trade). The second reason is that recent technological advances in the area of vaccine production can ensure more effective control over bluetongue and reduce the adverse impact of this disease on the agricultural sector.

Nuno Teixeira (PPE), *in writing*. – (PT) Better known as bluetongue, this disease has occurred in epidemic outbreaks in a number of Member States, particularly in central and northern Europe. Bluetongue especially affects ruminants, such as cattle, sheep and goats, and leads to a marked increase in mortality and in disruption of economic activity within the agricultural sector. Following the outbreaks, which have been occurring frequently since 2000, the EU has approved specific measures to control the disease, especially a policy of vaccination. Here, attention must be drawn to inactivated vaccines, which pose no risk to other communities unaffected by the disease. The control of epidemics within

the EU is essential if we are not to have to resort to blockades and embargoes, with their impact on the sectors of economic activity concerned.

Thomas Ulmer (PPE), *in writing*. – (DE) We did not need to vote in this case, because no amendments have been tabled. A new vaccine will enable cattle, goats and sheep to be vaccinated against bluetongue. Even though Germany is officially free of bluetongue from tomorrow, the inactive vaccine represents significant progress when compared with the previous procedures.

Iva Zanicchi (PPE), *in writing*. – (IT) I voted for the text submitted by Mr Wojciechowski, which aims to update the existing rules for vaccination against bluetongue, with a view to making them more flexible, and to take into account progress in vaccination techniques.

Now that the problems have been resolved through an interinstitutional agreement, I hope that the procedure can be concluded swiftly so that the new rules may enter into force as soon as possible.

Report: Sari Essayah (A7-0292/2011)

Damien Abad (PPE), *in writing*. – (FR) As I am in favour of integrating European payments markets, I supported the creation of a Single Euro Payments Area (SEPA). Bank transfers between Member States will be similar to domestic transfers. From now on, you will only need one bank account for your salary to be paid into, even if it is paid by another Member State. Likewise, transferring money to a foreign account will no longer incur fees. These provisions will enter into force in 2014 for the euro area.

Luis Paulo Alves (S&D), *in writing*. – (PT) I am voting for this report, since it contributes to the well-being and the greater protection and safety of consumers throughout the European Union. Efficient and secure payment systems are essential to the proper functioning of the internal market and to carrying out financial transactions. This being so, I regard the creation of an internal market for euro payment services (Single Euro Payments Area, or SEPA) as of great importance and deserving close consideration.

Laima Liucija Andrikiienė (PPE), *in writing*. – I voted in favour of this resolution because it aims at establishing an internal market for payment services in euro (Single Euro Payments Area or SEPA) in which there is no difference of regime between cross-border and national payments. This decision may well bring benefits to the European economy that could amount to EUR 100-300 billion in six years time. I believe this proposal will benefit EU citizens as the Regulation eliminates the need for consumers to provide a BIC code for domestic payments. The consumer only needs to provide the IBAN code and the bank will automatically establish the BIC without extra charge. For cross-border payments, this requirement will be enforced on 1 February 2016. A Member State may also allow consumers to use BBAN instead of IBAN for two extra years, but the banks need to provide the conversion services for free. I also support the Parliament's proposal that there be no extra charges for payments above EUR 50 000.

Sophie Auconie (PPE), *in writing*. – (FR) As a member of the Parliamentary Committee on Economic and Monetary Affairs, I welcome the new regulation on the Single Euro Payment Area which represents a major step forward for businesses and consumers. Throughout its preparation, I kept a very close eye on the objectives of a text that requires banks to speed up and lower the cost of bank transfers and direct debits in 32 countries. As the rapporteur, Sari Essayah, pointed out, 'a person working in another Member State

will not need to open a new bank account. Companies will benefit too'. You, entrepreneurs and citizens, you will be able to travel, pay your bills abroad or perform transactions at cost price and without having to set up a separate bank account. The European Union is therefore making your everyday life easier.

Zigmantas Balčytis (S&D), *in writing*. – (LT) I voted in favour of this report. Secure and efficient payment systems are crucial to the conduct of economic transactions and to the proper functioning of the internal market. The euro has facilitated cash payments between the Member States since 2002. However, electronic Union-wide payment instruments have yet to replace national payments for a variety of reasons. Consequently, the market is dominated by uncertainty, a difficult economic climate, a lack of legal certainty and high costs when using duplicate payment systems. I agree that it is essential to create an internal market for payment services in euro (Single Euro Payments Area or SEPA) where there is effective competition and no difference of regime between cross-border and national payments, thereby providing significant savings and benefits to the wider European economy.

Regina Bastos (PPE), *in writing*. – (PT) This report sets out to establish the technical requirements for credit transfers and direct debits in euros. It proposes the creation of an internal market for payment services in euro (Single Euro Payments Area, or SEPA), with no distinction between national and cross-border payments. The integration of European payment markets is sure to yield countless economic benefits, such as:

- Increased competition and innovation;
- Reduction in the fees charged (payment charges at the expense of customers and businesses);
- Faster transactions (cross-border payments will be as simple as national payments).

This regulation thus promises to bring about a harmonisation and constant lowering of the fees charged in the market, ensure a level playing-field among payment service providers and inject greater dynamism into the market, to the advantage above all of consumers and businesses. For these reasons, I have given my vote to this report.

Vilija Blinkevičiūtė (S&D), *in writing*. – (LT) I voted in favour of this report because it aims to establish a Single Euro Payments Area throughout Europe, otherwise known as SEPA. SEPA is an area in which the same conditions apply to payments in euro within and across national boundaries, as if they were payments in euro within a country. Its aim is to increase competition and encourage new services. Once these rules have been properly implemented in the Member States it will be possible to carry out international payment transactions in euro as easily and quickly as local payments in euro. A single banking transaction system would make a significant contribution towards reducing charges for banking transactions, both for individuals and companies, while at EU level, according to the European Commission's estimates, this would save around EUR 100-300 billion. The implementation of this initiative would also speed up international banking transactions carried out in euro. From 1 January this year such banking transactions must be carried out within a day and in future the aim is to ensure that such transactions are carried out in real time.

Vito Bonsignore (PPE), *in writing*. – (IT) I voted for the report, which aims at establishing an Internal Market for payment services in euro, namely a single area in which there is no difference between national payments and cross-border payments. Integrating European

payment markets offers a range of economic benefits. This is chiefly because it will increase competition, but also because costs for citizens and firms will be significantly lowered by making cross-border payments as easy as domestic ones.

According to the proposal's impact assessment, possible benefits to the European economy could amount to EUR 100-300 billion in six years' time. Finally, the proposed regulation stipulates that credit transfer and direct debit electronic payment schemes should be phased out 12 and 24 months respectively after the entry into force of the regulation. However, according to the rapporteur, only one end-date, set at two years after the entry into force of the regulation, would be easier and would simplify the provision of information to the public and improve the effectiveness of the necessary information campaigns.

Philippe Boulland (PPE), *in writing*. – (FR) Migration to the Single Euro Payments Area or SEPA will affect users, including citizens and small and medium-sized companies while transposing the current system to a common Union-wide bank account numbering based on IBAN and BIC. However, so that the transition to this harmonised payment system within the EU is properly accepted, banks should be obliged to carry out specific and extensive information campaigns in order to raise public awareness especially in making understandable how the numbers of IBAN and BIC are composed. Furthermore banks should assure a transparent information policy in customer business. These undertakings are considered as very essential for a smooth and appropriate realisation of facilitating and secure Union-wide payment systems and the acceptance for the changes among the European citizens. This is another step that may seem technical but which really simplifies matters for European companies exporting within the intra-Community market.

John Bufton (EFD), *in writing*. – I voted against the proposal of this legislative resolution on the technical requirement for credit transfers and direct debits in euro. Although it seems at first sight to be a technical measure to harmonise electronic banking systems in the euro area, the aim of this report is to force banks to use new methods of financial transfer and create an obligation to stick with those methods laid out by the EU. As such, the 'idée fixe' of this report is to force banks to make their systems compliant within the Single European Payment Area (SEPA) in order to strengthen the credibility of the euro. Whilst I concur that bank transfers should be safe and certain technical requirements should be introduced, in my opinion the authoritarian decision of the Commission is not the most effective and steadfast way.

Cristian Silviu Buşoi (ALDE), *in writing*. – (RO) The purpose is to create a Single Euro Payments Area (SEPA). The proposal for a regulation of the European Parliament and of the Council establishing technical requirements for credit transfers and direct debits in euros seems to be a measure aimed at strengthening the functioning of the internal market so that consumers enjoy the benefits of an integrated market for electronic payments in euros. Another aim is to eliminate the high costs associated with running legacy conventional tools and SEPA in parallel. Consumers will be the main beneficiaries as they will be able to make payments in euros throughout Europe under cheaper, secure terms.

Maria Da Graça Carvalho (PPE), *in writing*. – (PT) I have voted for this report because it proposes the creation of an internal market for payment services in euro (Single Euro Payment Area, or SEPA), with no distinction between national and cross-border payments. I welcome the fact that this regulation promises to bring about a harmonisation and constant lowering of the fees charged within the market, ensure a level playing-field among payment service providers and inject greater dynamism into the market, to the advantage

above all of consumers and businesses. The regulation covers 32 European countries, comprising the 27 Member States of the European Union, Switzerland, Norway, Monaco, Iceland and Liechtenstein, although it will not be obligatory until 31 October 2016 for those countries that do not belong to the euro area.

Corina Crețu (S&D), *in writing*. – (RO) I voted for this regulation establishing technical requirements for credit transfers and direct debits in euros because secure payment systems are vital to the proper functioning of the internal market. Creating a Single Euro Payments Area is of paramount importance and must be achieved with the aim of increasing efficiency and for the considerable savings it offers. In this respect, I regard as significant the provisions on the need to inform and protect consumers, as well as those on excluding high-value payments from this system. It is incumbent upon the banks to devise a transparent information policy in customer business so that the proposed changes are accepted without any losses by Europe's citizens.

George Sabin Cutaș (S&D), *in writing*. – (RO) I reckon that creating a Single Euro Payments Area will entail significant benefits for European consumers. Commissioning a single technical system for performing banking transactions in euros will simplify the operation of these transactions and make them cheaper. The report also proposes a number of deadlines for migrating to the single area, alongside user information campaigns, which will facilitate the transition to the new system. In view of this, I voted for the report on technical requirements for credit transfers and direct debits in euros.

Mário David (PPE), *in writing*. – (PT) The Commission's proposal for a regulation, which Parliament has adopted today, amends the SEPA (Single Euro Payments Area) Regulation in order to establish an internal market for payment services in euro, with no distinction between domestic and intra-European payments. This regulation covers 32 European countries, comprising the 27 Member States of the Union, Switzerland, Norway, Monaco, Iceland and Liechtenstein. Although the SEPA systems for credits and direct debits were launched in 2008 and 2009, respectively, there remains the great problem of its concrete implementation, owing to difficulties – resistance or inertia, or both? – in migration to this new payment system. That being the case, the current proposal suggests a transition period that is as short as possible, with a definite calendar (1 February 2014 for eurozone countries; 31 October 2016 for countries outside the euro area) and no possibility of further postponements beyond those envisaged by the regulation that has now been adopted. Once SEPA is fully operational, we could, for example, use the same debit card all over Europe, or receive a salary into our home bank account if we are working in a European country other than our country of origin.

Marielle de Sarnez (ALDE), *in writing*. – (FR) With the Single Euro Payments Area cross-border bank transfers will become faster, safer and cheaper. In concrete terms, with effect from 1 February 2014, EU citizens moving around within the Union will be able to use just one euro bank account and have their salary paid into it from another Member State. They will also be able to pay bills in a given country through an account in another without having to worry about which State their bank account is in. The European Parliament estimates that individuals and businesses could save EUR 123 billion in six years.

Christine De Veyrac (PPE), *in writing*. – (FR) I voted in favour of this report, which will put an end to bank charges affecting cross-border payments made within the European

Union. They are an additional cost to our businesses and our citizens, particularly significant in these times of economic crisis.

Edite Estrela (S&D), *in writing.* – (PT) I have voted in favour of this report because it presents a combination of measures which will bring economic benefits to the EU, increasing competition and innovation and reducing payment fees charged to consumers and businesses. From February 2014 onwards, it will at last be possible to effect cross-border bank payments on the same terms as national payments, and, for instance, workers posted elsewhere in the EU can keep their bank accounts in their countries of origin while enjoying the use of their salary in the country where they are employed.

Diogo Feio (PPE), *in writing.* – (PT) The creation of the Single Euro Payments Area (SEPA) is fundamental to a more integrated market in financial services and will allow increased competitiveness and eliminate inequalities of treatment between national and cross-border payments in euros. Thus I believe that it can come to have a positive and very direct impact on the lives of European citizens and businesses, facilitating transactions and trade, reducing costs and increasing competition by expanding markets.

José Manuel Fernandes (PPE), *in writing.* – (PT) The European Union is slowly seeking to achieve its objectives, such as making the internal market fully operational. This report, drafted by Ms Essayah, concerns the proposal for a regulation of the European Parliament and of the Council amending Regulation (EC) No 924/2009 and establishing technical requirements for credit transfers and direct debits in euro. The single euro payments area (SEPA) is this report's major innovation and will make the lives of the public and of companies significantly easier. In fact, it is estimated that the benefit to the European economy will be EUR 123 billion over six years. This is a system of facilitated payments throughout the EU – all that will be necessary is an account in a Member State – that will be faster, more efficient, more secure and cheaper. Moreover, it will facilitate the acquisition of goods over the Internet, leading to lower prices. I voted for this proposal and welcome the creation of the SEPA, which will be of such great benefit to Europeans, both individuals and businesses, that Member States outside the euro area have already expressed their intention of joining the system.

João Ferreira (GUE/NGL), *in writing.* – (PT) This report aims at establishing the Single Euro Payments Area (SEPA). The Commission's objective is to harmonise payment systems within the euro area so as to create an integrated market in payment services. The chief argument for creating SEPA is its benefits to consumers, who will be able to make payments in euros within Europe in a simpler, safer and more economical way, as if in their own country.

Between January 2008 and November 2009, the SEPA Credit Transfer system (SCT) and SEPA Direct Debit system (SDD) began to be introduced throughout the EU, including Portugal. By the deadline for SEPA migration (February 2014), all national systems of electronic payment by credit transfer and debit are to be terminated and replaced by the EU-wide systems. Notwithstanding certain positive aspects, we have some reservations about the report, with regard to likely difficulties for certain sections of the population, which the rapporteur herself has acknowledged, and to the basis for the change-over to SEPA as a way of realising the potential of the single market for Europe.

Monika Flašíková Benová (S&D), *in writing.* – (SK) The creation of an integrated market for electronic payments in euros, with no basic distinction between national and cross-border payments is necessary for the proper functioning of the internal market. To

this end, the Single Euro Payments Area (SEPA) project aims to develop common Union-wide payment instruments to replace current national payment instruments. SEPA should provide Union citizens and businesses with secure, competitively priced, user-friendly, and reliable payment services in euros. At the same time there is an assumption that favourable conditions will be created for increased competition in payment services and for the unhindered development and swift implementation of payments-related innovations. A subsequent increase in savings can be expected, mainly due to increased operating efficiency. Downward price pressure should be created across the board, which should be significant in particular in Member States where payments are, comparatively speaking, relatively expensive. The success of SEPA is very important from an economic, monetary and also political perspective. It is fully in line with the Europe 2020 strategy, the aim of which is a more intelligent economy. This is one of the reasons why I firmly believe that it is justified and important to make an effort to achieve a smooth and rapid transition to SEPA.

Lorenzo Fontana (EFD), *in writing.* – (IT) The harmonisation of a Single Euro Payments Area (SEPA) is a significant step towards the integration of the financial markets. Reducing transaction costs will create more competition and will intensify economic activity within the single market. To obtain those results, however, the transition process must be conducted in a harmonious manner in all Member States. It is for that reason that I believe it is important to set only one end-date by which all credit transfer and direct debit transactions must comply with certain technical standards. I therefore voted in favour.

Françoise Grossetête (PPE), *in writing.* – (FR) We will finally have a genuine Single Euro Payments Area (SEPA) which will make cross-border payments as easy as domestic payments. Shorter payment times, improved cash management for our businesses and individuals, lower costs related to these payments and their processing, new markets: these are the advantages of this unified European system

On the other hand, it will reduce the level of demand and operating costs associated with administrative services. The impact assessment notes that possible benefits to the European economy could amount to EUR 100 billion to EUR 300 billion in six years' time.

National credit transfer and direct debit electronic payment schemes should be phased out 12 and 24 months after the entry into force of the regulation respectively.

Małgorzata Handzlik (PPE), *in writing.* – (PL) The introduction of the euro has made it possible for us to make payments in that single currency across the entire Union. The time has come, however, to go one step further and to enable consumers and entrepreneurs to make non-cash payments from a single account and on the same basic conditions regardless of the country where they are. This does of course call for greater integration of the internal market. I am aware of how great an advantage the internal market is when trying to overcome the crisis, and that is why we must do further work to ensure that it operates efficiently. Creating a Single European Payments Area is one of the actions aimed at making this happen.

I believe that unifying the principles for national and foreign transfers, in other words, creating an internal market for payment services in euro, will be very beneficial for the economy. It will mean that it will no longer make a difference whether payments are national or cross-border, and therefore the charges borne by entrepreneurs and consumers will be lower. In my view such a common payments area will make the internal market more competitive and will foster innovation. In addition I feel that the system will contribute

to improving the quality of services and payment instruments and will also make them more effective. This is why I agree with the provisions of the regulation.

Jim Higgins (PPE), *in writing*. – I wish to put on record my wish to see increasing competition and innovation, contributing to lower payment costs for consumers and firms and making cross-border payments as easy as domestic ones in order to strengthen the internal market and allow for an increased number of exports.

Juozas Imbrasas (EFD), *in writing*. – (LT) I welcomed this document because it provides that the guidelines for Member States' employment policies as set out in the Annex to Council Decision of 21 October 2010 on guidelines for the employment policies of the Member States will be maintained for 2012 and shall be taken into account by the Member States in their employment policies. The Treaty on the Functioning of the European Union stipulates that Member States and the Union shall work towards developing a coordinated strategy for employment and particularly for promoting a skilled, trained and adaptable workforce as well as labour markets that are responsive to economic change, with a view to achieving the objectives defined in the Treaty on European Union. The examination of the Member States' draft National Reform Programmes contained in the draft Joint Employment Report shows that Member States should continue to make every effort to address the priority areas of increasing labour market participation and reducing structural unemployment, developing a skilled workforce responding to labour market needs and promoting job quality and lifelong learning, improving the performance of education and training systems at all levels and increasing participation in tertiary education, and promoting social inclusion and combating poverty. The Employment Guidelines adopted in 2010 should remain stable until 2014 to ensure a focus on implementation. Until the end of 2014 their updating should remain strictly limited.

Cătălin Sorin Ivan (S&D), *in writing*. – (RO) The European Commission would like to replace national euro payment systems with a European system. The Single Euro Payments Area (SEPA for short) is based on the development of common payment services at European Union level, aimed at replacing current national payment services. In a nutshell, this means that national and cross-border payments, bank transfers and direct debits should come under the same legal system. There are numerous problems relating to differences between payments in the European Union. I endorse this initiative and would like consumer rights to be protected. This initiative should simplify the whole process and help enhance competition, which would normally result in a drop in service prices.

Philippe Juvin (PPE), *in writing*. – (FR) I supported Sari Essayah's report on the proposal for a regulation of the European Parliament and of the Council establishing technical requirements for credit transfers and direct debits in euros and amending Regulation (EC) No 924/2009. The regulation will lay down strict and transparent rules to cover the execution of all credit transfers and direct debit transactions denominated in euros in the Union.

Eija-Riitta Korhola (PPE), *in writing*. – (FI) I voted in favour of the report by Ms Essayah on technical requirements for credit transfers and direct debits, because it is high time that EU rules were also standardised for cross-border payments. We have made considerable progress in the area of uniformity in the EU as far as the free movement of goods and people is concerned, but regarding what is perhaps one of the simplest matters, cross-border payments, things have just got ridiculous. Payment practices in the different Member States have varied enormously, and when bills have been paid from one country to another,

people have not always been able to rely on the fact that they have been sent to the right address. Sometimes, recipients have even been unable to locate payments automatically in their account. In future, it will no longer matter in which EU country someone has their bank account: matters will be dealt with in exactly the same way as in that person's own country. I eagerly expect present bank account transfers to become cheaper, faster and safer for us all. Thank you.

Giovanni La Via (PPE), *in writing*. – (IT) The report by Ms Essayah puts the spotlight on an issue that involves all European citizens, to varying degrees and different ways: the simplification of credit transfer and debit payment procedures with the aim of making them the same in all Member States. With the introduction of the Single Euro Payment Area (SEPA), the making of a payment through a credit transfer to foreign states will become equivalent to the same transaction carried out in a person's own country of origin. This involves benefits both to enterprises, which will reduce their operating costs, with an estimated saving of between EUR 100 million and EUR 300 million in six years, and to citizens, who will see simplifications to many financial transactions, which are now increasingly common and widespread in a globalised market.

Agnès Le Brun (PPE), *in writing*. – (FR) I voted for this report which aims to regulate cross-border credit transfers and direct debits in euros within the EU under the one scheme. The establishment of a European payments market has many advantages including enhancing competition but also significantly lowering the cost of cross-border banking transactions made by citizens and companies in the European Union. According to an impact assessment, this measure could generate between EUR 100 billion and EUR 300 billion in savings over six years.

Petru Constantin Luhan (PPE), *in writing*. – (RO) The creation of a Single Euro Payments Area (SEPA) will achieve real competition and eliminate the differences between systems used for cross-border and national payments. This will enable us to gain significant benefits for the European economy and offer consumers and businesses in Europe valuable, easy-to-use and reliable payment services in euros. I think that the proposal for a regulation is beneficial as it seeks to simplify legislation with regard to making direct debit and credit transfer transactions accessible using a single scheme. Simplifying the processing of payments will directly benefit stakeholders, including public administrations, businesses and consumers. As far as consumers are concerned, who are typically on the move more frequently, the amendments made to standardised cross-border payments will remove the need to maintain several payment accounts in different countries. This will automatically reduce the costs they incur and increase operational capability.

David Martin (S&D), *in writing*. – I welcome this report. The Commission published its proposal for this regulation on 16 December 2010. The proposal aims at establishing an Internal Market for payment services in euro (Single Euro Payments Area or SEPA) in which there is no difference of regime between cross-border and national payments. Integrating European payment markets should offer substantial economic benefits by increasing competition and innovation, contributing to lower payment costs for consumers and firms and making cross-border payments as easy as domestic ones. The impact assessment notes that possible benefits to the European economy could amount to EUR 100-300 billion in six years' time.

Véronique Mathieu (PPE), *in writing*. – (FR) I voted for the regulation establishing technical and commercial requirements for credit transfers and direct debits in euros. I do

actually think that in the digital age, we can demand that our European banks remove barriers to credit transfers and direct debits denominated in euros for transactions within Europe. By 1 February 2014, banks should have switched to a new Single Euro Payments Area and therefore offer the same prices for cross-border transfers as for domestic transfers. This is a concrete step forward for citizens who are seeing the idea of a Europe where trade is simplified between Member States becoming a reality. Just as trade and the movement of Europeans across Europe is increasing, money transfers are also increasing and their cost to customers varies or is non-existent depending on the Member State. This regulation establishes common rules and standards.

Mario Mauro (PPE), *in writing*. – (IT) I voted in favour of the report. The creation of an integrated market for electronic payments in euro with no distinction between national and cross-border payments is absolutely necessary for the proper functioning of the internal market. I agree with the wish to protect consumers: where the payment service user is a consumer, the principle of not levying higher charges should be encouraged. It is a good idea for the Commission to continue its monitoring activities.

Nuno Melo (PPE), *in writing*. – (PT) The subject is the creation of the Single Euro Payments Area (SEPA). The proposal for a regulation of the European Parliament and of the Council establishing technical requirements for credit transfers and direct debits in euros is a measure designed to strengthen and act as an incentive to the proper functioning of the internal market, providing all the benefits of an integrated payments market while eliminating the high charges associated with the parallel operation of the traditional systems and the SEPA products. The chief beneficiaries will be consumers, who will be able to effect payments in euros within Europe in a safer and more economical way, and also the financial system itself. I have therefore voted in favour.

Louis Michel (ALDE), *in writing*. – (FR) Payment systems offering users efficiency, reliability and security are paramount to guaranteeing an effective internal market. That is why the introduction of euro payment services is essential. In fact, it would generate significant economic benefits while promoting competition and innovation. However, the slow pace of implementation requires us to set a deadline that facilitates a truly integrated payments market. These measures are therefore key to ensuring consistency in terms of efficiency and security at European level.

Alexander Mirsky (S&D), *in writing*. – It is high time it was necessary to replace the existing national payment systems by a single European system. It is good that the Commission presented a proposal for a regulation on 16 December 2010 to set deadlines for the two main payment methods – bank transfer and direct debits – to move all existing systems to the Single Payment Area scheme. The regulation also provides for a ban on the use of fees between banks for direct debit transactions as currently charged in six countries (France, Italy, Portugal, Belgium, Spain, and Sweden). I support the initiative.

Andreas Mølzer (NI), *in writing*. – (DE) The technical progress in this field and the Single Euro Payments Area (SEPA) will bring certain benefits. These include better cashflow planning as a result of the information from SEPA about the precise day on which the account will be debited, shorter transfer times and the fact that debit cards can be used throughout Europe not only to withdraw money from cash machines, but also to make payments. However, IBAN and BIC are more complicated and many people, particularly the older generation, will not be very familiar with them. Therefore, I welcome the fact that Parliament has committed to retaining existing direct debits. In particular in view of

the massive increase in cyber crime involving alleged free online offers which turn out to be very expensive, attacks by hackers, the theft of personal data and, above all, phishing for bank details, all of which cause serious financial losses, it is all the more important that the unconditional right to cancel direct debits is retained. The transitional periods are too short and it would be preferable to keep the old systems operating in parallel with SEPA, particularly for older people. Therefore, I have abstained.

Claudio Morganti (EFD), *in writing*. – (IT) I wanted to express my support for this report because it sets out to simplify and better regulate a very important sector that is constantly expanding. Increasingly often, both enterprises and citizens find themselves having to deal with international payment systems, which can give rise to problems linked to legislative differences.

The creation of the Single Euro Payments Area (SEPA) should produce a single integrated and homogenous system, within which there is no longer, for instance, any difference between a national credit transfer and a European credit transfer. All this should lead to significant simplification and considerable savings, and should therefore benefit both European firms and European consumers.

Tiziano Motti (PPE), *in writing*. – (IT) Today Parliament took an important stand for consumers. Credit transfers between EU Member States are to become cheaper, safer and faster, thanks to the new legislation on the Single Euro Payments Area (SEPA). From 1 February 2014 the new EU rules will also guarantee the elimination of hidden costs in banking transactions, and should save customers, banks and enterprises as much as EUR 123 billion in six years. This is tangible evidence of the desire to show our citizens that the internal market exists, is developing and wishes to put in place conditions deserving the trust of enterprises and consumers. It will become possible to make and receive payments in euro throughout the EU under the same basic conditions applied to domestic payments, and we hope that cross-border transactions, including online transactions, will receive a boost that will ensure greater competition, competitiveness and quality for European citizens, to the benefit of consumers and enterprises.

Katarína Neveďalová (S&D), *in writing*. – (SK) The proposal to create an internal market for payment services, in which there is no distinction between national and cross-border payments, is aimed at simplifying and reducing payment costs in euros throughout the European Union. This initiative began in 2008, but progressed very slowly. Therefore, on 16 December 2010 the Commission published its proposal for a regulation, in order to establish deadlines for a ban on inter-bank fees and their transfer to the SEPA (Single Euro Payments Area) structure. In addition to simplifying payments and making them more accessible to citizens and businesses, potential benefits to the European economy could amount to EUR 100 billion to EUR 300 billion in six years' time. I believe that the transition period for replacing existing national payment systems with a single EU-wide system, common standards and technical requirements should be as short as possible. Within the framework of multilateral interchange fees, the Commission proposed that only R-transaction fees be retained, and that other transactions should become free of charge. I welcome this proposal, because the proposed changes will keep the ambitions set out in the Commission's proposal, and will also ensure a high level of consumer protection and protection of well-established national practices in this field.

Franz Obermayr (NI), *in writing*. – (DE) In principle I welcome the Commission proposal to create an internal market for euro payment services. Integrating the European payments

market with the Single Euro Payments Area (SEPA) should bring benefits for the European economy by increasing competition and innovation. In addition, it will be just as easy to make cross-border payments as it is in the case of domestic ones. However, at the same time we need to ensure that the unconditional right to cancel direct debits is retained, in particular in view of the significant increase in cyber crime and the risk of personal data theft, including by means of phishing. Furthermore, we need longer transitional periods for older people. They would like to see the old systems being retained, because they are not as flexible as younger people. Payment service providers and, most importantly, the people making payments should have more time to adapt to the new technical requirements. As the rapporteur is of the opinion that the transitional periods should be as short as possible, I have abstained.

Rolandas Paksas (EFD), *in writing*. – (LT) I welcome this resolution establishing rules for credit transfers and direct debits in euro.

An integrated market for electronic payments in euro is important from an economic and political point of view. Not only will it contribute to the proper functioning of the internal market, it will also increase competition in payment services and bring consumers undoubted benefits.

SEPA will ensure that both citizens and companies use secure and reliable payment services at a lower cost because payment charges in certain Member States are currently very high.

Georgios Papanikolaou (PPE), *in writing*. – (EL) This technical legislative proposal, which I supported, is the product of a compromise between the European Parliament and the Council. The proposal is designed to create an internal market for euro payment services (Single Euro Payments Area or SEPA), in which regulations for cross-border and national payments are the same. This regulation is expected to bring about considerable economic benefits, as it will reduce the cost of payments for consumers and firms and make cross-border payments as easy as national payments, thereby strengthening competition and innovation. According to initial estimates, the benefits to the European economy are expected to be in the order of between EUR 100 billion and EUR 300 billion over the next six years, with consumers and European households standing to gain directly from many of these benefits.

Maria do Céu Patrão Neves (PPE), *in writing*. – (PT) This report lays down the technical requirements for credit transfers and direct debits in euros. The proposal aims to create an internal market for euro payment services (Single Euro Payments Area, or SEPA), with no distinction between national and cross-border payments. This promises to harmonise and constantly to reduce the fees charged within the market, to ensure a level playing-field among providers of payment services and to inject greater dynamism into the market, to the advantage, above all, of consumers and businesses. For all these reasons, I have voted in favour of the report.

Aldo Patriciello (PPE), *in writing*. – (IT) This proposal aims at establishing an internal market for euro payment services (Single Euro Payments Area or SEPA) in which there is no difference between schemes for cross-border and national payments. It will offer substantial economic benefits by increasing competition and innovation, contribute to lower payment costs for consumers and firms and make cross-border payments as easy as domestic ones. In order to establish the necessary technical requirements I voted for the proposal for a regulation of the European Parliament and of the Council amending Regulation (EC) No 924/2009.

Paulo Rangel (PPE), *in writing*. – (PT) The proposal for a regulation that is here presented ultimately aims at establishing an internal market for payment services in euro. This initiative will reduce the transaction charges that fall on customers and businesses and open the door to a truly EU-wide system, with no distinction between national and cross-border transfers. It appears, then, that we are dealing with a legislative intervention which, on the whole, deserves applause. I have therefore voted in favour of it, together with the proposed amendments by the Committee on Economic and Monetary Affairs.

Crescenzo Rivellini (PPE), *in writing*. – (IT) I should like to congratulate Ms Essayah on her work. The regulation approved today will bring real benefits to ordinary citizens. The most obvious of these is the possibility of making payments to any country from a single bank account, as if carrying out a domestic transaction. All cross-border transactions will be able to be made as if they were national payments. If someone living abroad does not need a bank account in their country of residence, they will be able to receive their salary on their account in their country of origin.

Businesses will also benefit from the fact that they will no longer have to open a bank account in every country where they make payments. A European citizen will be able to move around in the EU and continue to use the same euro bank account, on which they will also be able to receive money earned in another EU Member State. They will be able to pay an invoice in one country with an account opened in another.

Competition between service providers should also push prices down, while the application of discriminatory cost policies for credit transfers based on the amount of the transfer will be banned.

Robert Rochefort (ALDE), *in writing*. – (FR) Thanks to SEPA (Single Euro Payments Area), citizens, businesses and public authorities can make and receive payments in euros under the same conditions, regardless of their geographical location. Yet migration to SEPA through self-regulatory efforts has not been conclusive: important measures have not yet been fully deployed and national systems are still being used alongside the new system. I supported this report which echoes the agreement between our three institutions on the final migration to SEPA via a regulatory process with a deadline: 1 February 2014. By this date, we will be able to enjoy all the benefits of an integrated payments market: cross-border payments will be as simple as domestic payments and they will be faster, safer and cheaper. Credit transfers will reach their beneficiary on or before the end of the next working day, and the amounts transferred will no longer be subject to charges. Companies will apply a single set of standards and will be able to organise all their cross-border payments in euros from a single account of their choice, thus improving their financial management and speeding up cash flow at a lower cost. Roll on 1 February 2014!

Raül Romeva i Rueda (Verts/ALE), *in writing*. – In favour. This regulation serves the purpose of completing the single euro payments area (SEPA), i.e. the creation of a payments area (including EFTA) in which all payments are considered domestic, meaning that the fees and complexity for SEPA transactions may not exceed national standards. Public attention in some Member States has revolved around the issues of the rather long, new IBAN codes (22 digits) and country-specific issues such as ELV in Germany and MIFs in France.

Licia Ronzulli (PPE), *in writing*. – (IT) I voted for this text because I am convinced that the creation of an integrated market for electronic payments in euro with no distinction

between national and cross-border payments is necessary for the proper functioning of the internal market.

The Single Euro Payments Area (SEPA) would allow citizens, companies and other economic participants to use shared payment services throughout the EU instead of the current national services.

Integration of the European payments market should also bring about substantial economic benefits by increasing competition and innovation, allowing consumers and firms access to competitively priced, user-friendly and reliable payment services in euro.

Sergio Paolo Francesco Silvestris (PPE), *in writing.* – (IT) I am pleased with the agreement that we have reached today with an almost unanimous vote, which will thus speed up the legislative procedure and conclude it at first reading. I approve wholeheartedly of the text, and I believe that this morning's vote in the House will mean that the hidden payments in cross-border transactions will have to be definitively eliminated once the new EU rules come into force.

Ensuring a high level of competition in the banking sector with regard to payments between European countries could save businesses, customers and banks up to EUR 123 billion in six years, according to the European Commission. The banks will have to guarantee transposition of the new Single Euro Payments Area (SEPA) by 1 February 2014, which will allow us to see the practical results of the European legislation as soon as possible.

Csanád Szegedi (NI), *in writing.* – (HU) I do not support the proposal because once again large international financial institutes are being given preferential treatment, squeezing out any surviving national financial intermediary systems. Naturally national institutions would also be deprived of the considerable profits of providing financial intermediary services.

Nuno Teixeira (PPE), *in writing.* – (PT) The European Commission has drawn up a proposal for a regulation whose chief purpose is to define the technical requirements for small credit transfers and direct debits in euros, which is to be carried on through the Single Euro Payments Area (SEPA). I agree with this report since it is my view that the new requirements will contribute to improving the functioning of the internal market in payment services, facilitate payment systems throughout the European Union and define equal obligations, rights and opportunities for everyone working in the market. In order to effect a successful and rapid change-over of procedures, I think it essential to involve the banking sector in the two-year process of transition by requiring the banks to run intensive public information campaigns. It should also be stressed that, according to the European Commission, the creation of SEPA could lead to savings in the order of EUR 123 billion over the next six years.

Silvia-Adriana Țicău (S&D), *in writing.* – (RO) I voted for the European Parliament legislative resolution on the proposal for a regulation establishing technical requirements for credit transfers and direct debits in euros, because creating an integrated market for electronic payments in euros, with no distinction between national and cross-border payments, is necessary for the proper functioning of the internal market. The aim of the Single Euro Payments Area (SEPA) is to develop common payment services at EU level, aimed at replacing current national payment services. As a result of introducing open, common payment standards, rules and practices, and through integrated payment processing, SEPA is intended to provide citizens and businesses in the EU with secure,

competitively priced, reliable and user-friendly payment services in euros. This should be applied to SEPA payments at national and international level, according to the same basic terms and involving the same rights and obligations, no matter where they are made in the EU. It is of paramount importance that all stakeholders, especially EU citizens, are given sufficient information in good time, so that they are fully prepared for the changes brought about by SEPA.

Thomas Ulmer (PPE), *in writing*. – (DE) In future, bank transfers right across the EU will be made using a single system. The IBAN account number used for foreign transfers is going to become the standard. Parallel structures will cease to be used, including the BIC in the medium term. Direct debits under the German system will be retained. This solution seems logical and coherent. I voted in favour.

Angelika Werthmann (NI), *in writing*. – (DE) A speedy implementation of the Single Euro Payments Area (SEPA) needs to be given top priority in order for the free movement of capital – one of the cornerstones of the internal market – to achieve its full potential. A deadline for the phasing-out of national credit transfer systems of two years after the entry into force of the regulation is, in my opinion, quite reasonable, in order to ensure timely implementation but at the same time in order to allow all the Member States enough time for comprehensive implementation. Laying down a fixed end date is important, not least in order to simplify information for the citizens and to guarantee them legal certainty.

Iuliu Winkler (PPE), *in writing*. – (RO) There is consensus about the notion that the opportunities offered by the European single market are not tapped to their full potential. I welcome that this consensus is being converted into practical decisions. Tools are needed to leverage the single market fully, and SEPA is one such tool. The free movement of labour and capital and the need to provide practical help to European SMEs so that they can enjoy the benefits of the single market will only happen in reality if the European banking system, which is currently fragmented due to Member States' borders, also becomes a system that operates according to harmonised rules. The possibility of using a single bank account and single banking services provider across the EU is beneficial not only to ordinary citizens and companies, but especially to SMEs as well.

The new SEPA regulations are particularly important as they will help strengthen the internal market in many areas, such as financial services and e-commerce. Today's overwhelming vote during the European Parliament plenary means more than a vote in favour of SEPA: it is a vote of confidence in the euro.

Marina Yannakoudakis (ECR), *in writing*. – If we are to have a strong single market that fosters jobs and growth it stands to reason that we need a simple and efficient payments system. If a company in London wishes to purchase materials from a Latvian supplier, the company should be able to make a payment quickly and easily irrespective of the fact that both countries are outside the euro area. I believe that this report makes positive recommendations to improve the Single European Payment Area (SEPA) and gives banks a sufficiently long period of grace to make their systems compliant.

Inês Cristina Zuber (GUE/NGL), *in writing*. – (PT) The Commission's objective is to harmonise payment systems within the euro area so as to create an integrated market in payment services by instituting the Single Euro Payments Area (SEPA). The chief argument for creating SEPA is its benefits to consumers, who will be able to make payments in euros within Europe in a simpler, safer and more economical way, as if in their own country. Between January 2008 and November 2009, the SEPA Credit Transfer system (SCT) and

SEPA Direct Debit system (SDD) began to be introduced throughout the EU, including Portugal.

By the deadline for SEPA migration (February 2014), all national systems of electronic payment by credit transfer and debit are to be suppressed and replaced by the EU-wide systems. The report has some positive aspects. Nonetheless, we have some reservations about it. The rapporteur herself acknowledges the likely difficulties for certain sections of the population. On the other hand, the change-over to SEPA may lead to the realisation of the potential of the single market for Europe.

Report: Inés Ayala Sender (A7-0036/2012)

Luís Paulo Alves (S&D), *in writing*. – (PT) I am not in favour of this proposal for a decision, as Parliament has already expressed its opinion on this matter.

Sophie Auconie (PPE), *in writing*. – (FR) I agree with the opinion issued by the Committee on Budgetary Control in support of the Council of Ministers' proposal to appoint Baudilio Tomé Muguruza as a Member of the Court of Auditors. As an economist specialising in tax law and international business, Baudilio Tomé Muguruza is highly qualified for this position. The parliamentary committee has also had the opportunity to hear what he has to say. I have every confidence in his abilities and I am now waiting for the final decision of the Council of Ministers of the European Union.

Nessa Childers (S&D), *in writing*. – It is essential that the Court of Auditors remain non-politicised and is fully committed to carrying out its duties of best auditing the EU.

Diogo Feio (PPE), *in writing*. – (PT) I wish Baudilio Tomé Muguruza every success in his mandate for the important task entrusted to him, and I am convinced that he will carry out the functions for which he is now nominated with great dedication and competence.

Monika Flašíková Benová (S&D), *in writing*. – (SK) Baudilio Tomé Muguruza is a native of Spain. He has degrees in law and business science. In the past, he served as Company tax coordinator in the Directorate-General for Taxation, working on the reform of company tax and ways of integrating income and company tax. He also held the position of representative of the Spanish government in Council and Commission working groups on company tax and the European company. He represented the Spanish government in European Union Councils of Ministers for Telecommunications and Audiovisual Matters. During the Spanish EU Presidency, he was responsible for pushing ahead with the adoption of the telecommunications package of directives and the e-Europa 2005 strategic plan. He also currently serves as a senior state finance inspector, financial controller and auditor. He was a member of the Spanish Congress of Deputies from 2004–2008 and 2008–2011 and a member of the Committees on the Economy and Finance, Budgets and Science and Technology. He is the author of several books. The Committee on Budgetary Control evaluated the credentials of the nominee, and the European Parliament subsequently delivered a favourable opinion on this nomination by the Council as a Member of the Court of Auditors and also instructed its President to forward this decision to the Council and, for information, the Court of Auditors, the other institutions of the European Union and the audit institutions of the Member States.

Brice Hortefeux (PPE), *in writing*. – (FR) After much internal debate about the appointment of a member of the Audit Office proposed by the former Spanish Government of José Luis Zapatero, the European Parliament has finally approved the appointment of

the new candidate proposed by the present government of Mariano Rajoy. Thanks to the campaign led by the Group of the European People's Party (Christian Democrats), Mr Baudilio Tomé Muguruza, who met all the qualities required for this position, was approved by Parliament, despite the opposition of the Socialists who tried to politicise the debate.

Philippe Juvin (PPE), *in writing*. – (FR) I welcome the appointment of Baudilio Tomé as a member of the European Court of Auditors. I supported his appointment because of his technical and ethical qualities.

David Martin (S&D), *in writing*. – I voted against the Council's nomination of Baudilio Tomé Muguruza as a Member of the Court of Auditors.

Nuno Melo (PPE), *in writing*. – (PT) The Court of Auditors is a supervisory institution which checks that the European Union's receipts and expenditure are handled in a lawful and correct manner and that its financial management is sound; it performs its functions with complete independence. In this spirit, the nomination process for the individuals who make up the Court must be governed by criteria of competence and independence. Thus, at the Council's initiative, various individuals from the different European Union countries were put forward for the Court of Auditors. All of them sent in their curricula vitae, filled in a written questionnaire and spoke before the Committee on Budgetary Control, and the majority of them put forward sufficient arguments to justify their nomination to the Court of Auditors and the competent and independent performance of their functions within it. I therefore voted in favour of Baudilio Tomé Muguruza.

Alexander Mirsky (S&D), *in writing*. – Taking into account the experience and expertise of Mr Baudilio, I think that he will work well in the Court of Auditors.

Alfredo Pallone (PPE), *in writing*. – (IT) I voted in favour of the Council's proposal to appoint Baudilio Tomé Muguruza a member of the Court of Auditors because I believe he is a suitably qualified and competent person to carry out the role that has been assigned to him. I hope that he will be able to do a great job in line with the interests of European citizens and collaborate productively with the European institutions.

Maria do Céu Patrão Neves (PPE), *in writing*. – (PT) I voted in favour of the report nominating Baudilio Tomé Muguruza as a member of the Court of Auditors. All the information supplied on which I based my decision confirm that the criteria set out in Article 286(1) of the Treaty on the Functioning of the European Union have been met, particularly the guarantees of independence, so I welcome the nomination of Baudilio Tomé Muguruza as a member of the Court of Auditors.

Nuno Teixeira (PPE), *in writing*. – (PT) Section 7 of the Treaty on the Functioning of the European Union establishes the Court of Auditors as a European institution. It was created in 1975 in order to audit the European Union's accounts and improve its financial management. The Court of Auditors can carry out audits of any person or organisation with responsibility for managing EU funds and present its conclusions in the form of written reports, which are sent to the Commission and to the governments of the Member States. The Member States put forward a proposal to the Council, which, after consultation with the European Parliament, approves the list of members of the Court of Auditors. I am voting in favour of Baudilio Tomé Muguruza's nomination as he meets the conditions set out in Article 286(1) of the Treaty on the Functioning of the European Union.

9. Corrections to votes and voting intentions: see Minutes

(The sitting was suspended at 12.35 and resumed at 15.00)

IN THE CHAIR: ALEJO VIDAL-QUADRAS

Vice-President

10. Approval of the minutes of the previous sitting: see Minutes

11. Food distribution to the most deprived persons in the Union (debate)

President. – The next item is the recommendation for second reading by the Committee on Agriculture and Rural Development on the Council position at first reading with a view to the adoption of a Regulation of the European Parliament and of the Council amending Council Regulations (EC) No 1290/2005 and (EC) No 1234/2007 as regards distribution of food products to the most deprived persons in the Union (18733/1/2011 - C7-0022/2012 - 2008/0183(COD)) (Rapporteur: Czesław Adam Siekierski) (A7-0032/2012).

Czesław Adam Siekierski, rapporteur. – (PL) Mr President, Commissioner, the food distribution programme to benefit the most deprived persons within the European Union already has a rich history. It was launched in 1987, when the Council decided to make available to the Member States agricultural products from intervention stores so they could be used to provide food aid for the poorest persons. When intervention food stocks decreased in subsequent years, the purchase of food products on the market for the same purpose was authorised.

The development of agricultural policy resulted in a reduction of intervention stores, and consequently in the need to purchase more food products on the market for this programme. A case against acquiring food by purchasing it on the market was taken to the Court of Justice. On 20 April 2011 the Court ruled that this was contrary to the legal basis and that the programme should be restricted only to food drawn from the intervention stores. This meant that as of 1 January 2012 the programme would have been reduced from EUR 500 million per year to a little over EUR 100 million. Subsequently the European Parliament took strong action and, in its resolution of 7 July 2011, called on the Commission and on the Council to devise solutions for the years 2012–2013 as a matter of urgency, to prevent such a dramatic reduction of this programme.

It should be recalled that the Council did not accept the Commission's initial proposal of September 2008 or Parliament's position of March 2009. The Commission's subsequent approach, which entailed providing a legal base for the programme through social policy and not just through the common agricultural policy, also failed to obtain sufficient support in the Council. It was only the decisive action taken by the Polish Presidency that removed the blocking minority and allowed work to speed up. A trialogue took place on 6 December 2011 at which Parliament and the Commission accepted the Council's position. At an extraordinary meeting in Strasbourg on 12 December 2011, the Committee on Agriculture and Rural Development then accepted the outcome of the trialogue. The Council's Special Committee on Agriculture gave its consent on the same day. This compromise received final confirmation from the Council at its meeting on 23 January 2012. Subsequently, on 26 February, Parliament's Committee on Agriculture and Rural Development expressed its full support for the compromise adopted by the

Council and accepted the request for the Council's position to go through the adoption procedure before the plenary of the European Parliament.

It should be borne in mind that that position concerns implementation of the programme for the period 2012–2013. The sum of EUR 500 million will be maintained, and this is a very significant sum. The legal base for implementation of the programme will remain the common agricultural policy. The European Parliament's request for the programme's requirements to be met with European products in the first instance is honoured. Agreement for full Community funding was given. The institutions distributing the food were required to provide comprehensive information about the source of the support being European Union funds.

Today's discussion is taking place after yesterday's debate on the situation of the homeless, most of whom need this free food. After all, it is now winter. The crisis affecting our countries is felt most strongly by the poorest persons, who are the main beneficiaries of food aid in the framework of this programme. In total, almost 18 million Europeans benefit from it. They are the persons who find it hardest to survive, such as the homeless I referred to earlier, the unemployed, the elderly, the disabled and also large families and single parents. Europe has enlarged significantly, and the number of poor and needy individuals has increased significantly. It is estimated that approximately 40 million persons in Europe are currently living below the poverty line, and that a further 40 million are in danger of slipping below it. The programme has been warmly welcomed by charitable institutions and NGOs involved in food distribution, but what is most important is that poor and needy persons are being helped. It is good that the European Union remembers them. That is why we must do all we can to prepare a suitable legal base for the implementation of this programme in the period 2014–2020.

Dacian Cioloș, *Member of the Commission*. – (FR) Mr President, I am thrilled that a solution could be found for the 2012 and 2013 plans, enabling us to continue with this programme.

May I remind you that after over three years of intense negotiations between the institutions, we finally managed – as Mr Siekierski pointed out – to give this programme a new legal framework for the years 2012 and 2013, which were no longer covered as a result of the Court of Justice ruling.

I surely do not need to remind you that the European Union is going through one of the worst economic crises in decades and that, unfortunately, the number of citizens having to rely on food aid is increasing exponentially. We therefore had a political and civic duty to provide an immediate response to the needs of the poorest people.

I would like to take this opportunity to thank the European Parliament as a whole, and in particular those Members who personally got very involved in ensuring the continuation of these programmes. It is also thanks to your strong support that a compromise on this complicated issue could be found, and in particular your persistence and your extremely clear stance on this issue.

I would also like to take this opportunity to thank the Member States, which, in a manner reflecting a true European spirit, worked to finally reach a political compromise.

The Commission therefore supports the results of the inter-institutional negotiations and may accept the Council's position at first reading to ensure the continuation of the scheme until 2013. As you know, the Commission has worked hard to make this agreement possible. I would remind you that, since our initial proposal in 2008, we have proposed a

number of adjustments to the regulatory text to try and satisfy the expectations and objections from some Member States as well as the calls from the European Parliament.

Now that there is finally a qualified majority in favour of continuing the programme for a transitional period until 2013, we have the political agreement and, after the decision, the legal basis to continue this programme in 2012 and 2013 within the common agricultural policy thereby preventing the programme from coming to an abrupt end. Once the regulation is adopted, my staff will do their utmost to ensure that additional resources for the 2012 and 2013 plans are committed as soon as possible.

Agnès Le Brun, *on behalf of the PPE Group*. – (FR) Mr President, an agreement has been reached, which we will have to decide about in plenary tomorrow, but I must say it has all left me feeling quite strange.

First of all, I am happy, then I start asking questions and finally I start worrying.

I am pleased that, this year and next, Europeans in need will still have food to eat thanks to the European aid programme for the most deprived. Our fellow citizens would obviously not have understood why nothing was being done to release such necessary funds when we have recently learned that EUR 82 billion of European funds lies dormant in the Union's coffers.

Then I start asking questions and finally I start worrying. I question the future of the food distribution programme. How can we conceive depriving some 13 million Europeans in need of food from 2014 onwards? Besides which, how many will be in need of it by then?

We know that solutions exist. We should therefore call on the Council to shoulder its responsibilities and preserve this fund during the next multiannual financial framework. If this does not happen, it will all dramatically backfire for sure. We need to accept this compromise but together reaffirm our commitment to the food distribution programme.

Luis Manuel Capoulas Santos, *on behalf of the S&D Group*. – (PT) Naturally I should like to support Mr Siekierski's recommendation and to salute the Commission, represented by Commissioner Dacian Cioloş, for the way he sustained his objections so that this level of aid to the most needy could continue. It would be incomprehensible to European citizens if European solidarity broke down at the precise moment when it is most needed, at the time of the worst crisis Europe has seen for many years. Therefore, despite the reservations of certain Member States, I am convinced that it will be possible to keep this kind of support in the budget and, whether it comes under agriculture or any other area, the important thing is to maintain this aid in the future, for as long as poverty exists in Europe. Hopefully this future will be short, and if it is, it will be because we have been able to end poverty in our European continent.

Sylvie Goulard, *on behalf of the ALDE Group*. – (FR) Mr President, Commissioner, I really appreciate your support, which helped achieve this result. This just goes to show what we can do between institutions when we work together and I hope we can continue to do so.

I should like to make two comments. Firstly, on behalf of the Extreme Poverty intergroup which I now chair: I think there is a real issue regarding subsidiarity that we cannot avoid in Europe and that affects each level of decision-making. I respect this principle, and there are some members of my group who have a more stringent and more legal view of subsidiarity.

Some may think that the most deprived should be taken care of by the Member States and at local level. However, all the same, I think it would be a serious mistake to allocate Europe alone the role of bogeyman, the role of an institution imposing austerity and restraint, and to believe that the job of helping the most vulnerable in our society rests solely at local level.

I call on the Commissioner to defend the Europe 2020 strategy. It worries me greatly that, in the European Council's conclusions, there has been a movement away from the Europe 2020 strategy towards the Euro Plus Pact, where there is no mention of combating exclusion and poverty.

Secondly, in the forthcoming reform of the common agricultural policy (CAP), I also believe that the issue of food deserves to be looked at from the point of view of the common agricultural policy. I do not have the answers today, I have not taken any definitive position. However, there is a social aspect in helping the most deprived and there is also an aspect that, in my opinion, falls to the common agricultural policy.

What kind of food does the common agricultural policy provide? At what price? For those who may not have the means to fund themselves, is having to resort to charity the right answer or should we have a common agricultural policy that provides food for all? I do believe that that was what the founders of the CAP had in mind.

We will have the chance to talk about it and I am counting on you, Commissioner, to help us have an in-depth debate and above all practical measures for all.

Martin Häusling, *on behalf of the Verts/ALE Group*. – (DE) Mr President, I, too, would like to thank all those involved in bringing about this compromise, who ultimately led to its success. Retaining food aid is indispensable, particularly in times like these. By this point, almost 19 million people are dependent on food aid. It is an act of European solidarity for Europe to provide aid this way. Clearly, we must not restrict our thoughts to these two years. Instead, we must now essentially begin developing the new programme for afterwards. Poverty will not be a thing of the past after this programme and, at the end of the day, we cannot accept simply declaring, at that point, that our work is done.

We need to work towards this, as we are no longer simply dealing with emptying out surpluses from the European Union's overfull stores. Instead, we need to move to a regional partnership between farmers and the 'most deprived food aid' scheme that ensures that, ultimately, there is aid for those who live in poverty. That can only happen in collaboration with the farmers and the 'most deprived food aid' scheme. In the case of Germany, we have ensured that we also include the food banks.

It is important that we continue this kind of food aid, as European aid, even beyond this date. We welcome the fact that countries like Germany have now given up their obstructive attitude and we hope that, in future, countries like Germany will help to come up with a new concept.

James Nicholson, *on behalf of the ECR Group*. – Mr President, I take the opportunity of welcoming the debate and congratulating Mr Siekierski on his report, but I have to say I consider that this report looks backwards and not forwards.

It harks back to the day when Europe had milk lakes and butter mountains. The good thing is, however, that those, thankfully, have all gone. In my opinion, what we are discussing today is a social policy and not an agricultural policy. While I have every sympathy with

deprived people, the homeless etc., I have to say there must be a better way of addressing this particular issue.

To buy the food and distribute it will be very expensive so, as I have said, there must be a better way. I think this is where the Commission needs to consider what it should do in the future. I know that some countries currently have many problems with bad weather, snow and everything else, and there will always be people needing help and support. But this is not the way to provide that support.

Younous Omarjee, *on behalf of the GUE/NGL Group*. – (FR) Mr President, what we are being asked to vote for tomorrow is the abolition in 2014 of the European food aid programme for the most deprived, because no guarantee has been given so far as regards future programming.

To put it frankly, this is a disgrace. It is a disgrace that a blocking minority is being masterminded from Germany to prevent food being given to those that go hungry – a disgrace that is also indicative of what the European Union has become: sacrificing solidarity at the altar of ultraliberal and bureaucratic logic.

Should we be resigned to the idea that the European project is now helping to crush the weakest? When it comes to finding billions for the banks, they change the law. Yet, when it comes to the most basic charity to the poor, the legal wrangling begins.

As far as our group is concerned, Germany and the EU Court of Justice and its judges have clearly lost touch with reality and their stance is totally indefensible. These decisions fuel the growing disenchantment among the people and the European Union.

John Stuart Agnew, *on behalf of the EFD Group*. – Mr President, a programme was introduced to cut intervention stocks; it succeeds, but does the programme stop? No, of course not. For the Commission nothing can ever stop. Not only that, they act illegally.

To quote the Danish Parliament, the legal basis cited by the Commission is incorrect. Incoherence partners illegality, and while this report refers to people not having enough food, plans to reform the CAP propose measures which will cut food production in some of Europe's best farmland. Only the Commission could make me feel sorry for French farmers.

Like East Anglia, my region, the Paris Basin is intensively farmed and very highly productive, but in future they, like us, must produce less. It is called creating ecological focus areas: 7% comes out of farming. The Commission claims that this will cool the world's weather. The Intergovernmental Panel on Climate Change forecasts warming of an average of 0.2°C per decade. According to the last figures I heard, we had not actually warmed at all in the 2000s!

This weekend I recorded the lowest temperature on my farm since 1986. Commission policies are illegal, incoherent and apparently stupid all at the same time. When will common sense prevail?

President. – Mr Agnew, perhaps the word 'stupid' does not exactly match with parliamentary courtesy.

Dimitar Stoyanov (NI). – (BG) Mr President, firstly, I would like to congratulate the Commission on finding a solution to this issue within just four months of the last parliamentary hearing, an issue that was pending in the Council for two years. This achievement, besides being effective, is also in accordance with the resolution we approved

at that time. Nonetheless, remaining focused is essential, Commissioner. With just less than two years remaining on the negotiated grace period, the time for taking action has arrived. This is why, considering the difficulties that have accompanied this programme so far, you must start preparing immediately for its continuation in the next programming period. I will also take the opportunity to remind you, as mentioned in my previous speech, that Bulgaria is the only country yet to be included in this programme; in other words, it contributes money, but does not receive anything back. I would therefore like to ask you to take the necessary steps to include all European countries in this programme.

Esther Herranz García (PPE). – (ES) Mr President, apart from the 80 million poor people we are talking about, a further 43 million people find it hard to manage to eat animal protein twice a week.

This situation could become worse because these people – the ones who have problems managing to eat animal protein twice a week – could find themselves in dire straits, as the economic crisis is becoming even more acute. This is not exactly the best time for the European Union to be cutting the food aid budget in the run-up to the next multi-annual financial framework period.

The agreement, endorsed by Parliament, extends food aid under the conditions requested by this Chamber. It also represents, however, a certain level of resignation towards the block that some Member States have kept up for several months in the Council.

Ladies and gentlemen, I would like to urge all of you here to take whatever initiatives are necessary to keep food aid going beyond 2014. Parliament should not stand idly by in the face of such an important humanitarian issue.

We should not accept the status quo, and this means we should use the negotiations for the next multi-annual financial framework period to express our opinion on this issue, and to push for an agreement between the Council of Ministers and Parliament to ensure that aid for the poorest can be maintained beyond that date.

Food banks have been able to provide a noteworthy social service thanks to European aid, and this should not be paralysed through the selfishness of some governments. This service has benefited 13 million people, which has enabled us, with minimal effort, to make the common agricultural policy a bit more important.

Daciana Octavia Sârbu (S&D). – (RO) Mr President, I would like to begin by thanking all those involved for the efforts they made in finding a compromise on this programme. Poverty is worsening in the European Union and millions of people can only afford to have a hot meal every couple of days. More than 18 million Europeans have received food via this programme. This is why it would have been a disastrous decision to cut the funds allocated to this programme or finance it from national budgets, especially at a time of economic crisis.

I would like to stress the need to maintain this programme with funding from the CAP even after 2013. I wish to express my concern about the statements made by the German and French governments about getting rid of it. I wish to convey to them that the right to food is a fundamental right. Moreover, during a difficult time of deep economic crisis, we have an enormous duty to the most vulnerable population groups. Just as Member States have a duty to help those who cannot help themselves, the European Union must likewise demonstrate that solidarity is more than just a principle on paper.

George Lyon (ALDE). - Mr President, as others have stated in this debate, this programme arose at a time when food mountains and milk lakes were the norm. Thankfully that is now history. It is my opinion that we need to take account of the change in circumstances and recognise that this programme belongs to social policy and not the common agricultural policy. I believe that the move proposed by the Commission in the post-2014 MFF, to move the programme through to social policy and deliver it in that way, is the correct longer-term solution.

However, the situation we face today concerning next year's budget for the programme is unsustainable. I will support the compromise found between the institutions at the vote tomorrow. If we do not accept this temporary deal the risk is clear: money available to charities in 20 Member States will drop from EUR 500 million to EUR 113 million next year, leaving over 18 million poor and in need. That cannot be allowed to happen in 21st century Europe, especially at this time of crisis. Therefore I would urge colleagues to support the temporary solution at tomorrow's vote.

However, it is important to stress that this deal can in no way serve as the foundation for the future of the programme beyond 2013. Tomorrow we are only voting on a transitional solution to unlock the short-term deadlock. It is not a long-term solution. We will have to find a proper, agreed, solid basis for the long-term future of this programme. I reiterate my call for it to be transferred to social policy for future delivery.

Marije Cornelissen (Verts/ALE). - (NL) Mr President, I am delighted that the compromise by the Council of Ministers has solved an acute problem. Thanks to the Dutch Government among others, things had almost reached a point where 18 million of the most deprived people in Europe, from one moment to the next, would not have received any further food aid.

However, I am still worried. No one seems to be thinking constructively about how we can help food banks to become independent of direct food deliveries from the EU, and I find a great danger in this. Member States are not preparing their food banks for a possible end to aid. Parliament is ignoring the fact that the aid programme can run for another two years only on condition that it stops in 2014. If we let this uncertainty continue, we are back in the same situation as in December, with food banks that have no independence at all and poor people living under the sudden threat of hunger. We want to start working towards independence now. By giving food banks the tools to gather for themselves the food that must otherwise go to waste: lorries, computers, training in logistics, a public brand awareness campaign, the pooling of expertise in the management of food banks without government support.

Now that food aid is assured for the next two years, it is very important to get clear about what happens after that, and I call upon the Commission, the Council and my colleagues to do so as soon as possible.

Marc Tarabella (S&D), *'Blue-card question' to George Lyon.* - (FR) I would like some clarification from George Lyon. He appears to be saying that, beyond 2013, the matter would need to come under social policy and therefore, as far as I understand it, it is a matter for Member States as they are responsible for social policy.

I would just like to point out to him that in voting for the six pack and then maybe the two pack, in the current economic situation, it will be impossible for Member States to pursue a social policy because some Commission officials oppose an increase in social spending,

because limiting spending is all they know. We are just passing the buck to Member States who will be unable to carry out social policy.

I would like to draw his attention to this matter and I would like him to tell me if that is what he meant or whether he thinks we need to address this issue in the budget for social cohesion in Europe? I look forward to hearing his response.

George Lyon (ALDE), *Blue-card answer to Marc Tarabella*. – Just to clarify for Mr Tarabella, I would prefer it to be moved back to Member States' responsibility, but I recognise that this is not going to be the case. Therefore I support the Commission's proposals that we maybe deliver it at a European level but through the legal basis of social policy and not through the common agricultural policy.

Janusz Wojciechowski (ECR). – (PL) Mr President, I should like to congratulate Mr Siekierski on a good report. Food aid is needed. On the one hand, there is widespread poverty within the European Union. This has been particularly evident during this severe winter – 600 individuals have frozen to death in Member States of the European Union. On the other hand, we might not have a surplus of food, but farmers are constantly experiencing difficulties in marketing it. It follows that this programme ought to operate.

In my country, Poland, the programme is operating quite well and it would not be possible to stop it suddenly. Accordingly, it is right to extend it to 2013, though I share the view, expressed on behalf of my political group by Mr Nicholson and others, that this programme should be financed under social policy, and not under agricultural policy, because agricultural policy has other objectives. First and foremost we must protect food production and guarantee food security for Europe. That is what the common agricultural policy should be aimed at, but the programme should be maintained during this transitional period.

Inês Cristina Zuber (GUE/NGL). – (PT) Mr President, the latest Eurostat data for 2010 reveal a drastic situation in terms of poverty and social exclusion: 26.9% of children under 17 and 19.8% of the elderly are at risk of poverty. In total, as has already been said, 115 million people in the European Union are at risk of poverty, which represents almost 24% of the population. Today these numbers are likely to be even higher due to the impact of so-called 'austerity measures', with more unemployment, lower wages for workers and reduction in social benefits.

In this situation it is even more important to maintain and strengthen the programme for distributing foodstuffs to the most needy, to ensure that those dependent on food aid and the many who will come to rely on it do not suffer from food poverty.

For this reason, we think it is essential that this aid is maintained over the next 2014–2020 financing period, at least under the current conditions, which means through the annual financing of EUR 500 million guaranteed in its entirety by the European Union.

Giancarlo Scottà (EFD). – (IT) Mr President, Commissioner, ladies and gentlemen, the objectives of the programme for food distribution include reasonable prices, market stabilisation and support for deprived persons. The institutions and national authorities have confirmed the need for full support of the programme through the EU budget, rejecting proposals for cofinancing by the Member States.

There has been discussion about food wastage. We recently approved the report by Mr Caronna, which included the problem of the meagre access of the poorest population

groups to food. I think that the issues are closely linked: helping to reduce wastage also means helping the most deprived.

There are many local initiatives to help people in financial difficulties. I would like to mention the example of food collections, which should play a more prominent part in the programme on which we have been asked to vote. People who wish to donate spontaneously but do not have channels to do so need to be organised and put online. I would like to take the opportunity to thank all those who work towards these goals in their everyday lives.

Rareş-Lucian Niculescu (PPE). – (RO) Mr President, I do not think that I need to present any more arguments supporting the programme for distributing food products to the most deprived persons. Although it comes at the eleventh hour, approval for the financing of this programme means that we are extending a hand to our fellow citizens facing particular problems.

This programme, which has proved its effectiveness for 25 years, symbolises Europe's solidarity and unity. More than one in thirty Europeans has received food aid in recent years, and I would like to remind you that out of the 40 countries occupying the top places in the global food vulnerability index four are Member States of the European Union. I congratulate the Commission for the efforts it has made to end the current stalemate. I also congratulate the Council for the wisdom and compassion it has shown and, lastly, I congratulate the rapporteur for all his fine work.

At the same time, I feel that this is the point when the European Parliament needs to be already starting to think about the future of this programme after 2013. Finding a suitable legal base, along with the Council and Commission, is the first step that we have to take. Are the programme's costs high? No. We are talking about one euro per year from every one of Europe's 500 million citizens. The United States invested USD 85 billion last year in the food aid programme, marking a 15% rise on the previous level in 2010. More than 43 million people, more than one in eight Americans, received this aid.

At the moment, we are talking more about productivity, growth and innovation. I firmly believe, without any shadow of a doubt, that they are the right solutions for resuming economic growth. However, we do not have the moral right to ignore the poor in Europe. The food aid programme has been operating for a quarter of a century and must continue to provide a safety net for those who need it.

Paolo De Castro (S&D). – (IT) Mr President, Commissioner, ladies and gentlemen, I am pleased that tomorrow we will be voting on the recommendation for a second reading on the programme for the distribution of food products to the most deprived persons in the Union, which involves the continuation of this important programme until 2013.

After all these months and the commitment of so many people, whom I would like to thank, starting with our rapporteur, Vice-President Siekierski and Commissioner Ciolos, we have managed to achieve this important result, which means not abandoning 18 million poor people in Europe to their fate.

The European Parliament has often expressed its approval of this programme and also of its continuation after 2013. Our political initiative will therefore continue, we will not rest just with tomorrow's vote, Mr President. In full compliance with the ruling of the Court of Justice, Europe must also be able to continue offering solidarity to the weaker members of our society in the future, particularly during these tough economic times.

Liam Aylward (ALDE). - Mr President, I wish to thank the rapporteur for his strong work on this issue and for acting quickly to ensure that NGOs, charity organisations and European citizens who rely on the deprived persons' food programme were not left in the lurch for 2012 and 2013.

When I spoke in this Chamber on this issue last year I urged the European leaders to use a little common sense – if not some compassion – in relation to the continuation of this scheme. I am pleased that the scheme has been guaranteed for a further two years. However, the 13 million people who rely on this scheme for food are not going to find an alternative in two years' time. If anything, the numbers requiring food aid will increase, given the current economic situation.

This scheme must be continued in a format that will ensure that those at risk of food poverty have access to food. I understand that there are those who object on the basis of budget allocation, subsidiarity and a perceived overlap with national competence.

That is all very fine, but 43 million people in the EU are at risk of food poverty. We have a scheme in place that provides food for these people. Why change it because of an ideological objection? For 500 million people it represents value for money in terms of delivering actual results. We must not play politics with a scheme that improves the immediate situation for those who cannot afford to feed themselves or their families.

Karima Delli (Verts/ALE). – (FR) Commissioner, more than 43 million Europeans are threatened by food poverty. It is therefore with a certain amount of relief that we welcome the new extension of the European food aid programme until 2014. The poorest will continue to receive the essential charitable support that they need at a time when the demands faced by these charities are growing.

Yet the real question is what next. What will happen after 2014? Is it not just lip service the promise to reduce poverty by a quarter in the EU by 2020? We must give ourselves the means to achieve this goal. That is why we will ensure that the new financial framework preserves this programme as part of the cohesion policy to ensure that those Member States in need do actually benefit from this aid. However, there is one condition: this transfer to the ESF should also be allocated a large enough budget to ensure that no-one is left by the wayside. What is at stake here is the matter of solidarity between the European people.

One final point, Commissioner, the poorest are also entitled to a healthy and balanced diet. Only a truly sustainable CAP can guarantee that fewer Europeans will need food aid in the future.

Julie Girling (ECR). - Mr President, the availability of food for everybody is undoubtedly an important thing in any civilised society. I have no difficulty at all with that. My difficulty with this proposal lies in its assumption that creating a EUR 500 million programme centrally is an adequate or efficient response to hunger. I believe that measures of this type should be delivered by individual Member States in ways which are administratively efficient.

The continuation of such a programme for 25 years is not evidence of its success, but evidence of the development of the dependence culture that should be broken. By the continuation of this scheme under the guise of solidarity we do nothing to encourage an efficient and productive food industry in Europe. Aid in kind is contentious across the world and I see no reason why it should go unchallenged here in Europe.

Tadeusz Cymański (EFD). – (PL) Mr President, one of the consequences of deepening divisions between the social classes has been an increase in the number of people requiring food aid. Different levels of income and property are normal in a democracy, but social contrasts and glaring discrepancies are not. In my view, our debate should not centre on whether or not this programme should be continued, but on how it should be implemented in practice. This programme should not be perceived as a substitute and a replacement for the role and significance of national aid. It does, however, complement national aid, and is an expression of solidarity and of the realisation of the ideals on which the functioning of the European Union is based. We should strive to reduce the extent of poverty, but it would be fanciful to think that poverty can be totally eliminated. Unfortunately, we are faced with the prospect of major social problems and the European Union cannot and must not abandon this programme. It should also be noted that charitable organisations, disregarding the tardiness of institutions, are already engaging in activities this year, particularly in such difficult conditions as those of the present crisis.

Christa Klauß (PPE). – (DE) Mr President, around 18 million Europeans suffer from food poverty and depend on food aid. That cannot and must not be the case in Europe. The aid programme that we are discussing today grew from the surpluses in the common agricultural policy (CAP) in days long since passed. Mr Siekierski said as much. We have changed the CAP, but hunger has remained.

The transitional solution now proposed will ensure supplies only until 2013. The question, then, is what comes next? We need to clarify areas of responsibility. In principle, EU agricultural policy cannot be a source of social security. It is, essentially, the primary responsibility of every state to ensure and to safeguard the elementary provisioning of its own population. However – and I address this point to Mr Tarabella – that does not in any way preclude European solidarity. Support programmes must be implemented at national level, and that is also where the responsibility for such programmes must rest. That way, they are sustainable. The situation of the most deprived must be improved in the long term. Commissioner, you should hold a round table discussion involving the Member States in question and the European Union in order to come up with joint solutions that eliminate the problem of hunger in a targeted way.

On the other side of the coin, the scale of food wastage is shameful: around 50% ends up being thrown away! We need a new culture of valuing our food. However, we also need information and education in order to re-learn proper housekeeping and the proper handling of food. When a third of all adults can no longer cook it is no wonder that many people are not able to feed themselves with low-priced staples. This is an ethical problem, but it is also an economic and a social one.

(The speaker agreed to take a blue-card question under Rule 149(8))

Jacky Hénin (GUE/NGL), *Blue-card question.* – (FR) Mr President, if we are to believe what my colleague is saying, it is because some people cannot cook and do not know how to use food that so much is wasted and that those who have nothing cannot eat. Tell us, how do you eat when you have no money to go shopping?

Christa Klauß (PPE), *Blue-card answer.* – (DE) Nonetheless, it remains cheaper and healthier to feed oneself with staples. That is why education should always include teaching people how to make really healthy food from a potato or a carrot. This would also help to fight poverty and hunger in Europe.

Marc Tarabella (S&D). – (FR) Mr President, I am not going to start talking about cooking but I am clearly very saddened today that we are having this debate at all. This debate should never have taken place during the current difficult times.

For, after all, what are we talking about? We are talking about EUR 500 million that is already in the budget, that could be used and that could have been used differently following a decision of the Court of Justice to fill the purpose that they are being used for today, in other words, relieving the pain of 16 million European citizens who do not eat every day to satisfy their hunger.

Instead, we are having to have this debate. I welcome the Commissioner's determination to save this budget, because at the end of the day – as Mr Omarjee pointed out – we go around talking about hundreds of billions for the banks yet what a fuss when it comes to EUR 500 million for the very poorest! This is serious.

What signal will Europe be giving out if this programme is not saved beyond 2013? Today, I must commend you, Commissioner, and the rapporteur and all those who helped ensure that it was saved until 2013. However, the fight to keep it beyond 2013 starts tomorrow morning, because there is no question of abandoning a programme that looks out for the poorest citizens of the European Union.

Patrizia Toia (S&D). – (IT) Mr President, I too applaud the positive outcome of the transitional period, and hope that a definitive solution will be found in the financial programming that will deliver a stable, definitive and rapid response to a real need, which is unfortunately growing, because the number of poor people, the new poor, in Europe is continuing to rise. New areas of the population that were formerly self-sufficient now do not have enough food to live on, and food is a primary basic right. These are poor workers, single mothers with children, and people suffering from invalidating illnesses. The spectre of hunger has once again raised its head in civilised Europe.

I believe that we cannot remain indifferent, just as we cannot support the reasons of those – including many of our colleagues, unfortunately – who think the responsibility should lie first and foremost with the Member States, that we should focus on nutritional education, and so on.

In my view we should first of all take this action and then abolish food subsidies, not the other way round. Luckily, however, outside Parliament, Europe is made up of young people, volunteers, associations and political groups that want this House to deliver more fairness and solidarity in Europe. This is what we are working towards.

Csaba Sándor Tabajdi (S&D). – (HU) Mr President, ladies and gentlemen, it is lucky that the poor and the hungry are not observing this debate, because it would cause them to loathe the European Parliament and the institutions of the European Union even more than they do already. Today's debate is a disgrace, and I wish to draw the attention of the agriculturalists to the fact that the agricultural sector is not terribly highly regarded in Europe. In other words, it would greatly improve the prestige and reputation of the agricultural sector if we would not refer to separating the agricultural sector and welfare policy. I wish to draw the attention of Mr Nicholson and Mr Lyon, whom I highly respect, that, as we agriculturalists who are sitting here know well, direct payments include a vast number of social elements in the first pillar. Anyone denying that is lying. It follows that hungry people are not interested in whether they receive their bread and butter in the framework of common agricultural policy or welfare policy, but in whether they receive

food to eat or not. I therefore ask the agriculturalists not to make such references, but to protect the poor and the prestige of the agricultural sector.

Vilija Blinkevičiūtė (S&D). – (LT) Mr President, I am nevertheless pleased that we managed to find a compromise solution, which we will be able to approve and which will allow our most deprived citizens to be provided with the same amount of food aid for the remaining two years until the new multiannual financial perspective. It is also very important that 100% of the LTL 500 million comes from the European Union budget, and I definitely agree that only products produced in the European Union should be used and those foods that are produced in the European Union, not imported from somewhere else.

Indeed the Council's desire to reduce the amount of food aid at this difficult time is absolutely incomprehensible, when the number of people requiring aid has really grown as a result of the crisis. I therefore agree that today we have to make savings, both at EU level and in the Member States, but we cannot do this by reducing assistance for the poorest people who have increased in number.

We all agree that during the crisis there certainly has not been a drop in the number of poor people and savings in this area would not solve the problem of the financial crisis. Instead we would be turning our backs on our citizens and undermining the goals that we set ourselves a year ago – of pulling up to 20 million people out of the poverty trap.

Estelle Grelier (S&D). – (FR) Mr President, we should, of course, be glad that the Member States have finally reached an agreement to ensure the immediate future of the European food aid programme for the most deprived citizens. This agreement was vital for millions of Europeans who have already been given a rough ride because of the crisis but it is far, far from enough. In fact, it is conditional upon the withdrawal of the Food Aid Programme in 2014, and on the will of the German Chancellor, a will that unfortunately is not upset, that Europe is no longer funding any social policy of this type beyond that date.

We are Europe. We have core values and shared ideals that we support: peace, prosperity, of course, but also solidarity and the right to dignity, given that dignity is the opposite of humiliation ...

(The President asked the speaker to slow down)

(FR) I was saying that dignity is a fundamental right of the European Union, given that it is the opposite of humiliation and I was pointing this out for the benefit of the Greek people. Dignity implies that European citizens can have decent food, shelter and heating and this cannot be conceived through one short statement after another from minority States and purely legal decisions.

I therefore urge the Commission and the Council to implement practical solutions to achieve these objectives within the Union.

Karin Kadenbach (S&D). – (DE) Mr President, Commissioner, on the one hand I am quite relieved today because a legal framework has been found to overcome the rather cynical approach of saying that 'there is no budget heading for helping people'. I am also relieved to hear you say that you believe there will be a solution after 2013.

Nevertheless, I do believe that what we have here is only emergency treatment of the symptoms. What really worries me is European Union policy and, in particular, a number of statesmen and stateswomen who are pursuing precisely the policy that leads to poverty. There are very few cases where poverty and need in Europe can be traced back solely to

natural disasters. The reality is that they can be traced back to an enormous financial disaster. What we decide here in Europe at this point will perhaps help bring about food distribution. What we need, however, is fair distribution. We need to act much earlier. We need to provide education and we need to provide jobs and incomes. The aim, as Mr Capoulas Santos said, must be that one day we will no longer need this aid. I say yes to food distribution now, as a remedial treatment of the symptoms. What we really need, however, is treatment of the causes, and that means fair distribution.

Catch-the-eye procedure

Agustín Díaz de Mera García Consuegra (PPE). – (ES) Mr President, I reiterate: the food programme must be extended indefinitely. Our credibility is linked to the solidarity we show, and more so in a crisis period. Nobody can reasonably deny this, nor will they be able to.

We know the disappointing and bitter figures. What poor person cares about the legal basis, or the ruling, or the common agricultural policy or the social dimension? Are we going to explain it to them? I do not want to and I cannot. We do not provide any justification for not giving, ladies and gentlemen, but we want to justify the fact that now we are taking away what we once gave them, and this is truly inexplicable. I ask for justice and I ask for compassion.

We cannot reduce the EUR 500 million, because it is needed. For poor people, the situation is not a crisis. It is critical, and it affects the most vulnerable of them: old people, children, the sick, the homeless, those without power, without medicines and without food.

React, ladies and gentlemen of the Council, react. I do not see any poor person sitting in the Council, Mr President.

Spyros Danellis (S&D) . – (EL) Mr President, poverty is a political, economic and social problem. The Union certainly needs an integrated approach to poverty. The relief provided by the food distribution programme for deprived persons is important but it is not, of course, a solution to the problem. Of course, that does not mean that it should be abolished. Also, deprived persons do not care if the resources come from the CAP or from the European Social Fund.

The current economic crisis in Europe will exacerbate survival conditions for a very large section of the population and this must be addressed in a viable and cohesive manner. Combating poverty and exclusion are clearly a matter for the Union. At the same time, we should perhaps remember that the rest of us, who are able to eat our fill, must become more responsible citizens. The 179 kilograms of food wasted per person per year is, I think, an insult to deprived persons and is also a matter that should concern us.

José Bové (Verts/ALE). – (FR) Mr President, Commissioner, there are some saying today that this project has nothing to do with the common agricultural policy. I tell you this is not the case.

What is now very clear is that the objective of the common agricultural policy was to ensure food security, to make sure that products are affordable for all consumers, ensuring farmers' income. Feeding all the citizens of Europe is therefore part of the fundamental charter of the first integrated European policy.

When we can now transfer money from the CAP balance to fund the International Thermonuclear Experimental Reactor (ITER) to the tune of almost EUR 500 million, how is it that, in some States, some are questioning the EUR 500 million to help the poor?

We have now reached an agreement until 2014. I think that after this, there will need to be a link between the CAP and welfare systems to ensure that the poorest have access to this food. We are committed to this and I hope that in terms of agricultural policy, special efforts will be made so that the poorest can also directly access production.

Alfreds Rubiks (GUE/NGL) . – (LV) Mr President, together with the many millions of poor people living in the European Union, I should like to let the Commission know how pleased I am that it has reached agreement with the Council that this programme will be continued. It involves not only food for victims of hunger, but also support for agriculture. In Latvia last year more than 185 000 people, that is one in every 12, received this aid. I also agree with those of my fellow Members who are arguing for this programme to continue. As a basis for its continuation, I should like to see us taking food from the intervention stockpiles, and not from the market, that it should be fully paid for from the European Union budget, and that it should all have been produced in the European Union.

Jaroslav Paška (EFD). – (SK) Mr President, after several years of the European Council blocking the continuation of food aid to the most deprived persons in the European Union, we have finally reached a situation where we can debate and approve the continuation of this aid in 2012 and 2013. Given that this temporary programme already takes into account the majority of significant changes proposed by the European Parliament, such as the procurement of food in accordance with competition rules, for example, or the use of food sourced primarily from the European Union, we have no reason to prolong this process by submitting additional amendments.

It is therefore necessary to comply with the annual limit on the provision of aid from European Union resources, which is set at EUR 500 million, and to try to ensure that food aid is distributed effectively and meaningfully, in order that it reaches those who need it most. Already, however, Commissioner, we have to start working on mechanisms for continuing the programme beyond 2013, because dependent people in Europe will otherwise remain without help after this date.

Jarosław Kalinowski (PPE). – (PL) Mr President, Commissioner, contrary to what many people think, the European Union is not an oasis of peace and prosperity. The economic crisis is causing social unrest and has resulted in protests. These protests are often simple calls for help, since there are many people in Europe who truly have no food to put on the table. The frequently quoted fact that 18 million EU residents – including those drawn from groups other than just the unemployed, migrants, the homeless and generally excluded groups – are availing of the food distribution programme, demonstrates how important it is for our people.

We have to remember that 40 million people in the EU are enduring poverty and just as many are at risk of such hardship. I am pleased, therefore, that the agreement between the institutions has been reached and that the assistance programme will be implemented. Those in need are not interested in the legal basis for the programme. This protracted discussion is an embarrassment for the EU institutions.

Monika Smolková (S&D). – (SK) Mr President, access to food and an adequate diet should be the basic right of every citizen. Statistics show that this is not the case. In 2008,

13 million people in 18 Member States made use of food aid, but in 2010 this number had risen to 18 million. The economic crisis and the related decline in jobs have brought greater poverty for more people, who have become dependent on food aid. Going forward, the programme must therefore remain one of the key ways of protecting those who are most in need.

The programme must be effective not only in its accessibility, but also in its speed. We should prevent the mistakes that we have seen in each Member State, for example in Slovakia, my own country, where redistribution takes a long time and is accompanied by misunderstandings, thereby losing the meaningfulness of the aid provided. Therefore, the chain from production to distribution must be organised so that it is as short and as effective as possible.

Elena Oana Antonescu (PPE). – (RO) Mr President, the rise in basic food prices in recent years has significantly shrunk European citizens' purchasing power. The economic and financial crisis within the EU has had a considerable impact, automatically increasing the social vulnerability of the EU's most deprived citizens.

It is vital to continue the food distribution programme in the current economic and political climate. It could provide strong support to 18 million Europeans without imposing additional burdens on national budgets. We need a transitional solution as a matter of urgency for the remaining years in the current multiannual financial framework. The proposal was blocked at the Council for two years, and we are pleased that we have finally reached a compromise. I wish to thank the Commission and Commissioner Ciolos for the efforts they have made.

I therefore support the adoption of measures for the EU to resume granting this aid as soon as possible, as well as the proposal tabled by the Group of the European People's Party (Christian Democrats) to extend the programme during the next multi-annual financial perspective.

Franz Obermayr (NI). – (DE) Mr President, in my homeland we have a saying, which goes 'help quickly and you help twice as much'. That is happening now, which is a good thing. It also seems to be reasonable to have obtained food from the intervention stocks. There are now problems with that, however. For one thing these stocks are shrinking, and for another surpluses cannot always be used where they are produced. The result is therefore food transported over long distances, costs and also damage to the environment.

It would therefore be a more sensible approach to promote and support small and flexible local structures primarily involved in working with the food aid programmes. Obviously, I do not mean old-style state agricultural combines on the former Communist model, but small, smart structures and concepts that make it possible to help the poor quickly but also to retain the jobs that we need in the agricultural sector.

I do not believe that poverty can be abolished that quickly. We will, rather, have to deal with greater poverty, and that is why concepts like this absolutely need to be provided for in the medium term.

End of the catch-the-eye procedure

Dacian Ciolos, *Member of the Commission.* – (FR) Mr President, ladies and gentlemen, I would like to say a few things in response to your comments.

The food aid programme for the most deprived persons was borne of a two-fold objective of the common agricultural policy. On the one hand, the CAP seeks to ensure that farmers have a constant and fair income, which is why we have the market intervention mechanism, and on the other hand, it seeks to ensure that all European Union citizens have access to food. As a result, rather than destroying the surplus intervention stocks on the market, they were made available to the most deprived persons.

Since then the common agricultural policy has evolved, as have the instruments within it. For that reason, the European Commission is proposing maintaining this programme, because even if we no longer have the public stocks, some EU citizens still have difficulty getting access to food and that problem has yet to be solved. The Commission therefore wants to continue this programme in the context of the European social policy.

It is not true to say that there is no European social policy; I would remind you that we have a European Social Fund. That does not mean that the European Union and the Commission are alone in implementing social policies in Europe. That is the responsibility of the Member States but it does not prevent us from having a social policy.

Therefore, in response to those who say that there is no future for this programme after 2013, I say that the European Commission has proposed maintaining this budget in the framework of the social policy. That budget proposal is now being examined in the Council and in Parliament, which will take a decision on it. On the basis of that decision on the future of the budget, the European Commission will of course fulfil its right and duty to initiate legislation, including in this area. That is the answer that I can give you.

Naturally, even if the programme of aid for the most deprived becomes part of the social policy, that would not prevent us from looking at the issues of food waste and nutrition. The Commission is considering this and will present its ideas to Parliament.

In conclusion, I would also like to respond to Mr Agnew, who made a comment about the Commission. I can assure you, Mr Agnew, that the Commission has never asked farmers to produce less, but to produce better. I think that that is an intelligent solution, not a stupid one, as you described it. That is the direction of all of the proposals that we have put forward.

I also want to say to Mr Stoyanov that if Bulgaria does not participate in the scheme to aid the most deprived, it is because that is what its government has decided. We cannot force the Member States to take part in the programme, but those who want to take part can do so.

Once again, I would like to thank you for your support for this programme and I welcome the fact that, with this decision, we can now ensure that this programme continues, at least for the next two years.

Czesław Adam Siekierski, *rapporteur*. – (PL) Mr President, it was heart-warming to hear in this House such immense support for the distribution of food products to the most deprived persons in the Union. I am certain that we are all happy with this outcome. Words of gratitude are due, in particular, to the European Commission, for its determination in working towards ensuring that the programme is fully functioning. The Commission recommended a number of adaptations and improvements for the programme.

We should remember that it was the legal basis, and not the principle of or the necessity for food distribution to the most deprived, which was contested before the Court of Justice. The Court challenged the legal basis only. It is true that those in need are not interested in

legal bases, however Parliament must make decisions about these legal bases, and we need to discuss them in this House. As the Commissioner said, the programme is available to countries that express their interest and intention to participate in the programme. Currently, limited intervention in the agricultural market, low food stock levels and proposed changes in the provisions of the common agricultural policy (CAP) over the period 2014–2020, will require the development of a new legal basis. I am convinced that on the initiative of this House we will accomplish this objective.

We are aware of the need for the food distribution programme to be implemented in a way that is more efficient and brings improved results. In addition, it is a good idea to analyse the relevant experience of other Member States. We should ask food distribution organisations as well as social and consumer bodies about better and more effective ways of managing this programme in the future. Further close cooperation with the governments of the Member States is necessary. Finally, it is our wish for Europe and for the world as a whole that the number of people requiring free food remains at a minimum. We should therefore aim to grow the economy and reduce unemployment. Lastly, I would like to thank all those who contributed to saving this programme. Ladies and gentlemen, let us keep up the good work for the future.

President. – The debate is closed.

The vote will take place tomorrow.

Written statements (Rule 149)

Luís Paulo Alves (S&D), *in writing.* – (PT) Today, several countries in the European Union are faced with a crisis that affects the poorest most of all. We see 80 million European citizens in a situation of poverty and around 45 million at risk of malnutrition. Fortunately, after difficult negotiations, there is now support for continuing the food aid programme for the neediest in 2012 and 2013. However, it was scandalous the way in which seven countries initially prevented this at a meeting of Ministers for Agriculture. Austerity measures, which hardly exist in countries assisted by the troika, inevitably affect these populations, and this has clearly been a political choice, reinforced by a discourse which maintains that sacrifices for all are inevitable. On the other hand, the EU, which was quick to support the banks with thousands of millions of dollars, cannot be so hard-hearted as to refuse the EUR 500 million of essential support for the Food Aid Programme, especially in this difficult period when it is needed more than ever. Europe has contradictions which need to be resolved, for the sake of this project and for the sake of European citizens, particularly the poorest. A Europe of solidarity must strive for greater equality.

Ivo Belet (PPE), *in writing.* – (NL) Today, we have finally been able to secure food aid for the poor for this year and the next. This is good news for the millions of Europeans who depend on food aid. Certainly, now that their numbers have increased because of the economic crisis, we cannot leave the poor anywhere in Europe out in the cold. That is European solidarity. We must now make every effort to safeguard this programme beyond 2014 in the negotiations over the long-term budget. The programme has been in existence for 25 years and is a cornerstone of our solidarity with the poor. Belgium is one of the Member States that has consistently committed itself to it.

Nessa Childers (S&D), *in writing.* – During times of crisis, it is almost always those who are worst off who suffer the most. Unfortunately, despite the development which has occurred in Europe over the past generation or so, this is still very much the case. However

this crisis is also an opportunity for Europe to break with the past, and set a new precedent for both good times and bad. By prioritising the most deprived at this juncture, we can set a standard to be followed even when this crisis is overcome, and which will be adopted automatically during any time of difficulty in the future. Furthermore, as an agricultural union, Europe has the benefit of a great deal of quality foodstuffs, and while programmes for the distribution of these goods have existed for some years now, to the Commission's credit, they should be developed and expanded upon in the months and years ahead.

Frédéric Daerden (S&D), *in writing.* – (FR) This Regulation and the extension of the programme to the end of 2013 are, on the whole, positive news in this period of suffering for the most deprived. However, an agreement between a number of Member States not to extend these measures beyond 2014 because they would be purely a Member State competence is unacceptable. That attitude reveals several contradictions.

There is a contradiction between the pressure on national budgets from the economic governance measures and the desire to add to them the burden of this aid. There is a contradiction between the Member States having sole competence in the social field for the MDP scheme, but not for the wage levels or pensions affected by the economic governance measures. There is a contradiction between this position of certain Member States and my report on poverty, in which Parliament calls for the programme to be continued after 2014 and states that the austerity measures must not undermine social protection.

The Union's solidarity is at stake and the citizens are watching us. We must consolidate this programme for the years to come.

Vasílica Viorica Dăncilă (S&D), *in writing.* – (RO) The European programme for deprived persons has helped achieve social policy objectives, in addition to fulfilling the agricultural aspect of the common agricultural policy. The programme has proved to be an important means for supporting certain groups of people affected by poverty, especially against the backdrop of the current economic and financial crisis. This programme provides a tool that the European Union can use to offer direct assistance to those in need in the more than 20 Member States, thereby showing that the principle of European solidarity works.

I welcome that this programme will continue this year because, in Romania alone in 2011, NGOs provided assistance to more than 2.8 million people on very low incomes. However, in my view, it is paramount that this aid also continues in the future. I think that the EU needs to provide support to deprived persons at a comparable level to this year, in the knowledge that the common agricultural policy also has social elements. After all, people in need have still to be given assistance. Based on the principle of European solidarity, the Member States which oppose this measure must prove that they understand the situation of the groups suffering poverty and agree to continue the programme under the necessary conditions, which is also proof of EU-level solidarity.

Ioan Enciu (S&D), *in writing.* – (RO) The Council must stop stalling the programme for distributing basic food products to the most deprived members of the population, especially during the current financial crisis when these sections of the population are likely to suffer most.

Although it is not completely satisfactory, the Council's position must be adopted as soon as possible by the European Parliament so that the food aid can be released as a matter of urgency. One positive aspect is that the programme will not be subject to any reduction

in funding and it will also continue to be financed 100% from the EU budget. At the same time, it will be based on European agricultural produce, which will help support the EU's domestic production. On the other hand, there is no guarantee yet, unfortunately, that the food aid programme for the most vulnerable groups will also continue after 2013.

I believe that the programme must be extended under the same parameters after 2013 as well, given that the estimate for the number of people who genuinely need this programme is not going to fall; on the contrary, it is set to increase.

Filip Kaczmarek (PPE), *in writing.* – (PL) I am very pleased that the prospect of discontinuing the programme of food distribution to the most deprived persons has been averted. Over the course of the next two years, the programme will ensure food aid is provided to the most deprived persons within the European Union. The programme, which has benefited 18 million persons within the EU in 20 Member States, will be continued until the end of 2013, with an annual budget of EUR 500 million. It is important that the programme is also continued beyond 2013. Unfortunately, I am quite certain that we will not have succeeded in eradicating poverty by that time. Poverty is precisely the most important rationale for the continuation of this programme. The ever-growing number of persons within the EU in need of assistance is disturbing.

Elżbieta Katarzyna Łukacijewska (PPE), *in writing.* – (PL) The European food distribution programme is important to many Member States and confirms the fact that the European Union holds a sense of responsibility towards its most deprived and poorest residents. Statistical data suggests that over 18 million persons across the EU avail themselves of this programme on an annual basis. The food that reaches the most deprived households provides significant support to the families living in these households. In the face of the ongoing crisis, the number of poor and socially excluded people is constantly increasing, and for that reason, I think that it is essential for this document to be adopted as soon as possible. Food aid is very important and should be continued, however, in my opinion, many of those who avail themselves of this support would prefer to be employed. Apart from food support, our actions should also focus on job creation, aimed at reducing the number of poor and homeless people.

Véronique Mathieu (PPE), *in writing.* – (FR) It was important for us to adopt the agreement between Parliament and the Council as quickly as possible in order to maintain the funding for the European food aid programme for the most needy at EUR 500 million for 2012 and 2013. Numerous charities in Europe depend on this report, blocked for two years in the Council, for their food supplies. Although the blocking minority in the Council gave in at the end of 2011, allowing the programme to be extended for two years, we sincerely hope that a solution can be found to enable a similar European contribution to be maintained after 2013. We are therefore determined to find an alternative to financing the MDP programme from the budget for the common agricultural policy. Following the ruling by the Court of Justice, the purchase of food financed to this level by the CAP does not comply with European legislation, so we have to look for other possible sources of funding and thus support the actions to help the needy through charitable organisations.

Vladko Todorov Panayotov (ALDE), *in writing.* – Current estimations from the Commission reveal that 50 million people in the Union are at risk of food poverty while, for a number of reasons, fewer and fewer surpluses are available in the framework of the Scheme for food distribution to the most deprived persons in the Union, set up in 1987. As a matter of fact this aid, which provides food-aid for 13 million people across the EU,

is losing its capacity because on the one hand, the reframed CAP has increased dependency on market purchase while on the other, the current economic crisis has considerably aggravated poverty. If food aid is only a short-term form of assistance in the struggle against poverty in Europe, we need to insist on its importance being maintained and enhanced. The rise in inequities among EU citizens is a threat to the EU, and access to food must be one of our priorities as it concerns fundamental rights and human dignity. The fight against poverty and exclusion is one of the five pillars of the Europe 2020 Strategy and the most urgent one to reach.

Vilja Savisaar-Toomast (ALDE), *in writing.* – (ET) This report on the distribution of food products to the most deprived persons in the European Union is extremely important considering the economic conditions of recent years and the increased number of deprived persons. I am glad that after two years of blocking, the Council has decided to move forward, and I therefore wholeheartedly support the rapporteur's position that the second reading in Parliament should be completed as soon as possible. On the positive side, it should be emphasised that the Commission and the Council have agreed to a 100% level of financing, and have also set the total amount of aid at EUR 500 million. It is worth pointing out – and the Council has also drawn attention to this – that the system of food distribution should be improved, and it must be ensured that assistance truly reaches those who need it. Unfortunately there have been cases in Member States in which food aid is indeed distributed free of charge, but this is only done in larger centres, and it can be obtained by all who desire it. In rural areas, therefore, aid unfortunately does not reach those who need it most. The Council position emphasises that food aid should be distributed to those who have been designated as deprived persons as defined by the local or national government. Here the role of local social workers should definitely be increased, as they are best aware of who needs assistance and how to ensure that they receive it. One important point that I would like to emphasise is that I wholeheartedly support the distribution of food originating from the EU, which is also supported in the Council's positions.

12. Contractual relations in the milk and milk products sector (debate)

President. – The next item is the report (A7-0262/2011) by James Nicholson, on behalf of the Committee on Agriculture and Rural Development, on the proposal for a regulation of the European Parliament and of the Council, amending Council Regulation (EC) No 1234/2007 as regards contractual relations in the milk and milk products sector (COM(2010)0728 – C7-0408/2010 – 2010/0362(COD)).

James Nicholson, *rapporteur.* – Mr President, I am very pleased that we were able to reach agreement on the dairy package with the Council and Commission in December. In this regard I must thank my shadow rapporteurs for all the very hard work that they put in. We started off with – I think I can safely say – some very divergent views and positions, so it is a testament to their commitment that we found solutions to our differences and ways to incorporate each other's point of view.

I must also thank the Council and the Commission, who at all stages of the process adopted a very constructive approach towards Parliament. This cooperation was what allowed us to achieve a deal at the end of the day. I was determined to get a deal on the dairy package agreed before we entered into the CAP reform and I am very pleased that we have achieved that. I would also just like to pay my own special thanks to those involved in the Polish Presidency for their hard work through the weeks and the months that we were working on this.

The dairy package was, to a large extent, a dry run for Parliament's engagement in the CAP reform. It definitely gave us some insight as to how the process will evolve. Although of course the reform will be on a much larger scale, we must bear this in mind, and I think we all gained some valuable experience in terms of how we should go about finding our internal position within Parliament and also how best to negotiate with the other institutions. It is my belief that, in order for Parliament to influence the reform of the CAP to the maximum effect, we should learn from our experiences in working with this dossier.

So what does the dairy package contain and how will it impact on our milk producers? That is the question which everyone is, of course, very keen to know the answer to. From the outset I would say that this legislation will not solve all the problems of Europe's dairy sector, but I do hope that the measures contained within it will primarily help to strengthen the bargaining power of dairy farmers.

The establishment of the EU-recognised producer organisations and the interbranch organisations for the sector is a step forward. Producer organisations will be able to negotiate milk volumes of up to 33 % of the national production. This is, I believe, a good balance between boosting their negotiating power and protecting against distorting competition. Producer organisations should help farmers to organise themselves better and strengthen their position in the supply chain, especially in Member States where a system of cooperatives is limited or non-existent.

The package also includes provisions for EU contracts to be implemented at Member State level. Some countries may choose to go down this route while others will not. This is likely to depend on the characteristics and the situation of each individual country's dairy market, whether they are a co-op system or export-driven. The decision to impose contracts will be voluntary, which will give Member States the flexibility to choose what suits them best. If a Member State decides to impose contracts, those contracts must respect the conditions laid down by the regulation. These include the condition that the price, the volume of milk to be delivered and the duration of the contract are outlined in the contract.

One of the main points Parliament has achieved is in the article which allows for the regulation of milk supply for production or for PDO and PGI cheeses. We worked hard on this to achieve a balance between supporting quality production and making sure that we did not interfere with competition law or the functioning of the internal market. I am sure that my southern counterparts will have more to say on this issue and will outline how it will particularly help milk producers in their countries, which are those Member States which have high levels of quality production.

I would like to conclude by saying that I think we have ended up with a package of measures which are flexible. Although milk is produced in every EU Member State, each country has very different needs. There are Member States that would like to see quotas being retained past 2015, while others look forward to increasing production. However, no matter what the focus of the industry, we have a responsibility to ensure dairy farmers have the opportunity to achieve the best possible price for their milk. In this regard, I would urge producers to look carefully at the measures and take full advantage.

Dacian Cioloş, *Member of the Commission.* – (FR) Mr President, ladies and gentlemen, allow me to congratulate the European Parliament, and Mr Nicholson and the shadow rapporteurs in particular, on their constructive cooperation with the Council and the Commission, which allowed us to improve the Commission's initial proposal and at the same time reach agreement at first reading.

We managed to reconcile the different approaches adopted at the start through an open discussion among the three institutions and a shared sense of the responsibilities involved, which did not lose sight of the actual aim of the exercise, which was to give the milk sector new instruments to ensure its sustainability and strengthen producer organisations in the sector.

The 'milk package' is one of the most important legislative acts in the agricultural sector currently being adopted at first reading under the ordinary legislative procedure established by the Treaty of Lisbon. In my opinion, it truly embodies successful cooperation between Parliament and the Council, which shows that it is not the ordinary legislative procedure that prevents us from taking important decisions quickly and coherently.

The 'milk package', as Mr Nicholson said, gives Member States the option of imposing the use of milk delivery contracts between producers and processors. This proposal also allows milk producers who so wish to organise themselves into producer organisations in order to consolidate their position in the food chain, notably through the collective negotiation of milk delivery contracts, which is clearly reinforced in the proposal. They may also be able to benefit from the option given to Member States to require milk purchasers to offer milk producers a contract with a minimum duration of six months. The final text also reflects the desire to take into account the specific nature of cooperatives, which was expressed by the high-level groups consisting of Member State experts.

The 'milk package' highlights the role that can be played by interbranch organisations that bring together around one table producers, manufacturers, traders as well as consumers with a view to improving the transparency of the milk supply chain and the mutual understanding of the role of each link in the chain. In another measure to improve transparency, the 'milk package' establishes the necessary framework for monitoring milk deliveries after the milk quota scheme expires by stipulating that the relevant data must be supplied in good time, thereby allowing the Commission to provide milk producers and actors operating in the milk sector with timely information on the market.

The 'milk package' will also play an important role in regulating the supply of quality cheese with protected geographical indications, which brings benefits in terms of added value and sustainability for vulnerable regions in particular.

I will end by pointing out that two dates have been set to assess the application of the provisions introduced by the 'milk package': the first for the end of June 2014 and the second for the end of December 2018.

By each of these dates, the Commission will present to Parliament and to the Council reports on the development of the market situation in the milk sector. The effects on producers in disadvantaged regions will be assessed in particular in relation to the general objective of maintaining production in those regions. We will also examine potential incentives to encourage farmers to enter into joint production agreements.

Michel Dantin, *on behalf of the PPE Group*. – (FR) Mr President, Commissioner, rapporteur, we have reached the end of our work.

Commissioner, we agree with some of the points you just made. There is one word, however, that I wish to highlight: the word 'quickly'. I do not think that we can agree on that. It was in February three years ago that the milk crisis erupted or reached its peak. That is how long it has taken us to reach a compromise allowing us to offer milk producers new prospects.

I welcome the spirit in which we worked and congratulate our rapporteur, who, for this first, because it was a first for us to legislate together, enabled us to work in a spirit of genuine dialogue and with a shared desire to build something.

We are therefore offering producers a new capacity, that of derogating from competition law and organising themselves into stronger units. However, Commissioner, we all know only too well that this is just one stage, just one step, and that we have not yet found the real solution and the real tools to move beyond the era of milk quotas.

An exit phase should be prepared. That phase has not yet been designed. We have to continue to work on that aspect. As you said, we have not yet completely resolved the issue of vulnerable regions either. Even if we are offering them a tool, with the possibility of organising themselves better with the geographical protection mechanisms, we are still not enabling them to keep milk in those regions.

It is absolutely essential for the report that you are going to submit to us in 2014 to set out solutions that allow us to maintain this activity in vulnerable regions, where grass is often the only production and where milk is often the only way of making a living. Without it, all of the work and all of the hopes that we have put in this text will be in vain for many farmers.

Marc Tarabella, *on behalf of the S&D Group*. – (FR) Mr President, Commissioner, ladies and gentlemen, I, too, would like to congratulate the rapporteur, James Nicholson, in particular on his working method, which ensured that all of the shadow rapporteurs were involved throughout the procedure, which is not often the case.

Following often arduous negotiations, the Council and Parliament produced an agreement that, if not the most exciting, at least seeks to organise the milk sector. The decision to do away with the quotas by 2015 made a reform of the sector essential in order to avoid other milk crises, such as the one experienced throughout Europe in 2009, which has just been mentioned.

Like others, I naturally regret the decision to do away with quotas because this system of regulation – even if it is not perfect and has never been perfect – has on the whole worked well for 25 years, avoiding any major crises, and perhaps it only needed to be a bit more flexible.

Nevertheless, this new regulation is going to give milk producer organisations the option of collectively negotiating contract clauses and, in particular, prices. We have given them the tools they need to boost their position in the supply chain, derogating from competition law, and that was by no means a foregone conclusion.

Moreover, the Member States that opt to impose contracts in their territory will be able to set a minimum duration of six months, and six months is not bad compared to what the industry is currently doing, sometimes changing the price from month to month.

As far as the contracts are concerned, I would of course have liked them to be compulsory throughout Europe. That was not possible because it was opposed by a majority in the Council.

We should also highlight the positive move to recognise interbranch organisations, even if it is unfortunate that, as the fourth actor at the table, we did not include the public authorities, which should act as arbiter, like the Observatory on prices and margins, for example.

In conclusion, although this agreement is a step in the right direction, it could be improved by giving the public authorities back their role as regulator. We will see this again when examining the single CMO.

In addition to us as representatives, who put a great deal of work into this text, I would also like to pay tribute – and this is obviously a bit out of the ordinary – to Mr Baragiola, an EP official, sitting behind me here, who took part in all of our meetings and played a vital role. It is only right that we thank the officials, who work for this public institution. I did not want to miss this opportunity to do so.

Britta Reimers, *on behalf of the ALDE Group.* – (DE) Mr President, Commissioner, ladies and gentlemen, I would like to thank Mr Nicholson for his successful handling of the negotiations. We have decided on the abolition of the existing cost-intensive and market-distorting milk quota system and analysed the findings of the high level group for milk.

The dairy package that has resulted from the negotiations is an important first step towards a market and competition-oriented dairy sector. The formation of inter-branch organisations is being promoted, with these organisations to be given the ability to negotiate contracts on behalf of their members. The negotiating power of milk producers is to be bolstered – in future they will be able to negotiate on an equal footing, if they so wish.

It is also good that we will not be overshooting the mark. These contracts will not be permitted to make up more than 33% of the national and 3.5% of the European market. This ensures that there will be no new imbalance and that the necessary market freedom is retained. As there is no general requirement for contracts, farmers' individual commercial freedom to make decisions remains secure. This is an important element of a functional market.

We in the Group of the Alliance of Liberals and Democrats for Europe will support the dairy package, and I ask you all to vote in favour of this package in tomorrow's vote in plenary.

Martin Häusling, *on behalf of the Verts/ALE Group.* – (DE) Mr President, Commissioner, ladies and gentlemen, I have to say that the target has been missed, much as the approach taken was the right one. In contrast to the view expressed by Ms Reimers, I do not believe that the result here is a stronger position for producers. Producers are to be permitted to group together in up to 3.5% of the European market. Yet we already have dairies on the European market that make up over 6% of the total volume of milk. Is that fair? For me, the answer is a clear no. That would require higher collective volumes for the dairy farmers. We do have the contracts, and I agree that they are a good option. Yet we have left them as voluntary because a majority of the Member States did not want these contracts. This will make no difference on the market. There is hardly any mention of prices in connection with the contracts. At the end of the day, this will make no significant difference at all for many milk producers.

We had proposed that some consideration should be given to what will actually happen once the milk quotas have gone. We had proposed discussing a monitoring body in which the producers, the dairies, but ultimately also the European Union, consider quantity adjustment on the markets. Essentially, that too was strongly watered down.

I would agree that the milk crisis is behind us. I am fairly sure, however, that the next milk crisis lies ahead of us. We have strongly rising producer numbers, and we have falling

prices. What will we do when the next milk crisis comes along? Will we once again use taxpayers' money to pay export subsidies in order to remove volume from the European market? That cannot be a solution. We therefore call on the Commission to bring forward its report not due until 2014 to an earlier date and to bring to the table proposals for real solutions for the post-quota period. We need to discuss this.

I get the impression that many Member States are thinking of their dairy industries, but not their milk producers. This situation must change. With this package, we are not providing Europe's milk producers with any really good tools or future prospects. Our group will therefore be voting against this package.

Janusz Wojciechowski, *on behalf of the ECR Group.* – (PL) Mr President, it is with a degree of sadness that I am speaking about the situation in the milk sector. Going back many years, I recall my home village, with hundreds of cows grazing on the meadows. These days, there are none. In many parts of my country, dairy farming has all but disappeared, and this is also the case in many other European Union Member States.

We, however, must do our job. We must prepare as best as we can for the abolition of milk quotas. We will certainly not be able to avoid crisis situations, of which we have already seen signs. However, Mr Nicholson's proposal is a step in the right direction. The regulation of contractual relations is very important. Dairy farmers represent the weakest link, and their position needs to be strengthened vis-à-vis dairy processors, and it is in this direction that the proposal contained in Mr Nicholson's report is heading. This proposal should be supported.

IN THE CHAIR: GIANNI PITTELLA

Vice-President

João Ferreira, *on behalf of the GUE/NGL Group.* – (PT) Mr President, Commissioner, this proposal for a regulation does not resolve the fundamental problems in the dairy sector. It is a further step down the path of excusing the unacceptable and disastrous decision to abolish milk quotas in 2015 and that alone makes it already unacceptable. The rest is a fantasy that those preparing to approve this proposal have been selling to milk producers, whose situation is deteriorating by the day. It is fantasy that it is possible to guarantee producers fair prices in the free and deregulated market that they advocate. It is fantasy that the right of every country to produce as much as it needs can be guaranteed without instruments for regulating production. It is complete fantasy.

This path will boost the power of big business; of the major retailers and processing companies. It will further concentrate production with a few producers and countries, destroying it in other countries, where many producers will be ruined. It will continue to facilitate dumping between Member States and the flooding of national markets with imported milk. It will continue to promote intensive, export-orientated production that jeopardises food security and quality and environmental sustainability.

For all these reasons, what is actually needed is to reconsider reviewing the abolition of dairy quotas and their adaptation to the needs of each country and to the relative level of development of its productive capacity. It is important to have market regulation and intervention instruments that guarantee producers fair prices, taking production costs and retail prices into consideration, so that value added is distributed fairly along the sector's value chain.

Lorenzo Fontana, *on behalf of the EFD Group*. – (IT) Mr President, Commissioner, ladies and gentlemen, first of all I would like to thank Mr Nicholson for his work, which has taken a long time, as well as all the shadow rapporteurs and his team, who have been very efficient.

I am here to support this agreement, which took a long time to reach, because I believe that the milk quota situation created enormous difficulties, at least as far as my country is concerned, and for producers in our part of the world in particular. I am very pleased that everyone here has been committed to defending producers, at least I hope that this will be the case, because it is what we were aiming for. We will know in the near future whether we have been successful.

In any case, we must not forget that at every meeting, including with the Council, Parliament's objective has always been to safeguard producers. Therefore I hope that in the future we will be able to take action increasingly aimed at making very clear the importance of our production and our quality, which is the only way to ensure that our milk can be freely circulated and consumed by our market.

Diane Dodds (NI). - Mr President, firstly I want to thank the rapporteur, my colleague from Northern Ireland, Jim Nicholson, for all of his efforts in getting this report to this stage.

While we all recognise the issues raised by the high-level group and by this report, the elephant in the room remains, namely the question how farmers are to receive a fairer share of the profit within the supply chain, especially from retailers. Prior to the elections in 2010, the Conservative Party in the United Kingdom pledged to put in place a supermarket ombudsman. They have now been the lead party in our coalition government for almost two years and we still have no arbiter for fairness in this food supply chain in place. We need real, tangible progress on this now and such an ombudsman must have the teeth and power to deal with the unfairness within the market.

The report deals with the power farmers have in the supply chain, but I would raise concerns about the level of responsibility given to the Commission and the role of interbranch organisations. I feel that such organisations may well add another layer to the supply chain. Northern Ireland has a unique milk trading system and a cooperative structure, but also trades a large amount of milk with another Member State. Any organisation which would have jurisdiction in two Member States must not affect the current structure or disturb the balance in trading relations. Member States should be given the flexibility to decide what is best, in their own interests and in the interests of their producers.

Albert Deß (PPE). – (DE) Mr President, Commissioner, ladies and gentlemen, I, too, would like to thank Mr Nicholson for this report, which he wrote and on which he also led the negotiations in the trialogue. I would also like to thank all those who helped to bring this compromise about.

Commissioner, the direction is the right one, but the impact in the Member States will vary enormously. In Germany, this dairy package will have hardly any impact. We already have producer associations under our Market Structure Act. Many farmers in Germany are organised into cooperatives, which means that they already jointly market their milk and dairy products. Contractual dealings in Germany are regulated by statute. In the private sector, we even already have these supply contracts.

Unfortunately, this dairy package will not enable us to solve fundamental problems. This dairy package regulates dealings between producers and dairies. The biggest problem that

I see, however, is in the relationship between the dairies and the retailers. This is not some kind of accusation against the parties involved. Nor, as landowners, are we responsible for this, but I ask you, Commissioner, to use your influence in the Commission to ensure that we regulate further issues on the basis of this dairy package, for example the issue of terms of payment for dairy products. It is not acceptable for farmers to deliver products to dairies – fresh milk expires after three days – and for the chain stores to only pay up after 60 or 80 days. Regulation is needed here.

A second point is the listing fees, the discounts, that have to be granted here. We need binding net-net prices in the dairy sector so that transparency prevails in the sector. The supply volume rules are not binding, the length of contract with fixed prices between dairies and retail must be regulated. There is thus still much to do. However, my group, the Group of the European People's Party (Christian Democrats), will certainly be voting in favour of this dairy package with a large majority.

Luís Paulo Alves (S&D). – (PT) Mr President, Commissioner, the dairy package being presented here as an instrument for organising the sector includes positive and important elements, such as strengthening the role of producer and interbranch organisations, and contractual aspects, which could be a step forward in the relationship between producers and processing companies in some Member States. However, it leaves us a long way off the instruments that the sector needs in order to prosper in the coming years within a European agricultural framework where value is, as we would like, fairly distributed in the food chain, rather than a form of agriculture transformed into large-scale intensive farms concentrated in a few Member States.

While improving the self-regulation conditions in the relationships between sectoral stakeholders is desirable, thinking that this in itself is sufficient is a serious mistake that could drive thousands of milk producers, dozens of regions and even some countries out of dairy production. The debate on regulating the dairy sector with a view to an economically, socially and environmentally sustainable sector throughout the EU still needs to take place. Furthermore, we will not be able to abandon the milk quota scheme without ensuring effective instruments for managing supply.

George Lyon (ALDE). - Mr President, could I too offer my congratulations to my colleague Jim Nicholson for delivering the first piece of legislation under the new Lisbon powers. I just hope we make the same speed when it comes to negotiating the CAP as he has managed to achieve during the milk package.

I welcome the dairy package as a significant step forward in bringing greater transparency to the EU milk market; it makes it possible for dairy farmers to come together and have greater strength in the market place. Legislation provides for fair and open contracts and I hope they will help to eradicate some of the abuses in the dairy market. But as Jim himself pointed out, this is no silver bullet to solving some of the problems that there are in the market place.

Producers need to come together to use these powers if they are going to extract a better return. In the United Kingdom the coalition government has called on the dairy industry and the farmers' representatives to agree a voluntary code of conduct and I welcome that initiative. However, the Minister should make it crystal clear to the dairy trade that, should they refuse to sign up to a voluntary solution, he will wield the big stick and use the contract powers in this legislation to compel them to do so.

One area I am still concerned about is the role of the retailers who are not covered by this legislative package. I think the Agriculture Committee in this House needs to look at this because there are still real concerns that retailers are abusing their dominant position in the market place.

Alyn Smith (Verts/ALE). - Mr President, I will add my own congratulations to our rapporteur, not – as he might suspect – through gritted teeth, but certainly through a sore throat.

It is right that we acknowledge that he has worked very hard to pull together some very divergent opinions on this issue, but in my Group we still diverge. We do not believe that this package goes far enough. There are some points to like, and there are others to be rather less enthusiastic about, because this is urgent.

The milk market is not working: it is not functioning in the best interests of our producers, our consumers or our wider society. In Scotland, we have seen a 7% decline in our national herd since 2007. We see systemic imbalances within this market, and even those who are in favour of this report are the first to admit that it is not a silver bullet. It is not going to solve all the problems. Perhaps we should come up with a better package than the one we have before us today.

That said, there clearly is a majority for this package. I am glad to welcome some elements of it. Reluctantly, we will not be supporting the full package, as I fear that it misses the point entirely and that we will all be back here this time next year wondering why so little progress has been made.

Julie Girling (ECR). - Mr President, I would also like to thank the rapporteur for his report. My constituency, the South-West of England, is the premier area for dairy production in the UK and, I think, one of the best in Europe. Our dairy farmers are forward-looking and increasingly efficient. Most welcome competition. They do not want or expect protection by market distorting measures. They expect support through sensible regulation.

However, it is clear that the balance of cost and income between producers, processors and retailers has become distorted over the years. This will not be solved overnight, but this report goes some way towards doing so. At a time when dairy farmers face increasing costs through, amongst other things, our demands from here on NVZs, greening measures, etc., let us look at the positive in this report: the ability of Member States to make decisions on contracts, and the flexibility that has been left there. Let us look at the positive and look forward to this being the first step towards creating value for farmers and consumers.

Csanád Szegedi (NI). – (HU) Mr President, ladies and gentlemen, the heart of the problem is the lack of balance between milk producers and milk processors. Unfortunately theirs is a subordinate relationship and, let us be honest, milk processors are exploiting milk producers. We have seen clear examples of just how far they will go in a price competition and what additives they will add to certain dairy products in order to be able to sell them at low prices. Using additives and then distributing their products through multinational chain stores throughout Europe they generate a price competition that will sooner or later result in us having to import even our milk from China, which will ruin European milk producers. It is therefore extremely important for us to urge milk processors to exercise self-restraint through the regulatory system as well. The solution and the keyword here is food sovereignty. Only through food sovereignty can we ensure that people have access

to dairy products at low prices and that these products are of a high quality throughout Europe.

Mairead McGuinness (PPE). - Mr President, I would like to thank Mr Nicholson, the rapporteur, and all the shadows who worked on this.

This provides answers to some Member States and to the dairy farmers who have particular problems with private operators. For others there are no issues because there is a cooperative structure. I welcome this as an initiative – and might I suggest to Mr Nicholson that he should write the layman's guide to codecision in agriculture.

I am concerned that, when we move on to these very large dossiers, it will be much more difficult – and I think Jim Nicholson is nodding in agreement – to come to a good outcome, but we live in hope.

The issues I want to raise today are wider than just the report that is before us – which I will be supporting – and relate to the report of December 2010 which spoke of the soft landing for the dairy sector. That report indicated that a soft landing may be not guaranteed in a number of Member States.

I rise on behalf of one of those Member States – Ireland – which has a problem in relation to this much promised soft landing. Dairy farmers in Ireland see a situation where their product is in demand, where Europe is below quota and where they would wish to be able to produce without a penalty. I know the position from the Commission on this issue, but I would ask – like other colleagues – that perhaps we need to bring a report forward from the 2014 date.

We need to consider the position of those Member States which are not enjoying a soft landing and where there are penalties being imposed on producers for supplying a product for which there is a market. The penalty is extremely severe, whereas Europe is actually not filling its entire quota over all of the Member States.

The last point relates to the power of the retail sector – not for this report, but an issue that will not go away – and I know the Commission will have something for us by June of this year.

Paolo De Castro (S&D). – *(IT)* Mr President, Commissioner, ladies and gentlemen, the measure we are about to approve represents the culmination of a process undertaken by Europe after the 2009 crisis in order to find solutions for stabilising the market and revenues of dairy and cheese producers.

The work and commitment of the European Parliament and our rapporteur Mr Nicholson, whom I must truly thank for his enormous commitment along with the shadow rapporteurs of this important report, have meant we have reached a rapid agreement on a text that improves the Commission's proposal.

An important new provision is the possibility of managing and planning the volumes of certified quality dairy products. Such a tool is even more strategically significant at a historic time of prolonged and considerable market volatility, and we will consolidate it within the new regulations on quality agricultural and food products. The new possibility of involving representatives of the trade in interprofessional organisations is very important, as it will promote and consolidate positive links between all the components of the supply chain.

Today, Mr President, Commissioner, we are showing that Parliament knows how to face up to its responsibilities and work swiftly as a whole towards completion of the legislative process. This is our first testing-ground before the major challenge of the debate on reform of the common agricultural policy.

Liam Aylward (ALDE). – (GA) Mr President, firstly I would like to thank the rapporteur Jim Nicholson for the great work he has done on this report.

The crisis in the dairy sector in 2009 highlighted the severe vulnerability of this sector and clearly demonstrated that it is essential that a degree of stability and certainty is established for dairy farmers when quotas are abolished in 2015.

Just as my colleague Ms McGuinness has already said about Ireland, as we progress towards the abolition of quotas a very worrying situation is developing for dairy farmers, and the threat of a superlevy is present year on year. The Commission has conceded that, in Member States where milk deliveries exceed quotas, a soft landing may not be guaranteed. The milk quota for Ireland and the threat of a superlevy are hampering growth opportunities for the Irish agricultural sector. Overall milk production in the European Union is 6% under the quota, and it is an unsustainable situation that while Irish dairy farmers can meet the EU quota overall, due to inflexibility they will be penalised and the potential for growth held back.

Agriculture is currently one of the strongest sectors in Ireland, helping us out of our current economic problems, yet its potential is constrained with a one-size-fits-all policy that is not working for dairy farmers. It is clear, therefore, that there is no widespread political will to revisit the Health Check decisions, yet I would urge the Commission to consider measures to ensure a soft landing for all Member States and to consider introducing a degree of flexibility into the system for dairy farmers.

Hynek Fajmon (ECR). – (CS) Mr President, the European milk production sector has recently gone through a relatively difficult period, but this has also been the case for other sectors of the European economy. We are all well aware that, from 2008 almost up to the present day, there has alternately been either an economic or a debt crisis, which has inevitably had an impact on demand for milk and milk products.

As recent years have shown, even the European system of quota regulation in the milk sector has failed to head off the negative impacts of the crisis, and it is therefore time to abandon this obsolete system from the age of centralised planning definitively. Milk does not need any quotas in the EU, any more than buns, bread, cars or other commodities need them.

The transition to a quota-free market system should be as smooth as possible, and I therefore support the idea of Member States having the option of regulating contractual relationships in this sector as they see fit, but it must be done in accordance with the principles of the single European market. I therefore back the report by Mr Nicholson, as I believe it marks a step in the right direction.

Esther de Lange (PPE). – (NL) Mr President, this debate had gone on for almost an hour before we heard the two magical words ‘soft landing’. They are not to be found either in the Commission’s text or in the text of the agreement. However, I would like to remind the Commissioner of the following: at the time of the reforms in 2007 and 2009, when we voted definitively for an end to the milk quota and for greater market orientation, it was said that all Member States must have the opportunity to prepare themselves for the

new situation, in other words to adapt gradually to the new system. Now we observe that, as soon as you opt for greater market orientation, you allow the market to play a bigger part, power is unequally divided when it comes to the food production chain.

This agreement is an attempt to strengthen the position of the primary producer, and to that extent it deserves to be welcomed by you. It does contain good elements, for which I congratulate the negotiators. But I also have my doubts about it. It concentrates on the relationship between farmers and processors, whereas the problems now often occur at a later stage in the production chain, with supermarket buyers and supermarkets themselves. That is where the big money is made; that is where, for a number of years, you have seen supermarkets make a profit of EUR 0.20 on a kilogram of young cheese and then a profit of EUR 1.20, six times as much, on the identical kilogram of young cheese two years later. Therefore, for the how-manyeth time, we are asking the European Commission: please have some concern for transparency in the food production chain, since it is a matter of where the power lies and how the profits are shared.

To conclude: this agreement is a good means by which certain Member States can prepare themselves for the new situation. I am thinking of mountainous regions, other disadvantaged regions, Member States with highly protected raw produce. But other countries will remain shackled to the milk quota system right up to the last moment and then have to pass over from the old to the new system from one day to the next. This is hardly the promised 'soft landing'.

As Mr Dantin has said, it is a step forward, but, looking to the new situation that awaits us in 2015, we must make other steps forward too, and I hope the European Commission will do so without delay.

Estelle Grelier (S&D). – (FR) The decision taken under the French Presidency to do away with quotas risked leaving milk producers without any safeguards in the case of market disturbances. We therefore welcome the 'milk package' proposal as a first step in the right direction. It was necessary to strengthen producers' negotiating power in relation to the private processing industry by encouraging them to group together and promoting the use of contracts, which are only used for half of all production.

My Socialist colleagues, especially Stéphane Le Foll, helped to improve the proposal by ensuring the future of milk production in vulnerable regions where cheeses with protected designations are made.

There is still a great deal to do, however. In particular, it will be essential to shift the balance back towards livestock farming and provide other market tools in order to prevent any further crises in the milk sector. We must take the opportunity presented by the CAP reform to supplement this mechanism so as to guarantee farmers' income and once again put them back where they belong at the heart of the food supply chain and food safety in Europe.

Valdemar Tomaševski (ECR). – (LT) Mr President, Europe's dairy sector will experience a major shift following the expiry of dairy quotas, which may upset the balance between farmers and dairy processing companies in terms of bargaining power. This may also lead to unfair commercial practices when setting farm-gate prices. Such a process would be of particular harm to small producers, especially in countries where there are many small farms.

It is precisely for that reason that the European Union should support cooperation between farmers and their organisation into producer associations and cooperatives. This would strengthen their bargaining power in future. Supporting cooperation is particularly relevant in Lithuania and those countries where farmer cooperation has not received adequate support. We will thus protect farmers from unfair competition in the dairy sector. I would like to thank Mr Nicholson for excellent negotiations.

Georges Bach (PPE). – (DE) Mr President, Commissioner, I support the compromise reached in the trialogue, which is aimed at strengthening the negotiating position of dairy farmers in relation to the processing industry, much as I am aware that it does not solve all the problems that dairy farmers currently face in many Member States.

Even 50 years ago, Commission President Sicco Mansholt envisaged preferential measures for the creation of producer communities within the framework of the common agricultural policy. In my country of Luxembourg, too, the dairy sector is the main pillar of our agricultural sector as a result of the high proportion of grassland. Our agricultural sector and our farmers long since understood that the best solution is to come together to form a cooperative that takes over the processing of the milk itself.

It was for exactly this reason that, in the Council, five Member States voted against the compromise, which does not live up to the requirement of being a soft-landing instrument. The Commission has the right of initiative when it comes to proposing legislation, and I would therefore like to call on it to put a legislative proposal to the Council and Parliament this year in order to remedy this clear and costly fault in the system.

A linear reduction up until 2015 in the super levy which is imposed on each litre of milk that exceeds the quota, or the abolition of the fat correction mechanism, could at least reduce the negative effects of the regulation, which is being phased out without detrimental impact on those Member States that are not affected. This dairy package is also the final report of the high level group that was to bring about a soft landing after the phasing out of milk quotas.

It is astonishing that there is absolutely no mention of milk quotas in this report. Young and ambitious farmers in Luxembourg and four other Member States who are attempting to prepare for the deregulation of the milk market and aiming to expand their production in order to be able to keep up on the global market after 2015 can only do so by buying additional quotas now, even this close to the abolition of the milk quota system. This is an unnecessary and enormous additional capital cost which puts them at a disadvantage in comparison with farmers in the other 22 Member States.

Sergio Gutiérrez Prieto (S&D). – (ES) Mr President, the Regulation we are debating today is not perfect. It alone cannot resolve the difficulties of a sector that has structural problems and also, because of the economic context we are living in today, problems relating to the current situation. Although it is not perfect, however, this Regulation is a decisive step forwards in the right direction.

The thing is that, even though we all realised some time ago that no market is perfect, we also realised there was a great need to include as many regulations and measures as we could to protect our farmers in this area. All this also impacts on people's food security.

We also realised there was a great need for us to allow compulsory contracts for a minimum duration and a maximum amount, at least as a defence mechanism, because our farmers obviously cannot negotiate on the same footing as distributors, middlemen or collectors.

There is still much to be done. We will have to improve the security networks and make them quicker to react and more effective. We will have to work decisively to ensure that the sector is better coordinated within the value chain, verify that quotas are not being improperly distributed, especially in certain areas, and promote the quality policy.

With our positive vote, however, and everything that is still to be done, there is no doubt that many dairy farmers will today be able to see that Parliament has defended their most basic labour right – to be able to live in dignity on the earnings from their work.

Herbert Dorfmann (PPE). – (DE) Mr President, Commissioner, I would like to express my sincere thanks to the rapporteurs and the shadow rapporteurs. What we have before us is sound and necessary legislation. The aim of this legislation is to re-define and re-regulate the supply chain. For the first part of the chain – namely from the farmers to the processors – it will also succeed in doing so. It strikes me that what this legislation fails to tackle – and a few other Members have already said this – is the second part of the chain. What happens between the processor and the consumer? There are quite a number of unanswered questions in this regard. Some of these, such as cost-price selling, have been mentioned already, but there are many others, too.

That is why this package cannot represent a final answer to the abolition of milk quotas. In exactly the areas where the abolition of the milk quotas is difficult, which is to say in mountainous and disadvantaged areas, production is already organised into cooperatives, and little is likely to change.

What is positive and sensible in this legislation is the option for producer organisations and associations to apply special rules and supply management in relation to the protected designation of origin (PDO) and protected geographical indication (PGI). There are many organisations that need this, and in the wake of the debate about the quality package, this is the right approach to take. We should also implement this for other products in the quality package. In the end, what is right for milk can only be fair for other products.

Wojciech Michał Olejniczak (S&D). – (PL) Mr President, milk production is probably the most important sector within the entire common agricultural policy (CAP). The lion's share of the CAP's funds is spent on milk producers and dairy processing. For this reason, we should place strong focus on enabling the milk sector to develop further in a sustainable manner. Over the last number of years, we have accomplished a great deal, and these achievements have benefited not only agricultural producers but also consumers. To an extent, the solutions that are being proposed today meet the expectations of farmers and also of consumers.

I would very much like our future work to focus more on the development of cooperatives, however, and on structuring the milk sector on this management approach. It is beneficial both for farmers and for consumers. It is also extremely important to restore stability to the sector. This stability, which has been upset in recent years, needs the reinstatement of specific standards or norms which will apply for many years in the future.

Elisabeth Köstinger (PPE). – (DE) Mr President, Commissioner, I would like to thank the rapporteurs for their work. The milk package that we will be deciding on tomorrow, after prolonged negotiations, is something that I welcome in principle.

The aim is to strengthen farmers' position in the value chain. Parliament acknowledges that farmers' negotiating position in the milk market is too weak in comparison with the

chain stores. Meanwhile even the consumers are aware that it is not the farmers who profit from any high food prices. The producer price, after all, is only a fraction of the retail price.

What we are deciding on tomorrow will neither improve the situation for milk producers nor provide a lasting solution for the highly sensitive milk market. Similarly, there is no way – and this idea was just mentioned – that it constitutes a soft landing.

The introduction of dedicated producer communities is something that each Member State must evaluate for itself. There is already a producer-dominated system in the form of the cooperatives. For many Member States it therefore makes more sense to continue to develop the cooperatives. Dairy farmers must be able to raise their market position to an equal footing. In mountainous regions, in particular, that will be the key issue. Many dairy farms in such regions specialise in high-quality production. That high quality needs to be worth it, however, and that is why the protection of European high-quality products is the primary objective.

It is important that the Member States should now also adopt these instruments. Doing so offers added benefit and promotes competitiveness, especially for the worst-affected rural areas. This milk package is a first step to supporting the stricken dairy sector. It does not, however, provide any real ways to solve the problem of the abolition of the milk quotas.

There is an urgent need for further measures to deal with this absolutely free market situation and the volatile prices. Instruments are needed that provide a solution for dairy farmers in all the Member States, that emphasise the value of the milk produced and that ensure a livelihood for farmers. Commissioner, the fight for a viable dairy sector calls for greater courage!

Ulrike Rodust (S&D). – (DE) Mr President, Commissioner, ladies and gentlemen, I welcome the approach taken in the regulation on contractual relations in the milk sector of strengthening the negotiating position of milk producers and ensuring fairer prices. It is important that we do not leave the milk producers high and dry once the milk quotas are abolished. Small and medium-sized family businesses, in particular, rely on the fact that they are supported by the European Union and not left unprotected at the mercy of the milk purchasers and retailers.

I would have liked for us to have introduced mandatory contracts at Member State level. However, the Council and the Commission fought tooth and nail against the idea. It is a shame that the Council is not here now. I believe that the compromise that has now been reached is acceptable, but it does not go far enough. Therefore, we must ensure that the interests of small and medium-sized milk producers, in particular, are taken into consideration in the upcoming reform of the common agricultural policy.

My main concern will continue to be fighting for a sustainable and multi-functional agriculture that covers the whole of Europe.

Maria do Céu Patrão Neves (PPE). – (PT) Mr President, the Commission proposal for the dairy sector is insufficient, particularly because this is an extremely volatile sector, which experiences cyclical crises and is being restructured with the announced abolition of quotas.

Regardless of the merit of the work of the rapporteurs and shadow rapporteurs, this report does not miraculously transform the proposal into one suited to securing the future of this

sector. The dairy package is not a replacement for milk quotas. Ultimately, little has changed: contracts agreed in the past are now described as voluntary; despite their different natures in many of the Member States, cooperatives are treated as if they were all the same and excluded from the dairy package, as if all reflected the real power of the producers. The concentration limits set out are now being exceeded and no mechanism has been specified to reverse this situation.

Without significant new guidelines for the sector; with many producers still paying the bank loans they arranged to purchase quotas, which appear to be worthless; with the sale price of milk falling; with dumping and cartels operating at distribution level; what is the future for regions severely dependent on dairy production, such as the Azores?

Catch-the-eye procedure

Zofija Mazej Kukovič (PPE). – (SL) Mr President, my sincere congratulations to the rapporteur and the coordinator for everything they have done to benefit farmers, who are actually the most vulnerable members of the production chain – the most vulnerable members with a high workload and a low income.

Even after 2015, we will still need to consider those who remain vulnerable, namely farmers in remote mountain areas.

Combining tourism with a healthy lifestyle, local food production and, in view of the lack of new jobs in the traditional industries, the conditions for enterprise and new employment, it is this very area, the area under discussion, that could provide a great opportunity.

Ricardo Cortés Lastra (S&D). – (ES) Mr President, Commissioner, some parts of this agreement are really interesting, for example countries being able to introduce obligatory contracts governing volumes and minimum duration, as well as prices.

These new contracts will also enable farmers and companies to set prices jointly, and will be valid for at least six months. It is true that this will give farmers more stability and greater benefits, Commissioner, but it is only a first step.

Commissioner, the truth is that the industry in this sector continues to take advantage of its negotiating position, dragging down farmers' prices. This is bringing this sector to its knees, subjecting farmers to uncertainty and jeopardising their future.

Commissioner, I have been speaking recently to farmers in my region, Cantabria, and as you know very well the situation is very complicated, very difficult. I hope that more steps will be taken in future to really keep this sector going.

Miroslav Mikolášik (PPE). – (SK) Mr President, the milk and milk products sector has recently undergone significant changes, which were deepened by the financial and economic crisis. The high prices of inputs and the current decline in demand for milk products have led to reduced revenues for direct producers, but this has not been reflected in reduced prices for end consumers.

The insufficiently transparent functioning of the supply chain therefore has many inconsistencies that may indicate the existence of unfair trade practices at the expense of producers, but also at the expense of households at the end of this chain.

I therefore believe that, in creating prices, the milk products sector should reflect basic market signals, particularly those of supply and demand, consolidation of competition,

and clarification of the fundamental rights and obligations of each actor; an improvement in awareness and responsibility should also lead to a fairer allocation of total revenues in the chain, and an improved, reasonable standard of living for dairy farmers.

Rareş-Lucian Niculescu (PPE). – (RO) Mr President, adopting the Milk package report marks a step forward for livestock farmers. It goes without saying that contracts, strengthening producers' bargaining power, promoting interprofessional organisations and transparency are all necessary, but we must acknowledge that we are looking at only modest progress, which is not enough, whose actual outcome we cannot estimate yet.

Without rejecting either the need for or benefit of these measures, allow me to make some comments. First of all, the European Union is preparing for a future common agricultural policy, starting in 2014. This future policy must feature solutions for dairy farmers. I am talking about funds for modernisation, subsidies for land intended for grazing, as well as for setting up young farmers and measures to provide support in times of crisis. This is why we need a properly funded CAP.

Secondly, the need for regulation and supply management has been raised for discussion. In my view, it is not this that we need, but rather tighter control over relations across the production chain in every area of food production, in order to limit the abuses that everyone is familiar with, committed by distributors and retailers.

José Bové (Verts/ALE). – (FR) Commissioner, rapporteur, I would first of all like to congratulate Mr Nicholson on the courage he displayed when facing the Council and the Commission.

Nevertheless, I fear that the end result does not strike a balance between producers and manufacturers. This agreement reminds me of the children's tale about a paradise where vegetarian lions would lie down with lambs and eat grass. I do not believe it for a second!

From 2003 Ms Fischer Boel did everything in her power to destroy the milk quotas from an ideological perspective. In October 2009, despite these efforts, the Court of Auditors recognised the effectiveness of the milk quotas. Today, however, we find ourselves in a situation that is going to be even worse and we can see what is already happening in Denmark, where the most solid farms, with rising production, are all going bankrupt, with a 40% reduction in land prices.

Do we want to see the same thing right across Europe? Surely not! We need to control production with the participation of the public authorities.

Jarosław Kalinowski (PPE). – (PL) Mr President, the objective of the milk package is to improve the functioning of the European Union dairy market following the abolition of milk quotas. This goal is to be achieved by strengthening the position of milk producers in relation to processors and collectors. The milk package introduces the possibility of collective bargaining as well as of establishing inter-sectoral organisations, and is aimed at improving transparency.

At this point, however, I would like to say that in practice, apparently superior solutions very often turn out to be inferior to the solutions already in place. It was not the quota system which caused the 2009 crisis. Milk quotas are a tested instrument offering guarantees and security to producers. In other areas, such as in banking, we are proposing greater supervision and regulation, while in the milk sector we are moving towards liberalisation.

This, undoubtedly, will not ensure stability for our farmers, and will contribute to excessive concentration of production as well as to bankruptcy among many EU milk producers.

Andrew Henry William Brons (NI). - *(opening words lost as microphone switched off)* ...to oppose EU legislation in general and the CAP in particular. However in an area of current EU competence we would reluctantly support a measure that was unambiguously in the interest of a sector of the UK economy. To oppose it because we are opposed to EU membership would be to betray the interests of our fellow-nationals.

Nearly all UK milk producers already have written contracts, although it must be said that they do not generally meet the standards stipulated in this milk package. Dairy farmers do need to be able to cooperate on a sufficient scale to confront the cartel of milk buyers, to which they sell their milk, without fear of investigation by the competition authorities. The gap between farm-gate prices and retail prices must be narrowed. We are concerned about the abolition of milk quotas, which might lead to the competitive dumping of milk from one Member State to another.

The recommendation for improving transparency is limited to collating the volume of raw milk delivered to dairies. The UK is already more advanced in the collation of such market information.

Csaba Sógor (PPE). - *(HU)* Mr President, I too would like to welcome the report of Mr Nicholson, even more so because the motions for amendment drafted by him and endorsed by the Committee on Agriculture and Rural Development seem to take into account the interests of milk producers in the new Member States as well. I agree with the statement that the European dairy sector will experience a major shift after the expiration of quotas in 2015. I would like to stress that the shocks accompanying this shift will be felt even more acutely in the eastern part of Europe. In this context I would like to call to the attention of the Commission and Parliament the fact that in these countries more emphasis could perhaps be placed on the creation of producer organisations, because here producers are often in a bargaining position of complete vulnerability vis-à-vis buyers. This does not support the fulfilment of common agricultural policy goals.

Ana Miranda (Verts/ALE). - *(ES)* Mr President, the reform proposed by the Commission will not resolve the dramatic situation faced by many European dairy farmers, for example in my homeland, Galicia, because production is still concentrated in large industrialised farms, which are causing an enormous social, environmental and regional disaster.

In some cases, previous agricultural reforms, particularly in the milk sector, have brought about a modernisation of the sector. With the current fall in milk prices, farmers cannot cope with this either. A compulsory interprofessional milk sector association will be needed in each Member State, bringing together professional farming organisations, the milk industry, cooperatives, distributors and consumers.

Public administrations must support these representative milk groups, which will obviously be much broader in scope than the idea of a simple contract between large companies.

End of the catch-the-eye procedure

Dacian Cioloș, *Member of the Commission.* - *(FR)* Mr President, allow me to make a few comments following the debate on this proposal.

Some of you pointed out that the milk quotas have been eliminated and that we should keep them. I would remind you that the 2009 milk crisis happened when we still had quotas. That shows that the existing quota system is no longer a solution in the current market conditions. That is why the Council decided in 2008 to put an end to that system. Therefore, the Commission no longer has anything to do with it. It is a Council Regulation that has ratified the decision.

I am very well aware that this milk package may not resolve all of the problems in the milk sector, but we wanted to act as quickly as possible. Mr Dantin said that he did not agree with me about the word 'quickly'. I feel, however, that we have acted quickly given that the High Level Group presented its conclusions in spring 2010. The Commission presented its legislative proposals, after its entire internal procedure in autumn, at the end of 2010. We are now at the start of 2012 and, following a codecision procedure, are about to reach the end of the process.

In this 'milk package', the Commission has proposed, and I have undertaken to present a progress report in 2014, analysing again the situation in the milk sector and market before the milk quotas end in 2015, and determining, on the basis of that report and analysis of the market situation, whether any additional proposals need to be presented.

Some of you highlighted the problem of cooperatives. As Mr Nicholson said, cooperatives receive special treatment because the aspects of the proposal that do not directly concern them are not applied to them. Cooperatives per se are a solution that individual producers did not have because in that context the producers were themselves also responsible for processing.

As regards what is known as a soft landing, in other words the phasing-out of milk quotas, some of you again stated that the Commission was not pulling its weight and that it did not want to present any other proposals. However, it is always the farmers, and even some of you, who say that a certain degree of stability is necessary sometimes to be able to plan, to some extent, for the medium term. When it comes to the soft landing, gradual increases in the quotas until they are stopped in 2015, the Council took a decision in 2008. There is thus no reason now for the Commission to seek to overturn, just a few years later, a decision taken by the Council.

As regards the transparency of the food chain and the negotiating relationships between producers, processors and retailers, I would remind you that the Commission has set up a forum on the food supply chain, which is currently examining all of these issues. The Commission has decided not to submit any legislative proposals before listening to the actors in the food chain and before allowing the actors to talk to one another and submit proposals, so as not to regulate further when the problems can be resolved in other ways. At the last meeting of this food chain forum, the Commission stated clearly that in June of this year it would take stock of the work done by the forum and, in particular, the proposals submitted by the actors in the food chain. On that basis, the Commission will appear before Parliament and before the Council with a report and, if necessary, proposals in that area.

Once again, I thank you, and Mr Nicholson in particular, for your efforts to conclude these negotiations and get us to a point where these Commission proposals can be adopted today.

James Nicholson, *rapporteur*. – Mr President, first of all I would like to thank all those who took part in the debate: those who were very constructive and those who were less constructive. I take all the points of view on board, but I think I can simply say we have got the best deal that was possible at the time.

Milk quotas have been with us for thirty years. They have done a tremendous job throughout the whole of the European Union during that time, and let us hope that this new package will do an even better job. That is what my hope would be.

I share the concerns of those who come from disadvantaged areas and from mountainous regions; those are the areas which I think could be seriously affected by this move. It is for that reason we have enshrined in this report that the Commission will report by 2018. I will bring to the next coordinators' meeting of the Committee on Agriculture and Rural Development the proposal that next year the Committee on Agriculture will consider doing an own-initiative report on the effects of milk quotas going away and maybe hurting those particular areas.

Can I also deal with one other point and that is the 'soft landing' part raised by Mairead McGuinness and Esther De Lange. I had two amendments – one from each of them – that I kept to the very last moment, and I can assure them that if I could have done anything about it I would. However, it was not within the realms of the possible. One of the difficulties when you make a piece of legislation is that you cannot put everything into legislation, and that is something this House has got to get used to as we go into the reform package.

Can I leave you with one particular appeal: we have set out here the rules for the producer and for the processor, but the elephant in the room is not here and we have no law over him and that is the retailer. Until we deal in this House with the retailer there will be problems not just for milk but for other areas.

Can I also leave with this appeal to the producers and to the processors: to work together, to cooperate and give strength between you. Then I believe there will be a good future for the dairy sector throughout the whole of Europe.

President. – The debate is closed.

The vote will take place tomorrow (Wednesday, 15 February 2012).

Written statements (Rule 149)

Arkadiusz Tomasz Bratkowski (PPE), *in writing*. – (PL) In relation to the decision of the Council of the European Union regarding the abolition of milk quotas, I would like to stress my position on the need to maintain the milk quota system after 2015. This instrument has already fulfilled its role in the past, by stabilising supply and demand in the milk market and at the same time guaranteeing sales for producers operating in the market. An annual increase of national milk quotas would, consequently, help prepare the sector for the abolition of restrictions in the area of milk production. In this context, Poland is already prepared for such a situation, both in terms of organisation as well as production potential.

On the basis of the experience in 2008, however, concerns remain as to the possibility of another collapse in demand in the milk market and related lack of sales of surplus product. Moreover, I would like to remind you that the deadline for the abolition of milk quotas has already been changed in the past, for many different reasons. Consequently, taking

into consideration the situation of farmers and the desire to provide them with a guarantee of work in a stable environment, it is my hope that more and more countries will support my position on this matter.

Robert Dušek (S&D), *in writing*. – (CS) The draft regulation on contractual relationships in the milk and milk products sector responds to the complex situation in the milk market, fluctuating prices and unfair negotiating practices in relation to the price of milk purchased from farmers. In order to ensure sustainable development of milk production and to guarantee producers an adequate living, it is vital to take steps at Union level to ensure a fairer distribution of profits within the supply chain. Agriculture is the most strategic sector in the EU generally, and it is absolutely essential to look for and identify support options. If our farmers cannot make a decent living, they will cease agricultural activities and we will all be dependent on supplies of food from the outside world. In view of the future global food shortages that would be a huge risk, which the EU must not take. We are proposing that milk producers come together in large units and cooperatives. I would like to point out that we have been successfully dismantling such large farming enterprises in the countries of Central and Eastern Europe over the past 20 years. Small-scale independent farmers were presented as the successful model of the West. I do not believe that any minimum contractual commitments between milk producers and dairies will help to resolve the situation. We should consider setting minimum purchase prices for raw milk throughout the EU, particularly for the winter and summer periods. We must not shrink from this bold step forwards!

Jim Higgins (PPE), *in writing*. – I supported this report, which strengthens the bargaining power of dairy farmers by allowing farmers to negotiate collectively their contract terms with dairies, including the price. This report also allows us to outline once again the dire need for a soft landing for dairy farmers ahead of the lifting of milk quotas in 2015. I am calling for a flexible approach to the quotas and the application of pan-EU quotas. In the last two years Ireland narrowly avoided the imposition of fines. The last thing we want to do is fine progressive dairy farmers who are planning for expansion, growth and investment post-2015. The EU as a whole was 5 % under quota in 2011; punishing productive countries simply does not make sense at a time when the EU has a milk deficit of 7 %.

Csaba Sándor Tabajdi (S&D), *in writing*. – (HU) The milk crisis of 2008–2009, which brought producers to the brink of poverty, must not be allowed to repeat itself. Based on the data of the Hungarian Dairy Products Council, two years ago milk that was sold in Hungarian shops at HUF 109 a carton had been bought up at HUF 9 per litre. The report also addresses the issue of preventing producer organisations from obtaining monopoly positions both at national and European level. Fixing buying-in prices for half-year periods will help eliminate the price fluctuations afflicting producers. This is a vital step to take before the 2015 abolition of the milk quota system. I find it unfortunate that the Commission and Council did not consent to making contractual relations mandatory. Despite the fact that Hungary boasts 1 million hectares of pastureland its milk sector still lacks competitiveness due to the climate conditions of the Carpathian Basin. Due to the prevailing rainfall patterns, milk can be produced far more cost-effectively in Poland, Slovakia or Germany, and the regulation of contractual relations would therefore be essential for Hungarian producers. High feed prices and the increased taxes, labour costs and contributions that are a result of the measures introduced by the *Fidesz* Government make it impossible to make an honest living at current commercial 'delivery price levels'. The Hungarian people should once again be convinced of the necessity of standing united.

Cooperative societies are not the devil's work; they have a decades-long history in several Western European countries. They are a means for producers to protect their interests in relation to the processing industry and supermarkets. I am hopeful that the Hungarian Government will undertake voluntarily the commitments required by EU law.

13. Agreement between the EU and Morocco concerning reciprocal liberalisation measures on agricultural products and fishery products (debate)

President. – The next item is the joint debate on

– the recommendation by José Bové, on behalf of the Committee on International Trade, on the draft Council decision on the conclusion of an Agreement in the form of an Exchange of Letters between the European Union and the Kingdom of Morocco concerning reciprocal liberalisation measures on agricultural products, processed agricultural products, fish and fishery products, the replacement of Protocols 1, 2 and 3 and their Annexes and amendments to the Euro-Mediterranean Agreement establishing an association between the European Communities and their Member States, of the one part, and the Kingdom of Morocco, of the other part (15975/2010 – C7-0432/2010 – 2010/0248(NLE)) (A7-0023/2012), and

– the Commission and Council statements on the agreement between the EU and Morocco concerning reciprocal liberalisation measures on agricultural products and fishery products.

José Bové, rapporteur. – (FR) Mr President, Commissioner, ladies and gentlemen, the EU–Morocco agreement encourages both sides of the Mediterranean to concentrate on capital-intensive corporate farms at the expense of family and peasant farming. The rise in the number of quotas at reduced rates for a wide range of fruit and vegetables makes it difficult for EU producers to continue to compete, but at the same time does not help the development of balanced agriculture in Morocco.

Labour costs are the principal factor determining the price of fruit and vegetables. Morocco has an undeniable advantage today due to the widespread use of child labour and the ban on agricultural workers forming trade unions. Workers in Morocco earn around EUR 5 per day, compared with EUR 50 in Spain.

How can we cope with this type of competition and this social dumping? Respect for trade union rights and a ban on child labour are essential preconditions for ratification of a new trade agreement with Morocco.

The circumventing of the system for import entry prices is a cause for concern among EU producer organisations. The problems with the system allow operators to reduce the import duties they pay. The European Commission has never equipped itself with the means to combat this type of fraud and it needs to resolve this issue before proposing a new agreement.

In Morocco the way in which export quotas are managed favours large groups. In the tomato sector 70% of Moroccan exports come from just three groups. Moroccan family-run farms do not benefit from this agreement. According to a study funded by the European Union, the Abu Dhabi Tiris Euro Arab investment fund obtained 700 000 hectares in the south of Morocco to plant and harvest citrus fruits, olives and market-garden crops. The monopolising of land, which is so shocking to our fellow citizens, is also happening on a large scale in Morocco.

In the Souss region, where tomato growing is concentrated, the water table is falling by two metres per year. In Western Sahara agri-businesses are drawing on coastal ground water. This irrigation results in the salinisation of fresh water, jeopardising the local population's drinking water supply. Exporting 350 000 tonnes of tomatoes is equivalent to exporting 35 million cubic metres of water from Morocco to Europe.

The social, environmental and economic effects have not been assessed by the Commission. We are still waiting for the impact study. A study is required to allow Parliament to reach a decision in full knowledge of the facts. We have never allowed an agreement to be adopted before identifying its social, economic and environmental repercussions.

I have raised the question of the territorial scope of the EU–Morocco agreement. A number of countries, including the United States, have signed free trade agreements with the Kingdom of Morocco that expressly excluded Western Sahara. This was done so as not to influence the outcome of international negotiations being held under the aegis of the United Nations to enable the various parties to find a peaceful settlement.

As the Commission and Parliament's Legal Service hold diverging views on this issue, we cannot guarantee, ladies and gentlemen, that this free trade agreement will comply with the international treaties that are binding on the European Union and all of its Member States.

Consequently, the European Parliament should reject the agreement. That will enable us to reopen the negotiations on a new footing. I think that it will also send a strong message to the Commission to change its working method by allowing the European Parliament to participate from the initial stages of the discussions among the parties.

The European Commission must produce concrete, serious impact studies on the economic, social, environmental and budgetary effects of the agreements it is negotiating. We can no longer accept the fact that Parliament only has the option of saying yes or no.

I must inform you that, contrary to the opinion adopted by the Committee on Agriculture, which opposes the agreement, the recommendation of the Committee on International Trade is to approve the agreement between the European Union and Morocco. I am bound to state that publicly.

Ladies and gentlemen, in view of the arguments that I have just set out, you will no doubt realise that I am asking you very clearly to vote against the conclusion of this agreement. This is not just in the interests of European farmers, who are unanimously opposed to the agreement right across the trade union spectrum, but also, and above all, it is in the interests of Moroccan farmers, who are today being deprived of their land by large exporter groups and who, because of this unbalanced agreement, are going to have their meat, dairy and cereal production capacity destroyed by imports by large European groups.

I therefore urge you, ladies and gentlemen, to reject this agreement, which is a bad agreement. By rejecting it, we will reopen the debate but we will not prevent the previous agreement from continuing. It is thus simply the extension of the agreement that I am asking you to reject, in the interests of farmers on both sides of the Mediterranean.

Nicolai Wammen, *President-in-Office of the Council*. – Mr President, in an evolving southern neighbourhood, Morocco has remained a key partner of the European Union and, in line with rapid changes taking place in the region, Morocco is undertaking substantial political and economic reforms. As you know, a new Constitution was approved in July. Free and

fair elections took place in November, and now the new government is taking the reform agenda forward.

Major efforts are being made towards the consolidation of democracy and the rule of law, as well as towards sustainable and inclusive development. They deserve our full support, not only because this is in our strategic and economic interest, but also because we have committed ourselves to it. You will remember that last spring both the Council and the European Parliament agreed to be much more responsive to the efforts of our partners. We must now all work together to ensure delivery on the ground.

One of the key features we can offer Morocco in the long term is progressive and deep economic integration with the EU internal market. In the mean time, we need to look at trade measures that can be introduced rapidly and that can be beneficial for both sides. This is what we can offer Morocco today, with the agricultural liberalisation agreement which is the subject of today's debate and the vote soon to take place.

The entry into force of this agreement would represent a significant step forward for overall bilateral relations between the EU and Morocco. It would demonstrate that the European Union is indeed delivering on its promise to support economic development in the region through increased trade opportunities.

Needless to say, our southern partners have not forgotten that our renewed approach towards the Southern Neighbourhood includes increased market access, and they will hold us to our word. But we should not forget that this agreement is also in our own interest. That is why it was approved unanimously by the Council. Morocco will make extensive moves to open its markets to EU products and this agreement will immediately liberalise 45% of EU exports, increasing over time to 70%. It will provide new opportunities for EU exporters.

This agreement is the result of sustained dialogue and combined efforts. Concessions have been made on both sides, and any blockage at this stage could have serious consequences for our relations with Morocco, in particular with regard to the continuation of ongoing negotiations on the liberalisation of services and on a mobility partnership.

In the same way, the adoption this morning of the recommendation by Mrs Neyts-Uyttebroeck on the protocol to the Euro-Mediterranean Agreement covering the general principles for Morocco's participation in EU programmes marks an important new stage in our bilateral relations. It gives Morocco the right to take part in a range of current and future Community programmes. This is very much to be welcomed.

By also giving your consent to the trade agreement tomorrow, this Parliament will serve to underline that the EU stands by its firm commitments. It will show that we support southern Mediterranean partners' ambitions for reform, and that we demonstrate that support in very practical and concrete ways.

This is the time for the EU to act. This is the time for us to show that we mean business, but also that we stand by our word to Northern Africa and to the process taking place there right now.

Dacian Cioloș, *Member of the Commission.* – (FR) Mr President, I would like to thank you for your contribution to the debate throughout the consultation period on this agreement, which is extremely important for our bilateral relations with Morocco. I also welcome this

significant step forward in the Treaty of Lisbon, which allows us to hold an in-depth, open and transparent democratic debate on an issue as fundamental as a trade agreement.

I will begin with a few general comments on the substance that I feel are important and then I will answer some of the specific questions that you have raised recently about this agreement.

Morocco is not just a partner like all the others. It is an important partner on a political and economic level, but also on a human level. It is a country that has had an advanced status since 2008 in relation to the European Union. Morocco has demonstrated its desire to forge close ties with the European Union and has undertaken to continue in that direction, in particular by aligning its agricultural policies with the Community *acquis*.

In the political context of the Arab Spring, we want to deepen our partnership even further in order to reinforce the democratic momentum through greater political and economic support, including in the field of agriculture. The trade agreement with Morocco forms part of the European Union's responsibilities and its commitment to promote the development of Moroccan agriculture.

It is very clear that we wish to support Morocco's Green Plan, which offers targeted incentives for small Moroccan farms and local operators. They are a key link in terms of the security and stability of the food supply chain and the country's economic and social development. This is a very important aspect, in my opinion, and I can assure you that I am monitoring it personally.

If we look more specifically at the agreement, I feel that it is an important marker of Morocco's advanced status, a marker negotiated with great care over a number of years. This agreement, which I strongly urge you to support, is a balanced agreement on the whole and it opens up trade prospects for our farming sector. The internal balance of the agricultural negotiations is an essential element, in my mind, not only for this agreement with Morocco but also for future agreements.

I understand that there may be concerns about it. I think that we have managed to alleviate those concerns in recent weeks and I want to mention a couple of specific points.

As far as fruit and vegetables are concerned, I can assure you that they were dealt with in a very sensitive manner when the agreement was being negotiated. It contains all of the provisions needed to safeguard the future of European production, including tomatoes, courgettes, cucumbers, garlic, clementines and strawberries. These products will not be liberalised by the agreement.

Equal attention was paid to the health aspects. Consumer safety is not negotiable and Morocco takes this matter very seriously, as demonstrated by the latest inspections by the European Union's Food and Veterinary Office, carried out as recently as February. The Commission also provides technical assistance to improve Morocco's administrative capacities, including in this area. The agreement will strengthen the channels of bilateral cooperation, the safeguard clauses and the provisions on the sanitary and phytosanitary rules and standards of the European Union. Clear provisions on these aspects are included in the agreement.

Rest assured that the European Commission will monitor strictly the volumes imported, especially for the most sensitive products, as well as the quality and safety of the products. This agreement will also enshrine Morocco's undertaking to open negotiations on a bilateral

agreement on geographical indications. You are all aware of how important that aspect is for the European Union. That commitment is a step towards a quality policy, which I strongly champion, as you know.

Finally, I have heard recurring concerns about the functioning of the entry price mechanism for the fruit and vegetable sector. In that regard, I would remind you that in the reform of the common agricultural policy we have now made provision for aligning the entry price mechanism with the Customs Code rules, and that will undoubtedly improve the functioning of this entry price system, which some of you had requested. I promise to move this matter forward as soon as possible. Indeed, the proposal is already being examined by the Council and Parliament in the context of the reform.

This Parliament is going to adopt a strong resolution to accompany this vote. I can assure you that the European Commission will come back to you with a precise follow-up to all of the issues that you have raised.

Once again, I call on you to support this agreement with Morocco, which is an important partner on both a political and an economic level to the south of the Mediterranean.

Lorenzo Fontana, *rapporteur for the opinion of the Committee on Agriculture and Rural Development.* – (IT) Mr President, Commissioner, Mr Bové's comments sum up the whole issue. I am here in my capacity as rapporteur for the opinion of the Committee on Agriculture and Rural Development, which passed a majority vote against this trade agreement. Your explanations today have certainly calmed our fears, Commissioner, but when the Committee analysed the agreement the assumptions were very different.

Our main concern regards two main factors. The first is that it certainly does not help small-scale Moroccan farmers. The second, which concerns us more closely, particularly the Spanish and southern Italian farmers – especially in Sicily – is the fact that we are dealing with unfair competition, which could completely destroy our fruit and vegetable industry. This is quite honestly very frightening.

We do not want this agreement to lean towards helping or promoting multinationals with manufacturing operations in Morocco effectively using slaves or underpaid farm workers. This would certainly not be to the advantage of the small farm workers that the European Union should be defending, nor would it benefit the human rights that colour so much of our debate here in Parliament.

Cristiana Muscardini, *on behalf of the PPE Group.* – (IT) Mr President, Commissioner, ladies and gentlemen, the agreement with the Kingdom of Morocco is a trade agreement with considerable political significance.

Morocco is the only country in the Mediterranean area to have made improvements to its constitution, and the recent elections showed that all the political powers are willing to listen to each other. Therefore for us Europeans the Kingdom of Morocco is a stable situation and a doorway to the continent of Africa – a continent which, in addition to the problems we are all too familiar with, is also under too much pressure from the market and Chinese expansion, which should be a concern to those talking about slavery.

This agreement replaces its predecessor – which was appalling, Mr Bové, despite the fact that you refer to it, because it did not allow Europe to carry out the necessary controls – and also shows Europe's new focus on the Mediterranean area, which aims to ensure that

democratic processes go deeper and that economic recovery in those countries can combat the current, forced emigration of so many young people.

We must continue to strengthen and make relations more cooperative between the EU and the Maghreb, our natural neighbour and economic partner. Therefore approving the agreement marks another decisive step for European politics, which has become more sensitive and aware of the needs of the Euro-Mediterranean area. We understand the concerns of some agricultural sectors but we are convinced that the Commission will find suitable support mechanisms in case of need.

I would like to emphasise that some tools, such as entry costs for sensitive products, already exist as a measure to safeguard some of our specific products. I would like to suggest that when reviewing the common agricultural policy, the Commission take into account in the agreement any objective difficulties concerning the areas involved that might emerge from the impact assessments.

Véronique De Keyser, *on behalf of the S&D Group.* – (FR) Mr President, Morocco is ranked 130th on the human development index. It is far behind Libya, Lebanon, Jordan, Syria and Tunisia. It is a country whose per capita income is half that of Turkey, Libya, Tunisia; in short, it is a poor country.

It is a poor country and it is a country that, in the context of the Arab Spring, did not defend itself too badly. I, personally, would have liked the democratic reforms in Morocco to go much further, but I must say that those that have been put in place are not just for show and the election results have been faithfully honoured.

Now, if we say no to this agreement, whose pitfalls have been criticised, are we going to help Moroccans to cope with the political and economic crisis on their doorstep? I do not think so. I really do not think so.

I think that the question is not whether we are going to be inundated with Moroccan tomatoes, the question is whether saying no will allow us to give hope to those people who are now becoming immigrants, not by choice but as a means of survival.

Do we trust Morocco or not? I say that we should trust Morocco and see what political and economic reforms it is capable of achieving. Mr Bové, we cannot just say no; an overhaul of the economic and industrial policy is needed and we cannot achieve that unless we trust one another.

I say that we should put our faith in Morocco and that we should remain vigilant, with regard to both Morocco and everything that the Commission has promised us today, especially the measures to support small farmers and operators, which are not large multinationals. So I say yes!

Metin Kazak, *on behalf of the ALDE Group.* – (FR) Mr President, ladies and gentlemen, there are numerous advantages to the agreement between the European Union and Morocco concerning reciprocal liberalisation measures on agricultural products, fish and fishery products.

As has just been shown, it will result in 70% liberalisation for European exporters, compared with 1% at present, and 55% liberalisation for Moroccan exporters. The elimination of tariffs will result in an annual gain of EUR 100 million for European exporters. Through this agreement we are going to show our support for the programme of democratic reforms launched in Morocco, with its new constitution, which is fully in line with the 'more for

more' principle in the context of the European Neighbourhood Policy. Given that 40% of the Moroccan people work in the agricultural sector, the agreement will help to reduce poverty and promote peace and prosperity in the southern Mediterranean in the wake of the Arab Spring.

If we really want to help our neighbours through the current crisis, we should of course be prepared to make concessions, too.

We have also expressed concerns about the agreement in a motion for a resolution that calls for the continuation of the efforts in Morocco to promote democracy and development.

In order to offer guarantees to European farmers, such as the effective establishment of the entry price system and quota limits for sensitive Moroccan products, we obviously need to ensure better application of the conventions of the International Labour Organisation and the equivalent measures between the European Union and Morocco concerning the environment and water management, as well as phytosanitary rules.

In conclusion, ladies and gentlemen, Commissioner, as shadow rapporteur I invite you to vote in favour of this agreement in order to maintain the European Union's credibility in Morocco and send a clear sign of support for the reform efforts of the Moroccan Government.

IN THE CHAIR: GEORGIOS PAPASTAMKOS

Vice-President

Raül Romeva i Rueda, *on behalf of the Verts/ALE Group.* – (ES) Mr President, as rapporteur for the opinion for the Committee on Fisheries, I actually should have spoken earlier.

I wrote that opinion. I suggested in the opinion that we should follow Mr Bové's opinion and therefore reject the agreement. However, when we voted, the Committee on Fisheries failed to approve my recommendation by two votes. It approved a vote in favour of the agreement, and that is why I had to remove my name from the opinion.

I think and hope that some Members who voted against on that occasion – and I am looking at Mr Mato – will tomorrow do otherwise. This would be very welcome, let me say again, for many of the reasons given by Mr Bové, which I should like to echo and summarise.

The first and fundamental one: we have worked hard politically, but also legally, to ensure that this agreement explicitly excludes the territories of Western Sahara. Other agreements, for example the one with the United States, already do this, so this would not be inventing anything new. It is possible.

For this reason alone, this means we already have an underlying problem if we support this agreement. Beyond this, however, and I repeat, this is not the only reason, we believe that this agreement should be renegotiated to reflect sustainable economic and social development needs, in order to promote regional integration.

We also call on the Commission to adopt a strategy that takes into account the challenges of the Arab Spring. We believe that this is also fundamental. The agreement should also, however, promote regional integration and help to strengthen the democratic political sphere. I am not sure that it does.

It should also focus on protecting the environment, resources, decent pay for farmers and sustainable jobs. It is not clear that it does this, either.

Lastly, I believe that the surplus production being sent for export should not lead to any increase in child labour in the agricultural sector, which, unfortunately, is what is happening at present.

Charles Tannock, *on behalf of the ECR Group*. – Mr President, Morocco is a stable North African kingdom with close historical relations across the Mediterranean to its nearest European neighbours. My Group is in favour of all measures which ensure that Morocco remains a prosperous and stable country in North Africa and welcomes the recent political and constitutional reform programme from the King, which has so far progressed peacefully without the civil wars that we have seen in other parts of the Middle East and North Africa.

As a general political principle we believe that ENPI aid alone is not enough to stabilise the southern Mediterranean and that economic growth – to provide the kind of jobs for young Moroccans which will mean that they will stay in their countries and be employed and have prosperity in their own country – can come through foreign direct investment and tariff-free or reduced-tariff access to our markets for Moroccan exporters, including for agricultural and fisheries products. This is a vice-versa process. We hope that our finished goods, processed goods from the EU in these sectors, will be exported back to Morocco. So this agreement is a good one; the cake gets bigger for everybody.

This does not mean that we do not support self-determination for the Sahrawi people through a referendum, as agreed by the UN resolutions, and we are reassured by the Commission that this will not be the case, and that the Western Sahara question has got nothing to do with what is basically a trade agreement between Morocco and the EU.

Willy Meyer, *on behalf of the GUE/NGL Group*. – (ES) Mr President, my group is going to follow the advice of the rapporteur, Mr Bové, because as you know perfectly well, ladies and gentlemen of the Commission and the Council, this agreement is going to benefit European multinationals and the very few large land owners in Morocco, which include the Moroccan Royal Family.

This agreement will be a veritable tsunami for small and medium-scale farming production, both here and there. Yet, despite the Arab Spring, you are also still failing to consider something that should be a fundamental aspect in trade, which is the democratic and social quality of products. You do not take this into account.

Morocco is given as an example. What a great example! Some 22% of the electorate took part in the last elections, and the street demonstrations are still going on now. People are still on the streets, but you see nothing and hear nothing, because the only ones you want to reward are the European food multinationals, which are bringing small and medium-sized farms to their knees in the Mediterranean – and in Europe in general – as well as small and medium-sized land owners in Morocco, of which there are in any case very few, and of course Western Sahara.

Ladies and gentlemen of the Commission and the Council, are you going to infringe international law again? Do you not care? Do you not care that you are including a region that does not belong to Morocco?

It does not matter to you. Ladies and gentlemen, please have a little more dignity and more respect for international law.

Francisco Sosa Wagner (NI). – (ES) Mr President, Mr Bové's report illustrates well the disastrous consequences that this agreement would have if it is approved. This agreement,

which would extend the quotas for certain fruit and vegetable products, makes absolutely no sense if the figures are not respected.

We should remember that the Spanish Federation of Associations of Producers and Exporters of Fruits, Vegetables, Flowers and Live Plants complained to Parliament's Committee on Petitions about the mass influx of tomatoes that flooded through Perpignan, priced below the level set in the agreement.

Illegal situations such as this put European farmers at a competitive disadvantage. We should also note that our farmers have to abide by rigorous quality, environmental and social standards that our Moroccan partners do not always comply with.

To finish, I will like to raise the issue of the Sahara. The Charter of the United Nations describes the Sahara as an autonomous region, saying that any exploitation of its resources should specifically benefit the local population. In addition, the United Nations does not recognise the sovereignty of the Kingdom of Morocco over this region.

The European Union must make sure it complies with international law. I am in favour of an agreement with Morocco, in favour of an agreement in which the European Union establishes rigorous mechanisms to control quotas and prices, an anti-dumping agreement, which will not exploit Moroccan farmers and, above all, will allow European farmers to make a decent living. It is clear that the current agreement does not do this.

Elisabeth Jeggle (PPE). – (DE) Mr President, ladies and gentlemen, in its opinion, the Committee on Agriculture and Rural Development – and we have heard this already – voted against the trade agreement between the European Union and Morocco. In my opinion, we had reasons for doing so that are very much worthy of consideration. The effects of opening up the European market – above all when it comes to agriculture – have not been investigated exhaustively. There must not be competitive disadvantages for either side. What we expect is that imports from Morocco must also comply with European standards. This means the working conditions, social standards, anti-dumping provisions, food security and the standards covering protection of the environment, health and plant life.

We expect the Commission to monitor and also enforce the schedules and the tariff quotas. Moreover, it is essential that the rights of minorities in Morocco must be protected in accordance with European standards. All areas of the agreement need to be negotiated with the consent, and for the benefit, of the entire population there – and I am including the Western Sahara when I say that. I am unflinching in advocating that the principle of the protection of minorities should be part of every agreement the EU enters into.

Despite this concern – or indeed because of it – it is also important that the EU should be a strong partner for Morocco in its development. A stable democracy is inseparable from a strong economy and a corresponding living standard for the population. For that reason, as shadow rapporteur for the Group of the European People's Party (Christian Democrats), I will be voting in favour of the agreement tomorrow.

The 'no' vote by the Committee on Agriculture and Rural Development was a signal to Morocco, but also to the European negotiators, to be open and transparent and not allow imbalances to develop. At this point I would like to emphasise that those of my fellow Members, including those in my group, who intend to vote against the agreement tomorrow have my full respect.

David Martin (S&D). - Mr President, I also welcome this agreement. Occasionally in politics you have to not just talk the talk, but walk the walk. The European Parliament was rightly – during and following the Arab Spring – strongly in favour of the democratic transitions that were taking place and strongly in favour of taking measures to encourage economic stability in North Africa. This is our first chance to deliver on those promises.

Trade – and I serve on the Committee on International Trade – is not an end in itself, but is a tool to promote economic stability and to reduce poverty. This agreement is an opportunity to deliver on our promises to Morocco and to the wider Southern Mediterranean region. I believe it is not only a good deal for Morocco, but a good deal for the European Union and our producers. The protection of geographical indicators is vital for European Union interests and producers. The fact that sanitary and phytosanitary standards will be the same for European producers and Moroccan producers as a result of this agreement means that all producers will now be competing on a level playing field. This should serve to reassure European consumers.

Of course, I understand the concerns of our Southern colleagues. But I believe that the Commission will live up to the assurances that it has given on ensuring that the maintenance of minimum prices and the application of quotas are monitored. Of course, if the Commission fails to carry out proper and due monitoring, we will come back to this Chamber and hold them to account for that. But with the proper monitoring and the safeguards that are in place, this is a deal that can work for Europe and a deal that helps to cement a fruitful relationship with our Moroccan partners.

Carl Haglund (ALDE). – (SV) Mr President, I think this debate shows that the agreement that we are to vote on tomorrow is a long way from being a good one. At the same time, trade agreements of this kind do, in principle, benefit development in the country in question. I am one of those who believe that open trade, in this case with Morocco for example, is in principle a good thing that will steer development in the right direction.

It is regrettable that, during the negotiations held in Parliament, we have removed the earlier reference to the fact that Parliament voted against the fisheries partnership agreement with Morocco in December. It was a difficult debate that ended with the majority in Parliament being critical. We all know why that was.

This demonstrates once again that we are clearly unable to discuss difficult issues with our friends. It has been said here many times that Morocco is a friend of the EU and that is certainly the case: we are friendly with the Moroccans. However, we should be able to discuss difficult issues with our friends too, but certain people seem to think that this is not possible, which is a shame.

Ana Miranda (Verts/ALE). – (ES) Mr President, this is a debate in which Parliament must send out a clear political signal.

This signal must be a dual one. Firstly, Parliament must champion agreements that promote socially, economically and environmentally sustainable farming models. Secondly, it must insist on compliance with international law and respect for the human and collective rights of the Sahrawi people.

The agreement favours an export model that is harmful to small farmers both in southern Europe and in Morocco. It only benefits large companies and investment funds, which can bypass European social and environmental regulations.

The agreement does not contain a single clause regarding the social dimension, employment or the environment. It speculates with food and encourages unfair competition. It completely overlooks small farmers, both European and Moroccan, and does not guarantee their right to produce, meaning they will end up as cheap labour for the multinationals, who are the real beneficiaries of this agreement. Lastly, according to international legislation, we are up against a problem that is an unresolved political legacy of decolonisation.

Of course we are in favour of the democratisation of Morocco. Of course we support the demands of the Arab Spring. However, this cannot be used as a way of pressuring us into voting for an agreement that does not even state that Western Sahara is to be excluded from its scope.

The territory of Western Sahara, its natural resources and its raw materials belong to the Sahrawi people. Neither Morocco nor the European Union has a legitimate right to negotiate about them. While fresh tomatoes are planted on and exported from their occupied land and fresh fish are caught in and exported from their seas, the children of the Sahara eat canned fish and tomato purée.

This is why we must not vote in favour of an agreement that further consolidates this unjust situation. The Commission, the Council and Parliament must make a resounding political statement backing the Sahrawi people's right to self-determination, in order to end the marginalisation of the men and women of the Sahara and their collective rights as a people.

(The speaker agreed to take a blue-card question under Rule 149(8))

David Martin (S&D), *Blue-card question*. – Mr President, I just wonder if Ms Miranda can name the agricultural products that are grown in the Western Sahara and how many of them make their way to the European Union. The clue, by the way, is in the name: Western Sahara.

Ana Miranda (Verts/ALE), *Blue-card answer*. – (ES) Mr President, Mr Martin, I actually have a report here all about tomatoes in various regions, which I can give you when we leave.

Marek Józef Gróbarczyk (ECR). – (PL) Mr President, the European Union is the largest importer of fish products in the world. Taking into account the fact that these products are an important source of food, we should pay particular attention to international agreements that generate competition for domestic products. The common fisheries policy (CFP) is enormously important for the environment, the replenishment of resources and the fisheries industry. A sustainable development approach results in a lack of competitiveness in relation to products from non-EU countries. The negotiations should therefore focus on the protection of EU interests in the context of restrictions resulting from the implemented policy, and on the adoption of and adherence to the EU rules by third countries cooperating with the European Union. We should remember that ill-considered trade liberalisation destroys the indigenous market, and consequently leads to uncontrolled increase in product prices in an environment devoid of competition.

Paul Murphy (GUE/NGL). – Mr President, throughout the discussions on the EU-Morocco agreement which liberalises trade in agricultural and fisheries products, the Commission has repeatedly described this as a win-win deal. Can we be a little bit more precise here and say that it is a win-win deal for major European agri-business, for a few Moroccan conglomerates, and particularly for the King of Morocco who owns 12 000 hectares of

the most fertile land and who will benefit most from this deal? It is a lose-lose deal for ordinary small farmers, for agricultural workers and fishermen in Morocco and in Europe.

I am in favour of trade that provides development economically and socially and contributes to a rise in living standards, but in order for that to happen, the rights of working people, of small farmers and fishermen need to be protected. That does not happen in Morocco. The most basic trade union rights are not respected in Morocco: the right to form a trade union and the right to take strike action. Agricultural workers have been dismissed in recent years for trying to form an organisation, and the result is an extremely low level of wages and a race to the bottom in workers' wages and conditions.

On top of that is the fact that Morocco is an occupying power in Western Sahara, and this agreement will increase the profits of those who benefit from that occupation.

The reality, in answer to David Martin, is that there has been a substantial increase in agricultural production of 2 800% in the past few years: 60 000 tonnes of agricultural produce last year were exported from Western Sahara. This is owned not by ordinary people in Western Sahara but primarily by the King – as a recent report demonstrates – and by major multinationals. Its produce is export-oriented and goes to Europe. The people of Western Sahara have not been asked, they will not benefit from it. The agreement should be rejected.

Nick Griffin (NI). - Mr President, I can start by saying that Mr Bové's report is so comprehensive that it is difficult to add anything to the excellent job he has done. But I will point out that, with agricultural wages in Morocco at an average of just five euros a day, trade liberalisation can only add to the desperate plight of farmers in Greece, Sicily and Spain.

It is madness for the EU to give preferential treatment to big business concerns exploiting the Maghreb while its banking elite force murderous poverty on hard-working people in our own back yard.

Since not even the most crazed global-warmist still claims that we will soon be growing olives in Lancashire or oranges in Kent, it follows that we will have to continue to import such produce. Let us do so from our hard-pressed fellow Europeans in Greece, Italy, France, Portugal and Spain.

Leave the farmland of Morocco to support farming families in Morocco, rather than helping international agri-business swallow it all up and spit the human wreckage out at our shores as destitute and angry Islamist refugees.

Gabriel Mato Adrover (PPE). – (ES) Mr President, the feelings of hundreds of thousands of farmers in many regions in Spain can be summed up in a simple but resounding word: 'no'.

We say 'no' to an unbalanced agreement; 'no' to an agreement without even a single guarantee that customs duties will be paid or fraud prevented; 'no' to an agreement that allows unfair competition against our farmers, inducing them to abandon their crops. In short, we say 'no' to the disappearance of fruit and vegetable farmers in regions such as Andalusia, Murcia and the Canary Islands.

Our 'no' should not come as any surprise. It is a consistent 'no', just like our consistent 'yes' to the fishing agreement. We have not changed tack. We are defending today what we

defended last July in the Committee on Agriculture and Rural Development. We voted against then, and we will vote against once more on Thursday, because nothing has changed.

However, we do not want anyone to see this as a 'no' against the Kingdom of Morocco, which is a preferential partner, and should continue to be one in the future. While Morocco may benefit from the European Commission's inability to amend the regulation on entry prices, it is not responsible for it.

I will finish by saying that our 'no' today is also a 'yes'. It is a clear 'yes' to our farmers; a 'yes' to reciprocity and strict respect for agreements; a 'yes' to good relations between the European Union and third countries; a 'yes' to being able to continue farming; and lastly a 'yes' to differences being defined by quality, not by fraud.

Bernd Lange (S&D). – (DE) Mr President, Mr Mato Adrover, I see things in a fundamentally different way. This agreement cannot be compared with the fisheries agreement. In the case of the fisheries agreement, it was not clear where the money paid by the European Union would be going. In this case we have clear rules about who benefits from the money – and the beneficiaries really are Moroccan producers – as well as about European investments into Morocco. With that being the case, the situation is completely different.

It is also completely clear that, with this agreement, we are not legitimising the situation in Western Sahara. On the contrary, we are saying clearly that a solution needs to be found in the interests of the people. We are also making that clear with our resolution.

We cannot, however, send out a signal to the Arab Spring that we will always seal off our markets per se. We do need to offer solutions for fair trade so that there really can be change through trade. It also means that, if there really are distortions in the European Union in agriculture, we need to ensure, within the EU, that our farmers also have development perspectives. We cannot simply close our borders, however. That would be a signal that would heighten the sense of disappointment in the Arab Spring. For these reasons I will recommend to Members in my group that they vote in favour of this agreement.

Ivo Vajgl (ALDE). – (SL) Mr President, in December this Parliament voted against extending the EU–Morocco fisheries agreement, in part because, in violation of international law, Morocco did not provide any evidence that it would use the European money attached to this agreement for the benefit of the local population, the Sahrawi people.

Many of us also voted against the agreement because Morocco implicitly claims a right to use the natural resources of the territory it is illegally occupying.

For the same reason, an agreement on liberalising trade in agricultural products and products of the fish processing industry is unacceptable.

If we in the European Union recognise international law and human rights, then we must oppose any agreement with Morocco, which does not explicitly exclude the possibility of trade with the Western Sahara as part of the Kingdom of Morocco.

I suggest this be considered by all members who are enthusiastic about democratic reforms in Morocco, since the decolonisation of the Western Sahara is a measure of the democracy and democratisation of Morocco.

(The speaker agreed to take a blue-card question under Rule 149(8))

Charles Tannock (ECR), *Blue-card question.* – Mr Vajgl, I still do not see why a trade agreement which would allow Sahrawis, who are also producers of agricultural products, to export – presumably to our markets – is actually going to threaten their livelihoods or their rights to self-determination. I fully understand that the Western Sahara question is a very key one. It was very different when it was a matter of EU money being disbursed under the fisheries agreement. This is about a trade issue, so why is trading with the Western Sahara violating their rights to sovereignty or self-determination? That is my question to Mr Vajgl.

Ivo Vajgl (ALDE), *Blue-card answer.* – (SL) Thank you for your question.

I recently visited a refugee camp in Tindouf – there are many similar camps all over the Western Sahara.

The people in them have had to flee their homeland to escape Moroccan violence. These people cannot produce vegetables or tomatoes or anything on their land in their own homeland.

That is the problem.

Struan Stevenson (ECR). - Mr President, I have heard a great deal in this debate this evening from the people who are saying no to this agreement about workers' rights, trade union rights, human rights and the abuse of those rights in Western Sahara. These are the same people who, only a few weeks ago, said no to the renewal of the fisheries partnership agreement.

Are they aware that more than 600 Sahrawi people immediately lost their jobs in Dakhla, Western Sahara, in a processing factory? Are they aware that 780 fishermen from Andalucía, the Canary Islands and Portugal lost their jobs? And these are not wealthy people! What about their rights? What about the rights of these people in Western Sahara who lost their jobs while all the bleeding hearts in here were talking about workers' rights? In my personal opinion you should learn more about what the actuality is, the reality on the ground, before you take these votes, but let us listen to what David Martin said this evening and support this agreement.

Daniel Caspary (PPE). – (DE) Mr President, ladies and gentlemen, I find it fascinating how we continually observe that we are all so pleased with the changes that the Arab Spring has brought to North Africa. In every speech – at least in every sermon – we all say that we have to help the people of this region. In other debates, we track the stream of refugees heading our way from North Africa. Why are they coming here? They are coming here because of the economic and political situation in their homelands, which remains poor in many cases.

In every sermon we say that we have to help the people. What is at issue now is tangible help for people in a specific region, in a specific country and suddenly many of us are chickening out and expressing misgivings. The expression of misgivings is actually a good thing, but it is also part of the parliamentary procedure for us to have tackled many of these concerns, for us to have used the time over the last few weeks and months to consider, for example, misgivings expressed by the Committee on Agriculture and Rural Development and to also incorporate elements into our resolution. Our resolution – which, of course, will be voted on on Thursday – clearly sets out a large number of basic conditions. We have also said quite clearly that, should any truly detrimental impact on European agriculture become evident, we will demand appropriate steps and action from the Commission. It

would be truly terrible, however, if our first signal to Morocco were to be that we reject this agreement.

One illustration of how important this region is for us can be seen from the fact that the Spanish prime minister's first foreign trip after taking office is not to an EU country, but to the other side of the Mediterranean, to the other side of the Straits of Gibraltar, to hold discussions with the Moroccans. This is also a clear sign that our political leaders have recognised that we do need to enter into dialogue in this area.

I am absolutely convinced that this agreement is a small step. The impact on our agriculture should be limited, and that is something that we do need to monitor strictly. I am sure we all agree on that. We should not, however, see the agreement fail on this very issue, and we should support it instead.

Pier Antonio Panzeri (S&D). – (IT) Mr President, there is one point on which Parliament has found a broad consensus over the last few weeks. This concerns the need to change the neighbourhood policy towards southern Mediterranean countries, particularly in view of the changes taking place which are producing significant improvements in the spread of democracy, and opening a whole new chapter in the EU's approach to these countries.

Now we need to be consistent and not oscillate between extremes when implementing this neighbourhood policy. It would be absurd and inexcusably incomplete if this policy merely called for more rights and democracy in these countries, and resolutely ignored everything else, starting with economic and trade issues. We have often stated that rights and democracy are established above all also through new economic and financial policies capable of stimulating growth in these countries. Democracy and social and economic growth are inextricably linked.

The agreement with Morocco is part of this context. It aims at and must encourage mutual convenience in terms of free trade and the process of integrating the Mediterranean area. I am concerned about Mr Bové's style of protectionism because, instead of helping the democratic process and rights in these countries, it in fact becomes an objective obstacle to them.

For all these reasons it is important that Parliament should approve this agreement, and I hope that tomorrow this will happen.

Esther Herranz García (PPE). – (ES) Mr President, last year Parliament's Committee on Petitions asked the European Commission to amend the entry price system for fruit and vegetables entering the Union. This system allows products from third countries to enter fraudulently, as the European Anti-Fraud Office (OLAF) itself has stated. These products are primarily Moroccan tomatoes.

The Governments of Spain, France and Italy issued a statement last year that made the same request. We can combat this fraud by amending the Regulation on application of the Common Market Organisation (CMO) for agricultural products, because the problem will not be resolved by aligning the Customs Code, Commissioner.

For several years I have been speaking up within the Spanish *Partido Popular* about the need to stop new concessions to Morocco until such time as the European Union has the necessary instruments in place to ensure compliance with the agreement currently in force.

The European Commission argues that the Member States should control imports. However, what the Commission does not say is that the current entry price system prevents national

customs authorities from being able to properly trace the prices declared by importers in order to check for irregularities.

Amend the Regulation on the application of the CMO for agricultural products and part of the problem will be solved. If you do not, the legal loophole in European legislation will prevent national authorities from doing their jobs properly.

Josefa Andrés Barea (S&D). – (ES) Mr President, the Spanish Socialist delegation is concerned about farmers, particularly horticultural producers. The Spanish Socialist delegation submitted five key proposals which it considered essential in order for this agreement to be adopted.

One proposal, which we submitted 14 years ago, addressed the regulation of entry prices. We recently received a reply from the Commission saying that this can be done in the framework of the common agricultural policy (CAP), but the market may collapse now as products enter. Oranges are currently being produced at EUR 0.26 a kilo.

Another proposal was quota control – not only quota control but also the volume of exports not subject to quotas, which often flood the market in the more sensitive months.

The third proposal was an impact assessment on the way in which European Union farmers' incomes are affected. Did you know that the average income of a farming family in Spain is equivalent to the minimum wage? This is an extremely important matter.

Fourthly, there is reciprocity for plant protection products. Reciprocity is key here. Lastly, compensation if farmers are affected.

We will also be voting on a resolution submitted by the Group of the Progressive Alliance of Socialists and Democrats in the European Parliament which includes all these claims. In an amendment tabled by Ms De Keyser and myself, we called for compensation of damages caused to farmers. However, we do not want this compensation to be provided as some kind of charity. What we want is dignity for farmers and for all Europeans.

These are the five proposals we have put forward to the Commission, which we hope will be included now or in the future. We will therefore not be voting in favour of the agricultural agreement with Morocco at the present time because we believe these five elements are essential.

Jean Roatta (PPE). – (FR) Mr President, ladies and gentlemen, the signature of the agreement between the European Union and Morocco concerning reciprocal liberalisation measures on agricultural products and fishery products has an economic dimension and, above all, a political dimension.

The agreement with Morocco represents support for the rural development policy, support for local farmers as well as support for the democratic process that was initiated several months ago after the parliamentary election. This agricultural agreement is therefore a major component of the advanced status granted to the Kingdom of Morocco in 2008.

It also shows that the EU supports and encourages the programme of constitutional and democratic reforms in Morocco. Over and above the economic dimension, this agreement will formally enshrine the rapprochement between the European Union and Morocco. The credibility of the European Union is at stake. Ladies and gentlemen, we cannot maintain bilateral relations that merely limp along. That is why I would encourage you to vote in

favour of the signature of this agreement. It is a balanced, coherent agreement, which we need so that we can open as soon as possible the negotiations on a free trade agreement.

Gianluca Susta (S&D). – (IT) Mr President, the relevance to the EU of this agreement is more than just that of farmers in the south, although this is of course important. The southern shore of the Mediterranean will not develop peacefully or democratically if we retreat into autarchical nostalgia which could encourage the spread of anti-European sentiment on the African continent.

Of course it would have been preferable to pursue a multilateral approach with the countries of North Africa, in order to avoid future inequalities. Nevertheless this agreement appears to be balanced. It does not threaten many of our traditional products. Quota restrictions on six out of the fifteen most sensitive products exported by Morocco will remain. New opportunities are opening up for some of our products and for those to which total liberalisation will apply. Finally, the safeguarding clause offers an additional protective mechanism in the event of serious damage.

It is true, ladies and gentlemen, that this agreement does not resolve the ancestral issue of the Saharawi people. Every trade agreement needs to be accompanied by a courageous political initiative on the part of the EU to promote the values of liberty and justice in the world. However we cannot use the tragedy of the Saharawi people to safeguard a few individual sectoral economic interests. We can and must have the farsightedness of a trade policy vision that looks beyond its own immediate requirements – a vision that this agreement allows us to catch a glimpse of, and therefore I will vote for it.

Christofer Fjellner (PPE). – (SV) Mr President, the trade agreement with Morocco concerning fruit and vegetables is much more important than it sounds. Few things have damaged the economies in North Africa as much as the EU's duties on fruit and vegetables, resulting in unemployment and poverty.

We are their largest market and we impose high duties on some of their most important export products. Minimum prices, which is what we are applying here, are among the most discouraging measures we can take, because it means the more productive they are, the higher the duties they face. It is an effective way to make them toe the line and to keep them in poverty. This agreement is therefore an important move away from an old policy.

We must not forget that the Arab Spring was actually started by a fruit and vegetable trader who took his own life in protest. I therefore hope that this agreement is merely the first step, that the Commission will go further and that we will soon have agreements with Tunisia, Libya, Egypt and perhaps one day even Syria.

Fine words about helping are not enough. What is needed is a helping hand and in this case the best helping hand is probably a reduction in duties. That is how we helped the Balkans after the war: by reducing duties so they could use trade to bring them prosperity. That is clearly also how we should help the countries in North Africa – trade for prosperity.

Gilles Pargneaux (S&D). – (FR) Mr President, Commissioner, allow me briefly to describe the political context, which is essential for our discussion.

First of all, this is an agricultural agreement that was essential in the framework of the advanced status – as has been mentioned – but it is also essential in the final free trade partnership that we wish to maintain between the EU and the Kingdom of Morocco.

Secondly, there is the democratic process, as we have seen. The parliamentary election of 25 November was transparent. That is a source of pride for us but it is also an example of what has also been done in Morocco itself.

Thirdly, we must highlight the very significant efforts made by the new government, especially the Minister of Foreign Affairs, Mr El Othmani, who is in talks with Algeria, Morocco's neighbour, to find a solution to the problems of Western Sahara, and the UN is also involved. I therefore believe that it is not relevant to include Western Sahara in the discussion given the progress that we are seeing.

We should also remember that this agreement also serves to protect small Moroccan farmers; 70% of farms in Morocco have fewer than five hectares. We also know that the agreement is going to benefit European agricultural exports.

Finally, I would like to put a question to the European Commissioner: what additional measure do you hope to take to enable, for example, our farmers in southern Europe to benefit from the EU Globalisation Fund and thus obtain that support from the European Union?

We are voting in favour of this agreement between the European Union and the Kingdom of Morocco.

Giovanni La Via (PPE). – *(IT)* Mr President, Commissioner, I would like to contest the method used in this agreement on which we will be voting next Thursday, because we can no longer continue with bilateral agreements. Instead we need multilateral negotiations capable of giving us far broader feedback that is possible with a single agreement.

Every time we enter into bilateral agreements it is always European farmers who pay the price. In this case too it seems to me that the cost is too high, and therefore I will be voting against the agreement, one reason also being that it does not contain a reciprocity clause, a fundamental component – and of course Parliament cannot make amendments to it.

We are opening up our market when there is still duty on the export of meat and other products from Europe to Morocco. Furthermore, reciprocity also presupposes compliance with manufacturing conditions and guarantees for European consumers. Instead of which we are opening up our market without giving European consumers sufficient guarantees, and putting farmers in southern Europe into situations of great hardship, especially those in Mediterranean areas.

I will therefore vote against the agreement.

Maria Eleni Koppa (S&D). – *(EL)* Mr President, to date there have been numerous occasions – and there will be more in the future – when we have needed to take a stand on sensitive and important issues such as this agreement.

We have repeatedly stressed that trade agreements are basically political agreements, as we proved a short while ago with the agreement with Uzbekistan. It is perfectly clear that, if we say no to this agreement, we shall freeze our relations with Morocco and basically we shall have no access to or say on a series of important issues. It is important for the European Union to continue to cooperate with this country, in order to encourage reforms in what are important sectors for us.

The European Union has had good and honest dialogue with Morocco to date on political issues, within the framework of the bodies responsible for continuing the Association

Agreement. A negative stand will simply blow that dialogue to pieces. Finally, we need this agreement in order to safeguard the interests of European farmers. Besides, there are safety valves in this agreement that will kick in if imports of agricultural products from Morocco disrupt the European market. I would ask the European Commission to confirm that once again.

Michel Dantin (PPE). – (FR) Mr President, Commissioner, you fulfil your duties well. You defend a text with conviction. This is not your text, however. It is an inherited text. We know very well that, if you had had to negotiate this text yourself, it would have been different because you are currently involved in the CAP negotiations and you are aware that it is difficult to impose environmental constraints on European farmers when texts such as this proposal ignore that issue completely. You are aware that it is difficult to establish a common framework for the CAP because the standard of living differs from one EU country to another. Here, we are not taking into account the standard of living of Moroccan producers, whom, we are supposed to believe, represent El Dorado.

Yes, the situation is complicated as I am sure that nobody here in this House wants to jeopardise Morocco's development. Morocco is a country that we need for stability in North Africa. Morocco is a gateway for developing new trade and we know that every time we develop new trade, both parties benefit to some extent.

However, I will get back to what I was saying about the environment. How are we going to explain to European farmers that we are perhaps going to force them to comply with the Water Framework Directive under the system of cross-compliance but that at the same time we are not going to pay any attention to the production conditions of the tomatoes that are allowed to enter? How are we going to explain to them that the water table is falling by two metres per year in some regions but that that is being ignored?

I firmly believe that the model that we are proposing to the Moroccans is not a sustainable model. Perhaps our producers do not have to worry because, with the system they are being offered, Moroccan producers will die before them. This is serious, however. In my opinion, we have to defend Morocco, we have to defend democracy in Morocco but we also have to take care to ensure that what we are proposing is balanced from an environmental, social and economic perspective.

Catch-the-eye procedure

Salvatore Iacolino (PPE). – (IT) Mr President, I listened very carefully to the speech by the Commissioner on the current process of adaptation to the Treaty of Lisbon. However, as others have already pointed out, there has been no sharing in this legislative process, which should lead to the conclusion of an agreement between the Commission and Morocco on a number of fruit and vegetable products that are an important reference, particularly for the economies of southern European countries.

There are no geographical indications. Much can be said about plant-health controls: there is no reciprocity, quality standards are not high, and above all there is no sharing. While we are of the opinion that support for the democratisation process taking place in Morocco should be both robust and concrete, we cannot vote for an agreement that would undoubtedly be a danger and have serious consequences for all the farmers for whom Europe still offers opportunities for development and competition.

Bernadette Vergnaud (S&D). – (FR) Mr President, this partnership agreement with Morocco for agriculture and fisheries is an important act concerning a country that has

had a shared history with Europe for centuries and is an important trading partner, with which the European Union maintains a net trade surplus.

I understand the concerns that have been expressed. Although I have some doubts about certain political hijacking, or exploitation with regard to the rights of the people who are affected but not involved, I also have the same questions about the consequences of the liberalisation on the sectors of activity that are already highly vulnerable.

That is why it is essential, Commissioners, to put in place effective compensatory measures to avoid any negative repercussions on European production and jobs. On that condition, I support this agreement because economic expansion in Morocco is an essential lever in consolidating a democratic process that all of us in this House sincerely want to see in that strategic part of the Mediterranean basin.

Sergio Paolo Francesco Silvestris (PPE). – *(IT)* Mr President, Commissioner, we oppose and will vote against this agreement, which will bring agricultural products onto the European market at a lower cost of production than in Europe.

Italian farmers, and southern Italian farmers should know that we are voting against it. We are announcing our intention to all the farmers growing tomatoes, fruit and vegetables, citrus fruits, grapes, peaches and cherries, who risk being not just threatened but beaten by the entry onto the market of products from Morocco, where there are no assurances regarding environmental quality standards, the fertilisers used and social standards such as welfare and salary guarantees for farm workers.

Furthermore, these products from Morocco would enter our market with minimal duty or even without duty, while our oil and meat would be subject to duty. Well, we are absolutely against this. In southern Italy we are witnessing farm bankruptcies, job losses and the abandonment of land. This agreement risks making the process even worse, while we want to stop it.

We are moving – and I am concluding, Mr President – from support for the Arab Spring to the start of the European Winter for our farmers. We cannot allow this to happen.

Spyros Danellis (S&D) . – *(EL)* Mr President, Commissioner, the reactions to the ratification of the agreement have been twofold. The first is a fearful reaction to the liberalisation of trade that will benefit both the European Union and, of course, Morocco, bearing in mind, of course, the terms of protection for sensitive European products. The other has to do with the political problem of the people of the Western Sahara.

However, if the agreement is not ratified, that will do nothing whatsoever to improve the position of the people of the Western Sahara. On the contrary, we need to address these issues directly. At the same time – and I think this is a point of paramount importance – we should not forget that, by promoting economic growth throughout the Southern Mediterranean, we are doing a great deal to help consolidate democracy and achieve political stability at a crucial juncture in the Arab Spring. I think that is the main objective of the European Union and, obviously, of the European Parliament.

Antonello Antinoro (PPE). – *(IT)* Mr President, it takes more than a minute to tell a joke, so there is no hope of being able to put a point properly.

We care deeply about the Arab Spring. Morocco has made and is making progress – and it is right that it should do – but this does not mean that we should damage our agricultural

economy. It must not result in penalisation of European agriculture, especially in southern Italy and – why not? – for my region Sicily.

I believe there is also a little hypocrisy in all the arguments I have heard. We are justifying the Arab Spring as a necessary condition for all of this to take place, for this agreement to be concluded, while we know perfectly well that Moroccan farmers will benefit from it. We are well aware that major financial groups have already acquired part of those interests and those markets. We are well aware that once more we are taking Europeans for a ride.

I hope that Europe will go back to being political and stop being the Europe of finance when dealing with delicate and important issues like that of agriculture.

João Ferreira (GUE/NGL). – (PT) Mr President, this is another agreement that benefits the few to the detriment of the many on both sides of the Mediterranean. Those that benefit are major European retailers and multinational carriers, which will be able to win new markets and access cheap labour, as well as having the chance to avoid the social, employment and environmental standards in force in European countries.

The losers are European producers, in particular small and medium-sized producers of typically Mediterranean crops, particularly fruit and vegetables, since this agreement increases the pressure they are feeling today from low base prices and the difficulties experienced by many producers in selling all their produce.

Another loser is family farming, which will start facing competition from intensive production for export. These are models that jeopardise environmental sustainability, the viability of regional and local markets, and food sovereignty; they also degrade food quality and safety.

For these reasons, consumers and the public also lose. Furthermore, with this agreement, the Commission is also insisting on ignoring the problem of Western Sahara, which is illegally occupied under international law.

Maria do Céu Patrão Neves (PPE). – (PT) Mr President, I recognise the importance of good political links with third countries, our neighbour Morocco in particular, and I am committed to good trade relations. I therefore cannot accept another step towards an allegedly equal liberalisation that will really create a situation of profoundly unequal competition between European and Moroccan producers.

Europeans have to abide by strict and demanding food-quality and safety standards, and agro-environmental and animal welfare standards, which considerably increase the cost of production. However, the required certification and labelling do not protect them sufficiently or encourage consumers to give preference to their products over those produced to lower standards and at lower cost.

The liberalisation of 55% of exports from Morocco to the European Union and the increase in concessions in the fruit and vegetable sectors represents a severe blow to producers in southern Europe, particularly Portugal, but also Spain, Italy, Greece and France. All these Member States are experiencing difficulties and need to invest in their productive sectors rather than, once again, seeing their agriculture sacrificed to other interests.

Pino Arlacchi (S&D). - Mr President, I am not in favour of this agreement and many S&D colleagues agree with me for three main reasons. First, this agreement is a *fait accompli*. It is an additional example of an international action undertaken by the Commission

without any consultation with Parliament, and Commissioner Füle informed us that it is not possible to modify it.

Second, the arguments against this agreement put forward by colleagues concerned with the fate of small European and Moroccan producers are very strong. A precipitous liberalisation could bring significant damage, as has occurred in many places already. Moreover, I do not believe that there is any connection between the Arab Spring and democratisation on the one side, and the extent of tomato production in North Africa, on the other.

Third, the most important reason why I am against this agreement is that it does not mention one fundamental fact: the rights of the Sahrawi people who are harassed by Morocco and whose territory is occupied by it, and the fact that these rights are not alluded to directly or indirectly by its clauses. I am very sorry that the Commission did not find the courage to clearly say that these agreements exclude the territory of Western Sahara.

María Auxiliadora Correa Zamora (PPE). – (ES) Mr President, I would briefly like to express my support for my delegation colleagues, Ms Herranz García and Mr Mato Adrover, who have argued that this agreement with Morocco is absolutely detrimental and utterly harmful to European agriculture as a whole and to Spanish agriculture and farmers in particular. Morocco has time and again infringed the quotas and entry prices established in the agreement.

We will therefore vote against the agreement. However, as a full member of the Committee on International Trade, I wish to say that this vote against does not mean we oppose entering into trade negotiations with Morocco. On the contrary, the committee will continue working to increase trade relations with third countries and fostering trade and investment as drivers of economic growth.

Marco Scurria (PPE). – (IT) Mr President, Commissioner, I do not understand why we take so much pleasure in harming ourselves. You have spoken about Morocco as an important partner on a human level, while many of us have already mentioned that Morocco is an imperialist state that occupies land illegally, in which the United Nations has not succeeded in holding a referendum.

You have spoken about democratic links with Morocco. Well, in Morocco 22% of the population has the vote, it is one of the countries with the greatest illiteracy levels, farmers and fishermen do not have the right to form trade-unions there and everything is in the hands of the King. You have spoken about convenience for farmers. It is a pity that no European farmers have noticed this convenience, as you are well aware.

Explain to me why we are asking our farmers and fishermen to comply with rules that do not apply to those who fish and farm outside of Europe but who are allowed to export their products into Europe. Commissioner, please tell me why democracy is valid for all but sometimes does not seem to apply at home.

End of the catch-the-eye procedure

Dacian Cioloș, *Member of the Commission.* – (FR) Mr President, allow me to clarify a number of aspects that have been raised here.

Firstly, some of you spoke about unfair competition and the lack of impact studies. I will give you two figures: tomato production in the European Union totals 6 million tonnes per year. The concessions we are offering Morocco under this agreement involve increasing

the quota by 52 000 tonnes, which represents 0.8% of tomato production in the European Union. Moreover, with the entry price system and this quantity being allocated to specific months, we are protecting the European market from Moroccan tomatoes between June and September, when production reaches its peak in the European Union. For the rest of the year this quantity is divided between the remaining months.

I had also spoken about the entry prices, Mrs Herranz García and Mr Mato Adrover, and I listened to your comments and those of the Agriculture Ministers of the countries involved. That is why I proposed aligning the system for calculating entry prices with the European Union's existing taxation system, precisely to avoid small quotas or small quantities of certain products, which are more advantageous, from resulting in all transport being calculated on that basis.

It was in order to eliminate that type of problem that we proposed improving the entry price calculation system. I can assure you that we are also going to monitor the way in which the Member States carry out customs checks at their borders once this change is made.

Some of you said that this agreement is going to benefit the multinationals rather than small farms, but I do not know if a trade agreement can encourage the development of a multinational or an operating model. You know that in the European Union these types of guidelines are laid down by our agricultural policy. Morocco also has its own agricultural policy and during the negotiations on this agreement it presented to us its Green Plan, in which the Moroccan Government has at least expressly agreed to provide support for small farms, too.

You also mentioned land monopolies. According to the information we have received from the Moroccan Government, and this is clearly set out in the Green Plan, too, foreigners' access to land is limited to 100 000 hectares in Morocco and individual farms can be no larger than a few thousand hectares. In any case, Mr Bové, that is what the Moroccan Government has told us.

As regards respect for sanitary standards, as I said in my initial speech, we will ensure during border checks that products from Morocco, and from other parts of the world, comply with our sanitary and phytosanitary standards. All of the food safety standards imposed on our producers are thus applied to Moroccan producers and, indeed, the recent inspections by the EU Food and Veterinary Office in Morocco demonstrate that it now has the capacity to carry out these checks through the institutions that it has set up. Our technical assistance programmes in Morocco also focus on capacity-building for the future.

You mentioned, too, the impact on the environment, and water consumption in particular. The information we have available indicates that the average water consumption for one kilogram of tomatoes in Morocco is 47 litres, while 45 litres are used in the European Union. That figure is therefore not too far from the European Union average, or at least that is the figure we have, Mr Bové. With the drip-feed technological system that Morocco hopes to develop under its Green Plan, as far as we are aware, that consumption could be reduced further.

Once again, however, we cannot use an agreement to impose on a government choices that are its responsibility. I believe that, if we respect the self-determination of a state such as Morocco, we must have faith in the information it gives us when taking decisions, including decisions on an agreement.

Thank you very much for these clarifications. I think that my colleague Štefan Füle will give you some more information on the non-agricultural aspects that you also raised in your speeches.

IN THE CHAIR: LÁSZLÓ SURJÁN

Vice-President

Štefan Füle, *Member of the Commission*. – Mr President, today's debate touches on many fundamental issues about the Europe we want to build. Do we want to build a Europe open to the world? Are we serious about establishing a close partnership with our neighbours? Are we serious about the 'more for more' and mutual accountability principle?

The vote by this House on the agricultural agreement with Morocco will determine some of the answers to these questions. As my colleague Commissioner Ciolos̃ stated, Morocco is an important partner of the European Union. We concluded an agreement on advanced status in 2008 and the entry into force of the agricultural agreement will give substance to the advanced status. It will create investment opportunities for European Union companies and help provide jobs in Morocco, therefore reducing the temptation to find better living opportunities abroad thus stretching further our migration capacity and policy.

Let me make three additional points. First, on the Western Sahara, I would like to confirm that the post-Lisbon European Union is committed to doing more to find a solution to the conflicts of our neighbourhood. We are also keen to promote regional cooperation in the Maghreb and support efforts made by Algeria and Morocco to normalise their relations.

Many positive steps have been taken recently and the Commission is determined to provide both political and technical support. We care very much about human rights in the Western Sahara. Overall, we consider that the situation in Morocco has improved over the years and this movement needs to be encouraged further. We will continue to follow events closely and intervene whenever appropriate, including by supporting trial observation and with specific démarches.

On the occasion of the political dialogue with Morocco we will continue to raise our concerns when appropriate. Let me make it clear that the de facto Moroccan administration in the Western Sahara is already under a legal obligation to comply with the principles of international law, which provides that the activities related to natural resources are lawful as long as they are not implemented in disregard of the needs, interests and benefits of the local population.

We are committed to monitoring closely the impact of the agreement on the population of Western Sahara. We will use the existing agriculture and fisheries subcommittee established by the Association Agreement to gather this information and to keep Parliament informed. I welcome the fact that Morocco has committed to providing information on the regional impact of the agreement.

Now a second remark on the importance of agreement in the context of the European Neighbourhood Policy and the Arab Spring: let me stress that the rejection of this agreement would send a negative signal to all our Arab partners engaged in the difficult process of democratisation and reform, for whom greater trade opportunities with the European Union will be a source of jobs and economic growth.

More broadly, let me recall that this Parliament last December supported the new approach for the European Neighbourhood Policy and in particular the vision of the gradual economic integration of our neighbours into our internal market. So let me stress that, despite what some of you said, we have a strategy to support forces behind the Arab Spring. You voted for it, and the opening of markets was an integral part of it. The agreement with Morocco is indeed a building block of this exercise, and its adoption will send a very positive and encouraging signal to all our neighbourhood partners in the east and south.

Now a third point on the resolution: let me conclude by thanking Members of this House for their positive collaboration in the preparation of the resolution. We take your resolution very seriously. My colleague has indicated a number of areas of concern to Parliament where we will work intensively once the agreement with Morocco enters into force

With a particular regard for your concerns, the Commission will monitor closely the effect of the agreement both in Europe and in Morocco and in all policy dimensions. The monitoring will start on the first day of the entry into force of the agreement and it will be a continual process.

In this context, let me also state that much has been done to meet most of the five demands mentioned by the Spanish parliamentarians from the S&D Group. The Commission will also launch an impact assessment for the negotiation of the Deep and Comprehensive Free Trade area with Morocco and other partners in the southern Mediterranean. I am keen to ensure that the Commission will deliver on its commitments, and you can count on our personal engagement to this effect.

Nicolai Wammen, *President-in-Office of the Council*. – (DA) Mr President, Commissioner, honourable Members, thank you for a constructive debate. I would like to emphasise that the agreement that is to be voted on later this week is an incredibly important symbol of cooperation between the EU and Morocco. I am therefore also pleased to see the support that a number of the Members of this House have expressed, including Mr Kazak, Ms De Kaiser, Mr Martin and Mr Lange, along with many others. It is a sign that, if we want to bolster development and reforms in North Africa, we need to demonstrate this by means of practical initiatives that create economic growth and bind us closer together. That is precisely the purpose of this agreement. If it is rejected, we will send completely the wrong signal to both Morocco and the other North African countries.

To Mr Bové and all the others who have expressed their scepticism and opposition to the agreement I would just like to say that I respect your views, but I do not agree with your conclusion. I would like to remind you that the agreement contains provisions that give the EU the right to limit imports from Morocco if they create significant disturbance on the European market or harm production, and it also takes account of products that are particularly sensitive in the EU.

No political agreements are completely black and white when compromises are made. However, this agreement is particularly important because it will send the first important signal to North Africa following the Arab Spring. It is now that the EU has the opportunity to back-up its fine words and strong values with action in the form of an agreement which will make a tangible difference to the people of North Africa. This is an agreement that will send a clear message that the EU takes action and supports democratisation, free trade and a partnership based on trust, trade and democratic values. Therefore, it is about more than just trade when the Members of this House vote on Thursday. It is a question of whether

the EU will fulfil the promises it has made concerning close cooperation and providing support for the forces of democratic reform, which need and deserve our support.

With these words on behalf of the Council, I strongly urge all of the Members of this Parliament to vote in favour of this agreement.

José Bové, *rapporteur*. – (FR) Mr President, Commissioners, President-in-Office of the Council, we have just had a debate that, in spite of everything, was interesting because for the first time it was a real debate on a free trade agreement.

Some people referred to the facts, others to ideology, even belief, belief in free trade as a stepping stone to democracy. I hope that those people do not find themselves one day in a situation where they have to face the people who have suffered because of free trade agreements, of any kind: today the peasant farmers who produce fruit and vegetables, or tomorrow the meat producers when it is time for the Mercosur agreement. I believe that this free trade agreement is a bad agreement, especially for Morocco's peasant farmers.

If the 'yes' vote prevails on Thursday – which is of course possible as I do not know what will happen – it will mean that you are creating all of the conditions for the Arab Spring to arrive finally in Morocco. That means that you will be in a bit of a strange situation tomorrow. In fact, the agreement provides for an increase of more than 50% for European products on Moroccan territory, compared with just 15% for Moroccan products in Europe, which means that hundreds of thousands of Moroccan families are going to be thrown out on the street because of these exports to their country. Is that what you want?

I get the impression today that you are not talking about the reality. You refuse to talk about the reality. We are accepting this agreement because Morocco is promising to protect us from the immigration from Africa. That is what is happening and it also features in all of your texts. Are we concluding economic agreements solely to build a wall on the other side of the Mediterranean to protect Europe?

We have to get serious! We have to get back to the actual facts, and the actual facts all come down to agriculture. However, this agreement is a bad plan for agriculture. A 1% increase in volume over what is offered could lead to prices collapsing. As you are all too aware, Commissioner, the balance between supply and demand is very fragile. A 1% adjustment can make prices collapse and have devastating consequences.

We know that Perpignan is currently a key transit point for tomatoes. We know that the head offices of the two largest firms, Azura and Idyl, are located in France. We know that today. So why are we continuing in this manner? We also know that the Commission has internal EU documents that show that more than 700 000 hectares were given to the Persian Gulf fund. You cannot deny that today; it is the Commission's own documents that prove it.

We need to get serious when it comes to the issue of water, too. We are told today that there is no information about water, even though European universities, in the Netherlands, in France and in Spain, in addition to Moroccan universities are providing figures.

I do not need to say any more. As regards our obligation to Western Sahara, I did not want to turn it into a political battle, but simply to raise a point of law. Indeed, the law is clear-cut. If Western Sahara is not excluded from this agreement tomorrow, you could face the possibility of action before the European Court of Justice.

President. – Six motions for resolutions ⁽²⁾ have been tabled under Rule 115(5) of the Rules of Procedure.

The debate is closed.

The vote will take place on Thursday, 16 February 2012.

Written statements (Rule 149)

Béla Glattfelder (PPE), *in writing.* – (HU) The agricultural trade agreement to be signed between the EU and Morocco is contrary to the interests of both European consumers and European farmers. It is contrary to the interests of consumers because it would facilitate the entry onto EU markets of vegetable and fruit products that have often been treated using plant protection products already banned in the EU. In the past few years there have been multiple incidents of Moroccan pepper containing residues of banned chemicals being found in Hungary. The agreement is also contrary to the interests of European farmers who must comply with increasingly stringent EU environmental and food safety rules, while imports from Morocco remain outside the scope of these rules. Spanish farmers have pointed out that the European Commission did not prepare any impact assessment whatsoever concerning the foreseeable effects of such imports. We agree with and support the position of COPA-COGECA – the largest organisation of farmers in Europe, of which MAGOSZ, the Hungarian Association of Farmers' Societies and Cooperatives, is also a member – which demands the rejection of the agreement.

Jarosław Kalinowski (PPE), *in writing.* – (PL) The intensification of trade between the European Union and the Kingdom of Morocco will undoubtedly assist in the economic development of that country. However, liberalisation of the exchanges of agricultural products may have catastrophic results for European agriculture. Moroccan products do not meet many of the European health, environmental or food safety standards. The increase in fruit and vegetable imports will result in enormous distortion of competition in this sector. At a time of economic crisis, this may even lead to unemployment among many producers. It is essential to strengthen the effectiveness of the Union's import control and safety system and to require the Moroccan producers to comply with the same standards as European producers are required to observe.

Mairead McGuinness (PPE), *in writing.* – This report highlights concerns regarding the impact of the proposed EU–Morocco Agreement on the agricultural sector in the EU, and stresses the potential ramifications of future bilateral agreements between the EU and third countries. I support the Committee on Agriculture's position on the proposed agreement. The rapporteur underlines other areas of concern such as child labour in the agricultural sector in Morocco, poor wages for workers and environmental issues.

Cristian Dan Preda (PPE), *in writing.* – (RO) I wish to begin with a reminder that Parliament has been presented today with not one but two agreements concerning our relations with Morocco. There is a broad consensus across Parliament regarding Morocco's involvement in EU programmes, a text which was voted on earlier and for which I was the shadow rapporteur. This Protocol is in keeping with the advanced status Morocco enjoys in its relations with the EU. It will allow Morocco to get effectively involved in devising and supervising the implementation of current and future EU programmes. Furthermore, Morocco is treated as an equal partner of the Member States because (subject to the possible

(2) See minutes.

financial aid it could apply for) it will contribute to the EU budget for the programmes of interest to it. I can only hope that we will also successfully find the same consensus for the EU–Morocco Agreement on agricultural and fishery products. I believe that the repercussions this agreement will have for the agricultural and fisheries sectors at EU level are dealt with appropriately in the final text. On the other hand, our Moroccan partners regard this agreement as a test of the credibility of our commitment to support a country involved in a huge reform process being carried out on a consensual basis.

Daciana Octavia Sârbu (S&D), *in writing*. – (RO) The European Union has made a habit of signing trade agreements with third countries to the detriment of its farmers. Our farmers are obliged to compete with cheaper products originating from outside the EU, which fail to meet the same standards of hygiene or animal welfare. I would like to stress that European farmers need to be compensated for the losses suffered as a result of deregulating agricultural trade with Morocco.

I also believe that we need to show solidarity with Morocco, given the fragile political situation in this region. However, we must not forget that the intensification of agriculture in this country will result in excessive use of water resources and could also cause serious environmental problems. At the same time, I call on the European Commission to ensure, prior to signing this agreement, that imported products will not come from farms using child labour.

Dominique Vlasto (PPE), *in writing*. – (FR) I understand the concerns over this agreement, which has been under discussion since 2008 and which is going to be adopted, but guarantees have been put in place to protect the interests of European producers.

The quotas remain the same, Moroccan products will not have access to the European market during the peak sales periods for European products, and socioeconomic and environmental criteria will have to be met by the Moroccans.

We must ensure that there is free, undistorted competition and we must defend the interests of European agricultural operators. If market imbalances appear, compensatory measures to help European farmers will have to be implemented. With the expansion of the Moroccan market, we are going to be able to increase our exports to that country, too.

It is at the same time a reward for Morocco for its democratic reforms, and it would be dangerous to reject the agreement. We thus have to strike a balance between protection for our agriculture and our special partnership with the Moroccans.

That is the spirit in which I support this agreement, although I will monitor carefully its implementation. It is possible to preserve our agricultural model and open up our market at the same time. Thank you.

14. Feasibility of introducing stability bonds (debate)

President. – The next item is the debate on the question for oral answer to the Commission by Sharon Bowles, on behalf of the Committee on Economic and Monetary Affairs, on the feasibility of introducing stability bonds (O-000333/2011 – B7-0022/2012).

Sharon Bowles, *author*. – Mr President, I am presenting this oral question and resolution on behalf of the Economic and Monetary Affairs Committee. We postponed the debate from the last Strasbourg session as Commissioner Rehn could not attend. So we are disappointed that, once more, other duties have called him away.

We are well aware, in the Committee, of all the strands of the arguments, from those that inherently support common stability bonds to those of the opposite view. But we are of the view that, in some form, they are part of the picture. If we look back at our attempts to stabilise the euro zone crisis, they can be characterised as believing that, within a monetary union, a small part would not bring down the whole, just as one city or state does not bring down the US.

There has been a belief that, because of the political commitment of the whole, the deterioration in a highly-indebted Member State would not follow the path of that experienced in other individual indebted countries. We can blame delay and prevarication for our attempts always being behind the curve, but it is time to examine missing elements too, including the fact that what we do also marks the level of ambition and commitment to the next stage of evolution of the monetary union and to the euro's place as a reserve currency. In other words, ambition counts: maybe even more so in this time of awful austerity. Therefore we are anxious to learn what are the interim results of the consultation on stability bonds and, based on the consultation, what are the next steps foreseen by the Commission.

Since the Green Paper was issued in October, there have been further political agreements – such as those of the European Council in December – which have also been carried forward. These decisions to enhance the sustainability of public finances also contribute towards creating the necessary conditions for the potential introduction of stability bonds. Therefore, what kind of policy instrument would be the most effective in the short term?

As I said with regard to ambition, stability bonds would show that there is a medium term plan beyond austerity. The 'redemption pact' proposed by the German Council of Economic Experts shows a long-term way that excess debt could be handled. There is some similarity between that plan and how the Australian states first moved to common issuance.

Neither should we overlook the possibility of short-term euro bills. I dubbed these once 'the beginner's bond', but they could be both time- and quantity-limited, with good behaviour needed to allow rollover. Bills also have the advantage of lower interest rates and in these times of high debt, struggling fellow-Member States do need every single basis point squeezed off what they have to pay.

From a personal point of view, taking that overriding necessity of squeezing down debt servicing payments, I would see eventual recirculation of the profit element of bond interventions by the European Central Bank back to the indebted Member State as a reasonable manoeuvre.

Mr President, as I have not taken all my time, I would be happy if you would allocate the rest to Parliament's rapporteur Sylvie Goulard.

Neelie Kroes, *Vice-president of the Commission*. – Mr President, it is a pleasure for me to replace my dear colleague Olli Rehn. The consultation on the Green Paper on the stability bonds finished on 8 January. It is fair to admit that the feedback via the official channels of this consultation has been quite limited. We have received only 18 replies to the internet questionnaire and to DG ECFIN's functional mail box. These replies came mostly from private citizens and to a lesser extent from different institutions.

Thus I would hesitate to consider this feedback as representative. I would also hesitate to consider those replies as substantially helping or guiding us in deciding about useful next steps as regards possible common issuance in the euro area.

Of course, in the mean time we have had many other informal contacts and consultations with a wide range of stakeholders, academics, financial institutions and government representatives. Also this House has been and will continue to be crucial in this debate. I am grateful for the first indications and views by Sharon Bowles and Sylvie Goulard on behalf of the Committee on Economic and Monetary Affairs in their motion for a resolution of 21 December, and I would in particular like to thank Ms Goulard for all her initiatives.

These additional contacts have proved highly useful and productive. Yet they only further illustrate the basic choices and trade-offs that we face when envisaging any form of common issuance in the euro area. Such an instrument can deliver very tangible, positive results on the integration and stability of European capital markets.

The more ambitious our approach is, the higher benefits it will bring. At the same time the possible challenges remain daunting. We would have to ensure that solidarity and guarantees across Member States for the large-scale funding of governments do not weaken the incentives of governments to good fiscal behaviour.

What becomes clear from the consultations and informal contacts is the necessity to keep it simple. Complicated structures or instruments, based on complex financial engineering, are considered with a fair amount of suspicion and investors' hesitance.

What is also clear is that stability bonds should not be reduced to being seen as just another item in the arsenal of potential short-term crisis tools. Yes, if deployed quickly, and depending on their specific form, they can make an important contribution to the current sovereign debt crisis, but in their essence Eurobonds or stability bonds have a much larger potential.

They can profoundly contribute to integrating European capital markets at their core, thereby fostering efficiency and the international attractiveness of Europe as an investment location. In brief, our goal should be to create a strong, simple and creditworthy new instrument that would be likely to become the new risk-free benchmark on European financial markets.

In terms of the next steps, given the ambitious goal and the importance of the issue, the Commission plans to further clarify the key issues linked to the introduction of Eurobonds. There are many quite technical topics to be analysed before any definite decisions are taken and we must take the time to do so, as nothing should be left to chance here.

The new economic governance as agreed by the European Council in December is a welcome development. We do need more fiscal consolidation, also in the context of the Eurobonds. As I have said before, Eurobonds without fiscal consolidation will not work, and I strongly believe that we will have to combine those two. In that respect, many respondents to the consultation of the Green Paper have pointed to the merits of keeping financial markets as a signalling and corrective device for the conduct of economic and fiscal policies in Member States. Hence, a full substitution of Member States' issuance by common issuance would, according to those voices, not be advisable.

We have studied with interest some proposals to link joint issuance...

(Interjection from Mr Bloom: 'Three minutes, we're now getting up to six – let's do our job, Mr President.')

...explicitly to fiscal coordination by Member States and to limit the time frame of joint issuance, at least initially, to the time needed to redress Member States' government accounts

to sustainable levels. In particular the proposal of the German Council of Economic Experts for a debt redemption fund goes in that direction.

My last sentence – and this is my last sentence, Mr President – concerns an interesting issue. When mapping out the way forward we all will have to keep in mind the limitations of the approaches presented in the Green Paper and strike the right balance in terms of...

(Interjection from the President: 'The time is also a barrier.')

...respective advantages and disadvantages to market integration efficiency and stability. I count on the European Parliament to play an important and constructive role in this process.

(Interjection from Mr Bloom: 'This is totally ridiculous.')

President. – I am very sorry but the Commission is also obliged to keep to its speaking time.

Diogo Feio, *on behalf of the PPE Group.* – (PT) Mr President, Commissioner, the question asked here today and the Green Paper on stability bonds result from the work done in this Parliament on the six pack. This is an agreement between Parliament and the Commission to add a growth perspective to the idea of stability and the required discipline.

In November, Parliament heard President Barroso highlight the Commission's lines of action: growth, discipline and talk of issuing joint debt. President Barroso said that the euro area could solve its problems, and that issuing joint debt could be done with more oversight, more discipline and coordination, with true economic governance.

Ladies and gentlemen, we face a great challenge. Europe has already produced many documents: Europe 2020 strategy, the roadmap to stability and growth, the Euro Plus Pact and the Annual Growth Survey. The European semester, the Commission programme geared towards growth, is also a recent interinstitutional agreement. We are open to short-term solutions being considered, such as those proposed by the wise Germans. We are open to other solutions that are more medium- and long-term. However, we would say that now is the time to see the path ahead; a path that requires determination and decisiveness. In this regard, however few responses there might be to Commission proposals, Parliament will always be here.

Edward Scicluna, *on behalf of the S&D Group.* – Mr President, enough time has passed since the current crisis started for a vigilant observer to note that the crisis resolution remedies are not working. Much energy and time was lost by our EU institutions in devising ways to prevent a sovereign debt crisis from occurring again, rather than addressing the more immediate present and clear danger by a proper crisis resolution mechanism.

It is unfortunate that the two largest countries have ignored the early advice given in Parliament by some groups, including ours, that fiscal austerity on its own cannot by itself get us out of our predicament. While it is obvious that the current medicine is not doing any good, the reaction to this state of affairs is unfortunately not to do the logical thing and change the medicine, but to give more of it on the pretext that the dose is not strong enough.

This report on Eurobonds is one important plea for sanity. It is a direct constructive proposal for a change to the current effective euro zone architecture. It is an opportunity for the euro zone to show that it is not just offering a knee-jerk solution to the latest downgrade,

but clear-headed thinking. It is not a total cure, but it should be seen as a building block to the already set foundation of a European stability mechanism.

Of course we cannot introduce a Eurobond in a matter of weeks or even months. The most we can do – and the aim of our resolution based on the Green Paper goes in that direction – is to issue a credible statement of intent, thus setting in motion a change of legal events to bring about the needed changes. But in doing so we would be strengthening the case for bestowing the EFSF-ESM with the much-needed banking licence which will supplement the ECB's successful purchasing exercise at the end of last year. The contagion is spreading and it has started eating at the core. Let us stop it before it is too late.

Sylvie Goulard, *on behalf of the ALDE Group*. – (FR) Mr President, Commissioner, I would like you to let Mr Rehn know that we are very disappointed that he cannot be here this evening. We had postponed this debate for him and I think that it is an important issue, even though we know that he has serious responsibilities in relation to Greece.

In the six-pack, as Diogo Feio pointed out, we fought for the Eurobonds issue to be dealt with rigorously. This was stated in my report and my objective was two-fold: it was to show that those who were permanently opposed could be mistaken and that those who were going to vote in favour tomorrow morning were ignoring a number of problems.

I would like to thank the Commission for having contributed to this in-depth work with its Green Paper. I think that there are some measures that need to be taken immediately and others that are more long-term. In the report that I will prepare, that is the direction that we would like to take, presenting a roadmap that makes a clear distinction between what can be done immediately and what will of course require significant legal steps, and that is an important point, which is why I am emphasising it for my colleagues with difficulties.

In the short term, I believe that it would be extremely important – as has already been mentioned – to help highly-indebted Member States to fulfil the very strict commitments that they made in the six-pack in terms of the rate at which they reduce their debt. We need to help them, not just by imposing standards but by finding ways of meeting them effectively.

The Group of the Alliance of Liberals and Democrats for Europe fully supports the idea of the redemption fund or *Tilgungsfonds du Sachverständigenrat* proposed by Germany.

Secondly, I must highlight one extremely important point. At the moment we are focusing on the crisis and we are forgetting why we wanted to forge a currency together. That currency has a global objective, which is to contribute to the stability, at global level, of the various currencies and, as you said, to offer foreign investors a chance to invest in a region that we hope is stable – and we are working on that – and that has a liquid market.

It is a long-term objective and it is an objective that goes hand in hand with the political union, which is linked to the single currency. We are ready to work towards that objective, as Diogo Feio said, and perhaps to go even beyond what the Commission proposes. In any event, that is the way I see it. It is a long-term project that aims to ensure that the euro takes its rightful place among the global currencies and to make the European Union, to an even greater extent than today, a political union.

I have one final comment to make: it seems, Commissioner, and I do not wish to be disagreeable, that, contrary to what normally happens, you have not published the responses

to the consultation. To begin with, you set extremely short deadlines because the responses had to be in by 8 January, which was not a very convenient date, and as far as I am aware – unless I am mistaken – the responses are not to be found on your website.

I believe that this is a transparency issue. We do not hide anything from the citizens, and we would like to know exactly what all of the parties concerned said openly and be able to respond to them.

Sven Giegold, *on behalf of the Verts/ALE Group*. – (DE) Mr President, Commissioner, ladies and gentlemen, this situation reminds me of the time when, as a House, we took a cross-party decision that we wanted a financial transactions tax at European level, too. Tomorrow – and I am convinced of this – there will be a broad majority in favour of further steps towards common bonds in Europe. That is important for this crisis. With such a majority, Parliament would be sending out a clear signal that – in contrast to what many of the national parliaments and sections of the public have been happy to say – stability bonds are no work of the devil and instead have important benefits. This joint declaration shows that. They have important benefits, they provide a deep market that, at the end of the day, is highly liquid and thus capable of providing lower interest rates for all of Europe's Member States for the long term. It is a prerequisite for communally secured debt that there is functional fiscal policy and that the budgets are sound. Ultimately, only when that is in place can there be large-scale communally secured debt. Comments of this kind have to be tempered, however, as we have long had communally secured debt in the European Investment Bank and the European Financial Stability Facility (EFSF).

It is also important, however – and this is my second point – that this resolution shows that the strategy pursued by the Council to handle the crisis up to now is illusory. A number of countries have major solvency problems and simple economic calculations show that involving private creditors in Greece was simply not enough. Similarly, austerity alone cannot solve the problems in these countries – nor can growth alone. Simple calculations by the Kiel Institute for the World Economy show that the primary surplus of countries such as Portugal and also Greece is too high – even after the debt haircut for Greece that has still not quite been adopted – to ultimately see these countries emerge from the crisis. That is why the model put forward by the German Council of Economic Experts of having low interest rates to finance pre-existing debt is important.

Commissioner, I beg you to take this back to your fellow Commissioners. Do not allow yourselves to be sidetracked by the resistance of a few Member States. Without low interest rates for everyone, there is no way out of the euro crisis. You must, therefore, fall back on the Council of Economic Experts' model. Examine the other models, too, and bring forward a bold and definitive proposal. The voice of Parliament is telling you that we want you to make your submission quickly.

Kay Swinburne, *on behalf of the ECR Group*. – Mr President, sovereign issuance of debt is a national necessity and a way in which national governments can raise the funding required to pay for their policy delivery. The cost of funding to a sovereign is the single most important method of ensuring they do not live beyond their means.

Fiscal prudence and the direct relationship between lender and borrower, in this case the Member State and the financial investors in government bond markets, are the brakes on the system, preventing overspending in the short, medium, and long term. Currently sovereign issuance in the euro zone is still conducted individually by euro zone Member States, but the stability bonds being proposed would entail a significant pooling of sovereign

issuance. It remains to be seen whether a stability bond could be designed so that it does not lead to an increased risk of moral hazard.

Removing the direct link between a sovereign and its investor is a risky strategy. However, designing a stability bond which delivers a reduced cost of debt for some poorer euro zone countries at an acceptable expense for the more wealthy is as big a challenge. As the German Ambassador recently said to a House of Lords inquiry, stability bonds are not a solution to the existing crisis. If there is any debate about Eurobonds this is not the time to have it. This is something that could be the crown to an existing fiscal union, but it would have very great moral hazard in an incomplete monetary union. We need to listen to his wisdom. If a Member State spends or borrows too much, it risks losing investor confidence. Collective issuance of debt will not disguise the fundamentals and investor confidence in the whole of the euro zone may unnecessarily be put at further risk.

Miguel Portas, *on behalf of the GUE/NGL Group*. – (PT) Mr President, while the governments are capable of approving a new treaty at the speed of light, a debate like this on Eurobonds moves forward at a snail's pace and in a forest of ambiguities. On one hand, we recognise that the euro area finds itself in a unique situation, with the euro area Member States sharing a single currency without a common fiscal policy or a European bond market. In view of this, the problems of the euro are not Greek, Portuguese or Irish, but European, because there cannot be a sound currency without a European budget worthy of the name and there cannot be a sound currency without the ability to issue bonds at that same level. On the other hand, however, the resolution also says that the stability of each country, budgetary stability, is a condition, a pre-condition, of Eurobonds. This is like telling someone who is sick that they only have the right to medicine if they are somehow miraculously cured. This is absurd. It makes no sense.

European bonds should be viewed in the long term as a public instrument for financing economies and not as a prize offered to governments for complying with the most ridiculous of agreements so far invented, the treaty reinforcing the Stability and Growth Pact. European bonds should contribute to restructuring the debt of countries in difficulties or the history of the coming years will continue to be written in Greek and founded on large doses of austerity, humiliation and despair.

Godfrey Bloom, *on behalf of the EFD Group*. – Mr President, in the 1970s the Community Reinvestment Act in the United States made due diligence in banking illegal. To pursue a political goal, the Administration laid open the pathway to what we now know as sub-prime debt. It proved to be – as I said it would at the time – a pathway to hell paved with good intentions. It was conceived to make banks lend to people who could not possibly repay.

We politicians now love to blame the banks, but it started with politics. Sadly, politicians do not understand money. How else could we have got ourselves into this appalling mess? Yet we have learnt nothing; we are now advocating a form of Eurobond, a sub-prime debt instrument by any other name. Again, we are bailing out the banks at the expense of the taxpayer. The ECB, the Bank of England and the Fed are all at it: print money; give it to the banks to buy junk bonds – bogusly rated as double A – to shore up their reserves and guarantee salaries and bonuses that ordinary people can only wonder at.

We have learnt nothing from the 2008 crisis. We are desperately clinging to a failed political ideal as our cities riot and burn. The day must surely come when politicians, bureaucrats and central bankers must be called to account by a fiscal crimes tribunal and sent to prison for a very long time.

Andrew Henry William Brons (NI). - Mr President, when it comes to borrowing money, interest is not the only price you pay. Your creditor or guarantor will demand conditions for the loan. Stability bonds might facilitate borrowing by insolvent countries by providing a joint and several guarantee of repayment. However, the real price to be paid by the peoples of ailing countries, rather than their governments, will be even more budgetary constraints, leading to economic depression, greater unemployment, misery, homelessness and even suicide. For Greece, the cradle of democracy, the unelected Commission will determine tax and spending policies that should instead be determined by Greek voters through their elected representatives in their own national parliament.

These sacrifices might be worthwhile if they guaranteed prosperity for the ailing countries. However they are locked in a currency that is absurdly overvalued for their economies. They need reversion to their own currencies, which will devalue and then produce export-led recoveries.

Corien Wortmann-Kool (PPE). – (NL) Mr President, the past year has seen important steps taken to strengthen the basis of our Economic and Monetary Union. Crucial elements of this are the ‘six-pack’, the permanent emergency fund, the new treaty and the decision by the European Central Bank to lend our banks EUR 500 billion in three-year loans. There are still major problems, but confidence is gradually returning, and we must be ambitious enough to continue on our path towards lasting economic growth.

Therefore, on behalf of our group, I welcome the proposal that Commissioner Rehn has presented regarding the macro-economic surveillance. Structural reforms are needed to ensure growth and competitiveness in Europe. But we need to continue to reinforce our Economic and Monetary Union, for that is the basis of our welfare and employment. Hence the importance of discussing stability bonds, since the issue of these bonds is still split up between 17 different markets in Europe. As a result, we are losing out on significant advantages.

Eurobonds will not solve the present crisis and are no excuse for not carrying through necessary, if sometimes painful, economies and reforms. Stability bonds, however, may well make a very positive contribution in future to a far more efficient issuance of State bonds and offer advantages to all of us in Europe. The EP’s resolution is consequently also a significant encouragement to the European Commission in its plea for further investigation of this highly complicated matter. There is still a lot to be disentangled, so please persevere along your pathway, full of man-traps though it be, for, looking to the future, it is in the interest of all of us to work towards the issuance of joint bonds.

Gianni Pittella (S&D). – (IT) Mr President, it has to be clear that the point of Eurobonds is not to shift the responsibility of badly behaved countries onto the shoulders of well-behaved countries. We all need to relax. No one is thinking of ripping off their neighbours. Germany’s reservations were initially understandable, but are now groundless as it is possible to design Eurobonds that will allow some countries to cut the cost of their debt, without increasing it for others.

As some of us have mentioned, the introduction of Eurobonds needs to be part of a process of greater integration and fiscal coordination between euro area Member States. However, it will also be necessary to pay careful attention in order to ensure that this transfer of fiscal sovereignty takes place via institutions with full democratic legitimacy, like the European Parliament.

I want to say this in the strongest possible terms. There is no response to the authoritarian procedure of the fiscal compact. Ladies and gentlemen, tomorrow's will be a historic vote. We will be planting an important seed in order to save Europe and move rapidly towards a Europe with economic government, fiscal coordination, and therefore a political Europe.

Carl Haglund (ALDE). - Mr President, first of all I want to thank Ms Goulard for making a good job of trying to consolidate the variety of views in this House on this complicated issue. I think Ms Goulard has done a good job in trying to address all of the criticisms put forward by those who are not very positive towards the Eurobond. At the same time, however, the fundamental challenge that some of us have with Eurobonds is whether we regard common issuance – in other words, joint liabilities – as something that is politically acceptable. This cannot be solved by technical solutions involving 'red' and 'blue' bond models and such like.

I personally am in favour of the redemption fund, and I want to remind this House that we have agreed together on the 'six-pack', the coming 'two-pack', the international agreement, etc. Hopefully, all of these will bring the European economies into balance, so why do we need Eurobonds at this stage, since at that point all countries should be able to get loans on the markets for a reasonable price? We have not answered that question, and the question whether our endeavours are economically or politically motivated has perhaps not been sufficiently answered at this point in time.

Pascal Canfin (Verts/ALE). – (FR) Mr President, Ms Kroes, in your speech on behalf of the Commission you said: 'Eurobonds without fiscal consolidation will not work'. You are quite right. However, what we have today is fiscal consolidation without Eurobonds. What we are proposing here in Parliament is a balance between the two. The package you are proposing today is unbalanced.

These are not our words. Listen to the rating agencies. When Standard & Poor's downgraded France a few weeks ago, what it was saying was: 'Austerity alone does not work'. You do not have to believe me, you do not have to believe the left here in the European Parliament, but you can believe the rating agencies, if you listen more closely to them.

The challenge is to put in place today a roadmap because we do not underestimate the legal challenges and technical complexities. It is precisely because it is complicated, however, that we need to start immediately in order to send a message and prepare for the battle as quickly as possible. Over and above the technical and legal issues, there is also the political dimension.

In Europe today do we want to do what the United States did 220 years ago, which was to pool, gradually, its public debt as a sign of solidarity and a reflection of a political will to create a political union? I believe that a majority of this House would wish to move in that direction. Surprise us in the European Commission! For once, be truly European and ambitious!

Claudio Morganti (EFD). – (IT) Mr President, ladies and gentlemen, we have wasted too much valuable time in moving in a direction that to me appears logical, as well as obligatory.

Struggling Member States are being asked to make considerable cuts to their budgets and there have even been suggestions of them being put into administration. They cannot afford to pay thousands of euros more than other euro area countries to refinance their debt, or they will never get over this crisis.

I think the solution recently proposed by some French analysts is very interesting. It involves a shared issue of European securities weighted according to the situation of the different Member States. This would deliver general savings on the costs of refinancing, which would be beneficial not only to the countries paying more, but also to the 'well-behaved' countries.

We need to act quickly. Europe can no longer be dominated by the interests of a single country that demands to decide for all the others.

Werner Langen (PPE). – (DE) Mr President, Eurobonds are an instrument that has to be strictly linked to conditions – the first condition, for example, being an extensive treaty change. Such a change is required because it has not been possible to introduce these Eurobonds under the existing European treaties. There is also a hidden meaning under paragraph 11 of the resolution, which refers to 'appropriate legal requirements'. That simply will not do – only treaty change will suffice.

Turning to my second point now, the resolution as a whole is the result of an intensive exchange of opinions. I would like to express my sincere thanks to Ms Goulard for having managed to incorporate in this resolution both the demand for Eurobonds and the misgivings raised about them, as well as the prerequisites. I therefore believe, even if there is a desire to hold separate votes about one point or another, that we in the Group of the European People's Party (Christian Democrats) will vote in favour of this joint resolution with a large majority.

That does not mean, however, that the problems will have been solved. The introduction of Eurobonds requires a treaty change approved by all 27 Member States. Even the proposal tabled by the German Council of Economic Experts for appraising economic development cannot hide the fact that even the communitarisation of debt over 60% requires a basis in the Treaties. We are on a long road and, in contrast to paragraph 7 of the resolution, I do not believe that the Commission has brought forward an excellent Green Paper, but a poorly produced one. Vice-President, you confirmed it yourself: there were only 18 interventions. I have never seen anything like that in the last 20 years. That can only go to prove that the Commission has not been doing its work so far.

(The speaker agreed to take a blue-card question under Rule 149(8))

Sven Giegold (Verts/ALE), *Blue-card question.* – (DE) Mr Langen, are you aware that we have had Community bonds for quite some time already? Are you, furthermore, aware that the resolution refers not simply to Eurobonds, but to a wide range of options? Are you also aware that not all of these options require treaty change? I find it questionable that you should have picked off generalities about Eurobonds alone once again. The very differentiation that we have achieved here thanks to Ms Goulard's sound proposal is not something that we should give up again. I would like to hear a little more differentiation in your speeches and I am eager to hear what you have to say in that regard.

Werner Langen (PPE), *Blue-card answer.* – (DE) I am aware of this. I am, in fact, the rapporteur for project bonds in the Committee on Industry, Research and Energy. Of course, there can be joint European bonds for investments via the European Investment Bank. That is the reality. What we are talking about here, however, is the assumption of common debt, which has hitherto been expressly forbidden under the Treaty. Mr Giegold, there is no need for lectures here. If we want to put in place a common stability bond, the conditions for that must first be met. I said no more and no less than that, and I cannot see a contradiction here.

Elisa Ferreira (S&D). – (PT) Mr President, Commissioner, between May 2010 and now we have seen how a problem that appeared manageable has spiralled out of control. It is true that combating the crisis caused by the financial markets has further indebted the countries of the euro area and that the weakest have become particularly vulnerable. However, is it possible that countries sharing the same currency are to be left to the mercy of attacks by financiers and those who make money by betting on the likelihood of euro area countries defaulting? The terrible consequences of the inability to respond in the Council and the Commission have produced problems that are today indisputable. The speculative interest rates demanded of individual countries have undermined any strategy for emerging from the crisis. The resulting intensification of the country's economic problems justify interest rates ballooning further until the country's economy is killed by credit being totally cut off, with contagion doing the rest. For a long time, this Parliament has been proposing a form of joint management of sovereign debt, subject to tough, but clear, rules.

We welcome the fact the Commission has finally produced a Green Paper on the subject, using the name 'stability bonds'. Today it is clear that, without bonds of this type, properly linked to the European stability mechanism, the so-called 'crash barriers', the sovereign debt firewalls, are non-existent; until they exist, the euro is in danger, as is Europe.

In the resolution adopted by the majority in Parliament on a new treaty, it was totally clear that it is unacceptable to continue imposing more fiscal stability rules, budgetary discipline and sanctions on euro area countries without taking concrete and urgent steps towards the joint management of sovereign debt. The two processes have to develop in parallel. This is what we expect from the Commission and it is already long overdue.

IN THE CHAIR: ISABELLE DURANT

Vice-President

Jaroslav Paška (EFD). – (SK) Madam President, I understand the efforts made by highly indebted EU Member States to help themselves by financing their public debt with bonds, repayment of which would mainly be the responsibility of others. However, the economies of each state are the sole responsibility of their respective governments. I therefore understand the caution of those governments that still have no difficulty in borrowing at a reasonable premium on the financial markets, as they do not wish to drag their countries into the dubious game of responsibility for the financial mismanagement of others.

If common stability bonds seem as beneficial an idea to the Commission and some Member States as they state in the Green Paper, they should now consider issuing common bonds for the group of countries that see a way out of the crisis in such a solution. We would all, for example, certainly watch closely the level of financial market interest in an issue of common stability bonds by a group of countries from southern Europe – Portugal, Spain and Cyprus – and the premium at which they would trade on the markets. If the premium was at the level of Germany's, I would say that this solution might be beneficial for the European Union.

Theodor Dumitru Stolojan (PPE) . – (RO) Madam President, I firmly believe that the single market will also include the single common bond market in the future. However, the question is: when exactly in the future? In this case, it would have been good to have had a political union, but we do not. Therefore, I believe that we must all recognise that Member States need, first and foremost, to regain their credibility on the financial markets

through tangible results achieved by implementing the new European legislation and the agreement which is in the process of being signed on economic governance and financial stability. We talk a great deal about solidarity, which is a strong European value. However, we cannot, at any rate, allow it to be extended to some Member States having to finance the excessive spending of other Member States and at a low cost.

We must also recognise that, whether we want to do it or not, Member States will pay from now on – as they also do at present – variable rates of interest and costs for the loans they obtain, as long as their credibility varies on the financial markets.

Othmar Karas (PPE). – (DE) Madam President, ladies and gentlemen, this is not a general debate about the economic crisis, it is a specific debate about the Commission's response to the Green Paper consultation. The response to the consultation, Commissioner, is something that you have withheld from us today. We do not know the response to the consultation. In the Green Paper, you put forward three variants. Today, however, you did not come down on the side of any of the three and we are now at the point where we need to get a move on.

We know the problems but we also know that the euro area – any currency area – is also a bond market. We also know that, before Eurobonds can be introduced – although there are many that we are thinking about today – there needs to be a consolidated budget. We have a long road ahead of us in that regard. I only have to think of the debate about the six-pack, of the fiscal pact, to get the feeling that the Member States are not yet at the stage to enable us to actually Europeanise the things we need.

Irrespective of this, you can also help speed things up with specific proposals – in which regard Mr Langen is absolutely right to say that, for two of the variants, we do, of course, need a treaty change – with specific variants, with a specific road map. We need Eurobonds, we need money and we need lower interest rates. We therefore need to move along that road more quickly than was apparent from your speech today.

Alfredo Pallone (PPE). – (IT) Madam President, after voting on the fiscal compact and the six-pack, and after beginning a debate on compliance with the rules by everyone, we are coming to the realisation that there is no coherent position either within Parliament or within individual governments. We cannot avoid this fact.

The first and second options of the Green Paper cannot be mutualised for a very simple reason, and that is that the guarantee is shared by all the Member States and therefore – as many have already mentioned – this gives rise to a moral hazard.

We have to work on the third approach, if we want to take action quickly and immediately. This means that there would be no mutualisation of the debt, and we cannot work on this because I believe that it is also ethically right that we should not be able to touch on a problem that was decided with the Maastricht Treaty.

In this case the debt in the form of Eurobonds would be made up of the best assets, and therefore this option is feasible and can be carried out swiftly by using, as I said, the best assets and the safest assets by means of liquid and gold reserves. I think that it is the only way forward at the current time – in other words, working on the third option of the Green Paper, because we would be hypocrites if we wanted to work on the first two in order to speed things up.

Later on we will need to agree on the names of these Eurobonds, so whether they are senior Eurobonds, junior Eurobonds, and so on, but at the moment we have a pressing problem, which is that of economic stagnation. Either we take immediate action or the countries that need it will go into recession.

Rodi Kratsa-Tsagaropoulou (PPE). – *(EL)* Madam President, the Commission's proposals on stability bonds come in the wake of initiatives and exhortation by the European Parliament and I therefore warmly welcome this approach. However, I should like to clarify that our objective is not to painlessly resolve the problems of certain countries which are unable to address them on their own. The objective is effective, fair and solidarity-based debt management, without burdening the healthy countries and without certain other countries being forced to provide finance on what are, for them, very onerous terms. The objective is to stabilise the euro area itself and I am sure that the Union will proceed in that direction.

I should like at this point to put certain questions to the Commission:

Firstly, how have the Member States reacted and how have financial associations reacted to the Commission's three proposals?

Secondly, how does the Commission expect stability bonds to help strengthen the euro on the international markets and, thirdly and lastly, what timetable does the Commission have in mind, given that the countries under fiscal pressure have urgent and imperative needs and, at the same time, must finance their economy in order to achieve growth and cohesion, not only at national level, but also at Union level?

Markus Ferber (PPE). – *(DE)* Madam President, ladies and gentlemen, we need to be a little bit more honest again in this debate. What was the situation like before the euro was introduced? What were the interest rates like in Greece when it still had the drachma? What were the rates in Italy when it had the lira, or in Spain with the peseta and Portugal with the escudo? They were considerably higher than what has to be paid on the financial markets at the moment. Those Member States within the euro enjoyed the sweet poison of low interest rates for a decade, and pursued a spending policy that they are no longer on top of. For them to now say that they want to continue to enjoy that sweet poison via the introduction of Eurobonds is precisely the wrong reaction to have. Many mistakes were made here in the past that now need to be corrected. Anyone who believes that this problem would be solved by making the drug that is low interest rates available on a sustained basis would be taking away the pressure that, thank goodness, is currently being applied to a number of Member States by the financial markets.

As a second issue, I would point out that Europe would not be made healthy where the result of Eurobonds would be not to make the sick healthy, but to make the healthy sick. That is why we need to be honest on this issue, too. Eurobonds would not strengthen the European Union, they would weaken it.

Then we have the craziest proposal of all in this resolution, namely to engineer a kind of self-funding reduction of debts through new debts via a redemption fund. What world are we living in? In real terms, what that means is that the debts that countries have run up would be refinanced thanks to the creditworthiness of others, with the costs being borne by those who kept their finances in order in that they have to pay higher interest rates for those who failed to do likewise. That is the communitarisation of debts. Anyone introducing this as a policy instrument endangers Europe much, much more than what we have

currently put in place in connection with the rescue packages. I can therefore but warn against acting as if Eurobonds would enable us to solve all our problems.

(The speaker agreed to take a blue-card question under Rule 149(8))

Sylvie Goulard (ALDE), *Blue-card question.* – (FR) I fully understand your desire not to withdraw the pressure of balanced interest rates, but it bothers me that you use the words ‘good’ and ‘bad’ so often. In my opinion, given the current situation it makes little difference whether the management has been good or bad. What do you propose doing to enable the countries that have made certain commitments to be able to fulfil them from now on and to ensure that the euro area as a whole thus stands firmly united?

Markus Ferber (PPE), *Blue-card answer.* – (DE) Ms Goulard, I will just say, briefly, that that is not a judgment that I have put forward here. I would just point out that the last government bonds issued by Italy before it joined the euro bore an interest rate of 10%. There was no outcry in Italy at the time. Nobody said that other countries should take on the debt. It was natural for Italy to pay high interest rates. Yet now, all of a sudden, because we have had low interest rates for 10 years and got up to our ears in debt, because money was cheap – for investments just as for the public purse – we want to prolong that through Eurobonds. That represents a trap from which we will not escape, and I stand by what I said.

Catch-the-eye procedure

Roberta Angelilli (PPE). – (IT) Madam President, along with the tax on financial transactions, stability bonds are the only concrete proposal that has emerged in recent months in order to be able to return to speaking about growth and development, and not just rigour and austerity.

We need resources to restore oxygen to the European economy and, in order to restore faith to the market, consumers and businesses, we need a new shared economic, fiscal and financial project. We need new projects to support employment and fight against youth unemployment. Or do we think we can solve all our problems with the EUR 82 billion – announced with so much media hype during the last European Council – which are nothing other than structural funds that have not yet been used by Member States? I believe we all know that we cannot carry on speaking just about sacrifices and cuts to the people of Europe.

To sum up, I would like to address my German fellow Members. I think that at the moment no one can save themselves without help and therefore if stability bonds are not the cure, Germany will also have to take care, because if the crisis spreads then this well-behaved country will also have to pay the cost.

Miroslav Mikolášik (PPE). – (SK) Madam President, I consider the idea of introducing stability bonds to be premature in the context of the unresolved sovereign debt crisis and deficits in many European Union Member States. The issuance of common bonds, which some consider a ‘potentially powerful tool to address liquidity constraints in several euro area Member States’ would, in my opinion, only draw attention away from the acute and unresolved fiscal discipline problems.

The crisis requires implementation of, and strict adherence to, an adequate fiscal framework, and the concurrent revival of economic growth. The common continuation of public indebtedness would only deepen the current negative situation. Although some negative

effects would be delayed and masked in the short term, the core problem, however, would remain unchanged. The introduction of commonly issued stability bonds would also radically change the structure of the euro area sovereign bond market and would introduce new and as yet little scrutinised risks for Member States.

Anneli Jäätteenmäki (ALDE). – (FI) Madam President, Parliament is now adopting an initial position on Eurobonds, based on a Commission proposal that presents various alternatives. The matter of Eurobonds is political. Eurobonds are a major leap towards federalism. This is the issue, and I myself do not support federalism.

Another reason why I am not in favour of Eurobonds is that they will allow Member States to continue to accrue debt irresponsibly, and this of course is the very thing that we need to be free of. In future, Member States should only be liable for their own debts.

Finally, I would like to say that now, while there is unrest in Athens, the European Parliament is obsessed with the idea of Eurobonds. I think that priority should be given to employment, growth and the creation of jobs.

Ildikó Gáll-Pelcz (PPE). – (HU) Madam President, Commissioner, now that common economic governance has been established, keeping it stable is clearly a goal for all Member States, and I therefore support both the motion for a resolution and the introduction of stability bonds. So much is certain. From this point on, however, all I have for the Commissioner is questions – both in respect of the introduction of the system and the Member States intending to join. Commissioner, you gave a general introduction, for which I am very thankful to you. I understand that you are in an extremely difficult position having to stand in for Commissioner Rehn; however, I cannot look past the fact that this issue has gone far beyond the point where a general introduction is needed. At this point we should be discussing the specifics. The green paper contains two important elements in respect of the introduction of these bonds: budgetary discipline and the matter of increasing competitiveness. Are there any other requirements for issuing such bonds? It is also unclear how Member States that are not part of the euro area will be able to join. A roadmap – a specific one, not a general one – would be welcome. I would appreciate your response in this matter.

Anna Záborská (PPE). – (SK) Madam President, I am not a financier, I just want to employ some common sense. I would like to ask a question: do any of the proponents of stability bonds recall what the cause of the mortgage crisis was in the US? Financial institutions created packages for investors which included mortgages of varying quality. These collateral bonds were supposed to spread risk in the event of a default on mortgage payments. They came about as a result of a political order in the shape of an endeavour to provide every citizen with a loan for a house, regardless of financial capabilities.

This is no different to what we now call stability bonds. It is a political endeavour to make more loans accessible to those who cannot repay them. Even the strictest financial discipline rules will fail if they are not enforceable. In the case of mortgages, the lender can claw back part of the loan by selling the property. In national sovereign debts this option does not exist. I believe that the risks associated with Eurobonds have not been sufficiently taken into account.

Inês Cristina Zuber (GUE/NGL). – (PT) Madam President, the euphemistic way 'Eurobonds' are being called stability bonds is founded upon a prerequisite that we reject: the deepening of economic and budgetary governance will result in a marked transfer of

sovereignty to the major powers. The strategic objective adopted here is not economic growth, job creation and combating social inequality, but the establishment of the euro as a global reserve currency, an element which goes against the interests of the people of the outlying countries. This mechanism does not guarantee the end of speculative attacks and retains differentiation in the interest rates each country pays for finance. There is no need for measures that could, years ago and in the framework of debating a profound change in European Union economic policy, have served to dampen speculative shock. What is required at this time is to reverse the path taken and repeal economic governance, the Euro Plus Pact and the fiscal compact.

Elena Băsescu (PPE). – (RO) Madam President, according to the Commission's annual analysis for 2012, economic recovery in the EU is going through a period of stagnation, and economic growth is forecast this year to reach only 0.6%. The deepening of the sovereign debt crisis in the euro area is worrying. In view of this, common bonds could provide an effective tool for resolving liquidity problems. They mark a step forward towards common fiscal sovereignty between euro area Member States. Issuing stability bonds could also help provide funding at lower costs. This would have a positive impact on national markets.

The EU must devise economic and budgetary supervision measures for countries faced with severe financial instability. It is important for budgetary discipline to be enhanced.

End of the catch-the-eye procedure

Neelie Kroes, *Vice-president of the Commission* . – Madam President, this is quite an experience: 22 people are on the list to speak and there are only 5 in the Chamber. I am saying this by way of response to the remark of Honourable Member Werner Langen, who mentioned that 18 reactions to Olli Rehn's speech was quite a low number. I could not agree more, but his reaction and his conclusion on that number was that the Commission did not do the job properly. I do not accept that conclusion.

Olli Rehn is doing a great job. He could not be here today, but I can assure you he has to be active in the solution for Greece. Having said that I think that it is quite remarkable that as I began my speech Mr Bloom was saying 'I have to go', 'I am hungry'. This type of reaction is not in keeping with the importance of the issue we are dealing with.

I am more than willing to do the job and to give the answers that I have available on this subject. The subject is too important not to reply in full. I completely agree and, therefore, arguments in favour of pursuing Eurobonds are clear. Stability bonds would provide all participating Member States with more secure access to refinancing, and reduce or eliminate the need for costly support and rescue measures for Member States temporarily excluded from market financing. Stability bonds would enhance financial stability and they would provide the source of more robust collateral for all banks in the euro area.

This would reduce banks' vulnerability to any deterioration in the credit ratings of individual Member States, and other institutional investors would benefit from a more homogeneous and robust safe asset. But stability bonds are not a measure to address the current crisis. They are the next step in EU integration and a tool to limit the risk of future crises. Stability bonds can make the euro-area financial system more resilient to future adverse shocks and so reinforce financial stability.

We also need to be clear about legal, technical and political challenges. For example, the issuance of stability bonds under joint and several guarantees would, *a priori*, lead to a

situation where the Article 125 ban on bail-outs would be breached. In this case, an amendment to the Treaty would be necessary. I do not need to explain to you the likelihood of success of such changes in the current circumstances.

In so far as the introduction of stability bonds will increase the pooling of risk between participating countries, this might have the effect of weakening market discipline. This means that it is of crucial importance that all participating Member States have confidence in other participants' economic and budgetary policies, and thus a higher degree of control over each other's policies.

Therefore, an increase in surveillance and in intrusiveness in the design and implementation of national fiscal policies would be warranted beyond the recent initiatives, and by that I am talking about the six-pack, the fiscal compact treaty and Article 136 regulations proposed by the Commission. The very existence of stability bonds could fundamentally alter budgetary processes, notably via the allocation mechanisms.

The participating Member States would collectively decide and approve individual budgetary plans through the allocation of bonds. All these issues require careful further reflection. The Commission will therefore continue seeking the views of key stakeholders in this respect and will therefore consult, in particular, Member States, financial market operators, financial market industry associations and academics within the EU and beyond. Once sufficient clarity has been established on all those issues, the Commission will give its views on the appropriate way forward.

I sincerely hope that those who remain in the Chamber and who are interested in the debate can accept this response in the name of Olli Rehn.

President. – In accordance with Rule 115(5) of the Rules of Procedure, I have received one motion for a resolution ⁽³⁾.

The debate is closed.

The vote will take place on Wednesday.

Written statements (Rule 149)

George Sabin Cutaş (S&D), *in writing.* – (RO) I think that the risks facing Member States on the financial markets need to be pooled. In a situation where France is facing the threat of having its rating downgraded by credit rating agencies and Germany was faced a few months ago with increased problems in financing itself, refusing to implement Eurobonds will clearly only exacerbate the current situation for all EU Member States. Creating a single Eurobond market, while also setting targets for reducing Member States' debts under the supervision of the European executive, would help make the euro more stable, increase liquidity and achieve significantly lower interest rates. A single currency cannot operate without a common bond market and a common fiscal policy. In fact, the euro has the potential required to become a global reserve currency. Against this background, I welcome the initial proposal from the European Commission on stability bonds. Following consultations, it must quickly present a road map for launching this tool.

Monika Flašíková Benová (S&D), *in writing.* – (SK) The Green Paper on the feasibility of introducing stability bonds assesses the feasibility of the common issuance of sovereign

(3) See Minutes

bonds among euro area Member States and the conditions required. Sovereign issuance in the euro area is currently conducted by Member States on a decentralised basis, using various issuance procedures. The introduction of commonly issued stability bonds would mean a pooling of sovereign issuance among the Member States and a sharing of associated revenue flows and debt-servicing costs. This would significantly alter the structure of the euro area sovereign bond market, which is the largest segment in the euro area financial market as a whole. The intensification of the euro-area sovereign debt crisis has triggered a wider debate on the feasibility of common issuance. A significant number of political figures, market analysts and academics have promoted the idea of common issuance as a potentially powerful instrument to address liquidity constraints in several euro area Member States. The common issuance of Stability Bonds would also require a further move towards a common economic and fiscal policy. The Commission should declare the preliminary results of the consultations on stability bonds mentioned in the Green Paper, and on the further steps it plans to take based on the public consultation on its Green Paper. I am personally of the firm opinion that the introduction of common bonds is one of the key points in combating the current crisis. I therefore hope that decisive steps will be taken in this direction.

Andreas Mölzer (NI), *in writing.* – (DE) Instead of helping Greece from the start by having it exit the euro and achieve rapid consolidation through a European Marshall Plan, a vicious circle of debt, recession and hunger for credit was created, attempting to relegate Greece to the status of a permanent recipient of financial aid. Many before have lost house and home playing that game. At EU level there is much more at stake. Here, whole states and the debt burden of future generations are on the line. Yet, while casinos have the ability to bar people, Brussels wants to open the doors wider to gambling addicts. Eurobonds are nothing more than a public invitation to raise fiscal policy sloppiness and the communitarisation of debt to a new level. Of course, the bankrupt states in the euro would rather tap the financial power of the net contributor states – thus in particular Germany, the Netherlands and Austria – than to bring their own budgets into order. When, in the casino of European sovereign debts, the alarm is ringing, it is not acceptable that we should then simply use Eurobonds to switch off the flashing lights and allow the crisis-hit countries to assume even more debts than they could ever repay. The further communitarisation of debts through Eurobonds must be vigorously rejected. Instead, the EU should take new paths such as a European hard currency union.

Sirpa Pietikäinen (PPE), *in writing.* – (FI) I would like to thank the Commission for giving tangible shape to the debate on Eurobonds; the Green Paper on stability bonds is an excellent start to that debate. The idea of common euro area bonds must be properly examined as one component in the Union's future financial architecture, especially as a method for increasing the stability of European public debt financing and to reduce interest charges, and as a boost to the economy. The approach should, above all, be a pragmatic one: with adequate guarantees of good financial discipline, a common bond would reduce everyone's debt service costs. Without them, we would be sharing the risks for the wrong reasons.

Common European bonds will also be seen to bring other benefits. Lower and steadier interest rates on the debts of countries in the system and making it harder to speculate using the bonds of individual countries are issues we hear time and time again in debates. The argument that common bonds have greater liquidity has, in particular, been used to support the idea that the system would also be useful for 'good payers', which would still be countries judged to be in the lowest possible risk category. It is mainly the smaller countries with AAA credit ratings, though also Germany, which have been thought to

benefit from a large, more liquid bond market. Common bonds would compel Member States to coordinate their financial policies more closely.

Both those who oppose the system and they who support it have valid reasons for so doing. I myself think that the benefits to be gained from Eurobonds will, in the end, be greater, as long as we ensure that the system's rules and structure are imposed in the right way.

15. Composition of interparliamentary delegations: see Minutes

16. Radio spectrum policy (debate)

President. – The next item is the recommendation for second reading (A7-0019/2012), on behalf of the Committee on Industry, Research and Energy, on the Council position at first reading (16226/1/2011 – C7-0012/2012 – 2010/0252(COD)) with a view to the adoption of a decision of the European Parliament and of the Council establishing a multi-annual radio spectrum policy programme (Rapporteur: Gunnar Hökmark).

Gunnar Hökmark, rapporteur. – Madam President, through the decision on European radio spectrum policy we are taking necessary and crucial steps to regain European global leadership regarding mobile telephones, with all the opportunities that provides for the European telecoms industry as well as for new services and new jobs and growth.

It is important to underline that this is what this decision is about: not only telecoms but also giving new dynamism to the European economy. I would like to thank the Commissioner, the Hungarian and Polish Presidencies and the shadow rapporteurs for the results.

For quite a long time, Europe had the leadership in mobile telecoms. It was a common European GSM standard together with European deregulation that paved the way for a dynamic European telecoms industry with new innovations, where new technologies created growth and prosperity. We have lost that momentum and we can today see a new global economy with new actors – China, India – competing together with us and the US. We need to make the necessary efforts to lead new development not only because of the telecoms industry as such, but also because of the need to recover competitiveness.

At the same time, we have seen the demand for mobile data traffic really explode, and it will continue to increase extremely rapidly, with all the opportunities for new services. My ambition in the report on this decision was that, within a multi-annual spectrum programme, we should try to take the lead regarding this second wave of internet revolution which we are facing. I want us to lead the process of change and I want us to create the best opportunities in Europe regarding competitiveness and the use of telecoms opportunities.

To phrase it very simply: I want Europe to be number one, not number two, not number three and not number four. However, if we are to be number one, we must take the decisions which can make us number one. I am therefore very glad that we have been able to raise our ambitions in this process. Thanks to this decision we will free up the 800 MHz band from January 2013, which will provide European telecoms industries and new services with the capacity which is needed. With this decision we set the target of freeing up, no later than 2015, a total of 1 200 MHz for wireless services, which will assure that we can meet the increasing demands and be in the lead for quite a long time, offering the best

possible capacities for European industries, be it the service sector or the telecoms industry as such.

We have also agreed that in 2015 the Commission will assess the need for a further freeing-up of frequencies in order to secure that we have the best opportunities. We have decided that we shall create a European inventory and assure that we have all the necessary opportunities for wi-fi in other areas.

So, all in all, Madam President, what we have before us is a decision which will provide us with opportunities not only to achieve leadership in telecoms but also to increase competitiveness and opportunities for new services. I thank you all for your cooperation and look forward to the debate here tonight and the decision tomorrow.

Neelie Kroes, *Vice-president of the Commission*. – Madam President, I am delighted that Parliament and the Council have reached agreement on the radio spectrum policy programme. As you know, the Council confirmed this last December and I am confident that Parliament will do so tomorrow. I want in particular to praise the efforts made by the rapporteur. For me it is ‘Spectrum Gunnar’ – not ‘Speedy Gonzalez’, but ‘Spectrum Gunnar’. Mr Hökmark and the shadow rapporteurs were of great help, and the Chair was also of great help in achieving this result.

Adopting this programme is a significant step forward. We know the importance of spectrum for the digital world. For instance, mobile data usage in Europe is almost doubling every year – driven by a rocketing smartphone market and increasing demand for online audiovisual content. In that world, constraints on spectrum availability are constraints on economic growth, as has rightly been said, and would make it harder to reach our target of broadband for all.

This programme opens the door for significant achievements in the coming years. First, by 2013, we will open the key 800 MHz band for next generation wireless communications. Second, we will create a European inventory to support efficient spectrum use, using it to identify by 2015 at least 1 200 MHz of harmonised spectrum for wireless broadband. Third, we will guarantee competition in the use of spectrum. Fourth, we will meet the need for spectrum in sectors like transport, energy, the environment, earth observation, civil protection and the internet of things. Fifth, we will support Member States and enhance EU coordination in international spectrum negotiations. The 2012 World Radiocommunications Conference (WRC) in Geneva, which is going on as I speak, is a good example. I would remind you that, without affecting the compromise, the Commission has attached three statements to the Council minutes.

Let me now briefly update you on the ongoing negotiations in Geneva. Clearly I cannot give you a full assessment until after proceedings are complete, later this week. That full assessment will be covered in a staff working paper to be presented to you very soon. However, at this stage it seems probable that the EU’s objectives, as highlighted in particular in Parliament’s resolution of last September, should broadly be achieved, particularly those on the need for more broadband spectrum, on protecting Galileo, and on short-range devices.

A new issue also arose during the WRC negotiations relating to the possible use of the 700 MHz band for wireless broadband, based on a proposal by African and Arab countries which did not want to wait until 2015 to have a discussion on this subject. This is obviously

a sensitive issue, but the programme discussed today gives us the policy line and tools to deal with it.

Remember, tomorrow's economy will be digital. A coherent spectrum programme provides the rails on which that economy will run. To ensure significant success, I invite the honourable Members of this Parliament to approve the Council's position, in line with the compromise reached on 24 October 2011.

Paul Rübiger, *on behalf of the PPE Group.* – (DE) Madam President, Commissioner, I believe that it is very important for all of us specifically now, when we consider the debt crisis, to also think about how we will earn back the money that we are spending. We said that we would judge you on the results by 2014, how you manage to bring about the basic conditions, here in this most important of the European Union's areas of responsibility, that will make us more competitive. You have my congratulations, as the hardware has improved dramatically across the globe in recent months and years, from smartphones to the iPad, from the copper plate to the fibreglass high-speed networks that offer quite a dramatic difference in capacity for surfing the net, to cloud computing, where we can see that demand is rising at extreme levels and that we, here in the European Union, have taken a pioneering role. You have my congratulations for that.

Ultimately it is about setting new standards, including in the field of software. If we talk of network neutrality today, what matters is the quality, the quantity, the priority and the performance with which work is performed in these networks. To achieve that, we need technical standardisation, as well as technical legislation. Europe has shown that, with software solutions and technical standards, great progress can be achieved. If, for example, we just take the GSM system: UMTS, LTE, the fourth generation networks – what will be next? We should be prepared for extreme growth in data volumes. I therefore also proposed in Roaming Dossier 3 that we should measure wholesale trade in terabytes rather than gigabytes – a level that consumers have already reached.

When it comes to content, too, there are numerous disagreements. If we take the debate on the Anti-Counterfeiting Trade Agreement (ACTA), we can see that lifelong learning is also key for the user and that we need to do more research in this area. In other words, the business models that arise here, the emergency services and the social networks all have a claim for the frequencies to be found to enable them to do their work.

Teresa Riera Madurell, *on behalf of the S&D Group.* – (ES) Madam President, Commissioner, first of all I should also like to congratulate Mr Hökmark and the shadow rapporteurs, especially Ms Trautmann, for their work and their contribution to what we might call 'the first common European vision on spectrum distribution'.

I know this has not been easy, as distribution was traditionally the prerogative of the Member States and I can imagine how difficult it must have been to bring the Council to the negotiating table.

The demand for wireless services that require spectrum is currently on the increase, and spectrum is limited. Therefore, we must make sure it is efficiently allocated in such a way that access is guaranteed to the most innovative services.

The Group of the Progressive Alliance of Socialists and Democrats in the European Parliament welcomes the key points of the agreement. Some of them have just been mentioned by Commissioner Kroes: the allocation of the 800 MHz band to broadband Internet services in all the Member States by 2013; the obligation to assign at least

1 200 MHz to mobile data traffic by 2015; and the creation of an inventory of existing spectrum use, which will serve to explore new opportunities for harmonisation and more efficient use.

These measures will enable new spectrum uses and help to bridge the digital divide. They constitute an advancement towards the goal of ensuring the entire population can have access to high-speed Internet, as established in the Digital Agenda.

Lastly, I would simply like to point out that my group has stressed that we need to strike a balance between the demand of telecommunication operators and the need for broadcasters to maintain their frequencies. Our goal has always been to ensure cultural diversity.

In short, the primary aims of this agreement are to reduce the digital divide and to give telecommunications operators guarantees so that they may invest in an industry that has outstanding potential and thus contribute to Europe's economic recovery.

Vladko Todorov Panayotov, *on behalf of the ALDE Group*. – (BG) Madam President, I would like to thank the rapporteur for his work on this report which, although complex, is of crucial importance to all of us. This proposal marked the Commission's first pan-European programme involving the strategic planning and harmonisation of radio spectrum usage within the EU. The main objective of the programme is to increase the number of frequencies available for wireless broadband communication. The scope of the programme within the sphere of digital technologies is to grant access to broadband services to all EU citizens by 2020. However, the harmonisation of the frequency bands is not just a technological improvement for the EU. It is actually a key component for achieving a single market throughout Europe. By expanding the single market to include frequency bands, the EU will offer a digital environment that enables the development of a single internal market and strengthens various aspects of our economy. This harmonisation will encourage pan-European services and reduce the administrative burden for the individual Member States. Only then will the EU be able to assume a leading role as well within the services sector and in the development of a competitive knowledge-based economy. The facts show that the level of worldwide data transfer through mobile networks will double every year until 2014. This is why it is imperative to free up more radio spectrum for wireless broadband communications. However, very prompt action is of the essence.

Vicky Ford, *on behalf of the ECR Group*. – Madam President, Commissioner, Spectrum Gunnar, our mobile data traffic is expected to double, double and double again in the next three years; we love our smartphones, new devices, new apps. Coordinated spectrum release will boost access, allow seamless services across our borders, drive competition and innovation and deliver lower prices and higher quality.

Spectrum is a finite resource often hoarded by public sectors. Countries should liberalise the existing 3G spectrum for the next generation and allow spectrum to be traded, giving access to new entrants. Releasing spectrum is vital for economic growth. In rural areas at 800 Mhz you can access the parts other bands cannot reach and 2.6 GHz will give deeper coverage in our cities.

It is important to coordinate activities and a spectrum inventory will help. But Member States must also be able to safeguard local services. To maintain our competitive position our countries must deliver our shared digital vision. Allocating spectrum is one step but

customers need to be able to use it. For that we need long-term investment in our infrastructure and that is an even bigger challenge.

(The speaker agreed to take a blue-card question under Rule 149(8))

Paul Rübiger (PPE), *Blue-card question.* – (DE) Thank you, Ms Ford. I think you were addressing an important point, namely cross-border competition. I would be interested to hear what chances you actually see for the European Union through this frequency policy in international competition with China and the United States.

Vicky Ford (ECR), *Blue-card answer.* – I think it goes beyond bands. It is about building the infrastructure so that the infrastructure roll-out keeps pace with the demand. Elsewhere in this Parliament we are legislating on long-term investors, and may be making Europe less attractive to the long-term investors we need to build our mobile infrastructures and other infrastructures.

Auke Zijlstra (NI). – (NL) Madam President, radio spectrum policy draws the internal market closer together and should make communication easier. The Dutch Freedom Party, therefore, supports the agreements that have been made. The EU owes its right to exist to the internal market, and that means not only the free movement of goods but also the free movement of ideas and opinions. No barriers! European institutions and national governments must guarantee the free movement of ideas and opinions.

The free movement of people between countries has social implications, in the Netherlands as elsewhere. The Dutch Freedom Party has now opened a website where citizens can share their experiences of this. But now the Commission, the European Parliament and ten ambassadors have spoken out against allowing citizens such a chance to say what they think. Even Commissioner Kroes, who is responsible for freedom on the internet, has now opposed this right. That sends out the wrong signal altogether. Freedom of expression is the core of any democracy, the core of my party's political message, and one of the fundamental principles of the EU, as this Commissioner, of all people, ought to know.

Bogdan Kazimierz Marcinkiewicz (PPE). – (PL) Madam President, Commissioner, living in today's globalised world, we have to provide particular support to the development of new technologies that enable more efficient communication and use of data flow. Currently, the European Union is actively participating in the innovation and technology race, which will determine who is the leader in the new, increasingly digital world. I, therefore, think that we should not slow down the work carried out on the second reading of the radio spectrum policy programme. The Polish Presidency made every effort to ensure implementation of the RSPP within the shortest timeframe, all the more so, since both the Commission and the Council favour the adoption of the document in its current form.

The agreement that was reached through compromise - for example, the freeing up of the 800 MHz band for wireless broadband Internet services in all Member States by 1 January 2013, the increase of mobile communication to at least 30 Mbps by 2020, and the allocation of at least 1200 MHz of the spectrum to mobile data traffic by 2015, as well as the creation of an inventory with a very large scope of the existing use of spectrum from 400 MHz to 6 GHz - will pave the way for the European Union to take the global lead in wireless broadband communications services.

The programme's priority is to create a framework for the radio spectrum, which could help the European Union in reaching its key objective of access to high-speed Internet for all EU citizens. We should, therefore, remember that the effective use of data transfer by

citizens and businesses is a challenge, but also an unquestionable step towards improved standards of education and work, and thus a guarantee of the development potential of future generations of Europeans.

Silvia-Adriana Țicău (S&D). – (RO) Madam President, the Commission's proposal for a decision from September 2010 establishing the first radio spectrum policy programme sets out policy guidelines and objectives for the strategic planning and harmonisation of the use of radio spectrum until 2015. The radio spectrum policy programme reflects how important the availability and effective use of the spectrum is to the internal electronic communications market and to other European Union policy areas such as transport, research, Earth observation, satellite-based navigation systems, environmental protection and tackling global warming.

I welcome that the amendments proposed, which were adopted by Parliament, were also included in the agreement reached by the Council and Parliament. They aim to include the following goals as part of the policy objectives:

1. In Article 3(c), removing the digital divide and contributing to the objectives of the Digital Agenda, thereby ensuring that all EU citizens have access to broadband of at least 30 Mbps by 2020 and allowing the EU to have the highest speed and capacity possible for broadband services;
2. In Article 3(l), promoting the accessibility of the new consumer products and technologies so as to secure consumer endorsement for the transition to digital technology and efficient use of the digital dividend.

I also welcome the inclusion in Article 4(3) of the need to focus particular attention on the standards for equipment intended to be used by people with disabilities.

The decision envisages an inventory being carried out of the current use of radio spectrum for commercial and public purposes. The inventory will be administered by the Commission which will adopt the implementing acts by July 2013, with the aim of defining the methods and formats for collecting and transmitting data to Member States. The Commission will submit a report to the Council and Parliament on implementing the decision no later than two years after its entry into force and will carry out a review of its implementation by 31 December 2015.

Marietje Schaake (ALDE). - Madam President, at times when many people are sceptical about Europe and wonder what it can concretely deliver to them, businesses, cultural and economic development, it is nice to be able to bring some good news.

Radio spectrum, like any move towards a true European digital single market, is such a subject. Radio spectrum is scarce but it offers a number of opportunities and it is essential to make Europe a global leader in this information society.

This political agreement will pave the way for a development that will allow the EU to take the global lead on broadband speeds, mobility coverage and capacity. It will be a crucial building block in creating a flexible and coordinated European spectrum policy where the exponential growth of mobile data traffic can be met by future reallocations and where inefficient use of spectrum belongs to the past. This policy should help to create a true pan-European telecoms market.

It is unfortunate that the European Parliament was not able to achieve the extension of the allocations of unlicensed spectrum to allow for greater use of wi-fi. To preserve the European

level playing field, and to take our opportunities in a highly competitive global economy, we should avoid a situation where newer and better technologies are at a disadvantage simply because they came later.

Angelika Niebler (PPE). – (DE) Madam President, Commissioner, ladies and gentlemen, I would like to start by offering my sincere thanks to the rapporteur, who also so successfully put across Parliament's position in the negotiations with the Council. 'Spectrum Gunnar', you have my thanks!

More and more European citizens make use of mobile Internet services, and the trend is upwards. I have a couple more figures to highlight this. In 2010 alone, average monthly smartphone usage doubled to 79 MB from 35 MB the previous year. Similarly, in 2010 3 million new tablets – such as the iPad – were newly connected to the mobile network. In future, too, even greater data traffic is anticipated. Experts predict that mobile data traffic will increase by a factor of 26 between 2010 and 2015, and in 2015 some 788 million people will use the Internet exclusively from mobile devices.

Against this backdrop, the first European radio spectrum policy programme, which we will be deciding on tomorrow, therefore has a particular role to play. Our goal is clear – more frequencies need to be made available for wireless broadband networks in future than has been the case so far. The flood of data was threatening to block up the transmission capacities that we have hitherto had available. More frequencies will mean that we can continue to use our mobile Internet services without interruption in future. If we adopt the radio spectrum policy programme tomorrow with a broad majority, we will have done something positive for our citizens in Europe.

As you all know, I am currently also fighting on another front, as rapporteur for the new Roaming Regulation, to bring about better conditions for mobile Internet use. I believe that surfing the net when abroad must become much cheaper. Commissioner, you have already brought forward a bold proposal in this regard. We also aim to be somewhat bolder in Parliament, as we want to achieve something for our European consumers. If the Roaming Dossier – as is my hope – can be wrapped up in the first half of this year I would be very pleased if I earned the nickname 'Roaming Angelika'.

Francesco De Angelis (S&D). – (IT) Madam President, ladies and gentlemen, this is an important programme and an ambitious plan – to turn Europe into the world leader in terms of broadband speed, mobility, coverage and capacity. As has already been said, we need to aim to offer broadband for all.

Europe is behind. The United States and China have already liberalised most of their radio spectrum. Therefore the agreement to open up the 800 MHz frequency band for wireless broadband Internet services by the end of the year, and to speed up mobile broadband to at least 30 Mbps is to be welcomed. These are important objectives.

I believe that a European digital agenda could be a source of development, growth and unemployment. We have to act decisively in order to reclaim our leading role in the global knowledge economy.

Petra Kammerevert (S&D). – (DE) Madam President, I would like to bring a little reality to the illusion that has just been so elegantly produced because, from a culture and media policy point of view, the Council's Common Position is, in fact, a disappointment and unsatisfactory.

Frequencies are a scarce public good with considerable cultural and media policy significance. As long as, for example, radio needs frequencies to broadcast its services, these are of particular importance for the freedom of the media and of expression in Europe.

The Committee on Culture and Education has put forward a series of proposals for how this can reasonably be taken into consideration. Alongside clear wordings on the special role of radio and the consideration that it needs to be given, we warned that we need to open the door now to the second digital dividend.

We called for clear compensation rules so that it is clarified that switchover-related costs, for example for the new procurement of technology in theatres, will be assumed and that provision must be made for compensation for investments that made the digital dividend possible.

There is nothing left of all this, apart from the brief reference to the Telecoms Package and a few permissive provisions for the Member States. I now expect the Commission and the Member States to at least demonstrate in their practical actions that they are aware of their responsibilities, that their dealings with this public good will not be solely in pursuit of economic benefit and that they are aware of its importance for media diversity and for the cultural interests of our society.

Catch-the-eye procedure

Eija-Riitta Korhola (PPE). – (FI) Madam President, I would like to thank my colleague, Mr Hökmark, for his excellent work on the radio spectrum policy programme. Radio spectrum is limited and a natural resource that is very much in demand. It is needed in numerous sectors and, increasingly, for digital technology and fast broadband connections in particular.

On the Committee on the Internal Market and Consumer Protection, I myself was responsible for this programme's framework, and I am very pleased that we produced what was considered to be an ambitious, forward-looking text. There is a need for more spectrum to meet the challenges of the digital agenda with regard to fast connections that also extend to remote areas, and to make smart phones cheaper and their increased use viable.

The policy programme to be voted on tomorrow attaches great importance to the need to make the 800 MHz band available for mobile services in all EU countries, as from January 2012. This deadline was a major achievement, because certain countries wanted to delay the process by several years.

This is, therefore, an ambitious achievement, which will enable new services provided by the telecommunications market to develop and grow quickly.

Elena Băsescu (PPE). – (RO) Madam President, Europe needs a flexible, coordinated radio spectrum policy. It will help create a pan-European telecommunications market. Radio spectrum is vital to the digital society. It is important that the EU assumes its role of global leader in terms of speeds, mobility, coverage and broadband connection capacity. The digital divide must be eliminated. The feasibility of extending the allocations of unlicensed spectrum for wireless access systems must be assessed.

This technology must be accessible in rural areas, as well as urban areas. I should also highlight the measures for protecting against electromagnetic fields. However, the use of radio spectrum must not endanger citizens' health. This is why it is vital that the impact of spectrum usage is permanently monitored.

Iosif Matula (PPE). – (RO) Madam President, as it is a finite resource, the way in which we use radio spectrum is extremely important if we want to maximise the benefits for end consumers and private operators.

The agreement recently reached by the European Parliament and the Council vindicates the decision made by Europe's institutions to take the initiative globally in this technology sector. Providing Internet access across the whole EU, establishing high-speed connections and standardising the frequency for electronic communications at 800 MHz may help reduce the digital divide at a time when studies indicate that data traffic is continuing to grow globally.

Taking this aspect into account, the benefit of standardising other frequency bands must be analysed. EU-level regulation and harmonisation of the rules on spectrum allocation will provide the basis for innovation and increased competition, which will help us meet the Europe 2020 strategy objectives.

Inês Cristina Zuber (GUE/NGL). – (PT) Madam President, there is competition for the low and very high frequencies of the radio spectrum, which are being filled for multiple purposes: electricity distribution and consumption, telecommunications, geodesy, and navigation, and security. However, we have some concerns about this subject. We would like to know the Commission's opinion. We note that there is no space on the spectrum for public access, as it has all been allocated or reserved for commercial purposes, with the only exceptions being strictly for security, defence and the emergency services.

We know it is the objective of this directive to pave the way for telecommunications, media and consumer industries, but we think that part of the spectrum should be reserved for public purposes, which certainly have a role to play other than that of the market. We would like to know the Commission's opinion on this subject.

Jaroslav Paška (EFD). – (SK) Madam President, in 2010, the European Commission presented a proposal for a multi-annual radio spectrum policy programme under Article 114 of the Treaty on the Functioning of the European Union and associated measures. In May 2011, the European Parliament proposed several changes aimed at opening up new possibilities for allocating a radio spectrum suitable for fast wireless broadband communications. Although not all of the European Parliament's requests met with understanding and support from the European Council, it has been possible, through a joint effort, to lay strong foundations for a new European radio spectrum policy.

The fact that the 800 MHz frequency band will be freed up for wireless broadband internet services from 2013, and a 1200 MHz spectrum for mobile data transfer will be added from 2015, will allow the European Union to rapidly develop broadband connections and the European telecommunications market with its 500 million consumers. We can only hope that the new spectrum allocation contained in this agreement will actually deliver the expected improvement in the speed and quality of data communications in Europe.

President. – I will do you a favour, Mr Rübzig, as it is Valentine's Day. You have already spoken twice in this debate, but I will allow you to speak once again.

Paul Rübzig (PPE). – (DE) Madam President, I would like to offer my congratulations to 'Competition Gunnar', as he has laid sound foundations for a competitive Europe. I have a question for Commissioner Kroes. In her plan, the target heading towards 2014 is 100 megabits per second. I would like to know in what frequency band she believes that can be achieved?

End of the catch-the-eye procedure

Neelie Kroes, *Vice-president of the Commission*. – Madam President, there are a couple of intriguing questions. One specific point was made by Marietje Schaake and by Ms Băsescu, talking about an unlicensed spectrum for wi-fi. This is very important, there is no doubt about that, and we will examine that. That is also linked to the point that was touched upon by Ms Zuber: indeed, public access will be part of the inventory, as it were. It is not all about licensed and commercial users.

My final conclusion so far is that I am pleased to note – I hope I may be so bold as to say this – that all the Members agree on the absolute importance of increased access to spectrum as a means to provide growth and give a push to jobs. It is very important that we all agree on that issue: that the role of radio spectrum boosts growth in Europe and provides real and tangible benefits for European consumers; and that the radio spectrum programme to be adopted by Parliament tomorrow will not only give a good feeling after all the hard work by Parliament, Council and the Commission, but is indeed one of those tokens whereby we can prove to the outside world that there are positive messages too.

I want to thank all of you for your constructive collaboration and work during the whole procedure. Time flies, a lot of blood, sweat and tears have been shed, but in the end only the result counts. I think that a wonderful job has been done by all of you.

Gunnar Hökmark, *rapporteur*. – Madam President, spectrum is limited but the opportunities are unlimited, as we have seen with developments in the past and as we will see with the development that we are now facing. I think it is fair to say that media and culture will have more opportunities than ever to reach the audience, as we see is happening just now.

Things are changing, and I think the most important lesson to learn from this debate is that the enormous, rapid development we have seen in the past decade will be just as rapid and surprising in the coming decade. It is important for us to secure the full capacity to take advantage of all this, for media and culture as well as for new services.

That is why I think it is also important, regarding the next steps, to secure the rapid implementation of this legislation, but at the same time to prepare for the next steps, because we have only seen the beginning of a new development, of a second wave of Internet revolution. This will have its consequences and opportunities, as we have seen in the demonstrations in Northern Africa, and as we have seen in the revolution in different parts of our economies. The faster we are, the more use we can make of the next steps.

We have decided to set the target of 1 200 MHz; that is for 2015. After that we should assess the needs and proceed rapidly in the next few years, because the future is coming closer and closer and we need to be in the lead. In order to be in the lead, we need to take the lead, and proceed by being the first to open up new opportunities all the time, because they are unlimited while the resource, the spectrum, is limited.

President. – The debate is closed.

The vote will take place on Wednesday, 15 February at 12.30.

Written statements (Rule 149)

Cristian Silviu Buşoi (ALDE), *in writing*. – (RO) The expansion of the digital single market has recently been an increasingly frequent topic of discussion for us, in view of the

trend towards digitisation and the maturing of Europeans' consumer habits. The demand for mobile data services has doubled recently, which is a continuing upward trend. As the Commissioner has also emphasised, European consumers are constantly increasing the amount of audiovisual content they use on their mobile terminals. To achieve this, better-performance broadband mobile services are required, which also means, of course, sufficient radio spectrum. This is why radio spectrum policy is an extremely important tool for being able to respond to this demand and develop the digital single market.

Releasing the 800 MHz band and making it available for electronic communications services will remove the technical constraints on developing new mobile data services. Allocating a minimum of 1 200 MHz for mobile data services by 2015 is another positive measure in this respect. I think that the agreement we are going to vote on tomorrow will bring us closer to the objectives of the Digital Agenda and help boost the EU's competitiveness, a development which I will wholeheartedly endorse.

András Gyürk (PPE), *in writing.* – (HU) The legislative package put forward by Mr Hökmark is an important step towards strengthening the competitiveness of the European Union. I am pleased to note that besides economic crisis management, increasing attention is finally being paid to long-term competitiveness. According to the adopted proposal, freeing up the 800 MHz frequency band from 2013 will facilitate the creation of a pan-European telecommunications market and will provide the capacity for new services to be made available to users. Upon the request of the European Parliament the proposal foresees freeing up 1 200 MHz to mobile data traffic by 2015. Frequency allocation falls within the scope of Member State competence, but determining the rules of spectrum management is the responsibility of the European Union. It is good news for consumers that the frequency bands freed up for broadband mobile Internet services contribute to the achievement of the 30 Mbps minimum target under the Digital Agenda by 2020, ensuring high download speeds even for citizens living in remote regions. Allow me to highlight the role of the Hungarian Presidency in the drafting of the proposal, as the political agreement on efficient frequency management was concluded during Hungary's six-month term. With the successful closing of the dossier an increasingly large portion of society will be able to enjoy the benefits of the Internet, which will entail economic growth and the strengthening of Europe's competitiveness.

17. Documents received: see Minutes

18. Agenda of the next sitting: see Minutes

19. Closure of the sitting

(The sitting closed at 21.20)