

MONDAY, 9 MARCH 2009

IN THE CHAIR: MR PÖTTERING

President

(The sitting was opened at 5.05 p.m.)

1. Resumption of the session

President. – I declare resumed the session of the European Parliament adjourned on Thursday 19 February 2009.

2. Statement by the President

President. – Ladies and gentlemen, I have chosen to speak in the language of the country in which this terrible occurrence took place.

Colleagues, you will have heard the sad news over the weekend of the attack on the Massereene army base in Northern Ireland involving the murder of two soldiers – Sapper Mark Quinsey from Birmingham and Sapper Cengiz Azimkar from London – and the injuring of four other persons, including two civilians, one of whom – a Polish citizen – is in a critical state. This murderous attack on the security forces in Northern Ireland is an utterly despicable act, which I condemn in the strongest possible terms.

(Applause)

Our sympathies go to the families and loved ones of the murdered soldiers, who gave their lives in the service of the community, and to the other victims.

This was the first murder of soldiers in Northern Ireland in 12 years, and it is an attack on the democratic institutions of Northern Ireland and on the very basis of the free and democratic society of their people. During my recent visit to Northern Ireland I saw for myself the rich dividends of the peace process, in which members of both communities are working together to build a better life for future generations and to put the evil of the past behind them.

The murderers who carried out this attack are seeking to sweep away democracy and normal life from the streets of Northern Ireland. They have no popular support or backing, and their actions are vigorously rejected by the vast majority of the people. Our full solidarity is with the people there and with the security forces in their efforts to bring these murderers to justice.

We in the European Parliament have repeatedly stated that we reject terrorist violence in all circumstances. These murderers will not succeed in destroying the carefully constructed peace process in Northern Ireland, a peace process which the European Parliament has always strongly supported both morally and materially. The people of Northern Ireland have chosen a different future: one of peace and of mutual respect for the dignity of each and every person. We support them in this choice for peace, democracy and the rule of law, and stand with them in solidarity at this time.

Colleagues, I would ask you to join me now in standing for a moment's reflection in honour of the memory of the murdered soldiers.

(The House rose and observed a minute's silence.)

James Nicholson (PPE-DE). – Mr President, on Saturday night in Northern Ireland we were all – I think, like everyone – very shocked: two young soldiers brutally murdered in cold blood. It is Northern Ireland's worst nightmare.

I have been a Member of this Parliament for almost 20 years, and I had hoped that I would never again have to stand in this Parliament and offer sympathy to the families of people who have lost their lives in Northern Ireland. I am very saddened that I have to do this again today.

These young men did what many young men would do: they ordered a pizza from the local pizzeria, for three hours after that they were to board an aeroplane and fly to Afghanistan. They did not make it. Our

thoughts can only go out to them today as they were cut down in the prime of life. Now is not the time to say anything other than words of sympathy to their families. But it is now a time when those families need that support.

Those who carried out that deed will probably not listen to any words of condemnation that I say. But I have to say this: they can never succeed – they cannot win – because it is the democratic process in Northern Ireland that has spoken, and that must win. Though it may at times have faults, it has brought a different life to my people in Northern Ireland: they have found a better life, they have experienced that better life, and I want to see them continue with that better life. I add my words of sympathy to the families to your own.

(Applause)

Liam Aylward (UEN). - Mr President, I too condemn unreservedly the killing of two British soldiers and the injuring of four others outside the Massereene barracks in the town of Antrim last Saturday. The Real IRA, a fringe republican group in Northern Ireland, has claimed responsibility for this horrific attack, which is the first deadly attack on Northern Ireland security forces for 12 years. Those who perpetrated these terrorist acts must be brought to justice and made to account for their horrific crimes. Their attacks do not command political support from the people of Northern Ireland.

The Good Friday Peace Agreement of 1998 clearly lays out the framework for political and economic development in Northern Ireland. The structures laid out in that Agreement are working well in support of democracy, the rule of law, human rights, and peace and reconciliation. We cannot, and will not, allow these individuals to destroy the peace that we have worked so long and hard to achieve in Northern Ireland.

Jim Allister (NI). - Mr President, thank you for your words of condolence on behalf of our British soldiers who lost their lives on Saturday evening. It is appreciated in Northern Ireland that you should, at this time, think of those who mourn in that regard.

Those who murdered the two soldiers seek political advance through the path of violence. I wish I could say that they will not succeed but, sadly, in Northern Ireland it seems that violence does pay – so much so that today we have three convicted IRA terrorists as government ministers, and our joint first minister McGuinness is someone who Peter Robinson – at a time when he opposed terrorists in government – said had personally murdered at least 12 soldiers. He is no better than or different to the Antrim terrorists who stood over the dying soldiers and pumped more bullets into their bodies.

Now that vile trigger-man, McGuinness – once described by Mr Robinson as ‘the Bogside butcher’ – shamefully shares the highest office in my land. Such is what happens when you treat with terrorists. I trust that the terrorists who have returned to our streets will never be treated with and that the lessons of the past will be learnt and rectified.

President. – Ladies and gentlemen, we cannot invite all Irish Members to speak. I have spoken on behalf of us all, and that should be sufficient. Do you agree that this has been a worthy tribute to those who lost their lives? Thank you.

I also have a brief statement to make on yesterday’s International Women’s Day. To mark the occasion, I wish today to extend a particular welcome to all the female Members of this House and give them an emphatic vote of thanks for their commitment. I also wish to advocate that we do our utmost to make the principle of gender equality a reality at both European and international level.

A hundred years ago, 15 000 women demonstrated in New York for the recognition of their dignity and rights. We pay tribute to their legacy today. There is no doubt that a great deal has been accomplished since then in terms of the recognition and protection of women’s rights and the promotion of equal opportunities for men and women in all areas of society. We must not let up in our endeavours; a great deal more must be done to realise gender equality within the European Union and also to increase the participation of women in work, civil society and politics. In the opinion of the European Parliament, there is scope for further increasing the present degree of participation by women in decision-making at local, national and European Union level. Our Member States must find ways of encouraging and supporting women’s participation in the decision-making process and in politics at both national and international level.

We are only a few months away from the European elections. I wish to emphasise today that the participation of women in these elections and balanced gender representation in the European Parliament are particularly important both to the democratic development of the European Union and to our society as a whole. In conclusion, I should like to remind the House that many wars on this earth hit many women particularly

hard, and we are working to prevent the use of harassment and rape of women as weapons of war. We must defend the dignity of all the people of this earth and must never let up in our commitment.

Thank you for your attention.

(Applause)

3. Approval of the minutes of the previous sitting: see Minutes

4. Composition of Parliament: see Minutes

5. Request for the defence of parliamentary immunity: see Minutes

6. Follow-up to a request for the defence of immunity: see Minutes

7. Composition of committees and delegations: see Minutes

8. Signature of acts adopted under codecision: see Minutes

9. Request for urgent procedure: see Minutes

10. Documents received: see Minutes

11. Oral questions and written declarations (submission): see Minutes

12. Petitions: see Minutes

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

14. Transfers of appropriations: see Minutes

15. Order of business

President. – The final version of the draft agenda for this part-session as drawn up by the Conference of Presidents at its meeting of Thursday 5 February pursuant to Rules 130 and 131 of the Rules of Procedure has been distributed.

Monday:

Firstly, the Socialist Group in the European Parliament has requested that the vote on the report by Mrs Kósáné Kovács on the social situation of the Roma be held tomorrow instead of on Thursday as scheduled.

Secondly, the Group of the European People's Party (Christian Democrats) and European Democrats has also requested that the vote on Mr Reul's report on possible solutions to the challenges in relation to oil supply be held tomorrow.

In both cases, the deadline for alternative joint motions for resolutions is this evening, which means that it is technically impossible to vote on these texts tomorrow. However, the votes could be held on Wednesday instead of tomorrow. Are there any objections to this?

Hannes Swoboda, on behalf of the PSE Group. – (DE) Mr President, I regret that it is not possible to hold the vote tomorrow, as several representatives of the Roma have planned to attend, thinking the vote was scheduled for then. If this is absolutely impossible, it must of course be held on Wednesday, but I wish to reiterate that, in view of the visit by the Roma representatives, and with the agreement of the political groups, it should surely be possible to make an exception.

President. – This political will has been noted. I have been told that, in accordance with our Rules of Procedure, it is only possible to vote on Wednesday. However, we can let the representatives of the Roma know that this is the case, so as to express our political will. Then we would be able to vote on both requests on Wednesday.

(Parliament approved the request)

Tuesday:

The Group of the Greens/European Free Alliance has requested that a Commission statement on MON810 genetically modified maize be included on the agenda and that the debate be wound up with the tabling of a motion for a resolution. Who wishes to justify this request? Mr Cohn-Bendit?

Daniel Cohn-Bendit, *on behalf of the Verts/ALE Group.* – (DE) Mr President, ladies and gentlemen, as you know, there was a clear qualified majority against the Commission's request at the last Environment Council meeting.

The Commission made such requests back in 2006 and 2007, and each time the Council opposed them. Now, this request will probably be repeated at the next Environment Council meeting, this time directed against France and Greece. Parliament should simply take a clear position, to put an end to this debate once and for all. It is not the Commission's job to constantly attempt to buy countries because of an initiative that has been rejected by various political camps. That is why we want to see, at long last, a debate with the Council and Commission and a motion for a resolution, so as to put an end to the matter once and for all – and this before the elections so that voters know who stands for what. Is that not right, Mr Ferber?

President. – Thank you very much. That was the justification. Who speaks against the request?

Martin Schulz, *on behalf of the PSE Group.* – (DE) Mr President, as Mr Swoboda has just pointed out, I support one part of Mr Cohn-Bendit's request and oppose the other. I think he is right; the Commission's behaviour is certainly remarkable, to put it politely. Secondly, it is true that the situation in the Council is confusing: some Member States share the Commission's opinion and others do not.

We have a similar situation in this House. It is true that we need a discussion with the Commission – even though it has already pressed ahead with this many times before against the recommendations of Parliament and even of some members of the Council – and we support the call for a Commission statement to this end. The second part is the resolution. I have read the request by the Group of the Greens/European Free Alliance very carefully, and Mr Cohn-Bendit's justification related more to the election campaign than to GM maize, which was very interesting. The Verts/ALE Group also requests a procedure to vote out the Commission – a vote of no confidence in the Commission. Yet so far-reaching is this step that we believe the matter must first be carefully examined, which is why we support the debate – indeed! In addition, there is a specialist committee that should be dealing with the resolution; it should present us with a motion for a resolution at one of the coming plenary sittings that is properly prepared rather than cobbled together quickly this week.

President. – Thank you very much. I now give the floor to Mr Fjellner, who may present a different position again.

Christofer Fjellner, *on behalf of the PPE-DE Group.* – Mr President, I oppose both parts of Mr Cohn-Bendit's proposals because less than a month ago we debated this topic and voted on it in the Committee on the Environment, as we heard was suggested earlier. So I would say it has been done, and especially at this time, at the end of the legislative period, when we hardly have time for important legislative talks, then I think it would be wrong to give this specific topic priority.

We cannot give priority to debates, at this time, which have already been dealt with and especially to do that just because the Greens feel that they are not getting enough attention in the run-up to the election would be really irresponsible.

President. – On the one hand, a request has been made to place the topic of a resolution on the agenda; on the other, Mr Fjellner says that neither a statement nor a resolution should be placed on the agenda. I would suggest first voting on the procedure, and then we can discuss whether we have just the statement.

In addition, I have received a request for a roll call vote. This roll call vote is to determine who supports the request by Mr Cohn-Bendit and the Group of the Greens/European Free Alliance. The vote is opened.

Martin Schulz (PSE). – (DE) Mr President, this should not be made any more complicated. I am sure you are right on a formal level; you are a president with such a firm grasp of things that I do not doubt it. Yet I got the impression that Mrs Frassoni agrees with our proposal.

We are holding a discussion with the Commission this week, and I would also request that this be placed on the agenda. At the same time, I request that we ask the specialist committee responsible to prepare a resolution. I believe that would be a further-reaching request on which you could hold an initial vote.

President. – We could spend another half hour discussing this. The correct procedure is that we vote on whether or not to meet the request by the Group of the Greens/European Free Alliance. I have tried to help out with my proposal that we hold another discussion afterwards as to whether we want a Commission statement, but things cannot be done in any other order.

(Parliament rejected the request)

Wednesday:

I wish to inform you that 113 amendments have been tabled to the report by Mrs Elisa Ferreira on a European Economic Recovery Plan. This exceeds the threshold of 50 amendments laid down in Rule 156, and so I have referred these texts for consideration by the committee responsible. The committee meets this evening, and the debate on the report remains on the agenda for Wednesday.

The Group of the European People's Party (Christian Democrats) and European Democrats has requested that the oral questions to the Council and the Commission on SIS II be dealt with at 3 p.m., as the first item of the afternoon sitting. Since all the political groups have given their agreement, the agenda will be amended accordingly.

I have just been informed that I have overlooked something relating to Tuesday: the Socialist Group in the European Parliament has requested that the afternoon debates be extended by half an hour and consequently Question Time with the Commission be held from 6.30 p.m. to 8 p.m. Is that all right?

(Parliament approved the request)

Thursday:

The Group of the Greens/European Free Alliance and the Group of the Alliance of Liberals and Democrats for Europe have requested that the debate on the oral question to the Commission on the 50th anniversary of the Tibetan uprising be wound up with the tabling of a motion for a resolution.

Monica Frassoni, on behalf of the Verts/ALE Group. – (IT) Mr President, ladies and gentlemen, we believe that on this highly significant occasion – the 50th anniversary of the uprising of the Tibetan people and the flight of the Dalai Lama – it is very important that our Parliament should express its views in a resolution and not just in a debate.

This is not the first time: this Parliament has always stood by the Dalai Lama and the cause of the freedom of the Tibetan people and we cannot draw back now, not least because the situation is not getting any better. The situation is constantly deteriorating and even very recently we have been subject to intimidation by the Chinese Government regarding Tibetan freedom. I therefore feel it is crucial that we not only talk but also take decisions.

Marco Cappato, on behalf of the ALDE Group. – (IT) Mr President, ladies and gentlemen, a year ago we passed a resolution supporting the position taken by the Dalai Lama in negotiations with China, that is to say non-violence and autonomy – not independence – for Tibet.

China broke up these talks, accusing the Dalai Lama of being violent, causing violence and seeking independence rather than autonomy. So, today, on the 50th anniversary of the Lhasa uprising, it would be completely incomprehensible if this Parliament did not intervene, not only to defend the Dalai Lama and non-violence, but also to defend the position and reputation of Parliament. We are not asking for other items to be taken off the agenda; we are simply asking Parliament to have the courage to express an opinion.

For this reason we are requesting that a resolution be put to the vote in addition to the debate.

Nirj Deva (PPE-DE). – Mr President, I had not expected to speak, but, given the fact that this is a very important Parliament and this is a time of global credit crisis, and that we ought to be taken seriously by our interlocutors

across the world, we should not really be focusing on issues like this when we have to build bridges and partnerships for our trade and economic activities right now.

President. – I appreciate what you are saying, but that was not in accordance with our Rules of Procedure.

(Parliament approved the request)

Regarding the debate on cases of breaches of human rights, democracy and the rule of law, the Socialist Group in the European Parliament has requested that the sub-item on Sierra Leone be replaced by a new sub-item entitled 'Expulsions of aid agencies from Darfur'.

Hannes Swoboda, on behalf of the PSE Group. – (DE) Mr President, I shall make it brief. The situation in Darfur has become extremely critical and is made even more desperate by the expulsion of the various aid agencies in particular. That is why we want to give priority to this now. I would ask for your support. Thank you.

President. – Darfur is now an item on the agenda.

(The order of business was adopted)

16. One-minute speeches on matters of political importance

President. – The next item is the one-minute speeches on matters of political importance.

Georgios Papastamkos (PPE-DE). – (EL) Mr President, the adverse impact of the global financial crisis can now be seen in international trade. One need only note that the rate of growth in global trade fell from 8.5% in 2006 to 5.5% in 2007 and was in the order of just 4% in 2008. A special mechanism has been introduced within the framework of the World Trade Organisation to monitor the measures that have been and are being adopted by the Member States of the organisation in order to support the sectors of the economy that have been hit.

Given the particular importance of external trade to the economy, growth and employment in the European Union, the Commission is called upon, within the framework of the application of the economic recovery plan, to immediately assume a leading role in a multilateral initiative to support trade. It is also called upon to correlate any such initiative with the work of the World Bank group and other multilateral development organisations.

Ioan Mircea Pașcu (PSE). – Mr President, the international, political, military, economic and financial architecture is under pressure due to the current crisis. The EU is a central part of this architecture. It appeared as the only formula for Europe to preserve its role in the bipolar world. It enlarged successfully to reunite the continent at the end of the Cold War, and now it is called upon to preserve previous achievements and continue integration once better times come again.

It is not an easy task, particularly for the current presidency, but also for the coming ones, which will have to deal with the continuing institutional impasse over the Lisbon Treaty and transition to a new Parliament and Commission, while fighting protectionist tendencies, threats to renationalise common policies and potential international crises in our neighbourhood.

The EU is therefore at a crucial moment. It can either make it or break it. Our success will depend on complete understanding that solidarity is the only way in which we can face off all these great challenges and continue our odyssey in world affairs.

Magor Imre Csibi (ALDE). – (RO) Following the parliamentary elections in Romania, the political parties representing the opposition are in a difficult situation at the moment. In fact, the parties in power are attempting to isolate and even exclude them from local political and administrative life.

Replacing, on political grounds, local administration policy-makers during the current economic crisis highlights a lack of responsibility on the government's part. This entails, as a result, the risk that the pace of completion of projects specifically aimed at local communities will slow down.

The democratic credibility of the current government may be cast in doubt in the case of the two councillors from Brașov's local municipal council, Vasile Bran and Iulian Mara, who were elected by local citizens and whose position has not been formalised eight months after the local elections. Vasile Bran's election was

unjustifiably invalidated by the decision of the local council, while Iulian Mara could not take the oath as the decision which validated his position was contested through administrative legal proceedings by the Prefect's Institution for Braşov County.

As a result of the preoccupation of the representatives of those in power with usurping local administration functions, without respecting the citizens' wishes, the law was broken and the two councillors were replaced by two other people at the majority's discretion.

I feel the current government must be aware that winning a majority does not assume that you can flout the law. Abuses of this kind must be stopped and the law must be enforced. In fact, the citizens' vote must not be invalidated by the dictatorship of the majority.

Jan Tadeusz Masiel (UEN). – (PL) Mr President, last week an informal delegation of MEPs visited Palestine and Israel. We also visited the Gaza Strip. What we saw there has aroused in me a great feeling of outrage and strong feelings of sympathy towards the occupied Palestinian nation. The outrage I feel is shared by United Nations agencies which are active in that region.

Mr President, I can see only one way out of this situation: a Palestinian State should be established very quickly and unconditionally. In 1948, when their country was founded, the Jewish people did not ask the Palestinians for their consent. Today, Israel must not obstruct the will of the Palestinian people. I repeat: unconditional and urgent assistance should be provided to an oppressed nation, thus putting an end to this old conflict.

I believe that such measures would strengthen peace in the whole world, but, above all, we should do it simply because the Palestinians deserve their own State.

Kyriacos Triantaphyllides (GUE/NGL). – (EL) Mr President, it would appear that the suggestions which the US Secretary of State made to the Israelis during her visit included that they stop building and extending settlements on the West Bank, open the road blocks, and stop building the wall and expelling Palestinians from East Jerusalem and, for Gaza, that they allow the cement and construction materials needed to rebuild the area to be imported.

These are good suggestions, but it would appear that they have fallen on deaf ears because, while the Israelis are not allowing these materials to pass into Gaza, they have had no hesitation in illegally quarrying three-quarters of the materials supplied to the Israeli construction industry from the West Bank, mercilessly destroying the natural environment, while the legal owners of the land have derived no financial advantage whatsoever.

It is time the United States and the European Union lifted Israel's impunity and went beyond words and suggestions.

(Applause)

Hans-Peter Martin (NI). – (DE) Mr President, I wish to draw attention to something that particularly besmirches this House: the pension fund.

According to recent reports in the magazine *Stern*, at least 76 German MEPs were members of this fund. This relates only to the association's list, however, not to the fund. I hereby call on you, Mr Pöttering, as President of Parliament, to send the complete list of fund members to the administration of the lower house of the German Parliament as, under the relevant regulations in your home country, the suspicion of serious fraud would automatically arise if it were to turn out that duplicate payments had been made. This must then be followed by the relevant investigations, and the German authorities have a right to learn of this from you.

In the same way, we all have a right to know this fund's deficit. Something is being kept quiet here, and there is the risk of speculators being bailed out once again to the tune of many millions at taxpayers' expense at the end of the parliamentary term. That cannot be allowed to happen!

President. – Parliament's Bureau will deal with this matter in a legally correct, politically sound manner – you can rest assured of that.

Tunne Kelam (PPE-DE). – Mr President, the International Atomic Energy Agency's latest report concludes that Iran has produced enough low-enriched uranium to make an atomic bomb.

Most alarming is the speed of Iran's progress. According to the Agency's estimates, Tehran has increased the number of uranium-enriching centrifuges by 34 times in less than three years. In the next five years, however,

Iran plans to add 45 000 centrifuges to the existing 5 600. That will mean an ability to manufacture nuclear weapons on an industrial scale. That also means deliverable atomic bombs, considering developing missile capacity and the launching of Iran's first satellite.

That means that the policy of containing Iran only by half-hearted sanctions and diplomacy has failed. It has only provided Tehran with the necessary time to complete its nuclear programme.

Therefore it is high time to abandon the de facto policy of appeasement and concentrate on a joint EU response to possible nuclear blackmail or an ultimatum by Iran. If then, too, negotiations 'as usual' are our only option, this will mean political surrender.

IN THE CHAIR: MRS MORGANTINI

Vice-President

Hannes Swoboda (PSE). – (DE) Madam President, we are going to be dealing with – though unfortunately not debating – the report by Mrs Kósáné Kovács concerning the Roma issue. I should like to take this opportunity to highlight the issue given the very difficult situation at present. There have been a number of incidents in Hungary, but the problem is not limited to that country, where the economic crisis and the social problems perhaps explain the renewed increase in attacks on Roma. This is something that is particularly reprehensible. Several Roma – including Austrian Roma – have approached me and asked me to bring this up, as fear has gripped the Roma community in Europe once again. I should like to urge the Commission, too, to monitor the situation very closely and to do all it can to ensure that the Roma – and other minorities too, but here we are particularly talking about the Roma – do not need to live in fear again in Europe: they should not have to do so in this day and age.

Marco Cappato (ALDE). – (IT) Madam President, ladies and gentlemen, in Italy, the Communications Regulatory Authority, an independent body, has issued its 43rd resolution against the state television authority for breaching the rights of Italian citizens to be informed about initiatives by the Radicals – its 43rd resolution.

In Italy, since the elections – ten months ago now – there have been no electoral debates broadcast; they have been illegally suspended. The Italian parliament's supervisory committee on radio and television is not meeting, which is also against the law. This problem is not just about Mr Berlusconi: it is about a system of the Right, Centre and Left that is infringing the civil and political rights of Italian citizens.

Mr Pannella and I must leave our work tomorrow and hasten to Italy to try and create forms of non-violent resistance against this new form of denial of democracy. We shall send a message to all our fellow Members to explain in detail the nature of these infringements and to ask for your support and assistance.

Bogusław Rogalski (UEN). – (PL) Madam President, once again in this Chamber I am forced to speak up for the rights of national minorities in Lithuania, which are being ruthlessly broken and violated by the Lithuanian authorities and judicial system.

In the region around Vilnius over 70% of the population are Polish. Until now, the names of streets and towns were bilingual, as they are in many countries of the European Union with national minorities. Not long ago, the Supreme Administrative Court of Lithuania judged the placing of street name signs in Polish alongside signs with Lithuanian names to be illegal, and ordered their removal. The local government in Vilnius has implemented this decision – the Polish street names in the region where most residents are from the Polish minority have been removed.

This is not acceptable in a country which has been a member of the European Union for five years. It is a symptom of extreme nationalism, shows a lack of respect for the rights of national minorities and is a violation of the fundamental principles on which the European Union is built.

I call upon the Lithuanian authorities to restore the Polish names of streets and towns in regions where most residents are part of the Polish minority.

Georgios Toussas (GUE/NGL). – (EL) Madam President, terrorism against workers with the support of repressive state mechanisms is now a standard approach in the slave workplace. Thousands of workers are being made redundant and workers' fundamental labour and social rights are being cut to fit to the Procrustean bed.

One typical example is in the United Kingdom, where it has been discovered that a private company is collecting information about workers' trade union, social and political activities and selling it to companies. In Greece the labour disputes to have laid-off workers reinstated has been labelled illegal and abusive.

The workers are obviously determined to defend their rights and have adopted as their standard the words of the 22-year-old worker Nikos Nikopoulos in his open letter to the public prosecutor to the Supreme Court of Appeal in Greece, in which he says, among other things:

'There are certain things in this life for me which cannot be bought or sold. I prefer my wage to be my inalienable right, to claim the riches which I produce and which belong to me. My intransigent refusal to be bribed or terrorised has caused me to be dismissed for a second time. I received direct threats against my life and the life of my family.'

This statement truly illustrates the will of and the path being taken by the workers.

(The President cut off the speaker)

Zsolt László Becsey (PPE-DE). - (HU) In recent days, perhaps partly on account of the crisis, popular opinion in the Member States that acceded in the last five years has responded with increasing sensitivity to any step that might call into question or discredit the equal status and identical standards of their membership within the Union. As regards my own electoral district, we have heard accusations on Swedish television and then on the internet that, in the village of Harkakötöny, the way geese are plucked constitutes cruelty to animals, whereas, in fact, no geese have been bred there or in the place mentioned for years. I am glad that a charge of libel has been filed regarding this matter. Similar libellous statements were made recently against breeders in my country concerning force-feeding of geese. These statements called for a boycott against the processors that has caused economic damages. Interestingly, no such accusations have been levelled against the old Member States. These are actions taken out of economic interest, but another, uniquely political form of defamation consists of statements alleging ethnically-based attacks against the Roma population in Hungary as if these were matters of fact, although to date it has for the most part been impossible to provide proof that such attacks have indeed taken place. I ask the Commission to monitor such polemics closely and especially not to spread them, since such statements could seriously discredit the European Union's prestige in my country in the run-up to the elections.

Thierry Cornillet (ALDE). - (FR) Madam President, as our Parliament's permanent rapporteur for humanitarian action, I have just returned from Kivu in the Democratic Republic of Congo and I had hoped to give you an optimistic message about the resolution of this situation and the return of displaced persons to their homes.

Unfortunately, my optimism has been dampened by the decision taken by President El Béchir concerning the biggest humanitarian crisis, that of Darfur. True, President El Béchir, it is correct to postpone it as it is in fact a fight against impunity, and it is right to ensure respect for international humanitarian law.

However, President El Béchir has just increased the evidence against him by taking a decision which is ill-conceived on two counts: first, because it adds to the grievances already lodged against him and, secondly, because this on its own could be brought before the International Criminal Court as the consequences for Darfur are extraordinarily serious on a humanitarian level.

The world then will not forget, but mere words will have little effect, Madam President. I realise that we were changing the issue, but we must go beyond mere words and turn to action.

Ewa Tomaszewska (UEN). - (PL) Madam President, the fact that EU citizens have to migrate in order to find work, the fact that they have to be mobile because there is no work to be found where they live, and the poverty associated with being out of work, often mean that children are less well cared for, and sometimes even neglected.

The developing economic crisis threatens to cause a serious rise in unemployment levels. This may lead to an increase in the problem of street children. Such children lack suitable nutrition and health care, their education is interrupted and they sometimes come into contact with criminal elements. At a time of demographic collapse, this is not only squandering the development opportunities of individual children, but also poses a social threat for the next generation. It is essential for us to address this problem.

Ilda Figueiredo (GUE/NGL). – (PT) Yesterday was International Women's Day. It was marked at a time when the situation of women, particularly working women, is getting much worse as they continue to suffer from inequality and discrimination.

Millions of women and young girls are currently having to deal with a serious deterioration in their living and working conditions, pitiful pensions, redundancies, unemployment, precarious and poorly paid work, and widespread poverty and social exclusion. These problems have a particularly serious impact on female workers and pensioners and on women with disabilities, who are denied the right to have rights on such crucial issues for a dignified life.

As a result, in addition to saluting all the women in the European Union and the world, I want to call here for urgent measures and new policies to ensure that women can enjoy their rights as full citizens in work, family life, society and politics.

We must create the conditions so that working women have rights, so that they can be mothers and workers without penalty, and so that they can earn fair wages and pensions allowing them to live with dignity.

Árpád Duka-Zólyomi (PPE-DE). – (SK) Once again we have a problem involving respect for ethnic minority rights in Slovakia and it is the fault of the education minister, a member of the extreme nationalist governing party.

He has issued a decision under which schools where teaching takes place in ethnic minority languages may henceforth use only history text books that are literal translations of the Slovak ones. It follows from this that history will be taught according to the dictates of the governing party rather than being based on the facts.

This conflicts with the practice to date and also with internationally guaranteed minority rights. In the EU every minority community has the natural right to learn its own history. Hungarian teachers, and indeed the entire Hungarian community in Slovakia, are justifiably outraged. It is unacceptable for an extremist party to be constantly putting pressure on minorities in this way. It is irresponsible during a global economic crisis for someone to feel the need to provoke ethnic minorities. It is playing with fire to behave like this in times of such uncertainty.

Olle Schmidt (ALDE). – (SV) Madam President, many, like me, are concerned about the growing anti-Semitism in Europe. Over the weekend, a Davis Cup tennis match between Sweden and Israel was played in my home town of Malmö. It was no ordinary match. It was played without spectators because the local political leadership felt it could not guarantee security, a view that many of us have criticised. There were demonstrations in connection with the match, one of which was very violent. Certainly, it is legitimate to criticise the policies of the state of Israel, but this criticism must not turn into hatred towards Jews in general, in other words into anti-Semitism.

Survivors of the holocaust should not need to hear that people in Europe are chanting 'murderers, murderers' when there is a gathering to show support for the state of Israel. In the aftermath of the war in Gaza, there were a number of attacks on Jewish property and Jewish interests, including in my home town. All democratic forces must be extremely clear on this matter. Europe has a terrible history and this must never happen again.

Hanna Foltyn-Kubicka (UEN). – (PL) Madam President, as someone for whom the ideals on which the European Union is based are more than just a slogan, I am glad that the European Parliament is going to provide the venue for a debate associated with the 50th anniversary of the Tibetan uprising.

At the same time, I am surprised and saddened by the fact that the date of the debate has been set for 12 March. I would like to remind those who have forgotten that the Tibetan uprising began on 10 March. However, on that day, Parliament will be attending to such subjects as type-approval requirements for the general safety of motor vehicles and the charging of heavy goods vehicles.

They are important subjects. Nevertheless, the people and institutions concerned with type-approval requirements for heavy goods vehicles would not be offended if the dates for these debates were changed round. Perhaps 10 March marks an anniversary, related to this subject, which I do not know about. Perhaps it is 'World Type-Approval for Heavy Goods Vehicles Day' or 'Type-Approval Inspectors Day'.

It would reflect very badly on Parliament if it turned out that this choice of date for the debate stemmed from a desire to reduce its significance.

Marie Panayotopoulos-Cassiotou (PPE-DE). - (EL) Madam President, the Commission proposal for a directive to abolish discrimination has come up against the opposition of many European citizens and, as a result, they are in the difficult position of doubting the validity of such a proposal, which touches on their right to decide on matters for which the European Union is not competent through their own state.

As we approach the European elections, I think that we should not raise such issues. The abolition of symbols, the abolition of the right to decide on life belongs to each state. At a time when the European Parliament is abolishing structures through which its MEPs can express themselves freely, such as cross-party groups, we cannot talk about abolishing discrimination.

Chris Davies (ALDE). - Madam President, a month ago you and I paid our second visit of the year to Gaza. Others have trod in our footsteps – Javier Solana has been there, Tony Blair has finally made it, and the President of Parliament has been there to see for himself the circumstances in which Palestinians are now living.

This Parliament asked for the economic blockade to be lifted, but, to a very large extent, it continues. Week after week, the collective punishment of Palestinian people is maintained by the Israelis. Our words are fine, but they have little value while Israel refuses to listen. Madam Vice-President, I ask you to ask the President to call a meeting of the group leaders and his cabinet to consider how our words can be turned into deeds. I face the question all the time from my constituents: 'You have an Association Agreement with Israel. How is it that we maintain this relationship with one side, while that party ignores our interests and treats our words with such contempt?'

President. – Thank you, Mr Davies, I shall pass on your request.

Călin Cătălin Chiriță (PPE-DE). – (RO) European values are especially important to the education system in Romania. The election speeches from our fellow Members, László Tőkés, Csaba Sógor and Iulius Winkler, sometimes lose touch with reality.

Romania offers ethnic minorities wide-ranging instruction in their mother tongue. I would like to highlight the important role that the state Babeș-Bolyai University in Cluj-Napoca plays in the provision of Hungarian-medium education. The multi-cultural organisational system set up through Babeș-Bolyai University's Charter in 1995 ensures complete, independent instruction in Romanian, Hungarian and German, as well as Jewish studies, at every level of academic qualification.

A number of signs and inscriptions in Hungarian and German are on display at Babeș-Bolyai University. Seventeen faculties currently offer programmes of study in Romanian and Hungarian, with 11 faculties offering courses in Romanian and German. There are also two faculties, Reformed Theology and Roman Catholic Theology, where the programmes of study are taught exclusively in Hungarian.

Jelko Kacin (ALDE). - (SL) I warmly welcome today's decision by the Croatian government to respond positively, in principle, to the European Commission's initiative for mediation between Slovenia and Croatia. Unfortunately, the positive response also includes an unnecessary rider, a condition which significantly reduces the possibility of mediation.

However, it is important that we work together to create the conditions which will allow mediation to commence as soon as possible, which will defuse the political climate in both countries and enable dialogue to take place on better terms. We must further promote the process of enlargement of the European Union and this is why we need the Lisbon Treaty. Time is of the essence and I therefore hope that a framework mediation agreement will be drawn up shortly.

Jim Higgins (PPE-DE). – (GA) Madam President, dairy farmers are in a very difficult situation. The price of a litre of milk has fallen to between 22 and 24 cent, and there has been a sudden drop in worldwide demand for dairy products, particularly in Asia and in China as a result of the melamine scandal. There are around twenty thousand dairy farmers in Ireland and thirty thousand people directly employed as a result of this. There has also been a 3% increase in production in the United States alone, as well as an increase in production in Brazil. Another problem is the exchange rate between the euro and the pound sterling. It is clear that short term aid must be provided to the farmers to help them survive. One thing that should be done is that an intervention scheme should be brought in, as has proven very successful in the past.

Filiz Hakaeva Hyusmenova (ALDE). – (BG) Thank you, Madam President. International Women's Day is an occasion for us to take stock of our gender equality policy. Many people believe that this policy is aimed

only at women in the pursuit of the same opportunities as men in terms of employment, salary and free time.

Such objectives are just as relevant in an economic crisis, but equality policy should focus on men as well. The crisis has an impact on the labour market. There are expectations that many of them will lose their jobs because of their higher salary and the reduction in labour-intensive activities in the finance sector. There is a growing likelihood that men will have greater involvement in family life and a breakthrough is occurring among traditional social roles. To what extent they are ready for this and whether the social adjustments can facilitate such a change are questions which will need to be answered.

The possible solutions vary between Member States, regions and communities. This is why I am calling for the national equality plans to be updated and for flexible rules that meet the needs of men and women to the same degree.

Iosif Matula (PPE-DE). – (RO) According to the statistics, a quarter of children in the European Union lead a sedentary lifestyle and have an unhealthy diet. This results in an increased risk of having not only high blood pressure and diabetes, but other illnesses too.

In 2007 the European Parliament adopted the report on the role of sport in education. In fact, it made compulsory the introduction of at least three hours of sport a week as part of educational programmes. We know that physical education prepares children for a healthy lifestyle, passing on important social values such as self-discipline, solidarity, team spirit and fair play.

This is precisely why I am calling on the European Commission to monitor more closely the transposition into national legislation of and compliance with the compulsory requirement for a minimum of three hours of physical education a week in schools, as well as the increase in the number of sports halls and improvement in their basic equipment.

Marco Pannella (ALDE). – (IT) Madam President, ladies and gentlemen, in the book by Albert Camus, the plague is announced futilely by a rat who comes and dies at our feet. We do not want to be like useless rats that arrive to announce the anti-democratic, violent, anti-European plague that is now causing new catastrophes in Rome, Brussels, Jerusalem and Paris.

Mr Cappato has already said why tomorrow we will leave our work here, to rush to an activist fight of European and democratic resistance in our country. The European Parliament is celebrating its 30th birthday. If we think back to 30 years ago, there is much to be concerned about. We are fighting, we are not troubled.

Zita Pleštinová (PPE-DE). – (SK) In my speech I would like to focus the attention of the European Parliament on 15 March, which has been declared International Consumer Rights Day on the initiative of the organisation Consumers International. This day presents an excellent opportunity for bringing the EU closer to its citizens through policies connected with consumer protection.

As a member of the Committee on the Internal Market and Consumer Protection I have worked hard on this issue. I am delighted about the enormous interest shown by young people who are getting actively involved in various consumer activities. For example, in the Consumption for Life international competition for young consumers which is organised by the Slovak Association of Consumers, more and more young consumers are getting involved every year, with interesting tales about their first experiences concerning choice and consumer decisions.

I would like to encourage the EU Member State governments to strengthen and support consumer organisations. Only strong, representative and effective non-governmental organisations can succeed in increasing consumers' awareness of their rights.

Marian Harkin (ALDE). – Madam President, I, too, want to add my voice to those who have condemned the murderous, vicious and cowardly attack on the British Army barracks in Northern Ireland and I want to send my heartfelt sympathies to the families of all those who were injured or killed.

The particular issue I want to raise this evening is that on Wednesday night the Commission will issue a statement on its Green Paper on the EU workforce for health. According to the Green Paper, the key to maintaining a sufficient workforce is to educate, recruit and retain young practitioners.

Yet in Ireland we have the very opposite situation, with a 16.5% cut in undergraduate nursing places. In my own region at St Angela's College we have a cut of 25% for general nursing and 40% for intellectual-disability nursing.

The Commission must put pressure on Member States to ensure each country takes responsibility for training its own health-care workforce and that we also have an ethical requirement whereby we do not seek to recruit health-care workers from developing countries and damage their already vulnerable health-care systems.

Csaba Sógor (PPE-DE). - (HU) I have spoken up several times on behalf of the traditional national minorities. Some of my colleagues have accused me of nationalism. It is strange that the majority often tries to disguise its fear and anti-minority sentiment with accusations of nationalism or hate speech against minorities. I hope my colleagues will not mind if I now speak up on behalf of a religious minority. The Romanian Greek Catholic Church was banned during the Communist era. After 1990, it was reorganised and, similarly to other historical churches, it is trying to this day to recover its confiscated immovable property. In Romania, a law is being drafted that, if adopted, would in effect take away this church's real estate, currently in the process of being reclaimed. I would like to call attention from this microphone to the twisted nature of this situation, to the way rights are being trampled on and to this disguised attempt at nationalisation. It is unacceptable for the state to interfere detrimentally in the life of a church.

Nickolay Mladenov (PPE-DE). - (BG) Thank you, Madam President. I would like to raise an issue which is a cause of deep distress. Over the last two weeks we have been hearing reports from the Republic of Macedonia where certain church authorities expressed a desire to exhume the bodies of Bulgarian soldiers who died on that country's territory in all wars throughout the 20th century. The Bulgarian general public, and I am sure the same is true of the European general public, regard such calls as absolutely unacceptable. No one has the right to make a mockery of the memory of those who have perished in wars. What we must do is pay them honour and respect, observe the basic European principle of honouring the dead and keep to the best traditions of tolerance that we have.

I call on the European Parliament to bring it to the attention of the authorities in the Republic of Macedonia that such calls must not go unanswered by the government. Let us hear clear, categorical assurances that no one in Macedonia will carry out such threats. This would be a violation of basic cultural and national conventions for any civilised country.

Bruno Gollnisch (NI). - (FR) Madam President, we have just learned of the incredible sentence of six years imprisonment for two German lawyers, Horst Mahler and Sylvia Stolz.

This terrible verdict is motivated by the fact that these two express points of view which differ from the official version of the reality and extent of the history of the concentration camps in the Second World War.

Whatever one thinks of their opinions, it is extremely serious that, in the European Union today, citizens, and lawyers to boot, should be given such sentences for having disputed an historic fact.

It would appear that in today's so-called democratic Germany there are still judges who would muzzle freedom of expression with the same zeal as those in National-Socialist Germany or in Communist Germany.

This is also the case, unfortunately, in other States in the Union, including France. It is intolerable and very serious.

Mieczysław Edmund Janowski (UEN). - (PL) Madam President, today I do not want to raise a question of a political nature. Recently, one of my constituents, an enthusiastic supporter of standardisation, contacted me regarding the matter of standardising the plugs for mobile telephone charger units.

This matter only seems trivial. I am convinced that if regulations were to be introduced in this field, they would be welcomed by all mobile phone owners. From a technical point of view, the matter is very simple. Such solutions were successful, for example, in the case of standards for compact discs — they can be used in all computers. Perhaps it is worth reviewing such minor matters, in order to help our citizens. They expect it of us.

President. - The debate is closed.

17. 2010 budget - Section III, Commission: 'Guidelines for Budget 2010' - Guidelines for the 2010 budget procedure - Sections I, II, IV, V, VI, VII, VIII and IX (debate)

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

- A6-0111/2009 by Mr Surján, on behalf of the Committee on Budgets, on the Guidelines for the Budget 2010 procedure – Section III – Commission (2009/2005(BUD));

- A6-0057/2009 by Mr Maňka, on behalf of the Committee on Budgets, on the guidelines for the 2010 budget procedure – Sections I, II, IV, V, VI, VII, VIII and IX (2009/2004(BUD)).

László Surján, rapporteur. – (HU) The European Parliament expects the draft 2010 budget to help Member States and citizens overcome the current crisis. This is now our greatest concern. In other words, the budget should lessen the apprehensions of European citizens and restore their confidence that they will have jobs and be able to make a living, and that they will be able to live in peace and security. We are talking about those citizens whose money we are spending and to whom we are responsible.

Because of the financial crisis, Europeans are not sure whether their money is safe with the banks, and they do not know whether they will still have a job tomorrow. But they have other sorts of concerns and problems as well: how long will they be able to heat their homes, or whether there are any harmful chemicals or other causative agents in their food, and the list goes on. Therefore, we would like a budget that restores citizens' confidence not only in financial institutions, but in each other, and in solidarity on a European scale as well. We know that not every problem can be solved with 1% of GNI, but it matters whether small and medium-sized enterprises receive encouragement and support. Is a harmonised, common energy policy being developed? Are we doing everything we can to combat climate change and encourage renewable energy sources? Will the protection of our common borders be more effective? Will the policy of cohesion be more fruitful, the process of catching up faster, and our food safer?

Parliament sees that the budget is small in relation to these objectives, but it is also aware that Member States are not making full use even of the current budgetary framework. Therefore we expect the European Commission to take decisive action to remove bureaucratic obstacles, concentrate expenditure on areas where utilisation was effective, and withdraw support from areas where there are regular surpluses. Parliament is prepared to cooperate in monitoring whether the programmes launched are truly successful, and whether they fulfil the objective for which they were established. We cannot be satisfied simply with determining that expenditures are lawful. We ask for guarantees that they fulfil their purpose. We ask for value, for results in exchange for the contributions of European citizens, and expect Member States to implement the programmes quickly and efficiently. We ask the European Commission to take our requests seriously. The European Parliament is the only EU institution in which citizens can exercise direct influence. We stand closest to them and, in the report that has been submitted, it is their opinions that we have summarised. There is still more than a month left before the submission of the preliminary budget. There is time, therefore, for the Commission to consider Parliament's opinion and include it in the proposals.

Furthermore, I would be very pleased if, contrary to custom, the Council and the Parliament did not amend the Commission's proposal at cross-purposes, but if the three institutions could work together to overcome the crisis.

Ladies and gentlemen, I will end my remarks by thanking everyone who has contributed to this report for their work, including the secretariat of the Committee on Budgets, the members of the Commission, my political group's experts and those who have submitted amendments. I ask that you debate the proposals and then support them with your votes. Let us offer hope and security to the citizens of Europe!

Vladimír Maňka, rapporteur. – (SK) Thank you, Madam President. Commissioner, ladies and gentlemen, when putting together the budget of the European Parliament, we must focus on our core mission and make optimal use of resources for improving the legislative work of Parliament. We must exclude matters unconnected with our mission from the budget as much as possible.

If we want MEPs to work effectively they must have the option of carrying out their duties in their own language if they so decide. In many instances we could prevent difficulties and avoid wasting money if we could switch languages rapidly according to actual rather than planned attendance in debates.

Many of you are surely aware that in some committees documents have not been available even in the basic languages in time for them to be approved. If there has to be an extraordinary meeting of the committee because of this or if there are other unnecessary delays we lose time and money.

As with translating we also need to increase the flexibility of interpreting services. In my conversations with representatives of the various general secretariats of the European Parliament I have collected some very useful suggestions and information. The representatives of the directorates themselves propose eliminating some of the reserves. However, in some cases they will need our assistance.

There are numerous examples. Ladies and gentlemen, surely none of you would consider that it would make Parliament less secure if both entrances to the Strasbourg Parliament building were not kept open in periods outside the plenary sessions. Neither do we need to have guards physically present in some places, especially in Strasbourg and Luxembourg.

On the other hand the current security system has its defects. We saw this ourselves in the recent raid on the branch of the ING Bank in the European Parliament building in Brussels and also in the threat to the lives of the two MEPs in Mumbai.

I believe that the proposals being drawn up by the directorate will bring improvements and also a better use of resources and surprising financial savings. We can achieve further savings running into millions if we improve cooperation between the institutions. The spare capacity of every institution must be made available to the other institutions.

A lack of planning together with insufficient or non-existent communications concerning the availability of translation resources prevents the efficient use of these resources. The body which is supposed to provide translations often automatically gives orders to external translators without even checking the availability of internal resources. In the area of translations alone we can save over EUR 10 million annually within the framework of the institutions. And therefore, ladies and gentlemen, I believe that you will support the proposal for us to make the greatest possible use of independent studies into the use of resources and the organisation of work.

MEPs need to have comprehensive information about the resources and materials available to them in order to perform their work responsibly and efficiently. We have therefore asked the administration to create a knowledge management system, allowing us to work efficiently with all documents. We will have the first concrete proposals in this area over the course of the next few weeks.

A further priority is to provide citizens with better information about the work of their representatives in the European Parliament and about how Parliament's work benefits EU citizens. Here we need to finalise, consolidate and make effective use of European Parliamentary television, the visitors' centre and the new audiovisual centre.

The administrative expense items of EU institutions include expenses for purchasing and leasing buildings. In various cases previously institutions have purchased or leased property at prices above the market rate. According to the findings of the Court of Auditors, institutions have not even evaluated policies on buildings jointly but rather on an individual basis. We therefore need to develop a joint policy on buildings in order to achieve better cooperation in this area. We are expecting a strategic document as soon as possible dealing with policy on buildings in the medium to long term so that we can adopt an appropriate decision at first reading. Thank you.

Dalia Grybauskaitė, *Member of the Commission*. – Madam President, thank you very much for making it possible for me to exchange views with Parliament at an unusually early stage this year. I am very thankful for the Committee on Budgetary Affairs' initiative to do this. The Commission has already examined very seriously Parliament's guidelines for the 2010 budget, and agrees with most of the points. The Commission also appreciates Parliament's examination of the 2010 Annual Policy Strategy – already reflected in your resolution – and shares with you many of the policy priorities identified.

Unexpected challenges, such as the financial, economic and social recovery, will need to be addressed. However, long-lasting solutions to other issues, such as tackling climate change and achieving a sustainable Europe, are essential as well. On this basis, the Commission will, on 29 April, adopt its preliminary draft budget for 2010.

The Commission has already indicated that financial efforts in 2010 will be needed, in particular, for the Economic Recovery Plan. The Commission has also noted Parliament's support for more efficient levels of

administrative expenditure, and will continue to act in that direction. As for the pilot projects and preparatory actions, I am sure we will be able to build on last year's excellent cooperation between institutions.

The preliminary draft budget will be based on sound estimates of the needs for achieving our shared priorities and taking up the challenges ahead of us. I am confident that a satisfactory agreement on the 2010 budget will, once again, be achieved through good cooperation and collaboration between all the institutions, and especially with Parliament.

Margaritis Schinas, *on behalf of the PPE-DE Group*. – (EL) Madam President, the European Parliament budget for the coming year will have three new elements. It will be a year in which this Chamber will have a new secretary general, it will be a year in which it will probably operate with the Treaty of Lisbon and it will be a year in which it will operate with two new statutes, one for MEPs and one for parliamentary assistants.

My political group has tried to reflect these new developments in the Maňka report through numerous amendments and we are delighted to see that the Commission has been able to reflect these new dynamics in four basic priorities.

These four basic priorities of my group are:

Firstly, the emphasis on lawmaking. Parliament is particularly effective when it exercises its lawmaking activities and the administration must prove to us that it can channel Parliament's resources to where we make a difference.

The second priority – and here we agree with the Socialist Group in the European Parliament – is the absolute safeguarding of multilingualism and members' access to translation and interpreting services to and from their mother tongue.

The third priority is that we must be able to evaluate progress in the implementation of the major plans which we have already approved, such as Europarl TV or the Visitors' Centre, which we would have liked to be ready before the European elections and which unfortunately is not, and the House of European History. We want these multiannual plans to operate smoothly and to be duly evaluated.

Finally, I believe that we in the European Parliament should strengthen every effort which shows the European taxpayer in times of crisis that this House is spending what it needs rationally so that it can do a better job.

Costas Botopoulos, *on behalf of the PSE Group*. – (EL) Madam President, Commissioner, the debate on the Surján report, for which I have the honour of acting as shadow rapporteur, is a political debate with a great many crucial points, especially this year. Its importance starts with the fact that it will be the only clear political debate on political priorities because, as you know, in an election year we shall not have the opportunity for another one; afterwards we shall be going straight into the new phase of the procedure, into critical technical differentiations and debates.

However, it is also a debate in a year in which – as everyone has said and as we all know as politicians and as citizens – Europe will have entered a very deep crisis, and unfortunately everything indicates that 2010, to which our report and our debate refer, will also be a year of crisis.

My first comment therefore is that it may, at the present moment in time, suffice for the report we are debating and which we will be voting on to be passed by a simple majority, but it will need to be a report which expresses the entire European Parliament and not just one political faction. It will need to be a report which expresses the anxiety of citizens and politicians, but – and here there is political disagreement between us and the rapporteur and his faction – not only with the emphasis solely on fears and anxieties, but also with prospects for the future.

We must use the budget to give citizens to understand that the budget is a political tool with which we not only reply to fears but also provide political prospects for the future. That is, I think, extremely important and the efforts of our group, both during the stage of discussion in committee and during this phase of debate in plenary, are aimed at striking a balance between this text and this political dynamic which will be emitted, so that we do not impart an image of the Apocalypse – just fear and anxiety – but open up prospects for the European Union.

I will say it again: today a simple majority may suffice and it may be that one faction can impose its line, but it is crucial, in light of the debate which will close with a reinforced majority, for the opinion of Parliament, in the final analysis, in other words, for the opinion of the citizens to be heard.

In a period of crisis, we socialists believe that Europe should respond through its budget with very specific characteristics. The response from our budget and from political Europe must, firstly, be coordinated: we must not create the impression that we are leaving each of the Member States to face this difficult situation on their own. Secondly, priority must be given to the citizens' social protection; this social indicator, which is peculiar to the European Union, must be nurtured come what may. That is why we are trying to say certain things in the report in a different way. Finally, this response to the crisis must be such that the citizens understand it, so that it echoes the priorities of environment and energy, and says yes to an energy-independent European Union, but with all roads open, with all possibilities open, so that we can achieve precisely what we want.

There are many points on which we agree with the general feeling of this report, with the feeling of urgency, with the feeling of political necessity. However, we would stress that the response which we want to give through the budget must be a response with these characteristics.

So until we meet in September and with the hope that the Commission will take serious account of Parliament's views.

Anne E. Jensen, *on behalf of the ALDE Group*. – (DA) Madam President, Mr Surján has chosen 'security' as the heading for the 2010 budget, the word being interpreted in its broadest sense: alleviation of the financial and economic crisis, its importance for jobs and economic security, the security of energy supplies, safe transport, the safety and security of citizens in relation to the problems caused by immigration and the problems arising as a result of demographic changes, with fewer young people to care for an increasing number of elderly people, the need for better environmental protection, the need to fight against terrorism and the need to promote safety and security through the EU's role in the world. The heading 'security' indicates the many areas where the EU budget is important and how vital it is for the budget to reflect our needs.

In many ways, 2010 will be an exciting year for the EU budget. For the structural funds, 2010 is the first year in which the 'n+3 rule' comes into play. Those appropriations that have not been committed over the last three years according to the programme will lapse. Now we will see whether the Member States have been able to utilise the appropriations in time. I certainly hope that the sunset clause, the n+3 rule, will not come into play, but, if it does, there is certainly reason to look again at whether the rules for the structural funds are sufficiently flexible and unbureaucratic.

In 2010, foreign policy will, as in previous years, be a tricky issue. I would urge the Commission to find the necessary appropriations, even though the ceiling for this category of expenditure is very low. In the Committee on Budgets we had a number of discussions about our position with the regard to the EU's subsidising of the Nabucco gas pipeline. I would like to emphasise that this is a point to which we in the Group of the Alliance of Liberals and Democrats for Europe attach a great deal of importance. Energy security must be ensured by means of many different initiatives, but we would in particular like to see support for Nabucco, a project which, at the end of the day, is independent of Gazprom.

The budget procedure will be quite difficult this year. This is, of course, election year. The reports by Mr Maňka and Mr Surján represent the only opportunity that Parliament will get to express its opinion on the budget. It will be the newly-elected Parliament that will have to do the actual negotiating with regard to the budget. It is not easy to maintain the procedure we implemented last year with Mrs Haug as rapporteur and with the substantial involvement of the specialist committees. We must, of course, do our best to ensure that the procedure is as open and structured as possible, and I am pleased to hear, Commissioner, that this is also something that you are going to do. I think that both Mr Surján and Mr Maňka have provided a good proposal for doing this.

Wiesław Stefan Kuc, *on behalf of the UEN Group*. – (PL) Madam President, preparing the budget for 2010 requires a lot of courage. We still do not know the full extent of the economic crisis which unfolded last year. Unfortunately, in spite of the significant efforts of individual countries to control it, the crisis continues to develop – workplaces are closing down, unemployment is rising and entire families, as well as sections of society, towns and villages, are becoming poorer.

The implementation of the tasks adopted in the multiannual financial frameworks for the years 2007-2013 is presenting an increasing number of difficulties. Last year, when the budget for 2009 was being drawn up, the estimated level of funding was achieved with great difficulty. Will it be possible to sustain this level in 2010? I hope so. This will be our greatest challenge next year.

We should remember that solidarity is most important during hard times. We must not give up the noble objectives adopted in the Lisbon Strategy. We should bear in mind the economic diversity of EU Member States – not all of them will be able to overcome the crisis, but joint action can provide a great deal of assistance. We still have the chance, at the mid-term review stage, to alter our policies and focus on combating the negative effects of the crisis, making it our number one priority.

Finally I would like to sincerely thank my fellow Members of the Committee on Budgets, László Surján and Vladimír Maňka, for their contributions at such a difficult time.

Pedro Guerreiro, *on behalf of the GUE/NGL Group.* – (PT) Faced with the worsening crisis in the European Union and the lack of any objective and effective measures at Community level to deal with it, the European Parliament, having agreed last December to a budget for 2009 which is around EUR 8 billion less than that set in the Multiannual Financial Framework (MFF) for 2007-2013, now wants the final budget for 2010 to be closer to these upper limits. However, in our opinion, the very least that the European Parliament could have called for is actually too little.

The budgetary limits imposed in the current MFF, which restricts the Community budget to 1% of EU gross national income, are clearly inadequate to achieve the proclaimed policy of economic and social cohesion. What is more, these inadequate limits are not fully used for this purpose, or even observed, and they are certainly not fully implemented. The constant under-budgeting and under-implementation of the Structural and Cohesion Funds, which are two years' late in their implementation, require the adoption of a series of measures to ensure that these funds are implemented, particularly when the European Union and its neoliberal policies are one of the root causes of the current economic crisis.

Faced with the rise in unemployment, social inequalities and poverty, we would reassert the urgent need, among other measures, to boost the financial resources of the Structural and Cohesion Funds, to speed up and ensure their full implementation, to increase the rate of Community cofinancing and to cancel the application of the $n+2$ and $n+3$ rules in these funds. These funds must also be used to defend employment with rights and increase the purchasing power of workers, effectively support small-scale and family farming and fisheries, defend and develop the productive sectors of each Member State, particularly of the cohesion countries, and effectively support micro-, small and medium-sized enterprises and the cooperative sector.

Nils Lundgren, *on behalf of the IND/DEM Group.* – (SV) Madam President, the EU is confronting the global financial crisis with a budget that was formulated half a century ago. According to the rapporteur, the EU should face the modern, globalised world with a budget in which nearly all of the money is pledged to a lunatic agricultural policy and an ineffective regional policy. It is like using the cavalry to attack a modern, mechanised army with guided missiles.

The difference in magnitude is absurd. The cost of resolving the financial crisis is impossible to estimate now, but one calculation that has been put forward suggests a figure in the region of USD 50 000 billion. The total EU budget is only a couple of per cent of that amount and is already pledged to agriculture and regional policy. The EU has required each Member State to implement a stimulus package corresponding to just over 1% of its GNP. This is already more than the entire EU budget, which, of course, only amounts to around 1%.

It is also pathetic to read the wording in both these reports with regard to the funding of climate policy and energy policy. In these areas, too, the EU's budget is thoroughly negligible. The EU's task is to obtain cooperation and commitments, the costs of which must be borne in the Member States after being anchored there in a democratic process.

The same applies to energy policy. Gas pipelines are cheaper to lay on land than on the seabed. Now when Russia and Germany nevertheless construct a gas pipeline on the seabed directly between their two countries, they do this to isolate themselves. It is a new Rapallo, and the EU does not say a word. 'My words fly up, my thoughts remain below', says the king in Hamlet.

Sergej Kozlík (NI). – (SK) The basic logic of the European Parliament's budget structure, as proposed by the Budget Committee rapporteur Vladimír Maňka, is sound. It includes provision for those points which have proven to be weaker and not fully thought out or not implemented to a sufficient extent in previous years.

First and foremost this involves finally sorting out the translation and interpreting resources used in the European Parliament. Despite expectations we have fallen well short here of securing full implementation

of one of the basic axioms of the European Union, which is equality of access and freedom from linguistic discrimination.

And I am not thinking only of equal access and freedom from discrimination in relation to the activities of MEPs, but especially the possibility for EU citizens, regardless of their mother tongue, to access information on activities and outcomes of debates at the institution citizens send their representatives to through direct elections.

Although we have had a massive expansion of the European Union, a delay of five years really does look like an absurd play for time. This undermines faith in European institutions, especially in the smaller countries, and creates fertile ground for nationalist political groups.

Salvador Garriga Polledo (PPE-DE). - (ES) Madam President, Commissioner, this is the last budget of this parliamentary term and, with luck, it will also be the last budget before the Treaty of Lisbon is implemented together with the new budgetary provisions.

Today, the debate with which we are concerned is the debate on the budgetary guidelines, because that is what they are, and it is very clear that we must approve these budgetary guidelines here in sufficient time to have an influence on the drafting of the preliminary draft budget prepared by the Commissioner, as she has just told us. They are guidelines in that they include this Parliament's political priorities, to which budget content and allocations must be given.

The European Union's budget is a battle for scarce resources, particularly at this time of financial and economic crisis. The decision we are making now, regarding what the European Parliament's political priorities will be, is therefore of the greatest importance, particularly since this budget will form a bridge between two terms of the European Parliament, and also between two mandates of the European Commission.

Those who are starting this procedure off now are not the same people that will be completing it in December, and we may even have three commissioners responsible for budgetary matters between now and December – and I would like to take this opportunity to congratulate the Commissioner on her appointment. Therefore, achieving a consensus within this House on our priorities is extremely important.

Obviously, similarly to last year, we are going to budget for the greatest security for our citizens. This security involves a huge number of separate headings, such as social cohesion, job seeking and cohesion, and – unfortunately as was mentioned at the start of this sitting – it is also necessary to step up security and the fight against terrorism. We must not forget that the fight against terrorism is still, regrettably, a priority for the European Union.

Of course, another of the priorities will be to combat the economic crisis. The economic recovery plan has demonstrated the limitations and inadequacies of the annual budget, the multiannual financial framework and even interinstitutional cooperation. What is lacking is a real dialogue to examine, for example, the role of the European Investment Bank, and the use of surpluses in the expenditure categories to finance the European Commission's plans. What is lacking is consensus, and also dialogue.

These guidelines will involve political decisions which will be reflected in the July conciliation, and will then form part of the first reading.

I would like the rapporteur, Mr Surján, to receive sufficient support to bring the guidelines to successful completion, since he has the ability to do so, and I hope that by December he will have a very positive outcome.

Ralf Walter (PSE). - (DE) Many thanks, Madam President, many thanks, Commissioner. As Mr Surján said, the available budget is tight – 1% of gross national product. Thus we must be all the more careful with the funds, particularly in view of the crisis weighing on people's minds. We should also attempt to come to decisions together.

There is one part of this report on which no joint decisions are possible. This concerns energy supply and energy security. I ask myself whether, at a time when we have to account for every single euro, we should really be investing money in fields where there are market players making billions in profits. Support is being proposed for gas pipelines such as the South Stream project of the Italian group Eni, which made a profit of EUR 10 billion. Nord Stream is a project of E.ON, a German group making a profit of EUR 5 billion, and Nabucco brings together a German, an Austrian and a Turkish company with total profits in excess of EUR 6 billion. Should we really be putting taxpayers' money into fields in which profits are made? Should

conglomerates perhaps be making the relevant investments themselves, and should we perhaps be involving ourselves in only those fields in which support from taxpayers is really desirable? We should not be throwing more money at those who are earning enough as it is. Hence the question: is this really what we want?

My second question is as follows. If we do support companies, why Nabucco? Why do we want to create imbalances in this regard? Why do we want to favour a Hungarian company over an Italian one, for example? What is your justification for this? Competitive neutrality is a must, but it is infringed by what you are hoping to adopt.

My third point is that the money must be spent in Europe. What is the use of our investing in Azerbaijan? In the face of the crisis, our European citizens want us to provide solution mechanisms. They expect us to provide assistance.

We cannot support the Surján report as it stands, as this would mean promoting competition-distorting measures and throwing more money at high-earning institutions and industries. The European Union, with its scant resources, absolutely cannot afford this.

Kyösti Virrankoski (ALDE). - (FI) Madam President, it will be a challenging task to draft next year's budget. The European Parliament elections next spring will result in a long pause in the drafting process, and the possible entry-into-force of the Lisbon Treaty means that the budget would have been drafted under rules that are different from those under which it would be implemented. I therefore wish every success to Mr Surján and Mr Mañka, as the general rapporteurs for the budget, in this mammoth task.

The EU's structural policy is caught up in a massive vicious circle of bureaucracy. The cause is its hopelessly complex system of administration and monitoring, which is only geared up to cater for 20% of the Social Fund programmes and just 7% of the Regional Development Fund programmes. There is funding in place for only 2% of major projects. Moreover, more than two years of the new programming period have passed. For example, last year more than EUR 2.8 billion were withdrawn or postponed in commitments and more than EUR 4 billion withdrawn in payment appropriations.

Zbigniew Krzysztof Kuźmiuk (UEN). - (PL) Madam President, the budgets adopted each year total significantly less than the amounts adopted in the multiannual financial frameworks. What is more, the budgets are implemented at a still lower level, which results in a significant amount of outstanding budgetary commitments (RELs). This phenomenon, in particular, stems from a system of complicated rules and requirements imposed by the European Commission, as well as the detailed regulations, pertaining to beneficiaries, introduced by the Member States.

To improve the implementation of the budget, it is essential for both the Commission and the individual Member States to significantly reduce the bureaucratic burden. Secondly, in view of the deepening economic crisis in the EU, it is essential to make even wider use of both EU budgetary resources and funding, in the form of loans and credits, from the European institutions to support development in the Member States, and the SME sector in particular. Thirdly, and finally, it is also essential to make even greater use of EU budgetary resources and also funding provided by banks to ensure genuine diversity in terms of our energy supply, and the Nabucco project in particular. If we do not diversify our supplies of raw materials for energy production, especially natural gas, crises like the one in January will be repeated.

Hans-Peter Martin (NI). - (DE) Madam President, we are right to talk about the financial crisis, but we are not right to say that the European Union does not have any money in its budget to fund the relevant measures to combat it.

We have EUR 144 billion in our annual budget, from which EUR 5 billion has somehow been extracted. My specific proposal is as follows: let us turn this EUR 5 billion into EUR 50 billion without increasing the budget. How is that possible? Taking the administrative part, if we include all the EU administrative expenditure hidden in the operational programmes, that gives us EUR 15 billion.

I say we could manage on EUR 5 billion, which leaves EUR 10 billion for combating the financial crisis. Then we do what we are always demanding of everyone else, namely submit our programmes and activities to independent examination. I am convinced that, if the specific policies of the European Union of today were to be examined at long last, we could easily achieve a further EUR 30 billion in potential savings per year, without losing sight of our objectives.

There are also some small matters in this House. We have a budget of EUR 1.5 billion. Starting sittings on time would introduce efficiency into our work – which would be worth EUR 700 million – and the remaining 300 could be obtained from the Council, which works at least as wastefully as this Parliament.

Reimer Böge (PPE-DE). – (DE) Madam President, Commissioner, ladies and gentlemen, with these guidelines for the 2010 budget, Parliament in plenary will be not only determining the guidelines for budgetary policy but also, in the absence of a motion for a resolution of the political groups on the subject, reacting to the Commission's Annual Policy Strategy.

The reason the budget is such a complex entity is, of course, that it primarily comprises two stages. This House and its Committee on Budgets will still be responsible for the July conciliation, and we cannot foresee today what new challenges and complementary measures will result, for example, from the possible entry into force of the Treaty of Lisbon or from new requirements arising from international and European cyclical trends. At the same time, the 2010 budget will subsequently form a bridge to the budget review and to the mid-term review of the multi-annual programmes, both of which are to take place in 2010. I am very glad to see that the rapporteur, Mr Surján, when discussing aspects of European budgetary policy, emphasises that Europe can stand for opportunities and protection; that is, guaranteeing both internal and external security, offering European citizens protection, and helping to deal with the current problems by giving new momentum to growth, innovation and jobs. We are not just talking about new money here; we are also talking, in particular, about simplifying and accelerating the existing measures, so that we are not constantly having to return the agreed payments to our solidarity programmes, which already form part of the budget, year after year by means of supplementary budgets.

I also welcome the priorities Mr Maňka has presented for Parliament in his report. In addition to the need to improve the language arrangements, when it comes to improving the internal structures of Parliament there is a need to continue the screening exercise we have begun rather than always just calling for new positions. If we are going to pass more laws, we need to concentrate more elsewhere; we cannot always be calling for new positions and posts when we feel like it. We have a great deal more work ahead of us in this regard.

István Szent-Iványi (ALDE). – (HU) Madam President, Commissioner, I welcome the fact that the report takes an unambiguous stance in favour of Community support for the Nabucco project. The Russian-Ukrainian gas crisis has pointed to Europe's dependency in terms of gas supply. The Nabucco project is the only realistic, feasible plan that is capable of mitigating Europe's unilateral dependency on Russian gas supplies. You may be tired of hearing me draw attention each year during the budget debate to the inadequate financing of the foreign affairs chapter. The European Union can only respond in a timely manner to new challenges if its budget allows for real flexibility and reallocation within and between chapters; otherwise we can continue to support our most important objectives with budgetary tricks and opaque budgetary manipulations. I call upon the Commission to offer a solution to the serious financing problems of the foreign relations chapter in the context of a true midterm review, and to ensure greater budgetary flexibility.

James Elles (PPE-DE). – Madam President, as we come to the first stage of the 2010 budget, I would like to congratulate both rapporteurs. It is clear – and other speakers have mentioned it – that we will be having a different type of debate this autumn because we now have the context of a European election set in the worst economic conditions for the last 60 years.

I suspect, therefore, Mr Surján, that when it comes to looking at the budget this autumn – and you have set out traditional challenges in this document – that these will be much changed by the debates we are going to have, focusing on where we are going to be, creating new jobs for the future rather than looking backwards. The emphasis will be on the things in your document, such as green technologies, zero carbon technologies, and, above all, on seeing how ICT, can foster innovation and be able to get the new growth that the European economy will need.

Mr Maňka, in the budget for the European Parliament, when we are thinking about the screening process which has just been mentioned, please do not forget the role of technologies and the way in which everything can be done in a much simpler way. We do not need traditional ways of doing things: we need to be thinking of the new ways in which we can communicate with our citizens. I suspect that by the end of the next Parliament every parliamentarian bar one or two will have a blog. There are over 100 million blogs in the global system today; there were no blogs when this Parliamentary term started in 2004. We have to keep our minds tuned to the future rather than trampling along the normal ways we are used to in so many contexts.

Lastly, I very strongly support Mr Surján's proposal because it refers in both budgets to what I call 'value for money' and which others call 'qualitative improvement' of the way in which we spend it. The economic recession will be very tough on us and we will have to be able to justify the monies we are spending. I would like to thank the Commissioner for everything that she has done during her term of office with regard to being able to monitor how spending is done. If, for the new incoming Parliament, there could be an analysis of those lines which are strong and those which are weak, then that would be very welcome.

IN THE CHAIR: MR SIWIEC

Vice-President

Maria Petre (PPE-DE). – (RO) I would first of all like to thank my fellow Member, Mr Surján, for his efforts. Specifically because we are debating the guidelines for the 2010 budget procedure, which is practically a political debate, I would like to highlight a couple of things.

In my view and in Romania's view, there is one vital element required to ensure the European Union's efficient operation, which must be integrated without fail into the 2010 budget lines: the Nabucco project. We all know that the European Union had a fairly unpleasant experience this winter, finding itself to a large extent without any gas supply. Moreover, this matter not only concerns gas, but all the energy resources which the European Union uses.

The EU is dependent on its suppliers in terms not only of price, but also of supply. This is why it is absolutely essential for us to diversify our energy suppliers and energy resources and the methods of transporting those resources in order to guarantee our citizens a constant supply and protect them against disruptions, especially during freezing winters.

On the other hand, I feel that we need to invest in and encourage research and development in new technologies which will enable industries to use as little energy as possible. We must step up our energy-saving campaigns, along with Europe's citizens. Both diversifying resources and saving them are solutions intended to anticipate and respond to the energy crises threatening the European Union.

Ville Itälä (PPE-DE). – (FI) Mr President, a challenging year lies ahead: there are the elections and economic crisis on top of everything. This means we have a very great responsibility, but, fortunately, Mr Surján and Mr Maňka are dealing with it. I know that both men take their responsibility seriously and are very capable of discharging their duties. This obviously means that we will have to consider Parliament's own projects in particular and that we should set an example to the general public and acquire its confidence as a result. We really need to get the magnifying glass out and take a close look at what projects we can implement in this period. They should be nothing very grand.

I wanted to focus on one detail in my speech. It is that this year's budget acquired a new heading, the 'Baltic Sea Strategy', and I hope that this year both the Commission and Parliament will together hit on the right projects and find the right money for the right sort of measures. The people who live in the Baltic Sea region are expecting a little meat around the bones of this Baltic Sea Strategy, and if we think things through, we might well succeed in this.

László Surján, rapporteur. – (HU) I welcome the comments and feel that most of the criticisms made, and the majority of the amendments submitted, stem from a common source. I mean that these are mainly questions of terminology rather than of true opposition. There is one major source of debate, the support for the Nabucco issue. I would like to make it clear that it is not companies that we want to support, and that there is no question of billion-euro projects; however, we expect the European Commission to take steps towards Europe's energy independence, and one symbol of this – among others – is the Nabucco project.

Mr President, please allow me to draw attention to one more thought. This budget points beyond itself. Today, Europe's citizens no longer have that sense of excellence of the European Union that the founding fathers had, namely, that it would create peace, that it would no longer be possible to start a war. Today there is something else at stake. We do not have to fear war, but yet we see attacks such as this crisis. If we can solve this, and if we can prove to ourselves and to Europe's citizens that the European Union can deal with these concerns together, jointly, then the EU will send a clear message to its citizens that it is worth making a sacrifice, it is worth collaborating. We need the Union. I expect Euro-scepticism to decline if we adopt a successful budget for 2010, and I ask for support now and later on in the autumn. Thank you for your respectful attention.

Vladimír Maňka, *rapporteur*. – (SK) I would like to thank everyone taking part for the inspiring discussion and also the shadow rapporteurs for their constructive cooperation. Thanks to their amendment proposal the entire draft is of a higher quality.

I would also like to thank Secretary General Rømer for his cooperation and I am already looking forward to working together with the next Secretary General.

I would like to thank all representatives of the general secretariats of the European Parliament with whom I met and held discussions. I would like to say to the representatives of the other general secretariats that I am also interested in meeting them and working together to find effective solutions so that we can use the financial resources of Europe's citizens to better effect.

The Committee on Budgets has also cooperated constructively with other institutions in the past and during the previous budget process. I believe that the budget requirements currently being submitted by these institutions are realistic.

I would like to express my appreciation for the way that budgets are created in these institutions, as budget creation not only takes account of the inflation coefficient automatically but is also based on actual needs, which in the current period is really very challenging. In the coming days I will meet with representatives of the institutions in order to listen to their views before we discuss these estimates in the Committee on Budgets. I would like once again to thank all of my colleagues. I look forward to our continuing cooperation.

President. – The debate is closed.

The vote will take place on Tuesday, 10 March 2009.

Written Statements (Rule 142)

Šarūnas Birutis (ALDE), *in writing*. – (LT) In the financial and economic crisis small and medium-sized enterprises are facing increasing difficulties as they try to obtain funding for scientific research, technological development and innovation; according to the general Competitiveness and Innovation Programme, it would be possible to provide effective support for innovation-related SME activities, therefore it emphasises the importance of allocating sufficient funds for financing the CIP.

Information and communication technologies provide great opportunities to encourage growth and innovation, thus helping to implement the goals of the Lisbon Strategy and to overcome the current economic crisis; more than ever before, the European Research Area is the foundation of Europe's information society and is essential for removing inconsistencies in scientific research activities, programmes and policies in Europe; adequate funding is important to ensure the flow of qualified scientists able to move freely and to support global scientific research infrastructure, accessible to all teams of researchers across Europe.

Safeguarding security of energy supply in the European Union and also the principle of energy solidarity are the most important priorities on the EU agenda and this should be taken into consideration accordingly in the EU Budget.

Marusya Ivanova Lyubcheva (PSE), *in writing*. – (BG) The EP's responsibility in preparation for the 2010 budget is greater compared to previous budgets. The reason for this is the financial and economic crisis, along with the unstable energy situation, which has affected EU Member States. The utmost precision is required in the budgeting process, along with flexible options, as the dynamics of the crisis require it to be managed in a dynamic manner.

We need to be more successful at implementing the regional and social cohesion policy across the whole EU. This must be reflected in every priority, which is an even greater challenge in the context of an economic crisis, so that we do not allow divisions to be created between Member States and we help new Member States to cope.

I believe that by using the budgetary instruments we will be more accountable in 2010 for energy and transport networks, and the EU's internal energy networks will be well planned so that they guarantee an alternative to the countries most affected by the energy shortage. Other particularly important considerations are flexibility and efficiency in terms of financing transport corridors with a view to easing traffic and expanding communication links between countries. Particular attention must be given to North-South networks.

A great deal more intensity is required in the expansion of research and development projects. Innovation policy must be targeted at sectors which are appropriate to the relevant countries in order to achieve maximum efficiency from the use of the funds.

Péter Olajos (PPE-DE), - in writing. (HU) As the draftsman of the opinion of the Committee on the Environment, Public Health and Food Safety regarding the EU budget for 2010, I wish to express my satisfaction with the material before us.

I particularly welcome the Commission's intention to contribute to economic and social recovery, reinforce energy efficiency and combat climate change.

I fully agree that the European Union must take more far-reaching financial and budgetary decisions which make it possible for the EU to play a role primarily in the areas of economic growth and job creation. Environmental protection – that is, the green New Deal – can, by finding solutions to the current economic crisis, provide an excellent opportunity to increase green technology infrastructure.

The problems of gas supply at the beginning of the year have shown once again the lack of alternative energy sources, alternative energy supply routes, energy source storage capacity and energy transport interconnections among the Member States. For this reason, it is important that the EU budget duly reflect the need to enhance the security of the energy supply and transport, and for us to invest significant sums in these areas.

As the report has clearly indicated, climate change and environmental protection, as well as the issue of energy security, are closely related to each other. At the same time, it is unfortunate that the measures to mitigate climate change are still not satisfactorily included in the EU budget. I therefore see the task of the Parliament primarily as putting pressure in this regard on the Commission and seeing to it that the aforesaid resources are increased.

18. Statute for a European private company - Cross-borders transfers of companies' registered offices - Small Business Act - Workers' participation in companies with a European Statute (debate)

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

– the report (A6-0044/2009) by Mr Lehne, on behalf of the Committee on Legal Affairs, on the proposal for a Council regulation on the Statute for a European private company (COM(2008)0396 - C6-0283/2008 - 2008/0130(CNS)).

– the report (A6-0040/2009) by Mr Lehne, on behalf of the Committee on Legal Affairs, with recommendations to the Commission on the cross-border transfer of the registered office of a company ((2008/2196(INI)).

– the report (A6-0074/2009) by Mrs Herczog, on behalf of the Committee on Industry, Research and Energy, on the Small Business Act (2008/2237(INI)).

– the Commission statement on workers' participation in companies with a European Statute.

Klaus-Heiner Lehne, rapporteur. – (DE) Mr President, ladies and gentlemen, I have two reports to advocate here, both of which originate from Parliament's Committee on Legal Affairs.

I should like to start with the one that is more important at this time, as it concerns a specific legislative procedure initiated by the Commission: the European private company (EPC). Indeed, this is the legislative core element, if one may describe it thus, of the Small Business Act.

I wish to say a few words about the background. The idea for the European private company was already contained in Commissioner Bolkestein's Action Plan on Company Law. For reasons that never made sense to me, the idea of the European private company was then erased, so to speak, from the action plan over the years, in the course of this Commission's term of office, and was not pursued further by the Commission at that time.

The European Parliament disagreed, however, and this was the background to its legislative own-initiative report under Rule 39 of the Rules of Procedure and Article 192 of the Treaty, which this House adopted by an overwhelming majority some time ago. Under these circumstances, the Commission felt compelled to

reconsider the idea of the European private company, and has now proposed it within the framework of the Small Business Act – which is very much appreciated.

This offer of a separate company form is particularly directed at Europe's small and medium-sized enterprises. Up to now, only large companies have had their own company form, namely the European company. I believe that such a proposal was long overdue. As this is aimed at SMEs, and start-ups – that is, companies that arise from the idea of starting up a company rather than as a result of the transformation, division or merger of existing or other companies – must also be provided for, we also welcome the European Commission's restraint with regard to the requirements imposed on the cross-border component. This has, I believe, also been expressed by Parliament in this report.

We also think it right that all the issues concerning, in particular, capital and liability, have to be clarified in legislative terms at European level, as these are particular problems for SMEs. The present need for them to work with very disparate national legal forms means that they are in great need of advice, which is obviated by this new legal form.

We also believe that we are in line with the case law of the European Court of Justice in the matter of whether the company's seat must be identical to its registered office or seat of administration; that is, that only one company seat can be envisaged. I know that there is a minority opinion on the subject in this House, but the majority opinion in Parliament's Committee on Legal Affairs – from which I assume plenary will take its lead tomorrow – is that there must definitely be the possibility of a separation and that a European company form cannot be disadvantaged in relation to national company forms, which have this possibility under the case law of the European Court of Justice.

A major problem, which required lengthy negotiations, was the situation with regard to employee participation. We have had considerable difficulties with this in the past when dealing with other legal acts under company law. I need only mention the European company and the Directive on cross-border mergers. I believe that, thanks to the compromise amendments signed by the three largest political groups in this House, we have succeeded in finding a real solution to this problem; a solution which draws on the successful elements of previous legal acts in the European Union, which represents a compromise between the different legal situations in the Member States, and which also makes a contribution to protecting employees' rights.

My final comment concerns the 14th Directive, for which I am also rapporteur. The story is similar to that of the European company. Our aim is to use this legislative motion for a resolution to compel the Commission to make a tangible proposal, as we did in the case of the EPC, and indeed we expect the Commission to do so, so as to close one of the last gaps in company law and guarantee freedom of establishment for undertakings. My sincere thanks for your attention.

Edit Herczog, rapporteur. – (HU) Mr President, Commissioner, ladies and gentlemen, we are reaching the end of a long process, a long and successful process through which we have been able to move small and medium-sized enterprises from the periphery to the centre. It has been a long process for us to reach the point where this internal market, although unified, is not homogeneous. A long road, at the end of which we see that the 23 million small and medium-sized enterprises operate with the same administrative burdens and rules as the 41 thousand large European companies, even though the former are unable to enter the market under anything like the same conditions.

It seems to us that the Commission, under Commissioner Verheugen's leadership, has come a long way over the past five years, and thus we welcome the change in philosophy within the European Union, intended to eliminate the hurdles facing SMEs both at EU level and in the Member States. One possibility for increasing the turnover of SMEs is to enable more and more of them to enter the European internal market, since at present only 8% of enterprises do so, and only 15% of their turnover is generated on that market. Their turnover could increase if they were able to participate much more extensively in innovative research and development programmes and projects. It would help the market activities of small businesses if sources of funding and financing were made much more readily accessible than at present. Their turnover could increase if we were at last to create a Community patent, thus preventing cheap counterfeit products from squeezing out intellectual property produced by small businesses.

I believe that the most sensitive challenge from the perspective of the success of the entire Lisbon Strategy is certainly to help SMEs move from their own Member State to the EU internal market. In the current economic situation, however, we need to point out, over and above what has been said, that there are problems with the major source of financing for small and medium-sized enterprises. For that source continues to be credit. The increased risk sensitivity of financial institutions has meant, however, that more and more

companies have difficulty accessing credit. Invoking the uncertainty of the economic situation, the banks are holding back on making loans in these circles. Directors of SMEs complain that thousands of companies and tens of thousands of workplaces may be endangered. It is fundamentally in our interest to ensure that the funds intended to inject liquidity into the system reach the economy rather than remain in bank safes. One of the most important steps is for banks to begin to stimulate the economy and SMEs as soon as possible.

The other challenge is to create European solidarity. This is the only way to offer more effective protection than what nation states can provide to SMEs that are in difficulty because of the crisis. In saying this, I want to point out that the situation of SMEs and the way this is handled is also a test of European solidarity. It shows that Europe is capable of assuming shared risk with Member States beyond the euro zone as well. The measures aimed principally at stabilising the euro area can easily give rise – and have already given rise – to a financial vacuum in the non-euro zone. In the current situation, therefore, I must ask European decision-makers and the representatives of the banking sector not to allow for the creation of a two-speed Europe, since the collapse of a region where SMEs play a decisive role – constituting more than 90% of all businesses – would bring with it catastrophic economic consequences. I request the support of the Commission and of my fellow Members to this end. I thank my fellow rapporteur, Nicole Fontaine, and the other shadow rapporteurs for their work, and once again congratulate Commissioner Verheugen for the achievements to date.

Ján Figel, *Member of the Commission*. – Mr President, first of all I should like to thank the two rapporteurs. Ladies first, and not only these days, I will start by thanking Ms Herczog for the quality of her report on the Small Business Act (SBA) and the strong support it provides for the Commission's initiative to establish a comprehensive policy on small- and medium-sized enterprises. I would also like to pay tribute to Mr Lehne, not only for his efficiency and work in steering the Private Company Statute through the consultation procedure, but also for the interesting and creative solutions presented in the report.

We are now really in a critical phase. We listen every day to the messages, such as the need to boost and renew confidence in the functioning of the global economy. The financial and economic crisis has hit European businesses really hard, and I believe that it is now more important than ever to exploit to the full the potential of small- and medium-sized enterprises. This is the very lifeline of the European economy.

The Small Business Act, which the Commission adopted in June 2008, provides a comprehensive framework of short-, medium- and long-term actions for SME growth and competitiveness within the Lisbon Strategy. It proposes 10 policy principles and a number of concrete initiatives to make sure that the concerns of SMEs are placed at the centre of decision-making – as Ms Herczog said, mainstreaming SMEs into the centre of attention and strategies.

The SBA includes a set of legislative initiatives, including the proposal for a European private company statute. The SBA is designed to ensure that the 'think small first' principle and priority for small businesses are lastingly and irreversibly anchored in policy-making across the Union. The SBA also calls for greater recognition of entrepreneurship and entrepreneurs. We need people who are prepared to take initiatives, draft projects and take risks more than ever at times like this. We also believe, therefore, that honest entrepreneurs who suffer business failure deserve a second chance.

In the current economic crisis, we need to establish priorities and focus on delivering quickly on those actions which have the strongest potential to contribute to recovery. The SBA action plan and the European economic recovery plan propose ambitious measures in three key areas: first, loosening the supply of much-needed credit; secondly, reducing the administrative burden; and, thirdly, helping SMEs do business abroad.

Making a success of the Small Business Act depends on the seamless cooperation of all stakeholders. We are grateful for your support. The resolution that Parliament adopted in early December was a timely and strongly welcomed initiative. As you know, at the summit later in December, the Heads of State and Government unanimously endorsed the Small Business Act, under the French Presidency.

It is, therefore, important that this House gives its full support today to Ms Herczog's report, to establish a solid and legitimate basis for further action. I would like to invite you to promote the Small Business Act in your respective countries and your constituencies to help make sure that this ambitious policy programme becomes reality and that it really helps SMEs in their daily business.

Let me turn now to Mr Lehne's two reports. Parliament has always been a strong supporter of the European Private Company Statute. Your own-initiative report of 2006 and your swift handling of the Commission's proposal are important contributions to the success of the new European Company Statute.

The Private Company Statute is a key element of the Small Business Act. It is designed for SMEs. Therefore, the Commission proposed that a European private company may be set up just like any domestic company, without the requirement for doing business in different Member States or having shareholders from more than one country – just like at home. There are those who consider such a cross-border requirement essential for a European company forum. Parliament's resolution, which allows companies a choice between a variety of cross-border elements, is flexible. European private companies could comply with this requirement, for example by setting up a foreign subsidiary or by simply recording their intention to do cross-border business.

You have also suggested a flexible solution for the minimum capital requirement. As you know, the Commission's proposal required a minimum capital of just EUR 1, and beyond that left it to the shareholders to decide on how much capital their European private company needs. This provision has been questioned by those who consider that capital requirements have a role in protecting the creditors of small companies.

The European Parliament report has put forward alternative solutions to improve creditor protection. It means companies would be able to choose between a solvency-based or capital-maintenance-based creditor protection regime.

The Commission agrees with those elements of the report that aim to increase the uniformity of the statute and thus promote the legal certainty of its application. These include prescribing the registration of the company's business object, clarifying that the ban on offering shares to the public does not preclude offers to the employees of the company, or improving the rules on directors' duties and liabilities. All of these make a helpful contribution which will facilitate the application of this statute.

I also welcome your useful suggestion of an arbitration clause which encourages the shareholders to use alternative means of dispute resolution.

Finally, I should like to mention the subject that has been the most debated in Parliament and elsewhere, which is workers' participation on the board of European private companies. As I have already mentioned, the Commission designed a statute for smaller businesses. Employee participation in SMEs exists only in a few Member States, and this is why a solution based on national laws, which would allow for the coexistence of different models, seemed the most appropriate and reasonable approach.

Parliament's amendments introduce additional and complex provisions that are not applicable to SMEs formed under national law in most Member States. This is likely to make the European Private Company Statute unattractive in those Member States and a much less viable option for SMEs.

To conclude, there are a number of useful solutions in your report. Some of them could very well pave the way for a swifter compromise among the Member States. The Commission, therefore, welcomes the adoption of this report.

Finally, regarding the cross-border transfer of the seat of companies: the Commission has informed Parliament on previous occasions of its reasons for not proposing the 14th Company Law Directive. These reasons are still valid. We agree with the rapporteur that companies should enjoy freedom of establishment within the single market and be able to move their seats from one country to another. However, we are not convinced that proposing new legislation now is the best solution to achieve this objective. Court of Justice case-law clearly allows for company mobility. In addition, existing legislation – the Cross-Border Mergers Directive – provides a framework for the transfer, including the necessary safeguards for third parties. In particular, the Cross-Border Mergers Directive allows a company to set up a new subsidiary in another country and then merge its existing company with that subsidiary. The transfer procedure and safeguards suggested by the Committee on Legal Affairs are very similar to those put forward by the Directive.

Our economic analyses show that the level of complexity of the cross-border transfer procedure would be comparable to that of the cross-border merger procedure. The Cross-Border Mergers Directive was due to be transposed by Member States by December 2007. It is too early to assess its full application. Before embarking on any new legislation, the Commission should first evaluate how this new existing regulatory framework operates in practice. We are also not convinced that the Directive would improve the existing situation under national law and the jurisprudence of the European Court of Justice in this area.

Finally, in the light of the above and with the current legislature about to end, it would be more appropriate for the next Commission to decide on how to proceed on this issue of the transfer of a company's registered office. By then it will also become clearer how the issue of seat transfer was solved in the SPE Statute.

Gunnar Hökmark, *draftsman of the opinion of the Committee on Economic and Monetary Affairs*. – (SV) Mr President, the conditions for small businesses today are crucial for the growth of tomorrow's jobs. They are vital for our ability to emerge from this crisis into a better and more highly skilled and competitive economy. It is the small businesses that drive innovation forward, but it is also the small businesses that currently have the greatest credit problems in the various Member States and in the Union as such.

What we are intending to do here with the Statute for a European private company – and I would like to thank the Commission for the proposal and the rapporteur for her work – is to open up the internal market for small businesses to the same extent as for large companies. It is in this regard that new ground needs to be broken. As we discussed in the Committee on Economic and Monetary Affairs, it is a matter of carrying out a thorough simplification of the rules, which will open up doors for small businesses.

It is about ensuring that small businesses can be involved in public procurement to the same extent as large companies as a result of the way that public procurement is carried out. It is about making it easier for small businesses to operate across borders, including with regard to matters such as paying VAT, and about combating the bureaucracy that is currently proving prohibitive. It is also about providing European financial markets with better conditions for expansion and growth by providing a better credit market for small businesses through the efforts of the European Investment Bank and others. Finally, I would like to say that

Small is beautiful. Small will be bigger tomorrow and give new jobs and more prosperity.

Harald Ettl, *draftsman of the opinion of the Committee on Economic and Monetary Affairs*. – (DE) Many thanks, Mr President. Currently, the transfer of a company's seat involves administrative obstacles, costs and social consequences and fails to offer the necessary legal certainty to shareholders, creditors or workers. A public consultation back in 2004 made it clear how important it was to adopt a 14th Directive.

For this reason, I would call on the Commission to present a legislative proposal on this – as soon as possible – with the dual purpose of simplifying the mobility of companies and ensuring that the matter of participation in relation to the transfer of a company's seat is not left up to the European Court of Justice.

A future 14th Directive must not provide an escape route from strong participation systems. On no account must existing rights be curtailed. In order to guarantee the coherence and substantive nature of employee participation procedures, reference should be made to the European Directive on works councils, the 10th Directive and the Directive on worker consultation and information. It is absolutely vital that information be provided in good time and that a transfer plan be issued prior to any transfer of a company's seat.

Donata Gottardi, *draftsman of the opinion of the Committee on Economic and Monetary Affairs*. – (IT) Mr President, Commissioner, ladies and gentlemen, the regulation on European private companies that we are about to adopt completes the framework of the types of companies that are to be regulated at European level. In certain parts, the final text bears the mark of the text passed by the Committee on Economic and Monetary Affairs.

I regret that we did not take the opportunity to ask the Commission to be more daring, to take further action to set out a specific system of taxation, a suitable accounting system and homogeneous rules for cases of settlement, insolvency, conversions, mergers, divisions, dissolutions and nullity.

There are still too many areas that remain under national company law, resulting in overlapping levels and multiplication of costs. If we agree on the importance of creating a common European system and if we want to avoid opportunistic relocating, then now that the framework is complete, following the European Company and the European Cooperative Society, it would be a good idea to plan to reopen the issue and take it to the next level.

Harald Ettl, *draftsman of the opinion of the Committee on Employment and Social Affairs*. – (DE) Mr President, the proposal presented by the Commission for the European private company within the framework of the Small Business Act had serious weaknesses. It paid scant regard to the interests of creditors, employees, consumers and small suppliers. To mention a few of its provisions, it envisaged minimum capital of EUR 1 and, in addition, inadequate registration procedures, no requirement for cross-border activity, and the separation of the articles of association, the seat and the actual place of business.

The latter would have led to the circumvention of employee participation. Every new European company law directive should help achieve the aim of harmonising employees' rights and the idea of the European standard of participation, based on the new EU Reform Treaty, including the Charter of Fundamental Rights. Employees' rights are core rights for a social Europe.

Anja Weisgerber, *draftsman of the opinion of the Committee on Employment and Social Affairs*. – (DE) Mr President, Commissioner, ladies and gentlemen, small and medium-sized enterprises are the backbone of our society and provide 67% of European private sector jobs.

Therefore, I very much welcome the 'Think Small First' initiative and am committed to ensuring that this principle is taken into account in policymaking at all political and administrative levels. Particularly at this time of financial crisis it is important to create a genuine, tangible added value for SMEs, in order to strengthen these enterprises as a stabilising factor in the crisis.

As draftsman of the opinion of the Committee on Employment and Social Affairs, I was involved in formulating the ideas that are now to be voted on. Numerous proposals of mine have been incorporated into the text, including the importance of the principle of flexicurity. This concept should create flexible labour markets that are also in line with a high level of employment security.

My call for labour law to provide a reliable basis for SMEs has also been incorporated. SMEs often cannot afford their own legal or human resources departments and are therefore dependent on simple, clear regulations.

One of my most important demands – the 'SME test' for legislative initiatives – also gained the support of the committee responsible. Bureaucracy must be nipped in the bud. Impact assessments are to be carried out systematically in the case of new laws. Before their adoption, all EU provisions must be examined in terms of their impact on SMEs. It is important to me that the results of this SME test be subject to an independent evaluation by an independent body, and this idea has been incorporated into the text.

SMEs face particular challenges in the context of the global financial crisis, and so I particularly welcome the report's call for the proposals of Mr Stoiber's High-Level Group of Independent Stakeholders on Administrative Burdens to be implemented as quickly as possible. We must act quickly to take advantage of this potential.

Othmar Karas, *draftsman of the opinion of the Committee on Legal Affairs*. – (DE) Mr President, we all know that our capacity to build on the growth and innovation potential of small and medium-sized enterprises is decisive for the prosperity of the European Union. SMEs also play a crucial role in overcoming the crisis. We must therefore relieve the burden on them and support them, based on the idea that fewer rules have the potential to mean much more to SMEs.

As Chairman of the SME intergroup I would make it quite clear, however, that the Small Business Act is just a declaration of intent by the Heads of State or Government. Declarations of intent alone are of no use to SMEs, and that is why we make a crystal clear call for national and European legislation to be led by the 'Think Small First' principle, and we have made four demands.

The first is that Member States must announce how and in what timeframe they will incorporate the core elements of the 'Think Small First' principle into national legislation. Secondly, Member States should, on a compulsory basis, present the progress made on the implementation of the 'Think Small First' principle in the annual reports on the Lisbon process national reform programmes. Thirdly, we need standard criteria for the measurement of progress in the implementation of the 'Think Small First' principle. Then, fourthly, we must establish the 'Think Small First' principle as an obligatory component of future legislation at European level, too. In addition, in response to current events, I would say that all existing regulations should be examined in terms of their pro-cyclical impact on SMEs. We need to act quickly on this.

President. – Unfortunately we do not have the opportunity to hear the Committee on Women's Rights and Gender Equality because Ms Podimata is not available at this moment.

Nicole Fontaine, *on behalf of the PPE-DE group*. – (FR) Mr President, ladies and gentlemen, first I would like to emphasise the significance of this joint debate on SMEs and I sincerely hope that the SMEs will hear the strong signal that our Parliament wishes to send out to them.

Our group gave an enthusiastic welcome to the draft Small Business Act that the Commission presented to us last June. It is true that, since 2000, initiatives have been taken on SMEs. These initiatives were appreciated but inadequate. Why do I say inadequate? Because, according to the people they affected, all too often they remained just good intentions. Today, then, we must go further. The Small Business Act gives us this chance because it is part of a truly proactive global approach.

I wish to point out that the European Parliament has already scored a success, as it was following the oral question that we asked in December that the Competition Council unanimously adopted the action plan that Commissioner Figel' mentioned just now.

This obviously showed the governments' strong political will and, today, I would like to welcome the excellent report by Mrs Herczog which extends this impetus in such a timely way. I would like also to express my thanks for the quality of the cooperation that we have received and the excellent work that, I must say, we have achieved in the Committee on Industry, Research and Energy. Today we have only put forward two amendments in the plenary session. This shows how well we did our work.

As for our group, with the amendments that we have put forward and that our rapporteur has been happy to accept, we have set about looking for a way of getting the Member States and Community bodies more deeply involved to guarantee that the planned measures really deliver added value to the SMEs.

We have called for the principle of Think Small First to be a compulsory and integral part of all future legislation. We have insisted on the Community patent and also, of course, on the financial resources so that these resources can be accessed effectively and quickly.

Ieke van den Burg, *on behalf of the PSE Group*. – Mr President, perhaps you will allow me, firstly, to say something in reaction to the Commission's statement.

Firstly, I regret that the Commissioner's colleague, Mr McCreevy, is not here – I think the horse racing season may have started again! I really regret it because the subject of company law is really important for us and is at the heart of his portfolio. Secondly, Commissioner, I really regret your arguments against Parliament's proposals on the co-determination of employees. We clearly stated that this is not meant for small companies, but that the SPE Statute is available for all companies. It is not restricted to size. We do not want this SPE Statute to be a way of abusing and circumventing existing legislation – particularly in national traditions – something which is a very important aspect of co-determination. We do not want 'shopping around' to exist and a new Delaware to be created in the European Union, where companies can circumvent this type of legislation.

Thirdly, regarding the fourteenth directive – which we know Mr McCreevy is not very much in favour of – you repeated the same arguments he put forward. He should take seriously the fact that Parliament really wants him to present this proposal.

Fourthly, we tabled a resolution together to ask the Commission to consult the social partners on the basis of Article 138. This would have been proper before we decided on a regulation concerning the SPE, because co-determination is an issue which is dealt with under Article 138 of the EC Treaty and which first requires a consultation of social partners. This has not been done. We now ask for it to be done immediately afterwards. However, if I hear this type of reaction from the Commission, I will seriously reconsider and suggest to my group that we reconsider whether we can support the SPE product. Perhaps you should make some phone calls tonight to Mr McCreevy and Mr Špidla and see whether tomorrow you can present a better proposal on this before the vote.

Briefly – because I am now using up my speaking time – the PSE's position is not against the chance for small and medium-sized enterprises to get this new statute – we are in favour of that – but it is against this form of abuse. We found a very good compromise with the rapporteur. It is also very up-to-date and is not at all obsolete, but very topical at this time, considering the disastrous workings of shareholders and financial markets, to consider a better way of governance for companies, in which employees have a part. Commissioner, you really have to consider with your College and with the Commissioners in charge whether you can make a more positive statement to the Parliament.

Jean Marie Beaupuy, *on behalf of the ALDE Group*. – (FR) Mr President, Commissioner, I would like of course to add my compliments to Mrs Herczog for the excellent 90-point report on the Small Business Act.

However, Commissioner, the work of the European Parliament will only be truly effective with quick and effective implementation in each of our States.

You said in your opening remarks, Commissioner, that on the basis of this report, you were going to create a global strategy, but you will not be unaware that there is currently a financial crisis, an economic crisis and a climate crisis which require fast answers from us.

I will take two examples. First example: I call for companies to be paid within 30 days. That is included in Point 87 regarding the Cohesion Fund. I call on the Commission and the Member States to take measures so that all public contracts are settled with the companies at 30 days.

When it is known, moreover, that 20% of petitions for bankruptcy are due to delays in payment by public authorities, we can see how far this action by governments and the Commission would reduce the level of unemployment, which is growing daily.

Second example: red tape. In Point 72, we call for red tape to be cut by at least 25%. I can tell you that I, as a company director, have been waiting for such a concrete measure for years. Company directors are not there to fill in forms the whole day long. They are there to provide products and services to our fellow citizens.

If you heed this call, Commissioner, not only over and above the global strategy that you wish to create, but also in terms of the practical response of the governments and the Commission, then, within the framework of the current recovery plans, there will be provisions that deliver solutions to our fellow citizens straight away.

Zbigniew Krzysztof Kuźmiuk, *on behalf of the UEN Group*. – (PL) Mr President, when speaking in this debate I want to draw attention to four issues. Firstly, I would like to express the hope that Mr Lehne's report will provide a strong stimulus for the European Commission to prepare suitable legal measures, which, in accordance with the freedom of establishment guaranteed in the Treaty, will allow companies to move their registered offices within the European Union, without being burdened with excessive red tape.

Secondly, these kinds of transfers should, conversely, contribute to protecting the existing rights of shareholders, creditors, and especially the rights of employees. I would also like to express the hope that the solutions proposed by the rapporteur, involving the drawing up a transfer proposal, and especially a report explaining and justifying the legal and, above all, the economic aspects of the proposed move of the company's seat, and its implications for shareholders and employees, will not prove to be an additional obstacle to the transfer of companies.

Fourthly, and finally, it would appear that competition, in terms of taxation and salaries, was the particular motivating force behind the proposed solutions, as it was seen to have a positive effect on the speed of economic growth in individual Member States and, therefore, also throughout the European Union.

Francis Wurtz, *on behalf of the GUE/NGL Group*. – (FR) Mr President, Commissioner, the draft European Private Company statute is presented by the Commission as a component of the European Small Business Act.

In this framework, and taking the United States' model, it was a question at the start of setting aside a defined share of public contracts for small companies. Such noble intentions are only to be applauded.

Unfortunately, it is totally different now that it has arrived, accompanied by the European private company. First, take the size of the target enterprises. In place of small enterprise, the already vaguer concept of small and medium-sized enterprises has slipped in. This has led finally, and I am reading from the explanatory statement of the draft regulation adopted by the Commission, to a 'statute that can also benefit larger companies and groups'. This totally changes the philosophy of the policy, and now what will happen to these pseudo-SMEs? In truth, they will be subsidiaries of multinationals who, as we know, have long been demanding a single, less binding statute than what currently applies to the companies they control in the various European countries.

Let us look now at the nature of the benefits offered to companies by the EPC statute. It is no longer a question of giving easier access to public contracts. Rather, and again I am reading from the explanatory statement of the Commission's text, its aim is now 'to improve the framework conditions for businesses in the Single Market'. To this end, all European Private Companies could have their registered office in one country and their real activities in another. They could also transfer their registered office to any Member State they choose.

How can we not see in these provisions a way of allowing the companies in question to create constraint-free letter-box companies under the most indulgent conditions for the business world? Does not the Commission even specify that 'the relevant applicable law is the law of the Member State where the EPC has its registered office, which applies to private limited-liability companies'?

As the European Trade Union Confederation accurately notes: 'there is a great threat that companies will use the EPC statute to elude the most protective legislation' for workers.

We now understand why the Commission did not consult the trade union organisations before adopting its proposal, contenting itself with the pure formality of an online consultation.

To sum up, when reading this draft regulation it appears that the emphasis placed on 'small enterprises' is above all political window-dressing aimed at making acceptable a rehash of the sadly famous 'country of origin' principle. It amounts to a revamped Bolkestein.

This is why my group proposes that Parliament send a clear signal to the Commission and the Council by rejecting this proposal for a European private company statute.

Roberto Fiore (NI). – (IT) Mr President, ladies and gentlemen, I believe that we must resolve this crisis of small and medium-sized enterprises in an authentically European way. We are witnessing a plague striking small and medium-sized enterprises across the whole continent, caused by a lack of access to credit. The problem is that the banks are not lending to businesses, and it is also true that the attempts of some governments to finance the banks so that they, in turn, will finance small businesses, are failing because no one knows what debts the banks are in fact suffering at this time.

I therefore propose that the national states, by nationalising their national banks, advocate printing money, or vouchers corresponding to money, to finance small businesses. An attempt of this kind was recently made in the Republic of Taiwan, which issued vouchers that for all intents and purposes correspond to money, and gave them, in the form of personal vouchers, to Taiwanese citizens. This meant that, for all intents and purposes, USD or EUR 3 billion was issued in the Republic of Taiwan.

We must do the same; we must give credit to small businesses by issuing money practically as states no longer in debt but in credit.

Georgios Papastamkos (PPE-DE). – (EL) Mr President, I shall focus my speech on the first of the issues at debate, the statute for a European private company. As you know, just 8% of European small and medium-sized enterprises engage in cross-border transactions at a time when small and medium-sized enterprises represent approximately 99% of the companies in the European Union.

This fact proves the shortcomings in the policy to encourage intra-Community business applied to date. It also proves the need for targeted measures to be adopted to create a single and more favourable regulatory framework at European level.

The global economic crisis has now hit the real economy, the millions of small and medium-sized enterprises throughout Europe. Under the present circumstances, our prime target must be small, efficient enterprises.

The Commission proposal for a regulation to the Council goes in the right direction which, in my opinion, is to reduce to a minimum the administrative burden faced by European small and medium-sized enterprises, which are required to meet different local administrative requirements in order to set up a company.

The flexibility and uniformity of European private companies, the minimal cross-border component required, the simplification of checks on the legality of the memorandum and articles of association and the principle of starting capital of EUR 1 are the main tenets of a strategy which may well give new momentum to the development of intra-Community entrepreneurship.

To close, I should like to congratulate the rapporteur, Mr Lehne, on the effort which he made in successfully achieving a compromise between the divergent opinions formulated by his colleagues in the Committee on Legal Affairs and in the various political groups.

Manuel Medina Ortega (PSE). – (ES) Mr President, I believe the debate we are having this evening is useful in clarifying certain points: firstly, the fact that the debate on European private companies is being held at the same time as the debate on small European businesses does not mean that a European private company is necessarily a small European business.

As Mrs van den Burg said, and I believe that Mr Wurtz also highlighted the point in his criticism of the proposal, the European private company statute, as conceived in the Commission proposal and as approved within the Committee on Legal Affairs, is an instrument for the creation of undertakings which may be large and which have certain characteristics, such as limitation of the liability of the partners and the prohibition

on trading in these undertakings on public markets. Both European private company status and national private company status, however, may apply to small businesses or to large ones.

As Mrs van den Burg said, it is precisely the flexibility or malleability of the European private company that means we must be extremely cautious. This has been the task of the Committee on Legal Affairs. The amendments adopted by the Committee on Legal Affairs, which are quite numerous, are designed precisely to prevent the European private company formula from forming a basis for, as Mrs van den Burg was saying, the emergence of a European Delaware. This is particularly relevant to one of the subjects of concern to Mr Wurtz: workers' participation in companies.

I think that the wordings adopted within the Committee on Legal Affairs point out these restrictions clearly. It is not a question, as Mr Wurtz was saying, of applying the country of origin rule, but rather, in accordance with the rules that we adopted in the Committee on Legal Affairs – and I would recommend that Mr Wurtz read the amendments we adopted – there is a set of restrictions preventing the country of origin rules from applying to those companies in which there is a higher level of workers' participation than normal. They are included in full in the amendments that we have adopted and I believe that, with these amendments, it is wholly admissible to adopt the text, even from Mr Wurtz's viewpoint.

In other words, we are dealing with a form of European company that exists in all our countries, which ought to be harmonised in the context of the European Union. We must not, however, in doing so, allow these companies to become virtual entities, but they must exist within the context of national situations and comply with national legislation, particularly within such a delicate sphere as workers' co-determination.

I believe that the text adopted by the Committee on Legal Affairs makes some crucial contributions and, therefore, the Commission would be mistaken not to take these amendments into account.

I believe that the amendments by the Committee on Legal Affairs are directed, precisely, at limiting the shortcomings in the Commission's text, and I believe that Parliament can adopt it in good conscience, not only because of the progress it makes in the context of small companies, but also in view of the management of this type of company, which exists under law and which would be subject to rigorous scrutiny by workers in a system of co-determination.

IN THE CHAIR: MRS KRATSA-TSAGAROPOULOU

Vice-President

Jorgo Chatzimarkakis (ALDE). - (DE) Madam President, Commissioner, small and medium-sized enterprises have never been as important as they are today. SMEs are particularly important against the background of the economic and financial crisis, which was caused by the large rather than the small enterprises. SMEs are important because they too will soon be suffering, yet they are responsible for much of our economic performance.

In the country I know best, SMEs account for 20% of all patents, 40% of all gross investment, 49% of total turnover, 70% of all workers and 80% of all trainees. What is needed now is a rethink. We must press the large reset button, as it were. We must promote entrepreneurial mindsets – this is what the Small Business Act stands for.

I should like to congratulate Mrs Herczog on this report. It is indeed important that we now describe and regard SMEs as a cross-section, that we rethink support measures, that we give precedence to small enterprises in public tenders ('Think Small First') and that we prevent public authorities from intervening in competition. I congratulate you, therefore; what are needed now are tax cuts for labour-intensive sectors.

Eoin Ryan (UEN). - Madam President, I too would like to welcome this report. About 80% of all new jobs in the European Union have been created by SMEs, and in my own constituency of Dublin about 400 000 people are employed by about 100 000 companies in the SME sector.

We must do all we possibly can at the moment to support these companies in difficult times. I welcome the fact that the EIB has a fund of EUR 31 billion for small and medium-sized industries, and I think that more should be done in this area.

Also, the cutting of red tape and bureaucracy by the Commission has to be welcomed. That amounts to savings for the European Union of about EUR 2.3 million. I had a meeting recently with Commissioner Verheugen where we discussed with Irish business people the problems that they faced. One idea that should

be looked at is that of maybe having a moratorium on new red tape coming from Europe, because that is stifling business. During these difficult times, we have to do everything we possibly can to make sure that businesses survive until the hoped-for upturn.

However, that cannot be done by Europe alone. It must also be done by national governments and by local governments, which have a huge role to play. If we want to get our small businesses and employment to stabilise in the European Union and in each individual Member State, we must do everything we possibly can to try and save them.

The challenge that we have at the moment is about jobs, jobs, jobs, and we must bend over backwards to try and protect existing employment and, hopefully, in the years ahead try and create new jobs. That is absolutely essential for all of us.

Georgios Toussas (GUE/NGL). - (EL) Madam President, the European private company is an effort to inflict even greater damage on workers' social and labour rights, along the lines of the Bolkestein directive. While the pretext is being put forward that this company will benefit small and medium-sized enterprises, in fact it strengthens the monopoly business groups.

A form of company is being created with no capital (just EUR 1 suffices), which will be able to establish a fictitious registered office and relocate it anywhere. The Member States with the lowest level of protection for wage and social rights will be used in order to circumvent and reduce the workers' rights to the lowest possible level.

The regulation, which is directly applicable in the Member States, is the natural complement to the Bolkestein directive and the anti-labour judgments handed down by the European Court of Justice in the Viking, Laval and Ruffert cases. It is a consequence and the result of the Maastricht Treaty and of the application of the four freedoms. The European private company exposes the political powers that voted for Maastricht, which tried to deceive the workers when they voted for the Bolkestein directive by lying and saying that it allegedly did not affect workers' rights.

That is why we shall vote against this regulation. All those who support this anti-grassroots policy are sowing winds and are certain to reap hurricanes.

Jim Allister (NI). - Madam President, the fact that 70% of private employment in Europe is provided by SMEs is a tremendous tribute to their entrepreneurial tenacity, because oppressive EU regulation makes their lives unnecessarily and extremely difficult.

Hence, I would repeat a call I have made before that during the currency of this economic downturn, there should be a regulation holiday for SMEs. The cost of EU regulation in the United Kingdom has been reckoned to be GBP 107 billion over the last ten years. That is GBP 107 billion that should have been going into innovation, into intensified export efforts and into growth. Yet much of that has had to be spent on mere compliance with regulation. The simplification of procurement procedures, reducing patent costs, relaxation on state aid rules and real action against unfair competition from the Far East are all essential if SMEs are to flourish.

Today we need family SMEs – small businesses – more than ever because they have the type of commitment and sticking power to get us through this crisis. However, they need our help and they need it by lifting the dead hand of EU regulation from them.

Kurt Lechner (PPE-DE). - (DE) Madam President, ladies and gentlemen, many Members have raised the subject of participation. I do not wish to go more deeply into this now, but I do want to point out in this connection that our Member States' company law also has the function of defending the interests of public policy, such as creditor protection, security of the legal system and consumer protection, a function that is safeguarded in the Member States by administration of preventive justice, for example by means of form and register provisions. There are major differences between Member States in this regard.

The decisions of the Committee on Legal Affairs take account of this in many places – which is to be warmly welcomed – by leaving Member States' options open. Ultimately, however, these things are counteracted, or at least can be counteracted, unless we do something about the fact that the registered office and the actual seat – that is, the actual place of business of the company – are allowed to differ, as this ultimately renders these safeguards meaningless. The company can locate its registered office practically at will, and thus evade the requirements of the country where it really does business. In my opinion, Member States thereby *de facto*

– although not *de jure* – lose a great deal of sovereignty over their company law and its regulatory function, as these can be invalidated.

I wish to add that this will – or rather could – also jeopardise the reputation of the European private company, at least in the Member States with stricter requirements of their own. One could suggest that we wait and see what happens and then make the necessary adjustments, and I would agree with them if this development were not reinforced by the procedures and the unanimity. That is my greatest concern. There is no reason for this course of action. The case-law of the European Court of Justice is only a stopgap measure because we do not have a directive on the transfer of company seats; but, in the form currently envisaged, this European private company would basically reinforce this disintegration – enshrining it in Community law once and for all. For this reason, I would ask the Council to reconsider this issue very carefully.

Juan Fraile Cantón (PSE). - (ES) Madam President, small and medium-sized enterprises are the backbone of the European Union's economy. Their great dynamism and capacity to grow and innovate have earned them a notable position in the EU's policies.

We congratulate Mrs Herczog, because her report encourages the growth of SMEs on the basis of a principle which is by no means trivial: in the political and economic actions of the EU and its Member States, we should think small first.

The Small Business Act contains legislative proposals and political agreements that will give rise to administrative, regulatory and financial conditions with the potential to develop these units within the European economy. The current crisis and the instability of the financial system are restricting SMEs' access to credit, and this is slowing down their usual economic activity. Now, more than ever, we need a coordinated response at European level and the initiatives of the Member States ought to be structured in terms of and aligned with the provisions of the document we are discussing today.

In conclusion, I would like to say that it is particularly important to allocate EUR 30 000 million in the 2009-2011 period to encourage lending to SMEs. This initiative is in addition to the Competitiveness and Innovation Framework Programme and the JEREMIE initiative, and will have a multiplying effect on the funds that SMEs will be able to obtain.

We are fully convinced that European coordination and the European scope of the response are vital in starting out on the road to economic recovery as soon as possible.

Patrizia Toia (ALDE). - (IT) Madam President, ladies and gentlemen, the Small Business Act was conceived and was born in a different climate to the current one, at a time when there was growth and development. We come to adopt it today in Parliament in a totally different situation, while SMEs are suffering severe hardship and great difficulty as they are hit by the storm of the manufacturing crisis and the financial crisis.

As we adopt the Act in Parliament, I believe the primary message should be to say to SMEs that Parliament and the European institutions are standing by them and want to strengthen the will and capacity for resistance that small and medium-sized enterprises in Europe are now demonstrating in the face of this storm. We want to reinforce this by indicating the priorities of this support and by saying practical things: calling for more flexibility in the law, and for tools to be made available that will create an environment less hostile to these companies.

The second thing that I believe we must demonstrate is that we are helping SMEs in what is currently the most critical factor, namely access to and availability of credit. The funds made available by the EIB are not enough: it is absolutely crucial that we say – and we will say it tomorrow – that we want to do more to give credit to small and medium-sized enterprises.

Ewa Tomaszewska (UEN). - (PL) Madam President, the financial crisis, and the resulting economic crisis, are inducing employers to attempt to alter the legal status of their firms to reduce costs, including costs connected with employees' rights and social obligations. That is why they are looking to register their companies' offices in countries where regulations and economic conditions create cost-cutting opportunities, because the legal requirements, such as the minimum wage or pension contributions, are lower. Information contained in the report draws attention to the fact that the cross-border transfer of companies' registered offices should not lead to companies avoiding legal, social or tax regulations. Labour rights must not be violated. We cannot allow social standards to slip. A different means of supporting small and medium-sized enterprises should be found, such as the provision of loans.

Vladimír Remek (GUE/NGL). – (CS) Ladies and gentlemen, in Mrs Herczog's report on SMEs we are talking about 70% of jobs and 70% of VAT receipts in the EU. I would therefore like to express not only my enormous appreciation for the initiative of the rapporteur but also my support. In the current crisis SMEs are clearly in the high risk category. We must therefore promote better social awareness of SMEs. They constantly encounter a range of obstacles. It is much harder for them to obtain loans than it is for large corporations. The administrative and bureaucratic burden is also heavier for SMEs. It is always much harder for SMEs to win public contracts in Europe than it is in the US and many Asian countries. We assert that they are essential to the health of the European economy. Let us therefore give them what they need to confirm this, opportunities in the current period when the crisis is spreading as a result of the domino effect set off by the financial giants and multinational companies.

Tadeusz Zwiefka (PPE-DE). – (PL) Madam President, the adoption of a statute for a European private company will enable the creation of these companies, which will operate in all Member States on an equal basis. The aim, above all, is to remove the current burdensome regulations for small and medium-sized enterprises operating internationally. To run such an operation, SMEs are *de facto* forced to found a company in the target country. This process, in view of the fact that there are 27 different legal systems in the EU, clearly generates huge costs. In the case of a European private company, the owners will be able to register their business in the same form, irrespective of whether they are operating in their own home country, or in any other Member State. The time and money saved on legal advice, management and administrative procedures will undoubtedly make the process simpler and more convenient for entrepreneurs looking to invest.

One of the main fears that sceptics have concerns the lack of a requirement for the company to own a sufficient amount of share capital to protect creditors. Nothing could be further from the truth. Limited companies provide proof of the fact that a company can be successful without the need for share capital – they are the most popular kind of company in the world. In today's world, share capital has lost its most important function, namely that of protecting creditors. In the case of a European private company, that protection is provided by other mechanisms, based mainly on the increased transparency of its operations and closer cooperation with creditors. Today, commercial partners themselves do not pay as much attention to share capital as to the flow of capital, known as cashflows, which reveal much more about the solvency of a company than capital alone.

There is still the question of employees' rights – it is especially in this context that trade unions are concerned about abandoning previously achieved standards. However, I consider this to be a false alarm. The proposed statute contains an unambiguous provision, according to which employee participation takes place in accordance with national legal regulations. The attractiveness of the European private company could be threatened by the threshold for employee participation being set too low. I think the minimum level of 500 employees should be maintained, so as not to burden smaller enterprises with additional costs.

Antolín Sánchez Presedo (PSE). – (ES) Madam President, more attention should be paid to SMEs within the European Union, since they represent 99% of undertakings, 70% of the labour force and nearly 60% of European added business value, and play a fundamental role in European diversity, innovation and cohesion.

It is vital that we provide them with an integrated framework that boosts entrepreneurship, accepts the principle of thinking small first when formulating policies and stimulates their enormous potential. Administrative bodies should adjust to their needs and family orientation in order to facilitate their existence, their transfer, particularly in cases of illness, retirement or bankruptcy, and their winding-up.

The 23 million European SMEs cannot be subject to the same requirements as the 41 000 large undertakings. A simpler legislative environment, without disproportionate bureaucratic burdens, is vital. Moves in this direction include the European private company statute, the initiatives to create companies in 48 hours, to reduce administrative costs by 25% by 2012, the creation of a one-stop scheme for VAT and reduced VAT rates for labour-intensive and locally supplied services, and a common consolidated corporate tax base.

SMEs should increase their participation in the internal market and in public procurement. Currently, only 8% have cross-border activities, and their share of public tender participation is 42%. Ways to promote more balanced competition conditions would be to facilitate the exemption from new State aid categories, to promote cooperation, to amend the directive on late payment in order to ensure payment within 30 days, and to remove obstacles to public procurement.

At this time of crisis, European action to safeguard access by SMEs to finance at a reasonable price is key. Also crucial are measures to constantly increase knowledge transfer and the effectiveness of support services.

Olle Schmidt (ALDE). - (SV) Madam President, we know that small businesses form the backbone of our economy. At this time in particular, the EU and the Member States need to make things simpler for small businesses, both those already in existence and future businesses, by reducing the number of rules, reducing bureaucracy and lowering costs. Small and medium-sized enterprises have a totally different capacity from traditional large enterprises when it comes to adapting to new circumstances and adopting new discoveries and technology.

In addition to making it easier for small businesses to participate in public procurement by providing better access to the internal market, making it easier to obtain capital and making the rules on state aid non-discriminatory, there must also be a change in attitude permeating all decision-making, in schools, universities and the workplace. Research shows that there is a strong correlation between entrepreneurship and growth. The forthcoming Swedish Presidency will, in particular, be making targeted efforts to facilitate enterprise by women, an important European strategy for the future.

Pilar del Castillo Vera (PPE-DE). - (ES) Madam President, with regard to this debate we need to be aware, at the end of the day, that this is not a legislative standard – and, therefore, a Community rule applicable to the various Member States – but rather a set of benchmarks which attempts to ensure that, henceforward, all European Union Member States adopt a common approach with respect to small and medium-sized enterprises.

There are many aspects to this subject, but I am going to mention three that I certainly believe are important.

Firstly, there is a need to remove many of the legal barriers, many of the obstacles and much of the excessive red tape hindering – to an extraordinary extent in certain countries – the creation of small businesses, and also the development of these businesses once they have been created. All this requires financial and human resources to tackle this extraordinary amount of excessive regulation, and these resources can thus not be used for other purposes.

Secondly, there are the issues relating to technological innovation and applied research. To this end, we must also redouble our efforts to ensure that SMEs have access to Community programmes, which also, in many cases, suffer from too much red tape.

Finally, I believe the relationship between SMEs and the training and educational spheres is vital: if the SMEs, the small businesses, do not become the natural arena for additional skills training at the various training levels, then in fact we, or rather the SMEs, will cease to have certain extraordinary resources, and by that I mean persons being trained.

Lidia Joanna Geringer de Oedenberg (PSE). – (PL) Madam President, this legislative proposal corresponds in great measure to the European Parliament resolution, with recommendations to the Commission on the European private company statute, which was adopted two years ago. The purpose of the proposal is to create a standardised form of enterprise under Community law, which will be attractive to small and medium-sized businesses and will be based on simplified conditions and keeping the bureaucratic burden to a minimum.

The minimum capital stock of EUR 10 000, proposed by the Commission, may benefit the company's image by providing a certain level of credibility. On the other hand, this amount is more difficult to raise in some Member States than in others. Share capital should not be a serious barrier to starting a business and therefore I endorse the compromise amendment adopted by the Committee on Legal Affairs, which sets the minimum capital stock of a European private company at EUR 1, but is accompanied by a requirement stipulating that the company's managing body must sign a statement of solvency.

Regarding the question of employee participation in the enterprise, this should be decided by the law of the country where the company has its registered office. However, an exception should be made to this rule if the right of participation of a certain number of employees of the company, which would apply in the Member State where they actually work, would be restricted by the law in force in the country where the European company is registered. In this case, the management of the enterprise would be obliged to create a uniform system of participation, as part of an agreement negotiated with employee representatives.

Finally I would like to add that this new form of company does not replace other forms of enterprise which already exist in different countries, but offers an alternative to them, and that only when specific conditions concerning the establishment of such a company are met.

Giles Chichester (PPE-DE). - Madam President, as a small businessman with some 25 years' experience in the 'real world', I support the broad thrust of the Small Business Act and the report by Mrs Herczog from my committee.

In particular, I would like to welcome the proposal for a directive on reduced VAT rates for labour-intensive and locally supplied services, particularly at this point in time.

I also welcome the amendments calling for implementation of the results of the high-level expert group on the reduction of administrative burdens. If ever small businesses needed something, it is the reduction of administrative burdens.

I welcome, too, the amendment calling for a swift agreement on the Community patent, adapted to the needs of SMEs. Mind you, 'swift' and 'Community patent' are not words and concepts that go comfortably together.

I also welcome the call for improving access to finance because, in the current economic climate, access to finance is crucial for the survival, let alone the prospering, of small businesses.

However, I have two reservations. The first concerns the proposal for a common consolidated tax base, because I fear that this would remove flexibility from SMEs and also from Member States. Secondly, I have personal doubts about the merits and benefits of changing the Late Payment Directive. I personally have always had doubts about the worth of this measure to small businesses, because I feel that they are better off managing their own credit than leaving this to legislation.

Joel Hasse Ferreira (PSE). - (PT) Madam President, Commissioner, ladies and gentlemen, in this report we try to underline the importance of SMEs, including family businesses and those integrated in the social economy. I want to congratulate my colleague, Edit Herczog, as her report is vital in this respect. Other documents and texts have been produced in this area and it is important that they agree. For example, I would mention the European Eurostars Programme and the report on pre-commercial procurement.

Madam President, this report also underlines the many ways of cutting red tape to make it easier to set up this type of enterprise, in order to take advantage of their capacity for initiative, start up new businesses, manufacture new products, provide new services suited to the needs of consumers and other businesses, and thus boost the development of the European economy. I also want to mention something that is very important in my opinion: this is the issue referred to in paragraph 47 of the Herczog report. It is advisable for certain aspects of the legal and fiscal system of the Member States to be improved in this respect, as the current model in most Member States can discourage the transfer of businesses, particularly family businesses, thus increasing the risk of liquidation or closure of the company. Member States must therefore carefully review their legal and fiscal framework to improve the conditions for the transfer of businesses and to promote and apply effective models for the transfer of businesses to employees as an alternative to their closure. This approach would allow jobs to be protected and profits to be reinvested in order to better develop these businesses.

To end, I would point out that support for innovative projects of small and medium-sized enterprises, easier access to European funds and improved access to credit, particularly, but not only, in the current context, are vital factors for supporting SMEs.

Dragoş Florin David (PPE-DE). - (RO) First of all, I wish to thank the rapporteur and those who have worked on perhaps the most important piece of legislation from this last parliamentary term.

It must be highlighted that we attach, first and foremost, special importance to SMEs and entrepreneurship among women, and because we have just celebrated International Women's Day on 8 March, I would like to take this opportunity to convey my best wishes to them. However, we must emphasise that this is a fairly complex act in which we have included everything we could include relating to SMEs: cutting red tape and attaching particular importance to research and development activities within SMEs and to the finances relating to these activities.

I think that this piece of legislation will bode well during the current economic crisis because the European economy needs cohesion and its biggest driving force, SMEs. For this reason, I believe that we need to give the Commission and Council our maximum possible support, speed up the approval of this act and be able to highlight the European economy's strength and dynamic activity in this area so as to hold onto, here in Europe, everything that the European economy and production stand for.

Lastly, we must ask the Commission to find as many sources of funding as possible and provide SMEs with as many credit mechanisms as possible.

Zsolt László Becsey (PPE-DE). - (HU) With regard to the report on small and medium-sized enterprises, I would like first of all to congratulate the Commission and in particular the rapporteur, Mrs Herczog, for the excellent work. At the same time, I regret that this report was not prepared in accordance with Rule 39 of the Rules of Procedure, requesting that the Commission submit concrete legislative proposals.

Specifically, I consider it important for the sake of the Member States that we require them to report on progress in their annual Lisbon reports. Otherwise, the majority of the good recommendations made herein will remain a dead letter. I also agree with Edit Herczog that preferential treatment of the new Member States, and especially of those outside the euro zone, is an important political consequence of this whole exercise. They are in a particularly difficult situation beyond even the generally disadvantageous status of small and medium-sized enterprises, and yet they could play an extremely important role in overcoming the crisis.

To cite only a few elements of the internal market: it is indeed of concern that only 8% of SMEs engage in cross-border activities; this percentage must be increased. Mentorship is particularly important in encouraging such activities. This could be accomplished, on the one hand, by reducing administrative burdens, and on the other hand, through activities involving VAT, such as a one-stop shop system or a reduced VAT rate. Furthermore, we need to promote a stronger SME orientation in public procurement at the Community level as well, for instance by selecting SMEs more often as lead contractors, or by issuing calls for tender intended specifically for them.

The SME Circle, of which I am President, would emphatically like to see results in the establishment of a thorough guarantee and credit system at EU level. I hope that the new European Investment Bank (EIB) opportunity will fulfil the hopes placed in it. As for the rapid implementation of the payment directives and in order to resolve the debt situation, coordinated steps must be taken at Member State level. All in all, both in order to find new markets and to deal with administrative challenges, Member States' efforts to strengthen a mentor system and EU support for such a venture must come quickly.

Jacques Toubon (PPE-DE). - (FR) Madam President, I would like to welcome the discussion and the adoption of this European private company statute and I would like in particular to praise our rapporteur, Mr Lehne. I think that the text that will be adopted by this House will, in a way, carry his name and the European private company will be known to posterity as the Klaus-Heiner Lehne company.

I would just like to comment on one point. I share the view that Mr Becsey has just expressed. I believe that the provisions for worker participation proposed in the compromise run counter to the agreed objective, in other words run counter to the ease and effectiveness of this statute for small and medium-sized enterprises.

I think it is a mistake to introduce worker participation at such a level, in other words in such small companies. I understand perfectly well the attachment to a system of social and economic management which has proven its worth. I think that, in this case, we are losing some of the effectiveness of the statute we are proposing and that is going to be adopted, by imposing worker participation systems on small companies when such systems, I feel, are only suitable for large companies. However, aside from this reservation, I think that this text is excellent.

President. - The debate is closed.

The vote will take place tomorrow, Tuesday, at 12 noon.

Martí Grau i Segú, *draftsman of the opinion of the Committee on the Internal Market and Consumer Protection.* - (ES) Madam President, firstly I would like to thank the rapporteur, Mrs Herczog, for her report and her cooperation with the draftsmen of the opinions of the other committees.

As draftsman of the opinion of the Committee on the Internal Market and Consumer Protection, I would like to point briefly to the three elements that we believe are essential – although we also have a very broad consensus regarding other elements – and which we wished to highlight when drawing up our opinion.

Firstly, I want to point to the need to take action to tackle the situation that often arises when the owner of a small or medium-sized enterprise retires. In too many cases, this retirement entails the cessation of operations for these enterprises or, in other cases, their absorption by larger undertakings, with the result that they cease to be small or medium-sized enterprises.

Secondly, I would like to stress the value of training as a key element, both in improving the capacities of the enterprises and their staff, and in highlighting the social value of enterprises within the wider context of society.

Lastly, I want to refer in particular to women, who continue to experience the greatest difficulties in running this type of enterprise.

Richard Corbett (PSE). - Madam President, I rise to challenge Mr Allister on what he said earlier in his ludicrous comments about the supposed costs of EU regulation to businesses, and in particular British businesses.

These are based on some so-called studies which are being hawked around the British Euro-sceptic press at the moment with ever more lurid calculations about these costs.

However, those studies are wrong on three counts. First, they exaggerate the amount of legislation that is adopted at EU level instead of national level, quoting 50% or more whereas most national studies show it to be between 6 and 15%. Secondly, they take no account of the fact that EU legislation, when we get it right, cuts costs to businesses and cuts red tape by having a single set of standards – common rules for the common market – instead of 27 divergent and separate ones. Thirdly, they take no account of the fact that when we do impose costs, it is often deliberate in order to save money downstream. When we require cigarettes to have a health warning system, or when we require asbestos to be phased out of our products and our workplaces, it is in order to cut health costs and save lives for people downstream.

These studies cynically make no attempt to balance up the whole picture, and it is a scandal that somebody who claims to represent all of his voters only looks at one side of the argument.

Ieke van den Burg (PSE). - Madam President, it is a pity that Mr Toubon is leaving the room, because I wanted to respond to an accusation he made concerning our compromise: namely that it requires new heavy burdens on SMEs. In fact, in the compromise, the status quo is being resettled for mergers, divisions of companies and transfers of seats. Regarding new companies starting from scratch, there is a fairly high threshold for companies with fewer than 500 employees. Those with between 500 and 1 000 employees have exactly what is in the other directives. One cannot say that this is making the status quo even heavier; it is making it lighter. In this consultation with the social partners, we want to look at simplification and a better system which is harmonised all over the EU.

Ján Figel', Member of the Commission. – Madam President, I would like to thank everyone for a very interesting debate. First of all, I apologise on behalf of my colleague, Charlie McCreevy, who has an Ecofin commitment early tomorrow. His absence is due to preparations for that.

I wish to respond to some of the points raised. Part of the response lies in the overall process which we are driving together including, for example, the great political signals Parliament has sent to SMEs in 2009. These provide good encouragement, especially in a time of crisis, especially as we believe that SMEs have very high potential and that they deserve specific attention – mainstreaming, for example, the connection between education, training and SMEs.

I am pleased that, since 2007, we have been working together with DG Enterprise and Commissioner Verheugen on entrepreneurial education, which is very much needed in Europe and lags behind many other areas. I could quote many examples of good instruments – such as Erasmus for Young Entrepreneurs – but do not want to speak on these just now. It is a process of many issues around access to finance. The EIB is now freeing up space and volume for credits: EUR 30 billion for SMEs, EUR 1 billion a year more for medium-sized corporations, and an additional EUR 1 billion for mezzanine financing.

We recently decided, as you know, to relax the rules on state aid, leveraging the *de minimis* threshold to EUR 500 000, which means better conditions in general for more intensified state aid. This will also help facilitate subsidies for the production of green products.

Mr Karas spoke on the Small Business Act (SBA). Some Member States are already monitoring and reporting on SBA implementation. This was the case in 2008 and, starting in 2009, there will be annual assessment by Member States as part of all national reform programmes. We will therefore know more, and this culture of mainstreaming and support will grow.

On public procurement and SMEs, the Commission held vast consultations with stakeholders, including business organisations. One real problem lies with application of the rules by public buyers. We need more

competition, more transparency and no discrimination, but the good news is that 42% of volume, above EU thresholds, is already going to SMEs in the European Union, which is really significant support.

Mr Wurtz spoke on the separation of registered offices and headquarters, and the problem of a potential erosion of employee participation. The separation of SMEs' registered offices and headquarters is already general practice in half of the Member States, including those with very high standards of social policy safeguards. It ensures the flexibility companies need when doing business in more than one country.

Regarding the 30-day request by Mr Beaupuy, this should be dealt with in the proposal already in the pipeline on late payments, which should be adopted in the Commission before the end of the month.

The issue of consultations and worker participation has been much discussed here – and not only today. As part of its preparations, the Commission conducted, between July and October 2007, a public consultation on the potential SPE. Representatives of trade unions, including European trade unions, presented their views at conferences, especially during 2008. A major conference was held in March 2008, and we discussed these questions with experts from European trade unions several times that year. I want to underline one important thing, which is the legal basis. This is not Article 138, because we are not in the field of social policy, but Article 308, making it a different initiative based on unanimity of the Member States. There was no reason to launch a specific consultation under the former article.

I want to remind you that we already targeted large public companies when we launched the proposal on the European company, and that SPE proposal was designed for SMEs. Employees' information and consultation rights were dealt with in 2001, in the first directive on the European company.

Since 2002, we have had a general framework for informing and consulting employees in the European Union. There is no reason to disregard these rules and come up with a different solution in this current proposal on the SPE.

If workers' collective rights are to be improved, which is our intent, this should not be done only in respect of one type of company, but through a more general initiative that also takes into account the different traditions in the Member States.

We have already made important progress in the evaluation of employees' rights in the European company statute. Follow-up measures will be considered when the full assessment is completed in 2010.

Some points were made on why there was not more input into taxation and accounting. I would remind you that we do not have general legislative power on every issue. Legislative initiatives on company law, insolvency law, accounting and tax law are attached to very specific, and often restrictive, legal bases in our Treaties, and the existing Treaty hardly serves as a basis for a complete body of European business law.

Last but not least, I want to thank you for a very open and constructive debate, and also for real cooperation on SME policy issues. I see many friends of SMEs here. The recommendations in the first report will be taken into account in the implementation of the action plan, and especially in all relevant issues connected to small businesses.

Concerning Mr Lehne's report, a lot of work still needs to be done because we need to achieve agreement in the Council. We will need some time, especially in the light of unanimity, but your input can really soften the atmosphere and help to find real consensus and approval. We want to facilitate this progress and to put in place a statute which really helps European businesses.

On the cross-border transfer of registered offices, the Commission agrees that companies should be free to move their seat within the European Union, provided that the rights of shareholders, creditors and employees are guaranteed. We therefore need to strike the right balance between freedom of establishment and the interests of third parties.

I would conclude by saying that this is the European Year of Creativity and Innovation, and that it is very important to have an approach which brings forward the creative potential of our businesses. People are very important, not only because there is a crisis, but because there is no greater potential than that of human beings. Issues such as IPRs or the Community patent could in the near future be addressed through a more open-minded and open-hearted political approach. Europe could be more innovative and creative in supporting SMEs.

Klaus-Heiner Lehne, rapporteur. – (DE) Madam President, Commissioner, I should like to make four comments. Firstly, with regard to the directive on the transfer of registered offices, I think that the Commission

should abandon its argument, as it runs the risk of making itself a laughing stock among experts. The theory that transfers of company seats can be arranged such that a company is started up in a neighbouring country and then one's own company merged with it under the Directive on mergers could scarcely be more bureaucratic. We are talking here about reducing bureaucracy and trying to make things easier for SMEs. This proposal just goes to prove how little sense it makes for the Commission to persist in refusing to present a proposal on the 14th Directive. This benefits no one but lawyers.

My second point concerns participation. Mrs van den Burg is right: real SMEs are not affected in the slightest by the compromise we have presented. We are aiming only to avoid abuses and to record companies that are actually large companies and are more suited to the European company than to the European private company in terms of the number of employees. It is practically only abuses that are being recorded.

My third point concerns the real-seat theory, to which only seven Member States remain committed – only seven! Last year, the largest Member State, Germany, abandoned this theory. The European Court of Justice does not advocate it, but allows it in exceptional cases, as proved by the *Cartesio* ruling. That ship has sailed; there is no point in continuing to argue about it.

The fourth thing I want to say is that the argument on the part of left-wing Members – none of whom stayed for the debate earlier on – that the proposal should be rejected does not take account of the substance of the report – Mr Medina Ortega is absolutely right about this. The substance of the report actually takes care of all the criticism that has been presented. Therefore, I would suggest that the left-wing Members, too, consider rereading the report and the amendments and then discussing them once again with their group.

Edit Herczog, rapporteur. – Madam President, it is a great pity that all of my voters are not here in the room, because it was wonderful to listen to so many Members from so many countries and so many parties welcoming my report on the Small Business Act. However, I have to say that my report would not have been possible without the Commission, namely Mr Verheugen and his small business team, Mrs Le Bail and others. I would also not have been able to do it without the Small Business Intergroup.

Most of my colleagues agreed with everything in the report, as can be seen from the fact that not too many amendments were introduced. Some colleagues asked why it is not legally binding. It is not legally binding by nature for many reasons. However, tomorrow we will ask for a roll-call vote on many paragraphs in order to prove the Parliament's common action and the Council's common requirement to do this.

Finally, I would like to say that exactly 200 years ago Darwin published his book on the origin of species. He said that the survivor is not the strongest, but the one most able to adapt. I think what we have done with the Small Business Act is to create a place for Member States to adapt and manoeuvre, and for small businesses within the Member States to adapt faster, survive this crisis and face the next challenges. Thank you very much for your support.

President. - I have received four motions for a resolution⁽¹⁾ from four political groups on the participation of workers in the European private company.

The vote will take place on Thursday.

Written Statements (Rule 142)

Gabriela Crețu (PSE), in writing. – (RO) I would just like to highlight two absolutely essential aspects.

Access to funding is vital, along with the legal and administrative facilities. Creating a special fund for SMEs and developing microcredits are conditions without which SMEs cannot withstand the difficult market conditions and the opportunity to create new SMEs would be very limited.

The second aspect is linked to the status of women running small businesses. In many respects, they do not differ significantly from employees. Reasons for this can be the lack of development of services facilitating the balance between private life and work activities, as well as the tough competitive environment in which networks matter very much. Such networks, which facilitate the flow of information and can provide support, if needed, are a feature of businesses run by men, whereas women are more vulnerable from this point of view. For this reason, links must be encouraged between businesses run by women and those run by men.

⁽¹⁾ See Minutes.

We also call for recognition in all Member States of the status of co-ownership for women working in small family businesses. In most cases, the owner is a man, while any women are regarded as unpaid family workers. They do not even benefit from the social insurance which employees enjoy. In fact, when they are old and if they have separated from their partners, the adverse consequences are obvious and disastrous...

Adrian Manole (PPE-DE), in writing. – (RO) The competitiveness of SMEs is frequently reduced as a result of the barriers blocking cross-border trade. Lifting these barriers would bring about greater legal stability and would make it possible to calculate more efficiently the liability risks facing enterprises and entrepreneurs. Through this report the European Parliament has indicated that it has fully understood the vital role which small and medium-sized businesses play in terms of the European economy's competitiveness.

A well-conceived European Public Company Statute, intended to supplement the legal forms which already exist, would benefit the competitiveness of European SMEs in many respects: it would consolidate the European internal market, simplify the legal framework for enterprises, thereby reducing consultancy costs and facilitating access to cross-border markets, and it would improve economic integration and growth.

This statute would also offer SMEs greater flexibility.

SMEs account for more than 90% of the EU economy and two-thirds of its jobs. They should therefore be given the best possible conditions in order to contribute to economic growth in an integrated internal market, capitalise on the opportunities available and face up to the challenges of globalisation.

Søren Bo Søndergaard (GUE/NGL), in writing. – (DA) The aim of this proposal, according to the Commission, is to improve the framework conditions for business in the EU's internal market.

The proposal will achieve this by giving enterprises the ability to freely choose the EU Member State in which to have their registered address, regardless of where their actual operations take place, and for them only to be obliged to comply with the laws of the country in which they have their registered address.

This will open the way for the circumvention of hard-won workers' rights in the EU Member States.

The truth is specific. Allow me to be specific.

A Danish company with a registered address in Copenhagen and 35 employees is, under Danish law, obliged to accept the workers appointing representatives to the management of the enterprise. This ensures that the workers get some insight into the position and future of the enterprise.

If the proposal that has been submitted is adopted unchanged, the company in question could simply register itself as a European company based in Finland. Suddenly, 150 employees are required in order to obtain employee representation. In most other EU Member States, the situation is even worse.

Perhaps the Commission's proposal will be improved slightly in the forthcoming negotiations. Perhaps the text that is finally adopted will not be so bad.

In any case, we should ask ourselves the question 'why'? Why does the Commission time and again submit proposals, the only objective of which is to reduce the rights of workers? Could it perhaps be that there is something fundamentally wrong with the EU?

19. Future of the European Common Asylum System (debate)

President. - The next item is the debate on the report (A6-0050/2009) by Giusto Catania, on behalf of the Committee on Civil Liberties, Justice and Home Affairs, on the Future of the European Common Asylum System (2008/2305(INI)).

Giusto Catania, rapporteur. – (IT) Madam President, ladies and gentlemen, in the last year the number of refugees worldwide has increased. The figure now stands at approximately 12 million. If we include those who are internally displaced, this rises to more than 26 million people worldwide who are in need of the same kind of protection. The reason for this is that wars continue to exist in the world; at present there are 4 million Iraqi refugees and displaced people, and it is clear that these refugees are a consequence of wars that our countries played a part in starting.

The creation of a common European asylum policy is necessary because, under the rule of law, we have an obligation to guarantee that these people are received equally throughout the European Union. This becomes

all the more important if we consider that some Member States do not yet have a systematic law on asylum. I note with regret that harmonisation of asylum procedures has been deferred for two years, meaning that it will be implemented in 2012. We must put an end to the awful disparity that exists between the Member States and the different asylum systems. We are at present in a paradoxical situation whereby recognition rates of candidates to refugee status for certain third country nationals vary from approximately 0% up to 90% depending on which Member State receives the request.

Harmonisation of standards should result in a high level of protection throughout the EU and should not be based on the lowest common denominator. The institution of asylum is an essential part of our democracy and the protection of human rights, and it is unacceptable that it has been severely eroded in recent years, as the needs of asylum seekers and the principle of non-refoulement laid down in international conventions have not always been respected. The European Union should provide for mechanisms at the external borders to identify asylum seekers and ensure that persons entitled to international protection gain access to its territory, including in the context of its external border control operations. For this reason we consider it appropriate to review the role of Frontex, which often handles asylum seekers as if they were illegal immigrants.

With this report, the European Parliament is asking Frontex to provide detailed data relating to the number of asylum seekers identified as such during its operations and the plight of persons intercepted and sent back to a country of transit or origin. We must ensure that international conventions are correctly applied, as well as cooperation agreements with third countries. Agreements cannot be made with countries that have not signed the Geneva Convention. Many Member States ignore this, however, including Italy, which has signed an agreement on managing migration flows with Libya, a country that does not intend to sign the Geneva Convention on refugees.

We are very pleased – we have emphasised this and hope that it comes across in this report – that the Court of Justice has annulled the article of the Asylum Procedure Directive concerning the creation of the concept of ‘safe third countries’ and a common list of safe third countries. In our view, there can be no such thing as a ‘safe third country’; it is an erroneous concept, since any citizen can be persecuted even in countries with high democratic standards.

Asylum seekers are vulnerable people who require appropriate reception conditions. Member States cannot detain people for the sole reason that they are applying for international protection. I would therefore argue, as a matter of principle, that asylum seekers should not be detained. Unfortunately in many Member States the detention of asylum seekers is still a reality, due to the fact that they enter the country illegally. Regrettably, and I will conclude with this point, there is no other way to enter the European Union. This is the paradox: even asylum seekers must be subject to mixed flows to enter the EU. Asylum is not a concession: asylum is a duty for states and a right for those fleeing war.

Jacques Barrot, *Vice-President of the Commission*. – (FR) Madam President, honourable Members, the Commission adopted an action plan on asylum in June. The Commission undertook to present, between 2008 and 2009, concrete proposals to improve protection standards and to introduce more solidarity between the Member States and also to reinforce practical cooperation.

We have set out the principles that should guide the action of the Union, maintain its humanitarian and protective tradition, guarantee real equality of treatment throughout the Union, improve the effectiveness of the asylum system and promote solidarity within the Union and between the Union and third countries.

I am pleased to learn that Parliament fully shares the Commission’s philosophy. It shares our ambition to build a more protective, more effective and more just European asylum system.

The fact that Parliament is now a co-legislator with the Council gives me hope that the negotiations, which will be long, will now have more chance of arriving at instruments of the highest quality which are more in line with the fundamental rights.

Thanks, then, to the co-decision procedure and qualified majority voting in the Council, the Union can harmonise these international protection standards at a higher level.

I thank Parliament for the solid support it has given to all the initiatives that the Commission has announced in its action plan.

I also thank you for the priority you have given to dealing with my recent proposal on the creation of a European asylum support office. We need the support of Parliament to ensure the success of this mechanism,

which will allow us to reinforce practical cooperation and the quality of the asylum systems. I hope the three institutions reach an agreement quickly so that this office can open as soon as possible.

However, Mr Catania – and let me thank you for your report – you are worried about some situations, in particular, the detention conditions for asylum seekers, the rights of asylum seekers under the Dublin procedures, the impact of border control operations on access to protection and the burden assumed by certain Member States in the reception of the flows of asylum seekers. I have some answers for you.

As for the conditions of detention for asylum seekers, the Commission has proposed, in the amendments to the directive on reception conditions, clearer rules than those currently in force, in particular the prohibition, in all cases, of the detention of unaccompanied minors. We have also specified the cases where detention is possible for adults, with safeguards such as the right to effective recourse or the right to legal aid and regular judicial checks on the detention measure.

In addition, in keeping with Mrs Roure's report on open and secure reception centres, adopted on 5 February, Parliament identified a number of problems in these centres. The proposed amendments to the directive on reception conditions should provide an answer to these problems.

Following the same principles, I proposed that the rights of asylum seekers subject to the Dublin procedures should be better guaranteed. We must, for example, facilitate the reuniting of families, the reuniting of children with the members of their family, and reinforce the procedural guarantees enjoyed by asylum seekers subject to the Dublin procedure.

The best asylum procedure would be useless if access to such a procedure were not guaranteed. I agree with you, Mr Catania, on the need to improve our work with border officials, to train them and make them aware of asylum issues. You mentioned mixed flows. Frontex really needs to be able to undertake this training task. Once established, the support office will contribute to this by preparing manuals for border officials. We must also arrive at a better definition of responsibilities in the case of people rescued at sea. Where should they disembark? Where, if need be, could they ask for asylum? I am working with the Member States to try to find the right answers to these questions. Naturally, one has to be aware of the pressures the asylum systems are under in some Member States. We want greater solidarity, not only in financial terms, but also in the form of teams of rapid response experts, created by the office.

We are also going to examine the possibility of the voluntary transfer of refugees to a Member State other than the one which granted protection.

At the end of this week, I am going to Lampedusa and Malta to look at the practical requirements and at how the Union can offer its support.

Let me take this opportunity, Madam President and honourable Members, to thank you for the extra EUR 10 million that Parliament approved at the end of 2008 for the European Refugee Fund. These EUR 10 million will be used to relocate more refugees in the Union in 2009. I wish, in this matter, to stress the importance of the commitment made by the Member States following the mission we sent to Jordan and Syria on the relocation of Iraqi refugees in the Member States of the European Union.

We are working, and I am working, on all fronts, in other words, improving the quality of the legislation, practical cooperation and solidarity between the Member States and between the Union and third countries.

I would really like to thank Parliament for its support. We must make the European Union a true united common area of protection. It is indeed my intention to include this in the Stockholm programme.

Thank you, ladies and gentlemen. Thank you Mr Catania and Mrs Roure for all the very useful work that has been accomplished.

IN THE CHAIR: MRS ROTHE

Vice-President

Danutė Budreikaitė, *draftsman of the opinion of the Committee on Development*. – (LT) In recent years, the number of refugees worldwide has reached 16 million. In 2007, the EU received more than 200 000 asylum applications. Both refugees requesting asylum and some Member States are facing problems, and a great burden which the European Common Asylum System would alleviate. Government institutions should apply concrete, clear and equal terms when deciding whether asylum applications should be accepted. It is important for refugee status to be granted on the basis of a concrete case, rather than a general assessment,

based on nationality for example. I would also like to draw attention to the fact that the European Commission's Policy Plan on Asylum does not mention the Frontex agency, which plays a very important role in the area of refugee protection. Moreover, it is important to mention that the number of asylum applicants depends directly on the political, economic and social situation in the countries of origin of the asylum applicants. Therefore, the Common European Asylum System should be closely linked to the European Development Cooperation Policy and humanitarian work, which would reduce the number of asylum applicants, seekers, who are often economic migrants.

Carlos Coelho, *on behalf of the PPE-DE Group*. – (PT) Madam President, Vice-President of the Commission, ladies and gentlemen, following the Tampere conclusions, much has been done to harmonise the laws of the Member States on asylum. However, this harmonisation has been based on the lowest common denominator, with very different practices and procedures continuing to exist. We still do not have equal conditions of access to protection throughout the EU and, as a result, there are still problems such as secondary movements and multiple applications.

In 2008, as already highlighted by the rapporteur, the number of refugees grew to over 12 million. We therefore urgently need to begin the second phase of the Common European Asylum System. There can only be an identical level of protection throughout the EU if a single asylum application procedure is established, for reasons of efficiency, rapidity, quality and justice in decision-making, together with single standards for qualification as refugees or persons needing international protection. Only in this way can asylum seekers be treated equally, regardless of the Member State in which they make their asylum application.

I am therefore delighted at the presentation of this asylum action plan, to which various public players have contributed and which defines the road map to be followed in coming years with a view to developing the Common European Asylum System. I support the proposed amendments to the Reception Conditions Directive, to the Asylum Procedures Directive and to the Asylum Qualification Directive in order to clarify the criteria allowing asylum seekers to qualify for international protection. I am pleased that Commissioner Barrot has underlined the need to ensure coherence with other policies impacting on international protection, and I hope that this same coherent approach will be extended to other common areas.

Finally, I want to congratulate the rapporteur, Giusto Catania, for his work, which will be supported by the Group of the European People's Party (Christian Democrats) and European Democrats.

Martine Roure, *on behalf of the PSE Group*. – (FR) Madam President, I wish first to congratulate our rapporteur for this excellent report as it reveals, rightly, the imbalances which characterise the current asylum law in Europe and he puts forward a number of proposals that will really allow us to move forwards in the right direction.

We must put an end to the existing unacceptable disparities between the Member States. In fact, the response an asylum seeker gets depends on the country in which the request for asylum is lodged.

We also call for a substantial improvement in the conditions in which asylum seekers are housed. This requires, in particular, the affirmation of the principle that asylum seekers must not be placed in detention, particularly vulnerable persons, women, children and the victims of torture. This also requires guaranteed access to minimum rights to housing, employment, health, education, in other words, to the fundamental rights that ensure the dignity of the person.

Finally, for us it is vital that we reform the Dublin II system. Our visits to the detention centres, in particular, have shown us – as you said, Mr Rothe – the collateral damage caused by an unsuitable operation, insofar as it places an unacceptable burden on the countries most directly affected by the flows of migrants towards Europe's door.

There is still a long road ahead of us before we achieve a common policy on asylum. We must not harbour any illusions, but the new Commission proposals, to which I trust we can make an effective contribution, will allow us, I hope, to lay the foundations of a structure which, although it might be fragile today, we hope will be solid in the future.

I sincerely thank Commissioner Jacques Barrot for the tenacious will he has shown in this matter, because will is what is needed, and a great deal of will at that. I hope, Commissioner, that you will have the time to implement this work, because it is our duty and a moral imperative for the values that we in the European Union defend.

Sarah Ludford, *on behalf of the ALDE Group*. – Madam President, I support the report of the rapporteur and the work of the Commission. There is no excuse for the poor state of refugee management in the EU, since the numbers of asylum applications are low by historical standards. Lack of common practice, different sources of country-of-origin information and failure to implement EU laws properly means there is an uneven playing field. This is causing shopping-around by applicants and pass-the-parcel by states.

Another element creating unequal access to protection is that some Member States are just deporting people before they can be assessed and even, in effect, bribing third countries to stop them coming.

Many arriving in mixed flows may well be economic migrants, which does not make them criminals. However, even if only a few are refugees, they must be identified. As Mr Catania says, protection in human rights concerns must be integrated into border management, particularly in the mandate of Frontex. People should not be detained just because they apply for asylum.

Besides the single common procedure and content of protection, there needs to be practical cooperation, support and solidarity, including through the important European Asylum Support Office, providing common sources of country information. Better quality and more accurate first decisions would save money through fewer costly appeals.

Obliging EU states to allow asylum seekers to work after six months, if their claim is not decided, is very important: they would retain dignity and also pay tax. I am very disappointed the UK has decided to opt out from an improved Reception Conditions Directive as that would bar automatic detention solely on the grounds of submission of an asylum claim, cut across UK fast-track detention and enforce the right to work after six months. It is pretty shameful, in my view, that my own country regards these conditions as too onerous.

Jan Tadeusz Masiel, *on behalf of the UEN Group*. – (PL) Madam President, we should once again wholeheartedly thank the French Presidency, which made great progress on the question of asylum when it brought about adoption of the European Pact on Immigration and Asylum by the Council in October of last year. It is true that the European Union needs a common asylum policy and needs to develop an attitude of solidarity in relation to admitting refugees. EU Member States which are especially exposed to an influx of asylum seekers should be provided with assistance. The question of asylum is a very delicate one. It is difficult to judge who really needs protection and who is trying to escape poverty in their own country, and, while the latter also deserve help, we cannot admit everyone. In summary, our EU procedures should be unified, transparent and fast.

Hélène Goudin, *on behalf of the IND/DEM Group*. – (SV) Madam President, the creation of 'Fortress Europe' is going faster and faster as each year goes by. This is very unfortunate, not least because a common asylum policy will, in all probability, entail a tougher and more restrictive policy in which people needing protection will lose out the most. This development is worrying, to say the least.

The report seeks to introduce common standards for determining when a person is to be considered a refugee. Why, I ask myself. We already have international conventions that specify this. We should not be trying to create new EU standards, which, with all probability, would be more restrictive than the Geneva Convention, for example.

Almost every week we hear horrific reports from refugee camps in southern Europe. Those who have ended up there live in terrible conditions, to which the authorities choose to turn a blind eye. The problem is clearly not the individuals detained in the camps, but rather the fact that human rights are not being respected, despite the fact that all Member States, at least in theory, meet the Copenhagen criteria. This is the issue we should instead be discussing here in Parliament. Access to a country's territory has to be a matter for each country to take decisions on, but international conventions and agreements must, of course, be respected.

Marian-Jean Marinescu (PPE-DE). – (RO) The European Common Asylum System is currently fraught with a lack of consistency with the legal instruments for international protection.

As a result of the major discrepancies in the decision-making processes which the 27 Member States use for dealing with asylum applications, the rate in terms of acknowledging applicants' refugee status varies between 0% and approximately 90%. In addition, the Dublin system's criteria place a disproportionate burden on Member States located at the European Union's external border as they are responsible for processing asylum applications as the first country of entry.

Phenomena such as secondary movements from one Member State to another and multiple applications still exist. One of the most urgent requirements in EU asylum policy is the exchange of analyses, experiences and information between Member States. Practicable solutions must also be found for developing cooperation between the administrative authorities responsible for examining asylum applications.

However, the most difficult problem to resolve remains communication between Member States about the different treatment given to applicants for international protection according to their country of origin. I hope that the regulation for creating a European Asylum Support Office, proposed by the Commission three weeks ago, will help partially resolve the current issues.

I already urge future managers of this European office not to ignore cooperation with the European Agency for the Management of Operational Cooperation at the External Borders, with the European migration network and with the competent bodies in Member States and third countries involved in migration and asylum activities. Apart from avoiding duplication of effort, this cooperation will facilitate the coordination of actions by Member States and the use of their expertise on asylum matters.

Inger Segelström (PSE). - (SV) Madam President, Commissioner Barrot, I would like to begin by thanking Mr Catania for his report. I fully share the view that it is unfortunate that entry into force has been postponed until 2012. There are three issues I would like to raise, namely the rights of children, support and opportunity for women caught up in people trafficking and, finally, how we can be better prepared in the event of a sudden crisis in the world.

I think that it is good that Parliament is calling attention to the fact that children and minors should receive special support. What nevertheless still concerns me is the fact that children can be taken into custody. I find that unacceptable.

Yesterday was International Women's Day. The issue that I have been involved with during this parliamentary term is how different countries treat women and children caught up in people trafficking, that is to say whether these people have a right to stay in the EU or to receive help to return home. When the Social Democrats governed Sweden it was a foregone conclusion that women who had been violated in Sweden – irrespective of whether it was a result of people trafficking, marriage or whether they had been subjected to violence – had a right to stay. Now, a woman may possibly be allowed to stay, but only if she cooperates with the police and prosecutors. For what crimes other than people trafficking is cooperation a requirement for asylum? I think that this is discrimination against women and children and I would like to address this issue today, following Women's Day.

The third issue is how different countries receive asylum seekers and which countries are chosen. My country, Sweden, is one of the countries that have accepted the most refugees from Iraq. Compared with both the US and Canada, it is an enormous amount, and the same is true in comparison with most EU countries. I hope that the new asylum system in the EU will be better prepared to accept joint responsibility when something happens in the world or, as in the case of Iraq, when countries are invaded. It should not be the case that an EU system based on solidarity only functions when things are calm – it must also function in times of crisis and conflict.

Gerard Batten (IND/DEM). - Madam President, the number of people seeking refugee and asylum status is growing alarmingly. As the report states, there are currently about 12 million refugees and about 26 million internally displaced persons worldwide. This is hardly surprising, as some countries in continents such as Africa and Asia slide further into political chaos and the world slips further into a financial and economic crisis of as yet unknown depths.

What we can be sure of is that over the coming months and years there will be yet more refugees and asylum-seekers. It will surprise no-one that the European Parliament solution is harmonisation of national asylum systems. The report proposes a common European asylum system and a common asylum support office with common standards for granting refugee and asylum status. It proposes that national governments should not be able to hold an asylum-seeker in detention solely on the grounds that they are asylum applicants, and that refugees should be allowed to request movement from one European country to another. It proposes that where an applicant is held in detention, that person should have the right to a remedy before a national court.

All this is a recipe for chaos and gridlock in national asylum systems. Many, if not most, of those people who seek refugee and asylum status in European countries far from home are, of course, economic migrants

seeking a better life. And who can blame them? But the easier we make it for them to come to Europe, the more will come.

The common systems proposed here will make it even harder for nation states to protect their own borders and easier for untold numbers of economic migrants to cross those borders. Britain needs even stricter controls, not more lax ones imposed by the European Union.

Simon Busuttil (PPE-DE). - (MT) The rapporteur was right in saying that a common asylum policy must be built upon the solidarity principle. It is precisely this solidarity that is lacking in our asylum policy, as Commissioner Barrot will personally observe later this week when he visits my country of Malta, as well as the island of Lampedusa. Commissioner, you will discover that the solidarity you seek will elude you. Solidarity was introduced for the first time in the Immigration and Asylum Pact last October. It was entered by way of a clause on burden-sharing, which focused on distributing the load amongst countries. This was the first time it had been introduced and it was a positive move. This clause is applied on a voluntary basis and allows migrants that arrive in one country seeking asylum to be able to transfer to another European Union country. This Parliament even allocated EUR 5 million in this year's European Union budget so as to facilitate the implementation of this clause. Until now, in practice, we have not witnessed the application of this clause except in the case of France, which offered to take 80 asylum seekers from Malta. This is an important gesture, but other European Union countries did not follow suit, which is a great pity. Therefore, my question to the Commissioner is, what action is the Commission taking to guarantee that this mechanism on burden sharing is being executed? What is it doing to ensure that more countries offer their solidarity and take immigrants from a country that is shouldering a disproportionate burden? Does the Commission intend to draw up a European reallocation programme between countries and how does it plan to build upon and apply this clause?

Daciana Octavia Sârbu (PSE). – (RO) In the current situation where the number of refugees has increased worldwide and the European Union is receiving more than half of the asylum seekers, establishing a European Common Asylum System must be an urgent priority.

In this respect, I welcome the proposal to create a European Asylum Support Office to coordinate the various countries' national policies in order to avoid a disproportionate burden being imposed on certain Member States. I think that this office must be organised so that it can play an important role in the event of a crisis and assess asylum applications correctly.

I think that the new European Union Member States, namely Romania and Bulgaria, need to be given support by the European Union through effective solidarity mechanisms in order to guarantee adequate conditions for welcoming asylum seekers. However, let us not forget that we must be proactive, not reactive, at European level by focusing greater attention on cooperation with third countries in order to avert crises.

Alin Lucian Antochi (PSE). – (RO) Every year European Union Member States host millions of people who are seeking refuge from persecution and conflict in their countries of origin. However, the rate of recognition of refugee status at a national level in these states varies between 0 and 90%. In addition, the Dublin system, involving the process of readmitting refugees to the first country of transit, creates a discrepancy between these countries and those located centrally with regard to coordinating the asylum policies and measures provided for refugees.

As other speakers before me have also mentioned, the European Common Asylum System must allow Member States to provide an increased level of protection to refugees, from the time they are received until they are fully integrated into local communities, by establishing a common asylum procedure which sets out clear, reasonable, uniform terms that the authorities can use to manage asylum applications.

Particular attention must be focused on solidarity between Member States with a view to coordinating the large flows of asylum seekers in some countries, both through providing financial assistance and adopting internal resettlement and reallocation mechanisms allowing the refugees to be dispersed uniformly throughout the European Union.

Katrin Saks (PSE). - (ET) I would like to thank the rapporteur and emphasise the importance of this topic, even though I represent the Member State of Estonia, which is notable for the small number of refugees who arrive here.

Refugee status has until now been granted to only a few people a year, but we are also a small country, and although we are attractive to tourists, life here is difficult. We do recognise the need for solidarity, but I think

that those who have already had to suffer so much in life should not be punished once again with a harsh climate unless they choose it themselves.

Thus it would be sensible to speak of the sharing of responsibilities and not people, in order to improve the situation of countries that receive a large number of asylum seekers. The harmonisation of standards is definitely worthy of support. If we have a common border, it is logical that asylum seekers should receive equal treatment throughout the European Union.

Zuzana Roithová (PPE-DE). – (CS) Madam President, I profoundly disagree with the Euro-sceptic campaign against the common migration and asylum policy enshrined in the Lisbon Treaty. We need to act jointly and more firmly to combat illegal economic migration, while providing more dignified conditions to asylum seekers. It troubles me that the children of refugees in European camps have no access to education or necessary health care for months at a time. It is also unacceptable that within the Schengen area some countries recognise the status of refugees and others do not. It is regrettable that the Frontex agency does not monitor the numbers and countries of origin of applicants for international protection. Yes, we do need a unified asylum procedure and we also need to help the buffer states on the basis of solidarity. We must also, however, link asylum policy with development policy in order to preclude migration.

Jacques Barrot, Vice-President of the Commission. – ? (FR) Madam President, I am going to be fairly brief, although I listened carefully to all the speeches and I thank the European Parliament for showing true support for this effort to give the asylum policy the full scope it needs for all the world's persecuted people. We have a duty and, as Martine Roure said, a moral imperative to do so.

I would like to give some clarifications. First, some of you have mentioned Frontex, Mr Catania in particular. I have to tell you that Frontex now has a liaison officer in the office of the United Nations High Commissioner for Refugees. This is a real effort on the part of Frontex to understand fully the problems affecting asylum seekers, and the Commission has proposed rules to improve the definition of Frontex responsibilities in maritime operations. We are currently in discussions with the Member States on this important issue.

I would like to go back to the request for solidarity that many of you have made. I am thinking in particular of Mr Busuttill, who mentioned the difficult situation Malta faces in this matter. It is true that, in the action plan on asylum, the Commission proposed to study the options that could be offered by distributing asylum seekers around the Member States on a voluntary basis.

The discussion with the Member States began in autumn via an informal document that put forward several options for implementing the principle of solidarity in the asylum area. I have to say that it is not easy to get agreement from the majority of the Member States on a mechanism for sharing refugees amongst them. We are, however, to begin a study on the impacts and the possibilities for this sort of sharing at Union level.

I would also like to say that we are ready to finance projects related to such sharing and relocation in the framework of the European Refugee Fund. I will have the chance to say this again in the Member States that I am going to visit. These same countries are very often those sought by asylum seekers.

To summarise, I believe we are at the start of a long process that is essential if we really want Europe to uphold in its values a strong identity as a region which will welcome all the people in the world who are suffering and awaiting our help.

Many thanks to the European Parliament, Madam President and honourable Members, for all your speeches, which are particularly valuable to me as your Commissioner.

Giusto Catania, rapporteur. – (IT) Madam President, ladies and gentlemen, I would like to thank my fellow Members who have spoken in support of this report, as well as Mr Barrot for his support and the work the Commission is undertaking to amend certain directives, particularly the Asylum Procedure Directive, demonstrating a willingness to improve the common asylum system. Parliament acts as co-legislator in this field, and I believe that we must exercise our role in order to harmonise asylum procedures at a higher level, pushing for a system of harmonisation that allows for large numbers to be received and improves standards of reception in the Member States so that the system is increasingly cohesive.

I believe that this Parliament has fulfilled an important role by visiting administrative detention centres in Europe. We have visited a great many of them – Mrs Roure was the rapporteur for the final report – and we have observed that often the right to asylum has been breached in Member States, often normal reception conditions such as the right to healthcare and legal aid have not been guaranteed, and information on potential asylum seekers has not been provided. This has happened because mixed flows have been managed in such

a way that the fight against illegal immigration and the defence of external borders has taken precedence over the need for reception and in particular the reception of asylum seekers.

I agree with the points made by some of my fellow Members, particularly on the need to review the Dublin regulation and to guarantee a solidarity mechanism between Member States in order that the burden might be shared, but also that we need a solidarity mechanism regarding asylum seekers because their right to be transferred to another place so that their case can be heard must also be recognised.

Finally, and to close, some Members have raised the question of border controls. I think that there is a basic error in this reasoning: the issue of defending borders and the issue of asylum are two wholly separate matters. We must guarantee the right to asylum as a fundamental right to be upheld within the European Union.

President. – The debate is closed.

The vote will take place tomorrow.

Written Statements (Rule 142)

Bogusław Rogalski (UEN), in writing. – (PL) Madam President, last year, the number of refugees worldwide grew to over 12 million, while as many as 26 million people have been internally displaced, which shows the seriousness of the problem. Unfortunately, standards are not in the slightest sense harmonised, because the percentage of applicants from certain third countries who are granted refugee status ranges from around 0% to 90% in different Member States.

A unified procedure should be established for granting asylum, as well as unified standards which enable decisions to be made about who should be recognised as a refugee or whether a person is in need of international protection. All the people who make decisions in this field should have equal access to professional information about the applicant's country of origin and the bodies authorised to hear appeals, as should the people who are applying for asylum.

During the waiting period, it is extremely important for the authorities to give due consideration to the diverse needs of asylum seekers in more difficult circumstances, such as children, disabled people and women. It is essential to establish a common database, in order to publish and collect information about countries of origin.

It is worth emphasising that the obligation to provide assistance is guaranteed under the United Nations Convention on the Law of the Sea (UNCLOS), and is legally binding for all EU Member States and on EU's Frontex agency.

20. The social situation of the Roma and their improved access to the labour market in the EU (short presentation)

President. – The next item is a short presentation of the report (A6-0038/2009) by Mrs Kósáné Kovács, on behalf of the Committee on Employment and Social Affairs, on the social situation of the Roma and their improved access to the labour market in the EU (2008/2137(INI)).

Magda Kósáné Kovács, rapporteur – (HU) Thank you, Madam President. Commissioner, ladies and gentlemen. After several months of work, I submit to Parliament the report on the social situation of the Roma and their improved access to the labour market, a report which expresses our deeply felt responsibility for the European future of the Roma, an ethnic minority whose population equals that of a member state.

In recent months, the necessity to take action has not waned but has instead become even more urgent. The global financial crisis has swept through Europe, and the accompanying economic shakeup once again severely affects the most vulnerable social groups, and in particular the Roma. The increasing and justified existential anxiety of the majority in society constitutes a fertile soil for hatred of minorities, for a discriminatory, exclusionary stance and for scapegoating. It is fortunate and of symbolic significance that the adoption of the Roma report could take place in the very week when Parliament is preparing the next Council meeting, seeking not only the tools to help us emerge from the crisis but also the opportunity to reduce human traumas and the risks to livelihood on the basis of the principle of solidarity that unites Europe.

In recent decades, we have learned that there is no dynamic economic development that could automatically offer mobility, using the existing systems of redistribution, to those at the lowest social stratum. On the

contrary, we have seen that, if there is no policy to support the principle of equal opportunity, then the differences at the edges of society can grow even greater during periods of development. Our task is now to mobilise the resources for dealing with the crisis and growing the economy in such a way that the 10 million Roma do not fall victim to the crisis, but become participants in the recovery. The position of the Committee on Employment and Social Affairs, adopted by a large majority, finds it unacceptable that a significant portion of the Roma population lives in conditions like those in the developing world. Tens of thousands of Roma children still grow up in segregated schools, where they cannot gain competitive knowledge, and they carry with them throughout their lives the wounds of exclusion and discrimination. Millions live in ghettos, without running water, sewers and often without electricity, and their life expectancy is 10 to 20 years lower than that of the majority. They lack vocational training, they live by casual labour, and their lifestyle is daily the object of visible discrimination. And what is most dramatic: this situation reinforces their verbal exclusion, hate speech and conflict resolution determined on an ethnic basis. For who has not heard it said that 'if he's a gypsy, he does not want to change his situation but prefers to steal rather than work'?

The root cause is the fact that their quality of life remains at that of a developing country; this in turn intensifies the tendency to exclusion, and the tree of hatred bears the fruit of murderous acts. Force can only be eliminated by striking at its roots. This concerns not only Central and Eastern European countries, who long for peace, but every European citizen. We should also not forget that it is in the fundamental interest of aging Europe to make sure it is populated not by unfortunate people who depend on social assistance, but by well educated, working citizens, capable of paying tax, social contributions and insurance. This is the subject of the report before you today.

In order to do what is necessary, it is indispensable for the various institutions of the European Union to work on the elaboration and planned implementation of a comprehensive Roma policy. A common European resolve is needed in order for the well intentioned, often costly efforts of Member States, which often remain ineffective due to lack of collective will, to shift to a new track. I wish sincerely to thank all my fellow Members whose significant initiatives helped make this a more comprehensive report. Willingness to cooperate may help advance the understanding that it is not a matter of choice, but of necessity, for the European Union to integrate immediately this sizeable potential workforce, one that has centuries of experience adapting to their milieu. Thank you for your patience.

Jacques Barrot, *Vice-President of the Commission*. – (FR) Madam President, Mrs Kósáné Kovács, ladies and gentlemen, I wish first to thank Mrs Kósáné Kovács for her report that contributes to the joint efforts to promote the social inclusion of the Roma.

The Commission shares your analysis, Mrs Kósáné Kovács, as to the main underlying reasons for this exclusion: the social segregation they suffer, the obstacles they face trying to access education, the discrimination that prevents them from fully participating in the world of work, that prevents access to goods and services, and above all – and you have highlighted it very well – the prejudices and stereotypes with which they are saddled.

The Commission also supports the European Parliament's proposals for sustainable solutions, in particular your emphasis on child development from the preschool phase, the development of microcredit to strengthen entrepreneurship, self-employment and the targeted implementation of structural funds. For the Commission, the implementation of effective, sustainable solutions requires the action of all the key players, including, essentially, the Roma themselves, to develop, implement and monitor the policies that affect them.

In addition, the Commission considers that it would be better to use Community instruments and policies to achieve the inclusion of the Roma, that there must be an exchange of best practice, such as the ACCEDER programme in Spain or the desegregation efforts in Hungary. To be effective, the policies must be targeted and respect the specific situations of the Roma communities to achieve the goal of social integration.

In the spirit of your report, Mrs Kósáné Kovács, the Commission will continue to support the social inclusion of the Roma by reinforcing the protection of the individual rights of all the Roma, in particular women and children, taking into account the problems of the Roma in the framework of policy coordination at European level, in particular as relates to employment and social inclusion, via a more active implementation of the structural funds and the European Social Fund, and, finally, by reinforcing the institutional capacities of Roma civil society.

I wish to thank you for your report, Mrs Kósáné Kovács. I can tell you that my colleague, Commissioner Špidla, and I are very aware of these problems. I would add that our Fundamental Rights Agency is to give us two reports on the situation of the Roma that I hope will allow us to propose and promote what you have just explained to us so well.

Thank you, Mrs Kósáné Kovács, and thanks to Parliament for its support.

President. – That concludes this item. The vote will take place on Wednesday.

Written Statements (Rule 142)

Corina Crețu (PSE), in writing. – (RO) Coming up with a European solution to the problems which the Roma are facing requires us to take into account that they are citizens just like we are, even if they are subject to exclusion. Representative organisations and Roma communities must play an active role in drawing up inclusion policies.

Increased efforts are required to improve their living conditions and access to education and health services. These are the minimum conditions required for them to be able to get and hold down a job in the countries where they live. The opportunities for mobility have had the totally opposite effect for them, making discrimination worse. Women are in an even more vulnerable position because they are subject to numerous forms of discrimination from a gender, ethnic and social perspective.

There are national programmes for inclusion and combating poverty, which have produced modest results. The economic crisis must not be used in any way at all as an excuse for not implementing the social inclusion programmes. If anything, it is a reason for concerted action.

Roma, like any other disadvantaged group, may pay dearly as a result of the crisis's impact. The unusual reactions which we have seen in Italy are a warning. We can think about solutions to problems or find the culprits. The right has always preferred to put the blame on others, mainly the vulnerable. As a representative of the left, I would rather we find solutions.

Livia Járóka (PPE-DE), in writing. – (HU) I would like to congratulate Mrs Kósáné Kovács on her report, which presents a comprehensive analysis of the socio-economic status of Roma communities. Her report formulates numerous forward-looking recommendations, calling for example upon the Commission to take into consideration in its technical policies the impact of the policies toward the Roma, and to recommend introducing a unified system of requirements into development programmes. Member States' unfounded plans and the scattered projects, most of which are funded by the European Union, do not yield true results. We need a common action plan that rests on solid legal bases and that is able, by means of sanctions, to ensure the implementation of Member States' undertakings. The Roma communities must be involved in the process of planning, implementation and monitoring, from the lowest level to the international consultative bodies; uniform benchmarks and deadlines must be set, in order to verify that the financial resources invested are used effectively.

Poverty and social exclusion are geographically concentrated, and research has clearly drawn up the map of European poverty. The majority of the Roma live in small regions 'condemned to death', and even maintaining their current quality of life costs an enormous amount. Over the long term, it could paralyse budgets and threatens to break down wider social cohesion. Therefore Community strategy must make possible an immediate emergency intervention in these areas, by means of distinct programmes funded from development funds set aside at EU level, which should be able to deal with the problems in all their complexity, as well as by ensuring the permeability between funds and, if necessary, by introducing region-specific forms of support.

Rumiana Jeleva (PPE-DE), in writing. – (BG) As a representative of the right, I believe in the contribution of every citizen to the general well-being and prosperity of society. I think that the integration of all social groups into society and social cohesion must be a goal approached without any display of populism and loud fanfare. The sustainable, effective integration of the Roma must be based on their economic contribution and the involvement of every one of them in the labour market.

In my country, which is no exception, the Roma are socially marginalised and live in poverty. In practical terms, their education stops at a very early stage. In fact, research carried out by the Bulgarian Academy of Sciences in 2007 indicates that the proportion of graduates is almost zero: barely 0.2%. This lack of education puts the Roma on the very bottom rung in the labour market and is the cause of their high level of unemployment. For them to become integrated effectively, apart from the issue of education, their living conditions also need to be improved and they must be actively included in the labour market. However, none of this can come about without the involvement of the Roma themselves, without their active, conscious desire for things to change. I see this as the major challenge facing all of us.

Katalin Lévai (PSE), in writing. – (HU) The events of the past years have demonstrated that it is time to address seriously the economic, cultural and health situation of Roma living in the European Union. The

degree of social disadvantage in certain regions is of nearly tragic proportions, and in the current economic crisis threatens us with a social explosion. Therefore I particularly welcome the report by Magda Kósáné Kovács, which seeks an answer to this serious social problem. I am also pleased with the objectives set in the report, but an assessment of the situation, information campaigns and reinforcement of civil society are not in themselves sufficient. We need concrete, decisive steps in the areas of education and job creation.

If sufficient financial resources are not available for these objectives, then the initiative will remain a dead letter. We need an EU Roma strategy as well, for these proposed objectives to impact the Member States' economic, educational and health policies; for only in this way will it be possible to guarantee a life of human dignity for the 10 million-strong Roma community and to hasten their integration.

The strategy for improving the situation of European Roma demands an action plan, and therefore I hope there will be people willing to continue the work begun in this report, which presumably will spread over several parliamentary terms.

Pier Antonio Panzeri (PSE), in writing. – (IT) While in Italy the government's approach to the Roma issue has been not entirely consistent and at times highly questionable with respect to humanitarian principles, in Europe an effort has always been made to maintain the difficult balance between integration and security. The European Parliament's resolution on the social situation of the Roma and their improved access to the labour market in the EU is an example of this.

The repeated recourse to emergency legislative measures to address problems associated with the Roma clearly indicates an inability to tackle a phenomenon that is not new. What is needed instead is a systematic approach and coordinated, long-term solutions in the areas of education, healthcare and, most importantly, labour market policies, since employment and education facilitate social acceptance and integration.

Europe is calling for an end to the discriminatory practice of evicting occupants of Roma slums and instead for the development of specific housing projects that will redress the housing problem facing these communities.

In short, we require consistent policy choices that combine solidarity and responsibility, enabling us to offer a balanced response to an emergency that is otherwise in danger of getting out of hand. We are well aware that this is a difficult route to take, but there is no other way to reach our destination.

Rovana Plumb (PSE), in writing. – (RO) I would like to call on the Commission to adopt concrete measures to support the Roma's integration into the labour market through providing funding for training and retraining, as well as measures aimed at a strict application of the legislation on combating discrimination in employment.

I wish to reiterate the need to create within the EC a specialist department to support interaction between the Commission and national governments, aimed at implementing the projects targeted at the Roma minority concerning their social, economic and cultural integration.

Daciana Octavia Sârbu (PSE), in writing. – (RO) We are all aware that the problem posed by the Roma's situation is not only a national problem for each Member State separately, but is a European problem and must be resolved at this level.

I would like to stress that the new Member States in particular need proper support from the EU in integrating Roma, both from a social perspective and in terms of the labour market.

It is well known that the number of Roma who do not have access to the European Union's labour market is worrying. We must therefore stop putting off the creation of effective European programmes to boost primarily the Roma's access to education so that unemployment stops being an aspect of life constantly passed on from one generation to the next.

The free movement which Roma from the new Member States currently enjoy has not meant that access to the EU labour market has been just as easy. All we can say is that the only thing which Roma migrants in other Member States have done is to export their own poverty.

Against the backdrop of the current economic crisis, it is even more difficult for Roma citizens to access the labour market, which means that a large number of them are living below the poverty line.

We are therefore facing a major challenge during a period of economic crisis in terms of encouraging employers to offer jobs to the largest minority in Europe.

Dushana Zdravkova (PPE-DE), in writing. – (BG) Ladies and gentlemen.

Mrs Kósáné Kovács's report on the social situation of the Roma and improving their access to the labour market in the EU reflects the high level of political responsibility the European Parliament has towards the citizens of Europe at the height of the global economic crisis. The report highlights in detail all the major challenges facing the improvement of the economic situation and social inclusion of the largest ethnic minority in Europe. During these times of crisis, it is important for us to defend the values on which our union is based and to protect the weak members of our society.

Educational provision for the Roma, implementation of specific employment policies, guaranteed access to health services and, last but not least, promoting the battle for equality for Roma women must be the means used to resolve in the long term the issues affecting this section of European society.

The report clearly and distinctly puts forward the principle for non-governmental organisations and the Roma getting involved in drafting and implementing policies for social inclusion. I believe that, as we enter the fourth year in the Decade of Roma Inclusion, Member States must monitor more seriously the specific recommendations made by the Commission on implementing this wide-ranging European project.

Thank you for your attention.

21. Commission action plan towards an integrated internal control framework (short presentation)

President. – The next item is a short presentation of the report (A6-0022/2009) by Mrs Stauner, on behalf of the Committee on Budgetary Control, on the Commission action plan towards an integrated internal control framework (2008/2150(INI)).

Gabriele Stauner, rapporteur. – (DE) Madam President, Commissioner, ladies and gentlemen, the principle of effective internal control is one of the most important budgetary principles that the Commission must observe when implementing the budget and utilising the funds. The European Court of Auditors (ECA) and the European Parliament have been calling for effective, efficient control of the budgetary resources for years, and numerous attempts and suggestions have been made by the ECA, in particular, seeking to ensure that the Commission uses these resources appropriately and economically. Nevertheless, the ECA has not been able to give the Commission a positive statement of assurance for years. I need only remind the House of the occurrences in connection with irregularities in the implementation of the Leonardo programme a few years ago, and other support areas that have always been very susceptible to irregularities and perhaps even to fraud.

In January 2006, the Commission adopted an action plan towards an integrated internal control framework, again with the aim of obtaining a positive statement of assurance from the ECA. As stated in our report, there is no doubt that the Commission has made some serious efforts to develop the action plan. However, it is quite clear to Parliament that the implementation of the measures is a long way behind schedule. Therefore, the Commission must speed up the implementation of the envisaged measures considerably so that positive effects can be seen in the ECA's Annual Report in the foreseeable future and also so that we Members of the European Parliament can grant a budget discharge with a clear conscience.

I do not want to go into the details of the still unsatisfactory implementation of the measures, but I would emphasise that efficient control activities are now all the more necessary considering that, in connection with the economic recovery package, almost all the criteria for the implementation of support measures have been significantly relaxed, including in the interests of providing rapid assistance. I need only remind you of the planned relaxation in the Structural Funds and of the significant changes in the eligibility principles with regard to the EU Globalisation Fund.

We know, of course, that all the support measures, particularly in the field of the Structural Funds, are implemented in close cooperation with the Member States, which is absolutely vital in order to guarantee the validity of the expenditure, but also generates substantial problems when it comes to control by the Commission.

We have known for years that the Commission cannot always approach such controls in the Member States as it would perhaps like and as dictated by the budgetary principles and the ideas of the ECA. Parliament has great difficulties in getting a final picture, particularly in the case of the annual summaries and management

declarations at national level, which the Commission presented to us for the first time on 15 February 2008, as the documents do not keep to uniform criteria.

Therefore, our report – which was also adopted unanimously by the Committee on Budgetary Control – calls for continuous pressure to be exerted on the Member States to provide data that is both complete and comprehensible. It is my fervent hope that the Commission will continue to take seriously its task of introducing the internal control framework in future. Thank you very much.

Jacques Barrot, Vice-President of the Commission. – (FR) Madam President, I thank Mrs Stauner for her report and Parliament for the constructive dialogue we have had since the Commission undertook the action plan for a discharge, towards a positive statement of assurance.

In this context, the Commission feels that the statement of assurance issued by the Court of Auditors for 2007 is the best that has ever been obtained. The action plan has contributed to this improvement. I am pleased to tell you that the Commission brought forward to 3 February the adoption of its latest report on the progress achieved. As Mrs Stauner requested it in her report, this should allow you to take it into account in the discharge resolution.

Our communication of 3 February presents an initial assessment of the impact of the action plan as of 31 December 2008. It concludes that considerable progress has been achieved during the term of the current Commission. I will mention several of its points.

In terms of simplification, the proportion of the budget spent according to clearer and easier to apply eligibility rules has risen to 25% of the budget. In the framework of the economic recovery plan, we propose other simplification measures, in particular for the structural funds.

The Court of Auditors reported an improvement in the clarity and reliability of the annual activity reports on the Commission's services finalised under action No 3.

The Commission has reinforced the financial corrections– action No 11 in the structural funds –: in 2008, an amount of 1 billion 500 million was recovered. In comparison, the amount recovered in 2007 was 288 million.

The Commission services are increasingly applying common standards for control methods, ensuring improved coordination and sharing of the results. This is helping to reduce the administrative burden and allowing better use to be made of control results.

We continue to reinforce the responsibility of the Member States for shared management – action No 5 – and we have just received the annual audit summaries for the second time. The Commission will continue these actions along with other initiatives to improve the control framework.

Mrs Stauner's report stresses the key role of the concept of tolerable risk in the pursuit of future improvements. This concept aims to define at the policy level the acceptable balance between the control results and their costs. It is obvious that a zero error rate is impossible and it seems logical that the error rate may vary according to the area inspected.

The interinstitutional discussion of this concept is taking place on the basis of the recent Commission communication. Vice-President Kallas had the opportunity to discuss this in Parliament in January. I would like to stress the importance of this initiative, which will allow the discharge authority better to appreciate the quality of the risk management introduced by the Commission.

Our last report shows you that the Commission has completed the various actions. The Court of Auditors will make its own assessment of the impact of the various actions in its 2008 annual report.

I thank Mrs Stauner for her report, which is a call to improve our accounting framework still further.

President. – That concludes this item. The vote will take place tomorrow.

Louis Grech (PSE), in writing. – This report which aims to bring more transparency, efficiency and accountability to European spending, is more relevant than ever to implement the EU budget by following the principles of sound financial management. We need a genuine commitment to transparency and effective internal controls in order to extract maximum benefits from our policies and priorities. Moreover, I fully support the view that if an action cannot be satisfactorily implemented in terms of cost and risk, then it should be reconsidered. In the current economic situation we cannot allow any wasteful spending or misuse

of European funds. At the same time the institution needs to have less complex legal requirements. It is necessary to simplify the administrative and financial burden on applicants and beneficiaries of the EU especially since many instances unnecessary bureaucracy has resulted in impediment to effective policy implementation. The challenging task is to find the right balance.

22. Integrity of online gambling (short presentation)

President. – The next item is a short presentation of the report (A6-0064/2009) by Mrs Schaldemose, on behalf of the Committee on Internal Market and Consumer Protection, on the integrity of online gambling (2008/2215(INI)).

Christel Schaldemose, rapporteur. – (DA) Madam President, I am both proud and pleased to be able to present to you this evening the own-initiative report on the integrity of online gambling. As you know, the issue of gambling has always been extremely controversial in the European Parliament. Gambling was removed from the scope of the Services Directive, as well as from that of the E-Commerce Directive and it was also eliminated from the Television without Frontiers Directive. Why should that be the case? Well, I believe that most of us agree that gambling is indeed a financial service – the European Court of Justice has determined as much – but it is a completely separate financial service. We cannot compare gambling on the Internet with buying an electric kettle or engaging a carpenter to lay a floor, and it should therefore be dealt with separately. This is what the Member States have done up to now. They have laid down strict regulations in order to protect consumers against gambling addiction and against fraud and match-fixing, but also to prevent money laundering. In addition, their aim has also been to maintain law and order. However, not all gambling is the same. In fact, gambling on the Internet poses a number of specific challenges that land-based gambling does not, partly because of its cross-border nature and also because it is so readily accessible.

The negotiations surrounding the report have, at times, been more heated than I would have liked. We were very divided on the issue of whether gambling on the Internet poses a greater risk of someone becoming addicted to gambling, for example. I am a little surprised by this, because the figures speak loud and clear. A study from Sweden and other countries shows that the risk of someone developing an addiction to gambling is five to seven times higher if that person plays poker on the Internet than if he or she simply goes out and plays poker in the real world. However, I would be the first to admit that we do not know all of the consequences for consumers of gambling on the Internet. This is one of the areas in which we were actually able to agree on something, and that is that we need more information about how we can best protect consumers.

However, there are six points in particular in the report that I would like to highlight here this evening:

1. there is a significant majority in the Committee on Internal Market and Consumer Protection that believes that operators of online gambling should not merely comply with the gambling legislation in the Member State in which they provide their services, but also where the consumer lives;
2. clarification should be provided at a political level ahead of a clarification by the court as to how we should tackle the challenges and problems posed by the European online gambling market;
3. cooperation between Member States should be strengthened significantly;
4. we need to develop standards for protecting consumers against fraud, gambling addiction and the other dangers involved;
5. we need more research in the area; and finally
6. the European Parliament fully supports the initiatives and the process initiated by the Council and we urge the Commission to give its support to this, too.

Overall, I believe that the report will help to bring the gambling sector back into the political area in which it belongs. The report is a balanced one and, in fact, also received considerable support in the committee, despite it being a sensitive issue. It was voted through with 32 votes in favour and 10 against. An alternative resolution has been put forward by a minority in the Committee on Internal Market and Consumer Protection. I have attempted to integrate as many of their views as possible in the report, but the political differences are so fundamental that it was not possible to include all of them. I would like to thank my colleagues for their support and I hope that my report will receive the support of a large majority tomorrow.

Jacques Barrot, *Vice-President of the Commission*. – (FR) Madam President, Mrs Schaldemose, the Commission welcomes this own-initiative report from the European Parliament. It praises the work undertaken by the Committee on the Internal Market and Consumer Protection and by you, Mrs Schaldemose, as its rapporteur, and it welcomes, in particular, the research into the issues of integrity.

As my colleague, Mr McCreevy, stressed in his previous speeches, the approaches currently used in the Member States are too different to allow a legislative initiative. The latest discussions in the Competitiveness Council have clearly shown that the Member States would not reach agreement on such an initiative.

Moreover, the treaty offers some guiding principles. A judgement from the Court, the Placanica verdict, delivered in March 2007, has very recently confirmed that sports betting activities do constitute services in the meaning of Article 49 of the Treaty. The Member States have the right to legislate on gaming at a national level. If they wish to limit gaming activities, it is up to them to carry out the research to justify these restrictions, for example, in relation to addiction or fraud.

When it is proven that these measures are necessary, the treaty requires that they be taken in a way that does not discriminate between national operators and operators based in other Member States.

The Commission intends to fulfil its duty by investigating any complaint submitted to it and will introduce any procedures needed if it is shown that the treaty has been infringed.

It is encouraging to note that, following the application of infringement procedures, some Member States, including France, Hungary and Italy, have been brought closer to the Commission and have committed to changing their legislation. The Commission is working, of course, to help the Member States find solutions to respond to the infringement procedures.

The Commission has published research into the legal and economic aspects of the gambling market in 2006. In these conditions, the Commission feels that there is no current need to play a bigger role in producing research into national legislation nor into wider issues such as addictions, fraud or other reprehensible activities. However, this report provides some particularly useful clarifications.

President. – That concludes this item. The vote will take place tomorrow.

Written Statements (Rule 142)

Lasse Lehtinen (PSE), *in writing*. – (FI) Tomorrow we will see that many parts of Europe still have the political will to maintain their vitally important monopoly on gambling, and that is true of Finland as well. The European Parliament's support for the Finnish National Lottery, the Finnish Slot Machine Association, and the Finnish gaming operator, Fintoto, is important, because the infringement proceedings launched by the Commission are still an issue. It is important for the European sports movement and activities at grassroots level that the Member States can preserve their national gambling systems.

They are also a fundamental element in what is a special feature of sporting life in Finland, in which voluntary work supported by society is also a basic support for high-level sports. It is also easier to counter the side-effects of gambling in countries where the state has a monopoly. Online gambling accounts for just around 5% of all the takings from gambling, but the sector is growing at an enormous rate. That is why it is important that the rights of Member States remain as before, even in the age of the internet. We should not forget that after the adoption of the Treaty of Lisbon the EU will have competence in certain areas of sport. This will help in the fight against the side-effects of professional sport, such as racism, doping and hooliganism.

Zita Pleštinšá (PPE-DE), *in writing*. – (SK) Gross revenues from gambling on the internet amounted to EUR 2-3 billion in 2004. According to the aforementioned SICL study it now accounts for almost 5% of the total gambling market in the EU. A rapid growth in these services in the future is unavoidable and we therefore need clear and transparent rules.

The report by Mrs Schaldemose considers a different approach to the gambling industry in Europe and therefore I cannot support it. It makes no distinction between gambling operators that are licensed and operating in accordance with the law and those operating often without a license and unlawfully.

It is necessary to start from the fact that most European states have a gambling industry. I agree that individual Member States should continue to determine the rules for internet gambling. As long as there is no applicable evidence of threats to players, money laundering or corruption in sport we should not regard all of the

companies as criminals. There are also serious firms who use the best technology and operate in accordance with the law.

I am not a supporter but rather an opponent of internet gambling. However, in my view a general ban would lead to the growth and illegality of these activities and a total absence of rules. I believe that the position I have drafted with my colleagues represents a fairer and clearer alternative to the rapporteur's report.

23. Ensuring food quality: harmonisation or mutual recognition of standards (short presentation)

President. – The next item is a short presentation of the report (A6-0088/2009) by Mrs Petre, on behalf of the Committee on Agriculture and Rural Development, on ensuring food quality: harmonisation or mutual recognition of standards (2008/2220(INI)).

Maria Petre, rapporteur. – (RO) I would first of all like to thank the European Commission for this welcome initiative of the Green Paper on agricultural product quality and for the consultation launched on this topic.

The Green Paper provides a response to a real need on the part of Member States to promote the image of their agricultural products, especially the benefits in terms of quality, both among European consumers and consumers in other countries. These high standards are demanded by consumers and are a means of achieving maximum added value. Although the codecision procedure does not apply, I hope that the European Parliament's opinion will definitely be taken into consideration during the phases to come.

I would also like to thank my colleagues from the Committee on Agriculture and Rural Development and, especially, the experts for the support they have given in promoting this report.

Simplification of marketing standards, keeping consumers better informed, particularly about the origin of food products, and better protection for European quality products at a global level are some of the most important proposals in the report.

Quality policy cannot be treated separately from the issue of the future of the CAP or from such challenges as climate change, the need to preserve biodiversity, energy supplies and water resource management. At the same time, consumers, as we all know, are showing an ever-increasing interest not only in food safety but also in the origin and production methods of food products.

Certification schemes are associated in the minds of consumers with a guarantee of higher quality. The purpose of standards must be to assist farmers in delivering quality products that meet consumers' expectations, avoid consumer disappointment and facilitate price comparison over a range of product quality.

As rapporteur, I would like to see a reduction in the level of complexity of the European system of basic standards and the numerous provisions which European farmers must comply with. I am in favour of simplifying and adopting rules that will sufficiently guarantee food safety in the EU.

I am also proposing means of simplifying the process for establishing standards by shortening procedures in the Commission, transferring this burden to other bodies or by referring to international standards. I also believe that any simplification must take account of the administrative tasks which come under the remit of the public authorities or stakeholders. As market trends change and technology advances, marketing standards may become partially obsolete and have to be adapted and updated.

The European Union must insist that all food products comply with its production standards, especially as regards health and safety. In addition to this, the European Union must ensure a level playing field between locally produced and third-country products. I am in favour of the mandatory introduction of labelling the place of production of primary products as 'produced in the European Union' or outside it.

I would also like this system to be extended to processed food products to take into account the origin of the main ingredients and raw materials and to establish a link between these items and the place where the product was last processed. I believe that rules must be adopted concerning the use of the terms 'mountain' and 'island', given the significant resulting added value for agricultural and food products from these less favoured areas.

Jacques Barrot, Vice-President of the Commission. – (FR) Madam President, I would like to thank the rapporteur, Mrs Petre, for this report. The European policy on the quality of agricultural products represents a major

issue for farmers, those involved in the food chain in general and, of course, consumers. This is why the Commission adopted the Green Paper on the quality of agricultural products and consulted the stakeholders before drawing up the legislative proposals.

The Commission welcomes your report, Mrs Petre, as well as the discussions that have taken place in the various European Parliament committees. These discussions are in addition to the 560 contributions received during the consultation period introduced to help the Commission to define the strategic directions which are to be published in a communication scheduled for the end of May this year.

The Commission intends to help Europe's farmers to communicate the demanding conditions of production with which they comply. I said that the proposal to indicate the place of production has received very little support, with even less support for the idea of a European logo showing compliance with European standards. On the other hand, there is a demand for 'country of origin' labelling.

The Commission welcomes the support for its policy of simplification toward trading standards. The Commission has always been in favour of simplifying legislation where necessary. Therefore, Mrs Petre, you spur us on and encourage us to continue our work.

The Commission has taken note of the request to define optional reserved terms, such as 'farm' or 'mountain'. I can tell you that this is also the view of the majority of those responding to the Green Paper.

As for geographic information, the Commission shares your view. The procedures should be simplified or, at least, speeded up. We are currently looking at the responses to the Green Paper to decide how to do this.

The question of an agency remains open. In the meantime, the advantages and disadvantages of such a body need to be studied with care.

As for the negotiations with the WTO, I can assure you that recognition of the European quality systems remains firmly on the Commission's agenda. A consensus appears to be on the horizon on the need to harmonise, to set up a framework for the certification systems and arrive at mutual recognition between these systems. Guidelines might be sufficient and would avoid too many administrative constraints.

This is a first step towards a true quality policy for agricultural products. The Commission is now impatiently awaiting the next steps and the fruitful discussions that we are expecting and speaking for my colleague Mrs Fischer Boel, I assure you that the Commission will involve Parliament in all the coming actions that it will take in this field. It is a field whose importance you have correctly emphasised, Mrs Petre, not only for the producers but also for all of us as consumers.

President. – That concludes this item. The vote will take place tomorrow.

Written Statements (Rule 142)

Magor Imre Csibi (ALDE), in writing. – In a highly globalised world, farmers face increasing pressure. In order to be competitive, they can either cut costs or specialise in production of niche high-quality products. Thus, food-quality schemes do not only provide consumers authentic products but can also support rural development. To give farmers an alternative for rural development, we need to simplify the marketing standards and strengthen the incentives for small-scale producers to participate. But simplifying standards does not mean less quality or authenticity. EU standards for placing food on the market are already among the toughest in the world. To preserve confidence in quality schemes, it is necessary to implement them with reinforced controls and traceability systems. Furthermore, in the case of 'protected geographical indications' or 'protected designation of origin', it would be desirable to label the main ingredient(s) with the place of origin if not from that particular area. Consumers identify in these products specific qualities resulting from a certain origin or farming method. There are, however, cases when the ingredient indicated on the label is not exactly the same as the one really used in the food, for example 'Parma ham' not really coming from Parma.

Véronique Mathieu (PPE-DE), in writing. – (FR) The consumer is increasingly demanding with regard to the quality, origin and safety of agricultural products. The EU has successfully introduced a quality labelling system that guarantees the authenticity of regional products and traditional production methods. The Member States and the EU now have a duty to promote these quality products and do more to protect them at international level. This supposes a guarantee of fair competition between European products and those of third countries by, in particular, protecting European farmers against any product which usurps a recognised nomenclature. Products whose names might be usurped should have WTO international protection and

any request to register a protected designation from third countries should be subject to greater control. To provide better information to the consumer, it is important that the label specifies the country of origin of primary products and, in the case of processed products, the origin of the main ingredients and where the final processing took place.

At the same time, the EU must ensure that the principle of 'conditional access to the market' is upheld by recommending that the WTO adopts stricter protection standards for quality products, so that imported products can be subject to the same safety and quality requirements as European products.

Czesław Adam Siekierski (PPE-DE), in writing. – (PL) Madam President, quality is a key word throughout the entire food production chain, namely 'from field to table'. It is extremely important to make EU consumers aware of the high requirements and standards implemented in the area of foodstuffs, which farmers and producers of agricultural and food products have to meet, and of the associated costs. EU food is distinguished by its high quality and correspondingly high standards. The same cannot always be said of imported goods.

I do not think that we should create further certification systems at Community level, or further symbols which will differentiate food products in the EU. This will mislead the consumer. Instead, we should concentrate on promotional measures to inform consumers about EU symbols which are already in use and which consumers should view as a guarantee of quality.

Another challenge is to improve the process of assessing applications concerning regional products and to speed up the registration process. Unfortunately, the processing of these applications by the European Commission drags on for years. The Lesser Poland and Kielce regions of Poland are still waiting for registration of products such as *fasola korczyńska* (the Korczyn bean), *kielbasa lisiecka* (Lisiecka sausage), *wiśnia nadwiślanka* (the Vistula region cherry), *śliwka szydlowska* (the Szydłow plum), *jabłko łuckie* (the Łucko apple), *obwarzanek krakowski* (the Cracow bagel) and *fasola z Doliny Dunajca* (the Danube Valley bean).

24. Cooperation between the courts of the Member States in the taking of evidence in civil or commercial matters (short presentation)

President. – The next item is a short presentation of the report (A6-0058/2009) by Mr Medina Ortega, on behalf of the Committee on Legal Affairs, on cooperation between the courts of the Member States in the taking of evidence in civil or commercial matters (2008/2180(INI)).

Manuel Medina Ortega, rapporteur. – (ES) Madam President, at this late hour on a Monday the Commission will probably have other things on its mind more worrying than this report. To be brief, what we are doing is simply responding to a report by the Commission, which is a report on the application of Council Regulation (EC) No 1206/2001 of 28 May 2001 on cooperation between the courts of the Member States in the taking of evidence in civil or commercial matters.

This sphere is, in fact, not a Community one, but an intergovernmental one, in which the Council – through the regulation – has tried to encourage cooperation between the courts. I believe, however, that there has been a certain lack of rigour on the European Union's part in its attempts to achieve this. That is to say, certain measures have been taken, such as the formulation of practical ideas, the use of electronic media, and so on, but I recognise that it is quite difficult for the Commission to act.

I do not know what the Commission has achieved or what it hopes to achieve, but it seems to me quite difficult to achieve anything because of the huge difficulties involved in this form of intergovernmental cooperation. What we are asking is for the judicial authorities to collaborate, but we are talking about 27 countries, judicial authorities that use 22 different languages, with legal systems that have significant differences between them, and we are trying to achieve results.

The Commission has found that the results are not good, that there is a huge delay in the implementation of these cooperation mechanisms and, therefore, that we do not have the resources to achieve this. The ideal solution would be to use physical means. For example, what could the Commission do to equip courts, particularly those at a lower level, with technological facilities such as videoconferencing systems? Videoconferencing might be an idea that seems out of reach in many small courts within the European Union, but it appears to be the only way of achieving this.

I think the European Union ought to make use of institutions that already exist, and specifically the European Judicial Network. We should strengthen this institution so that the judges themselves, using their cooperation systems, can develop this type of communication.

On the other hand, the whole area of training judges is vital. This, too, is something that the Commission cannot do by itself. What the Commission can do, however, is to foster the development of courses of this type, providing training in Community law and in the knowledge of the various legal systems.

Aside from this, there is another huge difficulty, which is the problem of languages: how can a Spanish judge, for instance, communicate with a Finnish judge, when the two languages are so different? It cannot be argued that the judges, as well as having to be experts in their own law, which is fairly complex in itself, should be obliged to have knowledge of this kind.

What can we do from the practical point of view to help the judges with regard to interpreting and translation? What could we do to help them to achieve this? In drawing up this report, I am not setting out to take a severe or harsh approach towards the Commission. I think the task is quite a difficult one. What I would like to know, taking advantage of the fact that we have here a Commissioner who is interested in this subject, is what the Commission thinks can be done to give greater rigour to this 2001 regulation, which was a little vague, a little too much based on voluntary action; I do not know whether, from the practical point of view, it can produce any results or whether it will be possible to make progress with it.

Jacques Barrot, *Vice-President of the Commission*. – (FR) Madam President, I wish first to thank Mr Medina Ortega, who raises a whole series of vital questions. It is true that judges and practitioners in each country need to be more aware of this regulation.

It should be stressed that the direct taking of evidence as mentioned in Article 17 of the regulation has simplified and accelerated the obtaining of evidence without posing any particular problem. The central bodies mentioned in the said regulation have an important role to play in monitoring the courts required to handle requests presented under the present regulation, and in the resolution of the problems that they encounter.

The assistance provided by the central bodies may be essential for small courts faced for the first time with a problem linked to the taking of evidence in a cross-border context.

IT and videoconferencing, used alongside a secure e-mail system, should, Mr Medina Ortega, be a standard resource for sending evidence. The usual task of the European Judicial Network in civil and commercial matters, as you said, is to facilitate this legal cooperation in Europe. Since it came into force, the implementation of the regulation on the taking of evidence, on several occasions, has been at the centre of the network's work. A handbook on the application of the regulation was produced in 2006 and distributed among all the European courts in 2007. The European Judicial Network in civil and commercial matters may, without doubt, use its contacts – you are correct in this, Mr Medina Ortega – to involve itself more deeply in achieving greater compliance with requests to take evidence within the timescales set out in the regulation. That is true.

I want to carry on and briefly examine the outlook. It is true that the regulation sets precise criteria for the form and content of the request. The request must be completed according to a specific form and contain specific information: the name and address of the parties to the proceedings, the nature and the matter of the particular case and a description of the evidence to be supplied. The regulation also states that the request must be presented in one of the official languages of the Member State in the receiving court or in any other language that the receiving Member State has indicated as acceptable but, as you have just underlined, language is not the least of the problems.

A request for the taking of evidence should normally be carried out quickly. If it is not possible to carry out the request in the 90 days following its receipt by the receiving court, this court must inform the issuing court and state the reasons for this.

In fact, it is only possible to refuse to carry out the request for the taking of evidence in exceptional and strictly limited situations.

Such was the regulation. A study of its application was carried out in March 2007 and, on the basis of the study results, the Commission adopted a report in December 2007. The report was drawn up according to Article 23 of the regulation. What does it say? That the application of the regulation has somewhat improved,

has been simplified and has speeded up cooperation between the courts on the taking of evidence in civil and commercial cases.

It has therefore already achieved two main objectives: to simplify cooperation between Member States and speed up the taking of evidence.

Simplification has been achieved, in particular, by the introduction of direct court-to-court transmission, although sometimes the requests go to the central bodies, and by the introduction of standard forms. Progress has also been noted in the speed with which requests for the taking of evidence are handled. Most are carried out faster than prior to the regulation coming into force, fortunately, and within the 90 days set out in the regulation.

I would therefore say, Mr Medina Ortega, we think there is no need to modify the regulation. However, it is imperative that its operation be improved. In the action plan it adopted in November 2008, the Council entrusted the Commission with the creation of a European e-Justice Portal. The creation and entry into service during this year of the first version of this portal is obviously an absolute priority for us and for me.

As for the use of videoconferencing, that too will be made a priority. The European Judicial Network in civil and commercial matters is, for the moment, preparing a handbook on the legal aspects of the use of videoconferencing in the taking of evidence. Obviously, this handbook will be sent to European judges and will be finished for the end of this year. It will be part of the portal which, as I said, will appear before the end of the year.

Obviously the courtrooms will still need to be fitted with videoconferencing equipment. We hope to take advantage of the new financing methods during the revision of the 2010-2013 financial perspective. Financing options for cross-border projects already exist in the Civil Justice Programme, where the use of videoconferencing features as a priority.

I would say to you, Mr Medina Ortega, that I am with you on a major point which, in my view, must be a priority for Stockholm: I mean training for judges. For the issue you have raised this evening, the taking of evidence, we really do need suitable training for the judges. For me this will be one of the guidelines for the coming Stockholm Programme.

In any event, thank you for this helpful report which has been most enlightening.

President. – That concludes this item. The vote will take place tomorrow.

25. Implementation of Directive 2006/43/EC on statutory audits of annual accounts and consolidated accounts (short presentation)

President. – The next item is a short presentation of the report (A6-0014/2009) by Mr Doorn on implementation of Directive 2006/43/EC on statutory audits of annual accounts and consolidated accounts (2008/2247(INI)).

Bert Doorn, rapporteur. – (NL) Madam President, this report is about the implementation of the eighth directive on statutory audits of annual accounts. It is a good thing that Parliament is paying closer attention to the implementation and transposal of the legislation we pass here. We in Parliament can decide on the most outstanding rules and regulations, but if those rules and regulations are not implemented and complied with in the Member States, we are wasting our time here.

In the transposal of the eighth directive, too, many things have gone wrong. Key definitions are framed differently in different countries and the number of Member States that have independent public oversight is a long way short of 27. The report calls on the Commission to take steps quickly to correct these deficiencies.

We also wonder whether the method of harmonisation employed, namely minimum harmonisation, is indeed the right way to attain the uniform application of key concepts. Perhaps we do need to think again whether key definitions of this kind are the way forward or whether a different method of harmonisation – one that is not open to multiple interpretations – needs to be used.

Finally, Madam President, the report discusses the Commission's recommendation on the limitation of the civil liability of accountants. Should further measures be necessary in order to achieve convergence in Europe, we shall look forward to the Commission's proposals.

The objective must and will remain to aim for the effective and independent auditing of accountants. The economic crisis has taught us that strict auditing and oversight are indispensable.

Jacques Barrot, *Vice-President of the Commission*. – (FR) Madam President, honourable Members, I would like first to thank Mr Doorn for his report on the application of the directive on statutory audits of accounts. I would like also to thank the Committee on Economic and Monetary Affairs, and more particularly Mrs van den Burg, who has contributed to the production of this report.

In the context of the financial crisis, it is essential that all Member States who are currently behind should quickly transpose the directive to achieve the objectives set. The Commission continuously monitors the transposition status of the directive in the Member States. A dashboard is regularly published on our website.

The results relating to the Member States' performance should clearly improve this spring. Mr Doorn's report has certainly facilitated such an improvement. As your report emphasises, the Commission has already adopted the recommendation on quality assurance and the recommendation on the limitation on the civil liability of statutory auditors. I thank Parliament for its support for these two initiatives.

The recommendation on the limitation on the civil liability of statutory auditors is part of a strategy to reduce the concentration in the auditing market. To explore other options along the same lines, a consultation on control structures in audit companies and on their consequences for the auditing market was published in November.

The European Parliament is asking the Commission to assess the national laws transposing the directive and to inform it of the effects of the measures taken by the Member States in the wake of the recommendation on the limitation on the civil liability of auditors. At the appropriate time, we will be happy to prepare these assessments, taking into account all the issues raised in the report by Mr Doorn. This is a commitment from Commissioner McCreevy that I am happy to pass on to you. I thank Mr Doorn and I dare to hope that we will see practical results.

IN THE CHAIR: MR ONESTA

Vice-President

President. – The item is closed.

The vote will take place tomorrow.

26. Facing oil challenges (short presentation)

President. - The next item is a brief presentation of the report (A6-0035/2009) by Herbert Reul, on behalf of the Committee on Industry, Research and Energy, on 'Possible solutions to the challenges in relation to oil supply' (2008/2212(INI)).

Herbert Reul, *rapporteur*. – (DE) Mr President, ladies and gentlemen, in this report on oil supply I make a plea – and this was also agreed in committee – for emphasis to be placed on the importance of oil in the European energy supply of the future. Oil will clearly remain a very important source of primary energy in the EU even in the medium and long term.

We have been seeing a steep rise in demand caused by economic and population growth and also by the desire for individual mobility. In recent months and years we have been concerning ourselves in varying ways – the report also concentrates on this to a large extent – with the logical question that arises as to how to reduce consumption, how to reduce demand. How can we lower our consumption or cover it with other energy sources too?

This report seeks to look at the fact that we politicians should be thinking about whether and how the resources, the supply side, can be increased and what can be done in this regard. Three or four points are mentioned in this regard. Firstly, massive investment is needed to produce and exploit the available oil: USD 350 billion per annum is the figure always quoted in this connection.

Secondly, it must be pointed out that we need to be much more active in the field of technological innovations. We also need to think about how to exploit all the available reserves as efficiently as possible. This brings the focus not only to the issues of technology and the usability of land but also very quickly to foreign-policy considerations, of course. In this regard, too, in a number of points I cannot list exhaustively here, this report

attempts to point out that we must step up our efforts to make unconventional oil resources commercially viable: so as to contribute to diversification, to answer the question as to how transport routes too can be changed, and to raise the question as to what contribution foreign policy can make in terms of strengthening relations and mutual dependency and reliability between the European Union and the oil-producing countries.

This report does not attempt to answer all the oil-related questions but rather seeks to examine a number of issues that have not been central up to now. It disregards all efficiency and energy saving issues, not because they are unimportant but because they are dealt with elsewhere. A number of new questions should be raised in this connection – we should even consider, for example, whether sufficient young blood is entering the technology field: young people who are prepared to get involved in this field and to seek new solutions.

That was a brief summary of the substance of this report.

Jacques Barrot, *Vice-President of the Commission*. – (FR) Mr President, I wish, on behalf of the Commission, to thank Mr Reul for having prepared the report on the possible solutions to the challenges related to oil supplies. I also wish to thank the members of the various committees that have put forward views on the issue for their valuable contributions to this important debate.

The economic conditions have greatly changed since the Commission communication of June 2008, entitled 'Facing oil challenges'. At the time, crude oil reached USD 140 a barrel, with major effects on the general economy and on private individuals in the European Union. Since then, the price of crude has fallen by a good USD 100 to below USD 40 a barrel.

However, the analysis carried out at the time by the Commission remains relevant to the structural conditions of the oil markets, world energy demand in the medium and long term and the importance of European Union policies on energy and climate change. All these factors will change our forms of production and consumption and our behaviour.

Many of these questions were discussed in detail in the second strategic analysis of energy policy adopted in November 2008, which has been the subject of debate on other occasions in Parliament. Furthermore, the adoption by the Council and the European Parliament, in December 2008, of the package of proposals on energy and climate change was a major step towards resolute action on our future energy needs, in particular with the setting of the objective for the use of 20% renewable energies in all energy consumed by 2020.

The Commission gives a favourable welcome to most of the points raised in Mr Reul's report. We note the support for new investments in replacement energy sources, such as renewable energies, and the priority given to energy-efficient goods and services. These features were put forward by the Commission in the European Economic Recovery Plan.

We, of course, welcome the importance given to the intensification of the dialogue with the producer countries to find pragmatic solutions to the problems faced. It is clear, given the growing connection between energy and foreign policies and the need to ensure energy security, that good relations with the producer countries must be promoted to make the operation of the international markets more predictable.

The question of transparency on oil reserves must be raised in this context. As for the transparency of oil stocks, this question was broached at the time of the second strategic analysis. On this issue, the option of a weekly publication of information on commercial stocks is currently being studied.

On the issues of energy savings and diversification of sources, we note the arguments put forward on the potential for energy savings in the building sector and we await with interest the conclusion of the debates on the revamp to the directive on the energy performance of buildings.

As for the parts relating to the need to diversify energy sources in the transport sector and exploit the potential of energy-efficient vehicles, I note that the recovery plan includes an initiative on green cars.

In conclusion, I would draw your attention to the Commission commitment further to develop the action on all the questions raised in relation to oil prices. These questions form part of the general policies on energy, climate and research.

We are pleased to continue our cooperation with the European Parliament in all these fields and I thank Mr Reul again for having provided some information and explanation, which will be a very valuable guide for our future energy policy.

President. – The item is closed.

The vote will take place on Wednesday.

Written Statements (Rule 142)

Constantin Dumitriu (PPE-DE), in writing. – (RO) Mr Reul's report is extremely important in the context of the current economic crisis and the challenges linked to climate change.

As a member of the Committee on Agriculture and Rural Development, I have consistently supported the line that we must not play down the importance of investments in clean technologies and renewable energy as solutions for reducing the dependency on oil, cutting carbon emissions and, last but not least, as a solution for creating new jobs and stimulating economic growth.

I welcome the fact that this report too mentions biofuels as a resource which has not been sufficiently exploited, and I hope that the recommendation to facilitate market access for them will be taken into account by the European Commission. The use of biofuels offers a viable economic and social alternative for rural development and environmental protection.

At the same time, I am pleased with the increased attention being given to energy efficiency in buildings, which has been included as a priority in the European Economic Recovery Plan and mentioned in Mr Reul's report as a solution for reducing the demand for fossil energy resources. Energy efficiency has the benefit that it will also reduce the size of consumers' bills at a time when the economic crisis is having an increasingly adverse impact on them.

Anni Podimata (PSE), in writing. – (EL) Now, more than ever, the European Union needs a common European energy policy which will promote energy security and energy solidarity and, at the same time, support viable energy choices. Today, oil is the most important source of energy in Europe, mainly due to its widespread use in the transport sector. By way of illustration, it has been stated that in 2030 the EU's reliance on oil is expected to reach 95%. We cannot ignore the fact that imports basically come from countries in which political instability prevails and cannot therefore be considered secure.

Furthermore, today Europe faces three challenges, the financial, the energy and the environmental challenge, which inevitably limit our choices. Oil is an outdated source. Its cost has doubled since 2005, its price fluctuates constantly and it is linked to high CO₂ emissions. The reorientation of energy policy is therefore the only way forward. Supporting nuclear energy or new mines in Africa is not the solution. The solution is to support European and national measures to promote energy efficiency and invest in projects which make use of renewable energy sources.

27. Commission Reports on Competition Policy 2006 and 2007 (short presentation)

President. - The next item is a brief presentation of the report (A6-0011/2009) by Jonathan Evans, on behalf of the Committee on Economic and Monetary Affairs, on the reports on competition policy 2006 and 2007 (2008/2243(INI)).

Jonathan Evans, rapporteur. – Mr President, the European Commission produces its annual competition report and it is traditional for the European Parliament to cast its eye over the report and to produce an own-initiative reaction to it.

In this case, because of timing factors, the reports for 2006 and 2007 have been brought together but – taking up one of the points mentioned by Commissioner Barrot a little earlier – it is the case that the context of our consideration of these reports has changed rather markedly, since we in fact began the exercise of considering the report some time ago. At that time, we were focused on the whole business of the modernisation of competition policy, the significant amount of work taken forward by former Commissioner, Mario Monti, and by the current Commissioner, Neelie Kroes, and on looking at the impact of that in terms of the Commission's ability to deal with the abuse of market power and to deal more effectively with mergers and state aid. By and large, that has been a very good story in these reports and this is very clear from the reaction that we have from Parliament's own report. We have seen record activity on the part of the Commission in terms of dealing with hardcore cartels, we have seen the development of the leniency system, we have seen record fines put into operation by the Commission and we have seen record activity in terms of mergers and state aid notifications as well.

This is a process that is gathering pace in terms of modernisation because the Commission is currently bringing forward proposals, in a White Paper, on introducing private damages. That is something, similarly, that our committee and Parliament have been supportive of.

Our committee has drawn attention to two specific concerns – what we regard as being the unequal relationship between producers and retailers, particularly in relation to food retailing. Parliament has, in fact, put down a written declaration on this, signed by more than half of the Members. Our committee has also expressed some concern about abusive practices in the services sector.

However, I mention the change of context because, of course, we all recognise that since the reports were published by the Commission, the Commission's work – in terms of state aid particularly – has really taken on a rather different dimension. Almost on a daily basis, the Commission is now looking at the effect of the bail-outs that are taking place in the context of the current financial turmoil. It is very important – and our report says so – that, in addressing those matters, we recognise some of the challenges that there are for an effective, open market.

It is very important that, when the Commission gives its approval, it is giving that approval in ways which are compatible with the Treaty and do not create such significant market power in future that it becomes a scenario for abuse in its own right.

The banking sector in the United Kingdom at the moment is one very clear area where there will have to be, when economic circumstances become a little calmer, a general review of the new architecture that we have got and of whether that architecture really is compatible with the operation of a free, fair and open market. We have received reassurances from Commissioner Kroes in this regard but, nonetheless, our committee has put those pointers down in this report. Generally our view is that the Commission is to be congratulated in its work and that is the thrust of the report, which I anticipate will be passed tomorrow by a very large majority.

Jacques Barrot, *Vice-President of the Commission*. – (FR) Mr President, Mr Evans, first I wish to thank you on behalf of Neelie Kroes and the entire Commission.

We really welcome the unambiguous support of the European Parliament in its report for a firm and sustained application of competition policy in all these fields of action: the fight against trusts and cartels, the control of merger-acquisition operations and State aid.

The Commission particularly welcomes the importance given by the European Parliament to the staffing needs of the Competition Directorate General as it faces a growing workload in the current economic crisis.

In this context of recession, the Commission remains determined to take decisive action against calls for protectionism. The Commission welcomes the European Parliament's warning against the suspension of the competition rules, which offer important support in this effort. It should never be forgotten, Mr Evans, that these competition rules are also there to stimulate productivity and to allow us to come back in even better condition after the crisis.

2009 must be a year of cooperation. We are relying on the support of all the European institutions and of our international partners to re-launch the economy and ensure the correct operation of the markets.

Mr Evans, thank you. You can be sure that Mrs Kroes, who must already have said this to you, has noted your report with a great deal of interest.

President. – The item is closed.

The vote will take place tomorrow.

The next item was to be a brief presentation of the report (A6-0003/2009) by Claire Gibault, on behalf of the Committee on Women's Rights and Gender Equality, on equal treatment and access for men and women in the performing arts (2008/2182(INI)).

I think it is a very interesting report. Unfortunately, Mrs Gibault has informed us that she is unable to attend this evening to present her report. In compliance then with the Rules of Procedure, I am unable to give the floor to anyone else as she has not delegated anyone. The brief presentation of her report will not therefore take place.

However, the vote on this report will be held tomorrow, as set out in the agenda.

Louis Grech (PSE), in writing. – I welcome the efforts of the Commission in the field of competition policy, its effective challenging of cartels and the record fines that were imposed on offenders in 2006 and 2007. I fully support the Commission conclusion that European energy markets are not functioning properly. In that regard, it is very disappointing that the European Council has failed to resolve the issues identified by the commission in its sectoral analysis. Energy costs represent a share of household budgets that is growing at an alarming rate, and with the effects of the financial crisis we are likely to see a substantial increase in poverty across the EU. It is unacceptable that energy market inefficiencies are distorting the market to the detriment of businesses and consumers. To address irrational energy pricing we should probably consider the creation of an independent energy regulators in all member states who would have the competency to ensure that any increase in pricing levels of public utilities like energy and water, drainage, airport charges etc..., would have to be justified.

Eoin Ryan (UEN), in writing. – I strongly support the consumer protection orientated calls of this Report from MEP Evans, in particular the call for the Commission to conduct a sector inquiry into on-line advertising. Consumers are frequently misled by deliberately confusing online offers and advertisement despite European legislation that seeks to prevent this. The Commission must act to ensure legislation in this area is upheld and not just a lip service to consumer rights.

I welcome the calls for the Commission to undertake an analysis of the effects of competition on unequal relationships between suppliers and retailers. This is a problem of particular importance in Ireland. This disparity in competition policy should not be permitted to continue and consumers are being punished further in an already challenging economic time.

I also welcome the General Block Exemption Regulation (GBERS) which allows Member States to authorise aid in favour of SMEs, regional development, training, employment and risk capital. Measures which support entrepreneurship and innovation and bolster SMEs in this difficult time should be delivered quickly. SMEs are the cornerstone of the economy and it is our duty to ensure that they are supported to the best of our collective ability.

28. Agenda for next sitting: see Minutes

29. Closure of the sitting

(The sitting was closed at 10.55 p.m.)

30. Closure of the session

President. - I declare the 2008-2009 session of the European Parliament closed.