

TUESDAY, 13 JANUARY 2009

IN THE CHAIR: Edward McMILLAN-SCOTT

Vice-President

1. Opening of the sitting

(The sitting opened at 09.00.)

2. Documents received: see Minutes

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

4. Undertakings for collective investment in transferable securities (UCITS) (recast) (debate)

President. – The next item is the report by Wolf Klinz, on behalf of the Committee on Economic and Monetary Affairs, on the proposal for a directive of the European Parliament and of the Council on the coordination of laws, regulations and administrative provisions relating to undertakings for collective investment in transferable securities (UCITS) (recast) (COM(2008)0458 – C6-0287/2008 – 2008/0153(COD) (A6-0497/2008).

Wolf Klinz, rapporteur. – (DE) Mr President, Commissioner, ladies and gentlemen, in July 2008 the European Commission presented its proposal for a revision of the existing Directive on Undertakings for Collective Investment in Transferable Securities (UCITS), thus providing the basis for what we are debating today. We needed to stick to an extremely ambitious timetable if we wanted to ensure that we could actually succeed in revising the UCITS Directive, which has been in place since 1985 in its initial form, by the end of this parliamentary term.

The clear aim of these reforms was to improve the competitiveness of the European fund industry, to enable it to reduce its costs, to develop and make use of economies of scale, to ensure that all fund providers do indeed have access to all markets in the European Union, and to achieve all of this without reducing protection for investors: on the contrary, we wanted to improve protection for investors. In other words, we had a very ambitious programme, and I have to say that I really do appreciate the fact that, in cooperation with all the institutions involved, we have managed to conclude this project within such a short period.

Investment funds provide small investors with the option of investing small sums of capital in a diversified, professionally managed portfolio. In the past, European UCITS have already proven to be a great success story. Collective investments in transferable securities are not only sold in Europe, but are also, to a not inconsiderable extent, exported to regions outside the European Union – particularly to South America and Asia – where they are very highly regarded. That is why it was so important, when revising this directive, to ensure that we did not damage the status of these UCITS.

The UCITS Directive has been amended twice in the past, and on this occasion too, the Commission has tackled the revision with great care. It carried out a consultation process, presented a green paper and a white paper, and undertook in-depth discussions with all those involved in the market. The Commission proposed a total of six measures in this revision, which should help to achieve the aims I referred to earlier.

These include, firstly, introducing a management company passport; secondly, facilitating cross-border mergers of funds, in order to reduce the number of funds provided in the European Union and thus resolve the imbalance that can currently be seen between Europe and, in particular, the United States; thirdly, providing the possibility of master-feeder structures, in other words the option of investing one fund in another master fund and having that master fund manage the investments; fourthly, developing a short – only two pages long – information document, known as the key investor information, containing the most important information for small investors; fifthly, simplifying the notification procedure in order to ensure that, when a fund requests authorisation in a country where it is not yet authorised, this does not *de facto* result in a new re-authorisation; and, finally, strengthening supervisory cooperation.

The fund industry has not escaped unscathed from the financial crisis. A lot of money has flowed out, and in these circumstances it is absolutely vital that we make decisions as soon as possible, in order to strengthen the credibility of the funds and to ensure that small investors do not lose confidence in these investment instruments.

I would just like to conclude with two final comments. The first is that the Commission has established a group, chaired by Jacques de Larosière, to examine the issue of supervision in Europe. I hope that the conclusions drawn by this group and the proposals it develops will ultimately be taken on board by the Commission and will find favour here. Secondly, particularly in the case of cross-border mergers of funds, we are still seeing differences in the tax treatment of cross-border mergers and national mergers. Here, too, we call on the Commission to make sure that we have the same conditions for both, not different treatment.

Charlie McCreedy, *Member of the Commission*. – Mr President, I am pleased to express the Commission's support for Parliament's amendments to the UCITS IV proposal. This will facilitate the adoption of UCITS IV modifications in a single reading. Such an outcome will be a very welcome development for EU fund markets which have recently been confronted with many tough challenges.

The proposal adopted by the Commission last July is the outcome of a thorough process of consultation. It started before the financial crisis. It sets some clear objectives for improving the functioning of the UCITS Directive. Bearing this in mind, the Commission wanted to simplify and stimulate cross-border sales of UCITS, provide fund managers with effective tools for increasing the size of their funds and benefit from economies of scale. However, it is not only about being competitive. The Commission also wanted to put in place effective rules on investor disclosure ensuring that anybody wishing to invest its savings into a UCITS should receive essential, clear and understandable information before taking his or her decision.

I am pleased to note that the goals set by the Commission proposal have been met. Parliament and Council have adjusted the Commission's proposal on mergers, master-feeder-structures, fund notification and key investor information, but the high-level ambitions set by the Commission in its original proposal was fully respected.

The Commission is very pleased with the outcome of the codecision process as regards the chapters contained in its July proposal. On the subject of the management company passport – which became an important part of the proposal – initially at the time of the adoption of the proposal, the Commission had serious concerns about the potential negative impact that an insufficiently prepared management company passport would have for the security and retail investors placing their money in UCITS funds.

Looking back, I am convinced that our decision to consult the Committee of European Securities Regulators on these issues was the right one. It helped Parliament and the Council to design sound provisions which would protect the interests of unit-holders. This was my one and only consideration dealing with the management company passport.

We have come a long way since July 2008. The CESR advice has provided the basis for a comprehensive set of provisions that clarify respect for responsibilities, ensure full information flow and underpin the necessary cooperation and support to EU Member State authorities. This is true at all stages: initial authorisation, ongoing supervision and enforcement. The Commission can now sign up to the compromise text.

Our work in this is, however, not finished. The success of the management company passport depends on our ability to deal with some remaining complex issues, like risk management via Level 2 measures. This work will also provide the occasion to tackle weaknesses in risk management that have become apparent in a small number of cases in recent times.

Very strict deadlines have been imposed on the Commission in delivering these measures. We have expressed our concerns on the feasibility of these deadlines. We will need time and resources to carefully prepare these measures, to consult stakeholders and adopt them. The Commission will endeavour to start this process as quickly as possible. We will also need the full and active cooperation of all actors, including this Parliament, to be able to deliver on time.

I would like to warmly thank again the rapporteur Mr Wolf Klinz and express my appreciation and admiration for the efficient handling of this file by Parliament. All three institutions can be satisfied with the consensus that has been achieved in the space of only a few months. You have shown that Europe can move speedily to bring about useful regulatory improvements. You must build on this achievement now and complete the ambitious programme of implementing legislation.

Finally, let me conclude by making two statements which the Commission agrees to make in relation to the adoption of this report.

Firstly, regarding the issue of taxation of cross-border mergers. The Commission will undertake to examine the potentially adverse impact that national taxation systems may have on cross-border mergers and use its funds once the proposed provisions are adopted. The Commission will in particular examine the potential cases of adverse tax consequences for investors.

On the issue of supervision, I have been vocal about the need to strengthen supervisory cooperation. In Solvency II and in the amendments to the capital requirements directive, the Commission has, on my recommendation, put forward proposals to strengthen supervisory cooperation. I therefore have no difficulty in agreeing on the need to push forward in this crucial domain. Therefore, in order to ensure consistency and coherence in all relevant financial sector regulation, the Commission agrees, on the basis of the conclusions of the de Larosière report, to examine the need to strengthen the provisions of this directive related to supervisory cooperation arrangements.

Jean-Paul Gauzès, *draftsman of the opinion of the Committee on Legal Affairs*. – (FR) Mr President, Commissioner, ladies and gentlemen, please allow me first of all to salute the remarkable work accomplished by our rapporteur, Wolf Klinz, who has managed to find broad agreement within the Committee on Economic and Monetary Affairs and negotiate a completely satisfactory compromise with the Presidency.

The Committee on Legal Affairs, when asked for its opinion, made known its views and these were taken into account. The original UCITS Directive was the key to development for European investment funds. In June 2007, the assets managed in UCITS represented EUR 6 000 billion and UCITS accounted for around 75% of the investment fund market in the European Union. The internal guarantees provided by UCITS explain why they are recognised by investors well beyond Europe's borders. However, the regulations must change to promote the development of these funds.

The changes made in 2001 opened new investment areas for UCITS but they left behind several bottlenecks. The Green Paper led to a public debate. In 2005 it was followed by a White Paper.

Today, we can welcome the major advances in efficiency offered by the proposal that we have before us. The most significant progress is the recognition of a European passport for management companies. The proposed provisions will allow the implementation of this passport for management companies, whilst guaranteeing adequate protection for investors. It is a complete passport and we welcome it. The supervision measures it includes will certainly be effective in removing any doubts which might have been expressed.

The proposal also makes major technical improvements, for example, notifications, cross-border mergers and the grouping of funds via master-feeder-structures. The harmonisation which will be thus achieved will also guarantee equitable competition conditions across the European Union, provided, as our rapporteur has stated, that actions are taken at a fiscal level to avoid distortions.

Astrid Lulling, *on behalf of the PPE-DE Group*. – (FR) Mr President, Commissioner, more than ever, I have very mixed feelings about the proposal for a directive on which Parliament is preparing to vote. It is true that the rapporteur, Mr Klinz, has been working for many years on this and has negotiated with talent, especially during the trialogue. It is also true that the directive will make some significant advances in the operation of the internal market and in the collective management of financial assets, and these have been welcomed by Europe's investment fund industry. It is still the case that the debates and discussions in the Council and Parliament have never been totally free, as the result was known in advance: for some players it was essential, at any cost, to introduce the European passport for management companies.

On the principle, there is no more to say; the passport is its own defence. However, it is necessary to ensure that the introduction of the passport for management companies is accompanied by the necessary guarantees, especially as regards the supervision of funds, as it leads to dissociation of functions beyond borders. I note with regret that the system as implemented is not only complicated but also subject to different interpretations. There is a risk that it will soon run into practical difficulties that will damage the European export fund industry, especially for export to third countries.

I have indeed noted that my position is in the minority, although I do not feel ill at ease. In normal times, I would have been tempted to say that only in practice will it be possible for definitive conclusions to be drawn on the issue and therefore to decide who is right. Is it those who trust in the abilities of market operators to adapt or those who insist on a more prudent approach? I do not exclude the possibility of success, but it is

not guaranteed either. Given the latest news, especially the Madoff scandal and its implications for the collective financial assets management industry, we are unlikely to be reassured.

My scepticism gives way to concern. The investment fund industry will not be spared by the financial crisis; we know that now. It may be that fundamental questions need to be asked. In this deep crisis, making choices that dilute the responsibilities of stakeholders or assume perfect cooperation between the regulatory authorities may really lead to incongruity.

I am saying what I think: this directive is also from another era, from before the crisis. It is marked by a certain nonchalance. The financial system, in fact, is experiencing a lasting and fundamental crisis of confidence, and entire chunks of its architecture must be reconsidered. Let us not forget that the first duty of money market funds is to protect the investor by diversifying the risks and by establishing strict rules. By voting for this text as it stands, without really knowing where we are heading, we make it look as if nothing has happened. This withdrawal from reality will lead to no good, so I will abstain, even though I have signed the compromise amendments negotiated with the Council. Given the circumstances, the improvements made seem to me to be of little import compared with the questions of principle that I have just raised.

Donata Gottardi, *on behalf of the PSE Group*. – (IT) Mr President, Commissioner, ladies and gentlemen, we are about to vote on the new directive on undertakings for collective investment in transferable securities. This directive has been extremely important in the past and will continue to be so in the future.

Things have changed so quickly since the first directive, which dates back nearly a quarter of a century, that we now need to coordinate the laws, regulations and administrative provisions, as the title states, and request a radical update to take into account new needs, which I think should be seen in terms of greater fluidity and mobility, as well as greater supervision and control.

The work in the Committee on Economic and Monetary Affairs went ahead in a spirit of excellent cooperation due to the positive attitude of the rapporteur, whom I cannot thank enough, and the Council, perhaps because we realised that we were touching on an area that is closely connected to the financial crisis and that we urgently needed to come up with some timely and appropriate answers. I think it is important at this stage to sum up a few points on which we reached a good understanding and, I hope, good results. This is the case with management companies, particularly as regards identifying the applicable law – the law of the Member State where the fund is or where the management company was set up – in order to take us toward a clearer, safer and more efficient supervision system. It is also the case with the agreement on the Level 2 measures that the Commission has been asked to adopt by July 2010 without fail.

It also applies to the understanding that makes the management company responsible for procedures, mechanisms and contact names to enable consumers and investors to obtain specific information, not least if they have complaints to make, if the management company is not based in their Member State. We should view in a positive light the possibility of further strengthening cooperation in terms of supervision, with bilateral and multilateral agreements between the competent authorities of Member States on UCITS and management companies, and also the agreement on merger and master-feeder-structures that make it possible to operate throughout the full extent of the internal market. We still have some differences of opinion, however, on the timing of the notification procedure, because we would have liked and would still like this to be longer and more appropriate, as laid down by the Council.

Lastly, I would like to mention the progress made on the prospectus, the key investor information for consumer protection, noting that in this case as well we would have liked a hard copy of the prospectus to be circulated automatically due to its small size, and not solely on request. To conclude, I feel there should be broad agreement on the need to complete this dossier at first reading.

Olle Schmidt, *on behalf of the ALDE Group*. – (SV) Mr President, Commissioner, I would like to begin by thanking my colleague from the Group of the Alliance of Liberals and Democrats for Europe, Mr Klinz, for his excellent work. In such a turbulent time as this autumn has been, the rapporteur has succeeded in finding a reasonable compromise, as we have already heard. Even without the financial crisis, these issues are difficult to deal with. I know this only too well, as I was responsible for steering through UCITS in 2001.

The aim of UCITS funds is to create not only a better and larger funds market, but also an open and consumer-friendly market. This has largely happened. Many obstacles were removed in 2001. I would like to remind everyone that it was not particularly easy then, either. It was also prior to the Lamfalussy process. A few obstacles remain, however, and it is these obstacles that are being dealt with now. There will be an improvement in marketing. There will be greater protection for investors. The merger of funds and

master-feeder-structures will be possible, and cooperation between supervisory authorities will be strengthened, something that was also mentioned by the Commissioner.

The rules concerning the management company passport have been a sensitive issue. We have already heard comments on this. We are aware of the different opinions. However, I think that the present proposal is a good one. Competition and openness are always good in a well-organised market.

Another important issue was the key investor information, which replaces the simplified prospectus. A balance must be achieved between relevant information and effectiveness. Too much information is not good but neither is too little. The question of language is, of course, a sensitive one, but I believe we must have the courage to deal with this issue if we want to make more headway with cross-border trade. A reasonable balance is also required in this area.

As became evident in the autumn, Europe needs a financial market that functions effectively. UCITS have cleared the way and become a success and an esteemed trade mark outside Europe, too. Let us safeguard this development, which is also something this proposal does.

Eoin Ryan, on behalf of the UEN Group. – Mr President, I wish to begin by congratulating Mr Klinz, the rapporteur, on his excellent report. He has worked extremely hard to get an agreed compromise, and I congratulate him on that.

The revised UCITS directive will, when it enters into effect, serve to reduce much burdensome red tape and unnecessary costs.

During compromise negotiations, certain specific concerns of some Member States were recognised, allowing for the production of a strong and widely supported proposal. I believe it not only protects consumers but is also good for investors. As some speakers have already said, an open market is a positive thing and can be a very good thing for all of us if it is well regulated.

UCITS revision is yet another recognition that the financial markets of today are so integrated that we need common rules and standards for the effective regulation and operation of the global financial services industry. That is recognised not only in Europe but also globally, as we go through unprecedented financial times. It is very important that we work together at a global level to try and resolve the problems.

Let me just say that today is a great occasion: we celebrate the 10th anniversary of the euro currency, which itself serves as an illustration of the importance of economic cooperation. It is fortunate that my own country, Ireland, is a member of the euro zone as the current currency has been a source of stability for Ireland and other countries at a time of unprecedented turbulence and during the current global recession. If Ireland were not in the euro zone, we would probably be in the unfortunate position of Iceland – but that is not the case.

I would like to remind some of the Irish Members in this House – Sinn Féin in particular – that if they had had their way, we would not be in the euro. They described it at the time as a backward step. Ireland would not be in the monetary union and Ireland's economic position would be as bad as Iceland's.

I would like to remind those who opposed the European project in Ireland that many countries around the world are now using Ireland's rejection of the Lisbon Treaty and exploiting the confusion over its possible or perceived repercussions to win over new contracts at the expense of Ireland. Economically, Ireland must stay at the centre of decision-making in Europe, where we have traditionally been and where our enterprise needs and wants Ireland to be.

John Purvis (PPE-DE). – Mr President, with all the controversy currently surrounding regulation of the financial services industry and the headlong urge to rush towards over-regulation, this is a welcome example of common-sense, appropriate and measured regulation of the industry. Mr Klinz and the Commission have done a good job and I happily support this report and the proposed revision.

UCITS are a vital part of the European – and, yes, of the Scottish – investment management industry. They are a vitally important savings vehicle for savers and investors, not just in Europe, but all over the world. Imitation is surely a sufficient compliment and, even in the US, the UCITS is the model to be aspired to. Mr Klinz has incorporated much of what I consider to be vitally important, such as diversification into new investment products and techniques with reasonable security at a common-sense level. Most importantly, we have to achieve greater economies of scale in Europe. Many of our UCITS are too small and there are too many of them, so we must facilitate mergers. Personally, I would have liked to have seen that go even further

to allow UCITS with different investment objectives to be able to merge more easily, provided that the investor was adequately protected and informed of such changes.

Thirdly, the management passport is a vitally important new provision which will allow for greater economies of scale, greater efficiency and the reduction of red tape. This must only be in the interests of the investor. The revision will therefore be good for the industry but, even more importantly, it will be good for the investor and the saver, not just in Europe but all over the world. I am very glad to support Mr Klinz's report and the UCITS revision.

Pervenche Berès (PSE). – (FR) Mr President, Mr Klinz, thank you for your work, your commitment and your negotiating skills. UCITS are in some way a trade mark for the European financial markets; they are a good export product. However, there are imbalances in the European Union, as it is an area in which there are producer countries and consumer countries, so there are different strategies.

One of the aims in revising this directive is to organise, in these conditions, an internal market in UCITS which really works. Now, there are four questions at this stage: the first, which has already been raised in this debate, is evidently that of the management passport and I heard the Commissioner tell us about his fear of seeing this passport badly prepared. However, Mr McCreevy, there needs to be a will to prepare it: I have sometimes had the impression that it was not something the Commissioner was set on achieving. I am therefore pleased about the negotiations that have begun on the initiative of the European Parliament and the Council to ensure that, when the UCITS Directive is revised, we will adopt a real management passport which will allow the European Union's internal market to function in normal conditions.

The second observation relates to the issue of retention. If, when the Capital Requirements Directive is revised, we require the banks to hold 5% of the securitisations that they place on the market, it will be necessary immediately to harmonise, and under similar conditions, the retention obligations in the UCITS field, because the same risks must lead to the same rules.

My third observation relates to the issue of supervision. I do not think anyone here will doubt our determination to seek improved supervision conditions. We are all awaiting, on the initiative of President Barroso, the results of the working group led by Jacques de Larosière. I believe that the stakes are such that we cannot wait much longer for the results of this working group to be implemented. That will have an impact on the conditions for organising supervision between the stakeholders, in other words the producers and the consumers of UCITS. We thus need the supervision issues in this area to be defined.

Finally, my last observation is about tax regime issues. The rapporteur has mentioned them and the Commissioner has made a commitment. There is, behind the issue of tax regimes, hidden protectionism which we must denounce, which we wish to overcome. To do so, the Commission must take initiatives so that the tax regime allows truly free movement of UCITS products, with no protectionism.

Margarita Starkevičiūtė (ALDE). – (LT) I would also like to underline our rapporteur's excellent work and ability to find a suitable compromise. However, like some of the speakers, I also have a few doubts. Those doubts concern the provision that EU Member States will have to prepare all the documents related to investment business, as stated in the document, 'in a language customary in the sphere of international finance', and this means in English.

I spoke in favour of creating an opportunity for business to reduce costs which would not be regulated in detail, but fund managers with one language, in this case English speakers, should not receive priority and a competitive advantage. We should also avoid creating legal uncertainty.

How can a consumer defend his rights if the document creates prerequisites for ambiguous interpretation of financial business responsibility? I am in favour of clearly defining financial business responsibility and the competitive conditions which investment business follows.

Marek Aleksander Czarnecki (ALDE). – (PL) Improving the effectiveness of the mechanisms by which UCITS function should, in my opinion, be a priority of Parliament's work. In order to increase the benefits and competition in the European fund industry, costs to investors should be restricted, guaranteeing them at the same time the same high level of protection. I agree with the rapporteur that the existing prospectus should be replaced by a free document containing key information for investors.

It is also extremely important to continue work on the directive in the area of taxation of fund mergers in order to remove tax barriers. Furthermore, and like the rapporteur, I take the position that practical use of the management company passport, which is intended to give management companies the right to offer

group portfolio management services in the whole of the EU, would contribute to the creation of a true common market for the fund industry.

Charlie McCreevy, *Member of the Commission*. – Mr President, once again I express my appreciation and admiration for the efficient handling of this file by Parliament. It is a result of a remarkably quick consensus.

As has already been mentioned, this is not yet the end of the story – much still needs to be done at Level 2. Member States will also have the task of transposing this new set of rules – Level 1 and Level 2 – altogether before the summer of 2011. Arrangements for cooperation between national supervisors will have to be put in place. These are key to the good functioning of the management company passport.

I can assure you that the Commission will play its role in order to facilitate this progress and to put these badly needed changes to work in the EU fund industry.

Wolf Klinz, *rapporteur*. – (DE) Mr President, first of all, I agree with the Commissioner that this is indeed not the end of the story. We now need to get started on implementation, and one reason why we have set relatively tight deadlines for Parliament and for the Council is that we want to ensure that we do not have to wait too long for implementation. We need to keep up the pace, because we can see that the markets are changing at a tremendous pace, and if we are constantly lagging behind we will not be able to achieve our targets fully, or perhaps not at all.

Today's debate has shown that we have broad cross-party support for the compromise we have negotiated here. I acknowledge that Mrs Lulling sees things a bit differently in this respect, but I am reasonably confident that the future will show that her concern that Luxembourg's position as one of Europe's central investment fund centres could be damaged will prove to be unfounded, and that, on the contrary, this new UCITS directive could also provide opportunities for this financial centre.

Mrs Berès is absolutely right: what this is really about is finally creating a real internal market in the investment funds sector. This sector is an example of the fact that, though we talk about the internal market, in many cases we do not yet have one. That is crucial. No one disputes that it will lead to a completely new and very ambitious level of cooperation, including between the supervisory bodies, but we need to achieve that in any case. In other fields, too, the supervisory bodies need to work more closely and more constructively together, and trust each other more, than they have in the past. If the UCITS directive can give a gentle nudge to encourage that, then in my opinion that is all to the good.

The Level 2 measures to which the Commissioner referred are legion, and need to be dealt with within a short time; that much is true, but we all have an interest in ensuring that this does happen.

That, however, is not the end of things: the industry itself also needs to do its own homework. The Commission, and we here in Parliament too, have deliberately chosen not to raise the issue of fund processing at all, because we are working on the assumption that the industry will keep its promise to deal with this matter on its own, without legislative pressure. It has been working on this for quite some time now, and we still have nothing concrete to show for it. I hope that it will soon be able to put something on the table, otherwise we will have no choice but to take further action in the foreseeable future.

In conclusion, I would like to thank not only the Commission but also, and in particular, the Council for their cooperation and for their active support. I am also grateful to all the representatives of the other groups, particularly Mrs Berès, Mrs Gottardi, Mr Gauzès, and also Mrs Lulling, who, as we have seen again today, defended her interests valiantly but was still perfectly willing to compromise where possible. Thank you very much.

President. – The debate is closed.

The vote will take place shortly.

(The sitting was suspended at 09.40 and resumed at 10.00.)

IN THE CHAIR: MR PÖTTERING*President***5. Formal sitting and debate - 10th anniversary of the euro**

President. – The next item is the formal sitting and debate on the 10th anniversary of the euro.

(Film)

Mr Juncker, Mr Giscard d'Estaing, Mr Trichet, Mr Almunia, Mrs Berès, ladies and gentlemen.

The first of January 2009 was the 10th birthday of our currency, the euro. Here in the European Parliament today, we are celebrating one of the most important and historic decisions that the European Union has taken so far. In a European Union that was growing ever closer economically, the creation of the euro was a logical development in strengthening the common market and simplifying trade within the internal market; even so, when the currencies of 11 sovereign states were replaced by a single currency 10 years ago, there was a great deal of scepticism as to whether the planned single currency would be a success. Its introduction required courage and decisiveness.

Ten years on, we can see not only that the euro is just as trusted as the currencies previously used in the euro area, but also that it has, without doubt, brought about considerable advantages for people and businesses in the European Union.

The euro area has become a rock of macroeconomic stability. In view of the size of the economy of the euro area and the fact that the majority of its trade is internal, the euro area has proven to be much better equipped to withstand economic shocks than the Member States previously were with their national currencies.

Particularly in the recent months of the global financial crisis, the euro has proven to be an important stabilising factor: the single currency has protected us from the worst effects of the most serious financial crisis since the 1930s.

Without the European Central Bank and the European System of Central Banks acting as a stabilising factor, the situation in the European Union last autumn would have been considerably worse.

Just look at Ireland, a country that was particularly badly affected by the financial crisis: its membership of the monetary union protected it from a crisis of even greater proportions.

Monetary union represents a hopefully irreversible step towards deeper economic and political integration; it means being part of a 'Union with a common purpose'. Like a family, all the members of the euro area talk to each other and adopt the best approach to benefit each and every one.

However, the creation of the euro was not just a decision with economic and financial effects; it also sent a very clear signal that the European Union is in a position to implement far-reaching decisions in order to build a common, prosperous future.

Today, the single currency is seen, by many citizens in the euro area, as one of the most positive results of European integration. In order to ensure that this continues to be the case, we must hold tight to the stability of our common currency: it is the only way of making sure that the euro continues, in future, to be a stabilising factor and a point of stability in a turbulent world.

Today, well over half of the Member States of the European Union have introduced the euro. A few days ago, we welcomed Slovakia as the 16th member of the euro, and I am confident that, by the time we are celebrating the next big birthday of the euro, it will have even more members. The aim must be for all the Member States of the European Union ultimately to join our single currency, on the basis of the stability criteria.

I am convinced that this step-by-step expansion will help to strengthen the entire euro area, as well as being a symbol of a common, peaceful European future, particularly for young people in the European Union.

The former President of France, Valéry Giscard d'Estaing, is here with us today, and he is very welcome. Together with the former German Chancellor Helmut Schmidt, the former Luxembourg Prime Minister Pierre Werner and others, he is one of the architects of our single currency. A very warm welcome, Mr Giscard d'Estaing.

(Applause)

I agree with Helmut Kohl, who, along with François Mitterrand and Jacques Delors and others – we just saw Jacques Santer in the film – contributed to the ultimate introduction of the euro, when he said in 1998 that ‘... a currency is of course a means of payment. But a currency is also far more than a means of payment. It has something to do with cultural identity and it is a measure of political stability ... Imagine what a marvellous achievement it is that in the European Union ..., with all our intelligence, creativity and colourful variety, and in spite of all the difficulties ..., millions of our people should have a single currency.’

On behalf of the European Parliament, I would very much like to thank all the architects of the euro, and all the people who prepared the way for it, in particular the European Central Bank, its current President Jean-Claude Trichet and his sadly departed predecessor Willem Duisenberg for their historic achievements. The importance of the European Central Bank simply cannot be overestimated.

(Applause)

Our thanks also go, in particular, to Alexandre Lamfalussy, the President of the European Monetary Institute, whom we met yesterday evening, and who is also taking part in a colloquium now.

The European Parliament and its committee responsible for such matters, the Committee on Economic and Monetary Affairs, chaired at the time by Karl von Wogau and then by Christa Randzio-Plath, have also had a part to play as a driving force in this historic project over the years leading from the currency snake to the creation of the single currency. The same applies to the Committee on Economic and Monetary Affairs in its current incarnation, chaired by Pervenche Berès, to whom we are grateful for the idea of this celebration.

Since the euro was launched 10 years ago, the European Central Bank and the Eurogroup have cultivated an increasingly close relationship with the European Parliament. I would like to thank the presidents of the two institutions, Mr Juncker in his capacity as President of the Eurogroup and the President of the European Central Bank Mr Trichet, most warmly for their excellent cooperation with the European Parliament.

On the occasion of its 10th birthday, we wish our single currency, the euro, many more successful years with a bright common future for our continent of Europe.

Jean-Claude Trichet, *President of the European Central Bank*. – (FR) Mr President, Mr Giscard d'Estaing, Mr Juncker, ladies and gentlemen, it is an immense honour and a great pleasure to participate in this ceremony to celebrate the euro, one of Europe's main achievements.

Jean Monnet, the founding father of Europe, once said: ‘When an idea matches the needs of the time, it ceases to belong to the people who invented it and it is stronger than those who are in control of it’, and he added, ‘there are no premature ideas, there are opportune moments that you have to know how to wait for’.

Over the decades, the single European currency was an idea shared only by a few. Many more thought that it would never happen or that it was doomed to failure. Today the single currency is a reality for 329 million of our fellow European citizens. One day, the creation of the euro will be seen as a decisive stage in the long march to ever closer union for the peoples of Europe.

I cannot help but think about our founding fathers – Robert Schuman, Walter Hallstein, Alcide de Gasperi, Pierre Werner, Sicco Mansholt and Paul-Henri Spaak – who, as we saw a few moments ago, were visionaries to whom we owe the European Union.

I also remember the statesmen, the heads of state and government who were determined, convinced and courageous Europeans and who are today represented by Mr Valéry Giscard d'Estaing. Without them, there would be no euro.

Since the introduction of the euro, our fellow citizens have known a level of price stability that few in the euro area had achieved before. This price stability is an advantage for all European citizens. It protects income and savings, helps to reduce the cost of financing, and encourages investment, job-creation and medium- and long-term prosperity. The single currency is a factor for dynamism in the European economy. It has increased price transparency, strengthened trade and promoted economic and financial integration.

(DE) The last few months have demonstrated another advantage of the euro. The financial crisis has shown that, in times of turbulence, it is better to be in a large, safe ship than in a small boat. Would we in Europe have been able to act as quickly, as decisively and as consistently without the single currency to bind us together? Would we have been in a position to protect our individual national currencies from the impact of the financial crisis? We can be proud of how Europe's parliaments, governments and central banks have responded. Together, we have shown that, even in very difficult circumstances, Europe can make decisions.

(Applause)

We owe the historic success of the euro, not only to the determination and perseverance of visionary leaders – and I mention them – we owe it also to the effective interplay between European institutions.

The European Parliament played a crucial role at the pioneering stage. Parliament was the first institution in Europe to make proposals for a single currency, back in 1962. In the past 10 years, since the establishment of the ECB, our institutions have maintained a very close and fruitful dialogue. This dialogue has involved over 50 hearings of the members of the Executive Board of the ECB before this Parliament and the committees mentioned by the President. The dialogue between Parliament and the ECB is very important in terms of accountability, allowing the ECB to explain its decisions and actions to the general public through their elected representatives.

During its first years of existence, the euro had to face three major trials: the establishment of a sound and credible central bank, the creation of a stable new currency and inspiring confidence. These challenges were successfully overcome and the euro is firmly established today. This is a time for celebration and, as I said, I am very moved. But this is no time for complacency. Current challenges are pressing and new challenges will arise. The continued success of EMU depends on how these challenges are addressed.

I would like to mention three of them.

Firstly, the financial crisis. The crisis has revealed fundamental weaknesses in the global financial system. We are playing a very active part in the global efforts to address these weaknesses and redesign the regulatory and institutional framework.

Secondly, monetary union. The solidity of the single currency rests on two pillars: a monetary policy geared towards price stability and a set of sound economic policies – which are very much in defence of the Eurogroup, Mr Prime Minister. The particular challenges on the economic front include the firm and credible implementation of the Stability and Growth Pact, constant efforts to render our economies more productive and dynamic, and the avoidance of major competitive divergences within the euro area.

Thirdly, enlargement. When we started out 10 years ago, we were 11 countries. We are now 16 countries. This says a lot about our historic endeavour. Handling enlargement in the best fashion possible is a very inspiring and demanding challenge for all of us, particularly for the Executive Board and the Governing Council of the ECB.

The euro is an historic achievement. What matters most today is our responsibility for the future. New challenges are arising. If these challenges are faced with utmost lucidity and audacity, they can generate the powerful ideas which Jean Monnet referred to and which have advanced us so far on the path of stability and prosperity in Europe.

Jean-Claude Juncker, *President of the Eurogroup*. – (FR) Mr President, Mr Giscard d'Estaing, Mr Trichet, Mr Almunia, ladies and gentlemen, over the last 50 years Europe has often proved its capacity for setting out grand ambitions and for developing the spirit and the determination needed to implement in practice the ambitions it cherishes.

The European Union itself is the best example of this, along with the internal market and enlargement, in other words, with the renewal of ties between Europe's geography and history, and along with the Economic and Monetary Union, whose 10th anniversary we celebrate today.

The path which led to the creation of the Economic and Monetary Union and the introduction of our single currency was a long one, and the genesis of the Economic and Monetary Union after the initial impulse of the Werner report in 1970 demonstrates this. It was a long genesis which went via the monetary snake, the European Monetary System, the creation of the ecu in 1979, the 1989 Delors plan, the Maastricht Treaty in 1992, and also the Danish 'no' and the French 'yes', which at the time was said to be small, without forgetting the 1993 crisis in the European Monetary System. The journey has not been without its difficulties and shocks.

At the time, there were many who criticised the single currency both in the political and academic worlds, without mentioning the notable number of central bankers who felt that the Economic and Monetary Union could not or should not be achieved and that if, despite everything, it were to come into being, the single currency, in brief, would be weak and without a future.

It is important for me to take advantage of the 10th anniversary of this key event in European integration to pay homage, in my turn, to those men who created the euro, such as Pierre Werner, Helmut Kohl, François Mitterrand, Jacques Delors, Valéry Giscard d'Estaing and others. I would like, once again, to applaud their vision, their determination and their unfailing commitment to Europe. Those I have mentioned, and many others who accompanied them, could not have imagined the rapid success of their political project. Since 1 January of this year, 16 Member States have been participating in the Economic and Monetary Union and the euro is the currency of almost 330 million European citizens. The euro, then, has become the most tangible sign of European integration. As a tangible sign recognised around the world, the euro is a measure of stability. It is protecting its citizens from the most serious consequences of the economic crisis. After 10 years, it has to be recognised that the euro is an unquestionable success. Now, anniversaries only have value if they are bridges to the future, as we have to recognise that, despite our collective indulgence as we congratulate ourselves, the true tests for the cohesiveness and coherence of the euro area await us. This year, 2009, will be an extremely difficult year for the euro area economies and for European citizens and there will be many challenges facing us, both internally and externally.

Internally, euro area governments will have to act together to contain the effects of the economic crisis and invest in the structural bases of the economy to build a bridge to the post-crisis world. Exceptional situations demand exceptional measures. We must not lose sight of the fact that the euro, this protective screen we have built around our economies, did not just fall into our laps. The euro area economies are better protected against negative economic developments because being part of the euro area is a mark of quality certifying that its members have a real capacity for implementing prudent macroeconomic policies and policies based on sustained growth and prosperity for its citizens. The protection afforded by the euro is therefore directly linked to our credibility, which rests on the ability to implement such policies. This credibility is the foundation of the benefits of Economic and Monetary Union and we must maintain it to continue fully to profit from the benefits of the single currency.

Externally, we have to learn the political lessons from the international financial and economic crisis. There is a direct causal link between the current crisis, with its origins in the United States, and the persistence of major world imbalances. The lack of sufficient transparency, responsibility and integrity in the financial sector therefore acted as a catalyst for the crisis. The re-establishment of stability in the financial and the real economy on a world scale implies a profound reform of the financial system and the elimination of the major imbalances in the mix of global consumption and global saving. This balancing demands the active cooperation of the major economies in America, Asia and Europe. Despite noticeable progress, the euro's international image remains, too often, overly fragmented and national interests too often win out over the common interest, preventing the euro area from fully assuming the political responsibility that corresponds to its economic importance and from achieving all of the economic benefits deriving from Economic and Monetary Union. Economic and Monetary Union is, of course, an economic project, but it is, first of all, a political project. As a result, we must take advantage of the euro's second decade to perfect the Economic and Monetary Union by strengthening its political bodies, both internally and externally.

Joaquín Almunia, *Member of the Commission*. – (ES) Mr President, Prime Minister, Chairmen of the committees, ladies and gentlemen, I am sure that I am echoing the views of the vast majority of this Chamber in saying that, 10 years after its launch, I, as a European, am proud of the success of the euro.

I would like to congratulate Parliament on its initiative to commemorate the 10th anniversary of our single currency here, in this Plenary Chamber of the European Parliament in Strasbourg.

The euro and Economic and Monetary Union have undeniably been a success. Over these 10 years, the euro has brought many benefits to all its members and continues to do so today amid a deep economic and financial crisis.

Within the short period of a decade, the euro has earned a well-deserved reputation for strength and stability. The euro is the second of the world's currencies and, thanks to its role in the international economy, is already comparable in some respects to the dollar as an instrument of commerce and means of payment in international finance.

Above all, though, the euro is part of the daily life of nearly 330 million people in 16 countries of the European Union. We all carry in our wallets this symbol of a shared European identity: because the euro, as well as being a currency, is a central element of our European project, reminding us in a tangible way of the benefits of the integration process that began over half a century ago.

The euro has given us low inflation and low interest rates, thanks to a macroeconomic framework directed at stability. The euro has provided a clear boost to trade and investment among its Member States. The euro has also facilitated the creation of 16 million jobs over the last 10 years in the euro area, three times the corresponding figure from the previous decade.

The euro has encouraged financial integration and the development of the single market; it has protected the members of the euro area from external disruption; and it has been and continues to be a pole of stability, not just for the European economy, but also for the global economy.

The crisis is, without a doubt, a touchstone for the euro. However, those who think that the Economic and Monetary Union is not ready to face the consequences of this crisis are quite mistaken. On the contrary, if the single currency did not exist, the adverse effects of the crisis would be much greater.

Many Member States would now be facing great volatility in their exchange rates and, possibly, might even be suffering speculative attacks on their currencies. The spread of their public debt securities would be much greater than currently, and their margins for combating the crisis through fiscal stimuli would be narrower.

The Stability and Growth Pact, reformed in 2005, has encouraged governments to sort out their public accounts, leading in 2007 to the lowest budget deficit for 25 years, which is now enabling them to face the crisis in a better situation.

Throughout this crisis, the actions of the European Central Bank have done nothing but reinforce the solid reputation that it had already earned in the early years of Economic and Monetary Union.

By decisively adopting the necessary measures and taking the lead in cooperating with the other central banks in industrialised countries, the European Central Bank has served as our guide throughout this period and has substantially contributed to preventing huge financial collapse.

The economic situation is not as we would have hoped as we celebrate this anniversary, but events are highlighting more than ever the advantages of Economic and Monetary Union. For those countries which have not yet joined, the euro area is an increasingly attractive option, as demonstrated last week in Bratislava when we welcomed Slovakia as the newest – the 16th – member of the euro family.

The European Commission and Parliament must continue working with Member States, the Eurogroup, the European Central Bank and the international community in order to place our economies on the path to the sustainable resumption of growth.

In this regard, the Commission's recommendations in the report that we submitted a few months ago on the first 10 years of Economic and Monetary Union, which was recently debated in this Chamber, are as valid or even more valid today than they were last spring.

Increased budgetary vigilance, its extension to other macroeconomic aspects, the link between macroeconomic policies and structural reform, the external image of the euro and improved governance of the Economic and Monetary Union are, and must continue to be, the core themes on which to base the euro's second decade, with at least as many successes as this first one.

Mr President, I would like to conclude by paying tribute to the vision and ambition of the founding fathers of the euro, whose imagination and resolute action bequeathed to us a currency of which all Europeans can be proud. We must safeguard the foundations of this success.

The crisis has opened up a new chapter for the global economy, in which the Economic and Monetary Union must continue to play a relevant role in serving the common interests and ambitions of all Europeans.

Valéry Giscard d'Estaing, *former President of the French Republic*. – (FR) Mr President, Mr Juncker, Mr Trichet, ladies and gentlemen, everyone who has been involved in creating the European currency is grateful to you, Mr President, and to you, ladies and gentlemen, for this very fine initiative which you have taken in commemorating the 10th anniversary of the birth of the euro.

I am one of those people who think that it is better to avoid the ever-increasing number of commemoration ceremonies, but this one is justified because it marks the greatest contribution to European integration since the election of the European Parliament by universal suffrage in 1979. We have certainly come a long way and perhaps this pleasant, friendly gathering does not paint the whole picture.

I would like to pay tribute to all those who mapped out this course and those who have followed it. We can find its distant origins in the report from the Luxembourg prime minister, Pierre Werner, your predecessor, in 1970. It was, however, the monetary crisis in the years that followed and the currency flotation which triggered action in this area. As long as the currency exchange rates were fixed, the monetary system did not upset our attempt to create a common market. However, as soon as they were floating, this problem raised its head.

After the unsuccessful attempts to create a monetary snake, the strong momentum from France and Germany between 1975 and 1980 led to the meeting in Bremen, in northern Germany, and the decision to create the European Monetary System and introduce the ecu, the euro's precursor. This move had the backing and support of our partners in the Benelux countries and Italy.

After a period of little activity between 1980 and 1988, the process was given new impetus with the creation by the Council of the committee chaired by Jacques Delors, resulting in the signature of the Maastricht Treaty.

Let us salute the pioneers who have been involved in this along the way, as you yourself have recently, Mr President, as well as my friend, Chancellor Helmut Schmidt and his Secretary of State, Manfred Lahnstein; Bernard Clappier, the governor of the Banque de France at the time and co-author of Robert Schuman's Declaration in 1950; Alexandre Lamfalussy, who provided us with his great, almost unique expertise during the work of the committee on European monetary union which we set up with Helmut Schmidt to relaunch the project; Jacques Delors, President of the European Commission, who took over; and, last but not least, the negotiators and signatories of the Maastricht Treaty who drafted an excellent text, which has not actually been touched since then, headed by Chancellor Helmut Kohl and President François Mitterrand, whose determination must be mentioned in particular, along with their other colleagues. Today we must say a big 'thank you' to all of them.

On this occasion of the 10th anniversary, being celebrated at a time of crisis, what can we say in support of the euro? What fine words can we use in our anniversary toasts? First of all, the euro's success has exceeded expectations, not only of all its opponents, of course, but even of all its supporters. I will not go into detail as you have only given me five minutes. During the conversations which I had with the most eminent monetary experts between 1995 and 2000, they were all sceptical about the possibility of introducing the euro and making it a success.

In 10 years the euro has become the number two currency in the world and, as has been mentioned just now, one of the most respected currencies. Its sound management has provided a protective shield against the crisis and a platform for non-inflationary growth. Without the existence of the euro, mainland Europe would be currently turned upside down by a monetary tornado, which would deepen the economic crisis.

We are expecting the monetary policy to try to contain, within the limits of the currency's power, the depressing impact of the crisis and to pave the way for the return to non-inflationary growth, which we are not tackling yet, by which time the sizeable public deficits and level of debt triggered by the crisis ought to have been cleared. In this respect, we are putting our trust in the managers and staff at the European Central Bank, who have demonstrated their considerable expertise since the start of the crisis. We also respect their determination and independence.

I would like to finish with two remarks. We must be careful not to try to give the euro a global dimension, which would flatter our vanity, but would multiply the risks we face. The euro is Europe's currency and must express its distinct culture, promoting a rational and stable model among the world's other currencies.

Finally, I do not think that the general public will need to wait too long for banking regulation to be restored in the euro area. It seems to me that we could call on the European Central Bank to carry out this process of restoring order and supervise its implementation, according to Article 106(5) of the Maastricht Treaty. Indeed, we need a strong impetus, expertise and a decision timetable which the European Central Bank could draw up and which the Council of Ministers for the euro area, presided by your good self, Mr Juncker, could then adopt and implement.

I will conclude, Mr President, by saying that the symbol of integration represented by the euro's success must give us the courage to take the next step in creating this increasingly united Europe as recommended under the various treaties and which we are endeavouring to achieve. Let us counter the inevitability of failure with the energy of success. That success today goes by the lovely name of the euro.

(Applause)

Pervenche Berès, *chairman of the Committee on Economic and Monetary Affairs*. – (FR) Mr President, the euro is the successful outcome of a vision and political will, and not the product of the market. It demonstrates the best that Europe can achieve when everyone joins forces.

I also want, of course, on this occasion to salute and thank on our behalf, on our children's behalf and on everyone else's behalf, the founding fathers and the architects of this success: Pierre Werner, who is with us, Chancellor Helmut Schmidt, President Giscard d'Estaing, the President of the European Commission Jacques Delors, Chancellor Helmut Kohl, President François Mitterrand, Baron Alexandre Lamfalussy, Tommaso Padoa-Schioppa, Philippe Maystadt and everyone else whom I have not mentioned. I would also, however, like to pay tribute to the actions of your predecessors, Mr President, the actions of my predecessors, Karl von Wogau, who is still with us, and of Christa Randzio-Plath, who is also with us today. The actions of this Parliament played a crucial role in that, at the time of the transition to the euro, we were not only concerned about the transfer of accounts in the banks but also about our citizens, so that they could adapt to, get used to and adopt this new currency which was going to be theirs. I also believe that this action by our institution must be recalled and given credit.

I am also pleased that this ceremony can take place here, in the European Parliament, the home of democracy for all Europe's citizens. After all, the euro is first and foremost the concern of us all, and then of the banks. It is certainly the concern of Europeans, as they are happy to tell us. Some governments are loath to provide Europe with symbols. However, Europeans themselves have adopted the euro as a symbol of belonging to the European Union.

Of course, we are not all using the euro. There were 11 of us to start with, and now there are 16. We are expecting others to join us. However, I do get the feeling that this crisis is tempting some countries to reconsider whether they should belong to the euro area or not. I think that this is the best proof of our success. Europe makes progress, as is so often the case, by demonstrating its efficiency and on this occasion to mark its 10th anniversary, we can clearly see that the assessment of the euro is largely a positive one. Some countries which were hesitant could now knock on the door of the euro area. We can only encourage them to do this under the terms of the Treaty, which have never been revised and which are useful terms allowing Europe to progress in economic and monetary matters on the basis of the two pillars of consolidation and enlargement.

However, an anniversary is also a time for looking to the future. The euro, which has been enriched by these last 10 years, must now open up new areas for development, not that we have not dealt with these at all, but simply because they are still work in progress ahead of us.

On the subject of economic cooperation, Jean-Claude Juncker described the crisis that we are going through. It is not a normal situation. In this current crisis we all know that, if we had made progress in the Economic Union as quickly as we have in the Monetary Union, we would be even better off today. Let us learn then the lessons from this. It is not normal for us to focus on the budget deficit balances and not on the quality of public spending. Governments must learn to talk together about their economic policies. It is not normal for Member States to borrow at such different rates of interest when they have the same currency and the same rate of interest set by the European Central Bank.

The same applies when it comes to supervising the financial markets. President Giscard d'Estaing mentioned Article 105(6), which is our common platform, allowing us to make progress. I think that one of the lessons from this crisis is that it actually shows that the European Central Bank will need to have a supervisory role. We do not want to disconnect the supervision of the financial markets from macroprudential supervision. However, to achieve this, we will also need, as political leaders, to think about achieving a balance. If the European Central Bank sees its responsibilities strengthened, it will have to be indicated how the institutional balance on the whole needs to be established in the future.

I would like to make one final remark on the international role of the euro. I agree that we must not demand the exorbitant privilege of being the reserve currency. However, it is not normal either for us to have taken 10 years to create the euro and then, 10 years after the transition to the euro, we are still passive in the international arena and the strong voice of the euro is not being heard more clearly in the process of restoring some balance to the global monetary system.

Finally, I believe that the euro is much more than just a currency. This is why it is a major issue for this Parliament. It is a tool at the service of our citizens who are going through the deepest crisis in years. We must then use this wonderful creation, this symbol of Europe to help our citizens come through this crisis in the best conditions possible.

Werner Langen, *member of the Committee on Economic and Monetary Affairs*. – (DE) Mr President, 10 years of the euro is indeed a reason to celebrate. Anyone who had said 10 years ago that the euro would have developed as splendidly as it has done would have been laughed at. Many people have contributed to this success, and I remember many sceptical voices – it was referred to as a premature baby and an unviable project – and today we know that it was a vision to which many people contributed. The previous speaker reminded us of all those who contributed to this, of the milestones, of the European monetary system, which was an agreement with the European Central Bank to create central rates, of the Delors report, which provided for the introduction of the monetary union in three stages, of the Treaty of Maastricht – only two years after the fall of the Wall – and of the transitional periods. Many people have helped to make the euro the successful project it is today.

As the committee chairman, Mrs Berès, has already said, during this period, in particular from 1994 when the implementation of the Treaty of Maastricht began, and up to 2002, Parliament actively cooperated in the introduction of the notes and coins, and in many reports, discussions, opinions and also proposals, and I would like specifically to thank the two committee chairmen from that time, Mr von Wogau and Mrs Randzio-Plath, who also represented Parliament to the outside world and who gave this project, although originally created by the governments, the parliamentary support it needed. We are working today, too, under the chairmanship of Mrs Berès, for the same representation.

On 18 November Parliament adopted, with a large majority, a report in which we describe the successes, challenges, risks and problems, and I would like to mention just a few things in addition to what Mrs Berès has said.

The euro has been a great success, and it is a unique project: a central monetary policy under the management of the European Central Bank and local budgetary and finance policies. It is important that, in future, the connection between these two levels of responsibility in the Stability and Growth Pact are retained also during times of crisis. Without this Stability and Growth Pact, without stronger coordination of the budgetary and finance policy, the euro would also in future face risks that are avoidable. In this regard, I appeal in particular to the Member States of the euro area, but also to the whole of the European Union, to take this discipline, this coordinated cooperation, more seriously than has been the case in the past in connection with certain issues.

The euro has pushed down inflation considerably and so created confidence and stability, and it has become the second most commonly held reserve currency in a space of time that no one thought it capable of. The euro has increased the pressure for structural reform in the Member States and therefore, even in the age of globalisation, has become a 'fitness programme' for undertakings and for nations. The institutions of the euro area – several were mentioned by the previous speaker – the Ecofin Council, the Euro Group and many other institutions have created the necessary conditions together with the Commission and the European Central Bank, because they were already operating, because they were in place, because they worked independently in order to react quickly, reliably and correctly in the economic crisis.

We have experienced the euro as a lever for creating a European financial market. The political conclusion from these common successes is that states with a common currency and a common internal market have achieved a unique level of integration that will secure peace and prosperity.

However, we cannot necessarily take the euro for granted in future. There are numerous specific requests and demands to take the risks seriously: the drifting apart of the national economies, which is associated with considerable risks in connection with the growth of wages and with budget deficits, should not be concealed on this anniversary.

An entirely different aspect is the varying development of the interest rates for government bonds. We are currently seeing the interest rate margin, which has no doubt decreased, increasing again, bringing the possibility of new problems in this regard for individual Member States within the euro area.

I would remind the House that, particularly in connection with the expansion of the euro area, no special rebates may be given and that all states that are members of the euro area can, and must, comply with these conditions of the Treaty of Maastricht.

The euro has been well-received by the public. It has gained the world's trust. It has passed the first test and has provided a unique contribution to the permanent integration of our nations in Europe. That is something we can all be proud of. Thank you.

(Applause)

Jean-Paul Gauzès, *on behalf of the PPE-DE Group*. – (FR) Mr President, Mr Giscard d'Estaing, Mr Juncker, Mr Trichet, Mr Almunia, ladies and gentlemen, many good points have already been made.

In 10 years, the euro has become a strong symbol for Europe. Yet the idea that Europe could create a single currency, whose foundations were laid especially in the Bremen agreement on the monetary system in 1978 and the creation of the ecu, would have been met at the time with scepticism from the markets and the main monetary authorities outside Europe. We should warmly thank and congratulate all those who made the decision and whose names have been mentioned here.

The creation of the euro is the best proof that Europe is capable, given the political will, to take long-term decisions for a common, prosperous future. This anniversary, then, gives us a particularly apt message of hope for today's times.

It must be said, however, that among our fellow citizens and until recently there were mixed perceptions of the euro. For those who travel, the advantage of a single currency was obvious. For those who do not, the euro was associated with price rises. Studies have, in fact, shown that in most countries inflation was felt even though the official figures showed that, due especially to the action of the European Central Bank, monetary stability had been ensured. The reality is that some definitely took advantage of the euro to round up some prices and perhaps consumers were not vigilant enough.

When the euro has risen against the dollar, we have also heard comments from some manufacturers who for the most part produce in the euro area but sell outside this area. The European Central Bank has not been without its critics, who have not called into question its independence but rather its policy on interest rates, which seemed to be too high.

Today, the crisis has changed many of these perceptions. We all understand that the euro is a determining factor in restricting the European repercussions of a crisis imported from the United States. The European Central Bank has certainly been the most responsive central bank. Its particularly pertinent decisions have been welcomed unanimously. What would the situation have been if the various Member States had each had to defend their own individual currency? Devaluations would have been inevitable and we would not have avoided a currency crisis.

The welcome results of the euro must encourage us to continue and to broaden the coordination of economic policies and to respect the principles of the Stability and Growth Pact. It is true, at present, that exceptions may and perhaps should be accepted, but they can only be temporary and the objective of balanced public finances must be retained. High-quality public finances and economic policies are, in fact, in the long run, more than ever necessary. They are the guarantee of effectiveness, competitiveness and growth. They are the condition for the solidity of our currency, the euro.

Robert Goebbels, *on behalf of the PSE Group*. – (FR) Mr President, during these times of uncertainty, it is important to be able to count on something with a reliable value: the euro. As I was able to play a bit-part as a member of the Ecofin Council during the period of preparation for the future single currency, I could see the doubts on both sides of the argument and the pussyfooting of the Member States, which ultimately made the Eurogroup into a stronger forum for cooperation ahead of its time. Furthermore, two of Europe's finest achievements came about through the determination of a few states to forge ahead in making integration something real for all our fellow citizens. I am referring to the Schengen Agreement entailing the free movement of Europeans, which was implemented on the initiative of five states: France, with President Mitterrand, Germany, with Chancellor Kohl, along with the Benelux countries. Switzerland has now become part of the Schengen area, but the British and Irish are still shying away from this people's Europe.

President Mitterrand and Chancellor Kohl were also the political architects of the euro, even though there were many who supported this monetary success, starting with Jacques Delors. The first lesson I would like to draw from this is that anyone who wants a better Europe must not be afraid of intergovernmental action, especially if there is a coalition of states which really want to move Europe forward. The Prüm Treaty, which is intended to combat serious crime, is an example of this positive enhanced cooperation for Europe. At a time when the Constitutional Treaty is dead and buried, following the 'no' vote from a strange coalition of political forces not only in France but in the Netherlands too, and when the indigestible piece of legislation known as the 'mini' Treaty of Lisbon is being blocked in Ireland and possibly in the Czech Republic as well, we should prove that Europe is still functioning by relying on the huge area of enhanced cooperation.

In any case, the attraction of the euro remains intact. Following Slovenia, Slovakia has just joined us. Others are fretting about not being able to benefit more from the protective shield provided by the euro. Even in

the UK voices are being raised, questioning the country's splendid isolation in the face of the pound's collapse, which has seen its status fall from that of the world's reserve currency to a run-of-the-mill currency in less than a century. Thanks to the consistent actions of Wim Duisenberg, Jean-Claude Trichet and the likes, the euro has become the world's second reserve currency in 10 years. Of course, the dollar remains king for global transactions, still providing a safe investment, but the colossal debts accumulated by the United States in getting the rest of the world to finance their lifestyle will increasingly sow the seeds of doubt as to the ability of the number one economic power to honour its commitments. In fact, the financial world is tending towards a euro/dollar duopoly. Any monetary duopoly regularly goes through parity adjustments which often occur suddenly. In these times of widespread recession, the world needs stability and new certainties. The euro will have a key role to play in this new stability. The European Central Bank (ECB) has done what it needed to do in the face of a global financial crisis 'made in the USA'.

As Jacques Delors said, the euro is the shield to protect the whole of Europe, but the euro has not stimulated the European economy enough so far. The ECB is only in charge of monetary policy. At the end of the day, the Commission is only a first-class consultant making suggestions which are generally useful, but the real economic players remain the states themselves which, unfortunately, are operating in a disorganised manner. Although the effective harmonisation of the cumulative economic power of 27 states could work miracles, the Eurogroup, in spite of the commendable efforts of Jean-Claude Juncker, still only remains an informal discussion group. In the spring of 1999, I was able to witness the attempt made within the Eurogroup by a few finance ministers, including Oskar Lafontaine, Dominique Strauss-Kahn, Carlo Ciampi and a few others, to establish economic and monetary cooperation between the European Union and the European Central Bank. Wim Duisenberg made the cutting retort: 'there never will be any *ex-ante* coordination with the European Central Bank as you are always going to have to react *ex-post* to our decisions.' The reason for this is obvious: the ECB is and will remain independent in conducting its monetary policy, but independence does not mean a ban on constructive dialogue between institutions tasked with defending the interests and common destiny of 500 million Europeans. There is nothing to prevent states from organising themselves better with regard to achieving proper coordination of their economic policies, whether it is inside the EU or especially when representing Europe externally, as Jean-Claude Juncker so sensibly concluded just now.

Wolf Klinz, *on behalf of the ALDE Group*. – (DE) Mr President, Mr Giscard d'Estaing, Mr Juncker, Mr Trichet, Mr Almunia, ladies and gentlemen, I find it very regrettable that relatively few Members are here today for this formal sitting, because it really is a historic event. We have already heard from the various previous speakers how much scepticism there was when the euro was first introduced. It was felt that the logistical challenges involved in introducing billions of banknotes and coins alone would be unmanageable, and the idea that we could combine a common monetary policy with separate fiscal policies in the Member States was seen not just as a major challenge but as simply impossible.

Today, the facts tell a rather different story. European monetary union is a reality; the euro has been in existence for 10 years today. This is something of a minor political miracle, and once again the words of Walter Hallstein, the first President of the Commission, have proven to be true: 'Anyone who does not believe in miracles in European matters is not a realist.'

The doubts of the citizens, many of whom, in many Member States, initially believed that the euro would result in huge price hikes, have now disappeared. The euro has now been accepted, and even enthusiastically welcomed by many citizens. It has become something of a visible European identifier: besides the anthem and the flag, it is one of the few symbols we have today.

It could, I think, be said that, in the European Central Bank's first few years, Europe and the European economy were sailing in relatively calm waters, so that the bank found it pretty easy to pursue a policy of stability. Even so, it is worth pointing out that the mean inflation rate over the first 10 years of the euro has been approximately 2%, in other words more or less on the target that the European Central Bank set itself. The German mark, on the other hand, which was always held up as a poster child for stability, had a mean inflation rate of 3% over its 50 years of existence. It can therefore be said that the European Central Bank has performed very well.

However, it is now, in this time of crisis, that the European Central Bank is showing its true strength, its true quality. It has a hugely important role to play here. It has proven itself to be independent, efficient and self-confident, and it acts decisively and quickly. It has become an example for some central banks, both in those European countries that are not yet part of the euro area and outside Europe. It has made it quite clear to the Federal Reserve in the United States that it can pursue a successful policy, not despite its independence but precisely because it is politically independent and not subject to instructions from various governments.

We now know that at the moment, after the banking sectors in the individual Member States have been brought under a protective umbrella, the Member States are in the process of developing various economic stimulus plans to absorb the negative impact of the financial crisis on the real economy. This will present the European Central Bank with further challenges, because there is a risk that the differences in approach will result in distortions of competition, and that the convergence we have, in part, now achieved between the members of the euro area will be lost and we will see increasingly divergent developments. This needs to be counteracted, which is why it is so crucial and so important that the Stability and Growth Pact must not be undermined or discarded. Quite the reverse: we must ensure that it remains valid. That is why it is also so important for the necessary structural reforms, which the Commission and the European Central Bank have repeatedly called for in the past, actually to be pursued in the individual Member States.

The European Central Bank will gain a new task in the coming years. The crisis has taught us that we need some kind of European supervision of the financial market, and this is an area where the European Central Bank can play a major role. It has signalled that it is, in principle, willing to introduce some kind of central European supervisory system analogous to the European System of Central Banks. The euro's international role needs to be further strengthened. The euro area needs to speak with one voice, and also be represented as a unit in international organisations such as the International Monetary Fund and the OECD (Organisation for Economic Co-operation and Development).

It is still true that a single currency without a single fiscal economic policy is, and will continue to be, a risky undertaking. This is no mere bagatelle. The EU is still facing some major challenges: we are facing high, and unfortunately rising, levels of unemployment, demographic changes, migratory pressures, increasing poverty in some sectors of society, and stiffer competition in the context of globalisation. The euro area will only be able to meet these challenges if the economic policies of the Member States can be more closely interlinked. The appointment of a president of the euro area was the first step in this direction, but it is only the first step: more is now needed.

Cristiana Muscardini, *on behalf of the UEN Group.* – (IT) Mr President, ladies and gentlemen, after 10 years, the growing space carved out by the euro in international trade and its use as a reserve currency show that it has become a world benchmark. It has guaranteed monetary stability and has helped integrate the economies of the Member States that have adopted it, despite some errors of judgment that created problems for citizens both because of the actual exchange rates between national currencies and the euro and because of the few checks subsequently carried out on the prices of goods and services.

The euro was created without being imposed from outside and without any wars of conquest or political hegemonies. It was the result of the free coming together of 11 governments who believed in the creation of an economic and monetary union, as laid down in the Treaties, as an essential step in attempting to achieve the political union that still unfortunately remains out of our grasp.

Some problems that have occurred are due to inefficiencies in a system that was unprepared for the task of guiding the other great associated phenomenon; I am talking about the increasing pace of internationalisation and the great changes in the way trade is conducted at international level. The euro has made it possible to face up to a series of difficulties, the most severe of which is the current financial crisis, and it has protected us against the great stresses that have ravaged the markets. Were it not for the euro, we would have repeated the experience of 1992, only worse.

We mark this 10th anniversary by warmly welcoming the entrance of Slovakia, the 16th country to join the euro area. The measures introduced by the European Central Bank (ECB) and the Commission to combat the current crisis have acted as a buffer and a form of containment but we still maintain, as we have often done in this Chamber, that we find it inconceivable to have a monetary policy disconnected from economic policy. Admittedly, the actual situation is somewhat anomalous: 16 Member States with the single currency, 27 national economic policies coordinated by the Commission as well as it can, and 11 Member States with national currencies.

Coordinating a monetary policy with an economic policy that does not actually exist is certainly no mean feat, but if the institutions responsible for economic policies in our countries do not communicate with the central banks and the ECB, which has to pull all those policies together, and vice versa, the European Union will find new difficulties in jointly facing up to the current crisis and also the continual challenges that the outside world and globalisation bring home to us.

We hope that recent experiences convince people of the need to face up to change in Europe, restoring the real economy to the centre and ensuring better cohesion and connection between the ECB and the European

institutions responsible for laying down political and planning strategy. The very recent energy crisis has also shown us that a common economic policy on the main strategic topics is of vital interest to the public and cannot be delayed. If the political will is present, the introduction of such a policy will be facilitated by the growing power of the euro.

Alain Lipietz, *on behalf of the Verts/ALE Group*. – (FR) Mr President, Mr Giscard d'Estaing, Mr Juncker, Mr Trichet, Commissioner, ladies and gentlemen, I would like to remind you how, in 1992, when it was still completely dubious as to whether the French would vote in favour of the Maastricht Treaty, Jacques Delors spoke to the general assembly of the French Green Party, which managed to deliver the missing 1% or 2%.

He said to us: 'Vote for the euro, then we will have a political Europe, because if we do not create a political Europe to control Europe, the people will not accept it; they will never accept it.' He did not persuade us. The Maastricht Treaty was approved, but no political Europe was created. This is the very problem which we are facing today.

Why were we against the euro at that time? There were basically two reasons for it. Firstly, it seemed to us that the Maastricht criteria were going to drag Europe into at least five years of pro-cyclical recessionary policy and, secondly, the way in which the monetary policy was incorporated into the general economic policy by the Maastricht Treaty was not satisfactory. For the sake of the European Central Bank's independence, we would separate monetary policy from the rest of the policies.

I must say quite honestly that, even if I am still not convinced by the Maastricht Treaty today, like all the other Greens, I am rather attracted by the changes which the legislation and application of Economic and Monetary Union have undergone.

Three major changes have taken place. Firstly, price stability has been established at a level of slightly less than, but close to, 2%. This target may seem a bit absurd. At the moment, when the world is being threatened by deflation and the situation is being aggravated by the tendency of some countries to hastily cut their VAT rate as part of a Keynesian policy, it is obvious that setting this target of 2% is no longer just for show. If we fail to keep to this 2% target we run the risk of having very high real interest rates being forced on us.

The second major reform is obviously the reform of the Stability and Growth Pact carried out in 2005, which allows us today to have a policy that is contracyclical and aimed at countering the crisis.

The third major transformation is the change to how things work in practice. This permanent dialogue, as highlighted once again in this Chamber, between Mr Trichet, Mr Almunia, Mr Juncker and Mr Barroso, is, strictly speaking, contrary to the Maastricht Treaty itself. I regard this form of cooperation between Mr Trichet and Mr Almunia, for example, to be the equivalent of that between Mr Bernanke and Mr Paulson, which is a positive and desirable development. What remains to be done then? All I would say is that we need to apply properly the good aspects of the Maastricht Treaty.

We have a real problem in defining the exchange rate, which has been mentioned on several occasions by my predecessors. The task of setting the exchange rate is assigned to the Council. We must find the means to ensure that the Council sets an exchange rate for Europe which does not derive randomly from the interest rate chosen by the European Central Bank, but properly reflects an industrial policy. We must find the proper instruments to do this.

Secondly, the European Central Bank's objective is not only to maintain a rate close to 2% but also to apply Europe's policy, by that I mean the Lisbon and Gothenburg Strategies. We need to have a policy for refinancing and rediscounting private debts by the European Central Bank according to the Gothenburg and Lisbon Strategies.

Lastly, as has already been mentioned, there needs to be supervision at a European level and the European Central Bank is in the best position to perform this function.

Ilda Figueiredo, *on behalf of the GUE/NGL Group*. – (PT) It is regrettable that we are not taking advantage of this opportunity for an in-depth examination of the consequences of implementing neoliberal and monetarist policies – using the euro as an excuse – which have contributed to the current serious social situation and to increasing inequality, unemployment, precarious and poorly paid work, and poverty.

It is unacceptable that we are holding onto ideological dogmas, such as price stability and the irrational criteria of the Stability and Growth Pact, which are being used as a pretext in order to pursue privatisation and remove responsibility for social functions from the state. This approach also involves the idea of the

minimal state and the greater efficiency of the private sector, with the aim of imposing acceptance of so-called wage restraint, which actually results in low, nominal wage rises and even a reduction in real wages, as the Portuguese case regrettably clearly demonstrates.

We cannot agree with the false independence of the European Central Bank, which is dragging its heels on the decisions to reduce interest rates and which is keeping the euro overvalued solely to protect those countries with more developed economies and the more powerful economic and financial groups, thus worsening the hardships of the more fragile economies and those people with fewer financial resources.

This European Central Bank policy has resulted in the contraction of the European economy, clearly demonstrating the need for further reductions in the reference interest rates. As the purchasing power of workers, the retired and pensioners has fallen over the last 10 years, the profits of economic and financial groups have reached their highest level in 30 years, resulting in the joy and satisfaction that we have heard in this Chamber. Even now, in the crisis situation that they have caused, what they are doing is nationalising the damage in order to then privatise the profits, whilst workers, micro- and small entrepreneurs, the retired and the unemployed suffer the consequences of the crisis, with the right, in the best-case scenario, only to a few scraps. Look at what is happening in the financial sector, where certain banks have already increased their spreads more than once since the start of the financial crisis and where the margin charged has doubled in the space of a year, thereby penalising new credit even more.

We therefore insist on the urgent need for a proper break with these neoliberal and monetarist policies, putting an end to the Stability Pact, tax havens and the false independence of the European Central Bank. We therefore insist on the need to significantly increase the EU budget based on a fair distribution of income and wealth, so that there is a real policy of economic and social cohesion and so that we reject measures that are just more of the same, in other words 'save yourself if you can' measures, allowing the richest to become ever richer and the poor to become ever poorer, as clearly demonstrated by the increasing inequalities and disparities among the euro area economies.

We therefore insist on the need to support production and micro-, small and medium-sized enterprises; to promote quality public services; to facilitate credit and improve the purchasing power of families, and not just the most disadvantaged, but also the middle classes; to create more jobs, and to reduce the poverty and misery of millions of people in our countries.

IN THE CHAIR: MR ONESTA

Vice-President

Nigel Farage, *on behalf of the IND/DEM Group*. – Mr President, do enjoy the 10th birthday of the euro because I very much doubt you will be celebrating the 20th. What we have seen this morning has been reminiscent of the old Soviet times. Do you remember when the five-year plans were announced to be successes often before they were even launched, with much talk of record harvests and wonderful production figures for tractors? Much like those days, we have been treated this morning to a succession of unelected, ageing bureaucrats telling us what a great success the whole thing has been. It is all delusional stuff.

The idea that the ECB has done a good job is extraordinary. It was last July when the European Central Bank put interest rates up, just at the very moment that the markets were going into meltdown and rates were being slashed across the rest of the world. Of course none of this surprises me because what this euro is all about is a political class imposing its will upon the peoples of Europe. Remember that only two countries – Denmark and Sweden – had a referendum on the euro and both of them said 'no', that little word that you try and avoid if you possibly can.

The euro zone has never been tested but it is about to be. Spain is in economic trouble. Italy, as German economists at the time said, should never have joined the euro, but the situation in Greece is, I think, where we should focus our attention. Thousands of young people out on the streets demonstrating, demanding their government does something, demanding that their government cuts rates, demanding that their government devalues. But the Greek Government is stuck inside the euro straitjacket. There is nothing it can do. There is nothing that a future general election can do in Greece to change anything. When people have taken away from them the ability to determine their own futures through the ballot box, then I am afraid that violence becomes the only logical alternative.

What you have done with this euro is you have trapped people in an economic prison. You have trapped people in a *Völkerkerker* from which it will take great courage to get out. It will take leadership, or possibly

the inevitable economic meltdown. You can boo, you can jeer, but remember this: Britain outside of the euro has been able to devalue, has been able to slash interest rates. We have been able to do the things that we need to do. Jeer on if you like, but have you noticed that on the bond markets this morning Greek bonds are trading 233 basis points higher than German bonds? Now I know that most of you in this room will not even know what that means and those that do will do their best to ignore it. You can go on burying your heads in the sand if you want. You can ignore the markets if you want to, but in time the markets will not ignore you.

Roger Helmer (NI), - Mr President, in the last 200 years there have been at least half a dozen attempts to create single currencies or fixed exchange rate mechanisms. All have failed, all have damaged the participants, and so it is with the euro. The imbalances long predicted by sceptics are starting to bite. Italy's competitiveness is shot to pieces. Spain's experience is like the bull in the corrida: proud and strong to start with, but bleeding to death in the sand by the end. Greece's recent unrest is clearly linked to unemployment, resulting from an overvalued euro. Bond spreads between Greece and Germany have reached unprecedented levels – over 200 basis points.

The markets are speculating on a euro break-up. We in Britain can thank heaven that we kept our own currency and are not part of the euro zone's slow-motion train wreck. Happy birthday to the euro!

President. – The debate is closed.

Written statements (Rule 142)

Richard Corbett (PSE), *in writing*. – The tenth anniversary of the vote on the proposal, presented to Parliament, on behalf of the Council of Ministers, by Gordon Brown (then president of the Council), to lock exchange rates at that day's level and to create the euro, is an opportunity to celebrate ten years of success, stability and strength of what is now one of the two leading currencies in the world.

The current economic crisis would have been compounded by turmoil on currency markets had we still had the peseta, lira, drachma and so on as separate currencies fluctuating wildly against each other. The euro has been a rock of stability for its members, as illustrated by the contrasting fortunes of Iceland and Ireland.

The anniversary is also an opportunity to debate whether Britain's long-term economic future lies with euro membership. Of course, Britain can manage in the short run outside the euro, but over time, we stand to lose out: our businesses are handicapped in the European market by conversion costs and hedging costs that their competitors in that market do not face; and inward investors into the European market will prefer to be in the major currency area rather than the smaller one.

Konstantinos Droutsas (GUE/NGL), *in writing*. – (EL) The formal sitting of the European Parliament marking the 10th anniversary of Economic and Monetary Union (EMU) at a time of serious crisis in the capitalist system follows repeated resolutions and reports by the European Parliament on the same subject and is yet another attempt to gild the pill of the anti-grassroots, anti-labour policy of the EU which, following the demise of socialism, proceeded to the Maastricht Treaty and its all-out attack on labour rights and freedoms.

EMU, the establishment of the European Central Bank and the launch of the euro are necessary links in the chain of capitalist restructurings being promoted by capital in order to defend itself against workers' claims and safeguard its profitability by stepping up the exploitation of the working class and grassroots classes.

The arguments about price stability, reducing inflation and protecting economies from risk and crisis have proven to be stale arguments. EMU protects the profits of the monopolies and facilitates privatisation and merger.

This past decade, workers have seen their incomes shrink, industrial relations worsen, their insurance rights evaporate and health and education services deteriorate and made into privatised commodities.

Workers reject the European one-way street and its supporters, and also the Lisbon Strategy and the Lisbon Treaty, and are fighting against EMU and the EU itself for grassroots power and a grassroots economy.

Zbigniew Krzysztof Kuźmiuk (UEN), *in writing*. – (PL) In the debate about the euro I want to draw attention to three negative aspects of its performance.

Firstly, from the moment when the euro was introduced, in other words from 2002 to 2007 inclusive, the three Member States which were outside the euro area (England, Sweden and Denmark) developed faster

than the countries which were in the euro area. Gross national income in those countries grew almost twice as fast as the average for the euro area, and the level of unemployment was lower.

Secondly, the battle with the effects of the current financial and economic crisis is clearly more effective in those countries than in the euro area. The central banks of England, Sweden and Denmark very quickly and clearly reduced interest rates while ensuring liquidity to commercial banks. It also seems that the fiscal policy pursued by these countries will be more effective than the fiscal policy in the euro area.

Thirdly, new Member States which are preparing to enter the euro area have to comply with many monetary and fiscal criteria two years before entry. Some of these criteria are mutually contradictory, such as the need to be present in the ERM II system – and therefore the need to maintain the national currency's exchange rate against the euro within a fluctuation band of $\pm 15\%$ – and at the same time to maintain a low level of inflation. Counteracting devaluation pressure on the national currency means the need for intervention by central banks, which means putting greater amounts of the national currency into circulation, which obviously increases inflationary pressure. As the Commission wants to encourage new Member States, it should consider eliminating this obvious inconsistency.

Sirpa Pietikäinen (PPE-DE), in writing. – (FI) Mr President, ladies and gentlemen, European Economic and Monetary Union began on 1 January 1999, and 11 EU Member States adopted the single currency at the same time. The euro was 10 years old on 1 January 2009. At the same time, Slovakia became the 16th country to use the euro.

Just as Mr Juncker stated to Parliament in his speech, the euro is very definitely an 'anchor of stability'. This is something the countries that have been left out of the euro area have been made painfully aware of.

Although the 10th anniversary of the euro is overshadowed by worries of a possible deepening of the recession, I trust in the euro area's ability to emerge from the crisis. This will nevertheless require considerable effort on the part of the Union. According to the latest estimates, the effect of the agreed stimulus package will be considerably less than the 1.5% of gross domestic product planned for the area. According to current estimates, it will be around 0.6%. An additional stimulus is needed.

The euro has been an unquestionable success, but would not have been but for the continuous efforts made. Now we need to strengthen Europe's role in the supervision of the financial markets. We have to keep to the basic principles and criteria of Economic and Monetary Union.

Zita Pleštinšá (PPE-DE), in writing. – (SK) On 1 January 2009 the euro became the official currency of Slovakia. From that date, the double cross on three hills from the Slovak flag has also appeared on one-euro and two-euro coins and has been put into circulation across the euro area.

That day was a historic moment for Slovakia and we Slovaks are very proud to be the first country from the former Socialist bloc to introduce the euro in this symbolic year of the 10th anniversary of the euro area.

I am appreciative of the fact that the current Slovak Government has subscribed to the commitment of Mikuláš Dzurinda, whose cabinet, in autumn 2004, adopted a plan to replace the koruna with the European currency and fixed the beginning of 2009 as the target date.

It also seems appropriate here on the floor of the EP to thank the Slovak people because it was they, as the main actors in the challenging but necessary 'Dzurinda' reforms, who persevered and helped Slovakia to become a successful European country.

From 1 January 2009 the euro will link the people of Slovakia to the Union every day.

Goodbye koruna, welcome euro.

Nicolae Vlad Popa (PPE-DE), in writing. – (RO) The introduction of the European single currency 10 years ago marked the completion of a process whose implications go far beyond the economic sector. The finalisation of the Economic and Monetary Union process demonstrated Member States' commitment to safeguard the EU's economic and political unity.

The euro's success therefore means success in the process of building an entity designed to promote European values at international level and confirm the European Union as the main player in business and financial relations within the global economy.

I believe that the benefits offered by adopting the euro, involving macroeconomic stability, a significant reduction in price fluctuations, the promotion of job creation and support for productivity growth, all underpinned by strengthening resistance to external shocks, justify all the efforts made by the new Member States, especially Romania, to meet the convergence criteria as soon as possible and join the euro area.

Richard Seeber (PPE-DE), in writing. – (DE) Since the euro was launched on 1 January 1999, the single currency has, in many respects, proven to be an important factor in the stability of the EU economy. The single currency is, first of all, a driving force for European exchanges: the disappearance of exchange rates in the euro countries is an important and visible benefit for citizens, and promotes mobility within the EU.

In addition to the obvious benefits, the euro has also emerged as an anchor in the financial crisis. Only a major currency used by many Member States and national economies is able to cushion the dramatic effects of economic collapse. Monetary union means that macroeconomic levers can be applied at international level and active responses can be made to the financial crisis.

Finally, though, the euro is also a symbol of European integration and the long road that the European people have already travelled together. Monetary union is the next logical step after economic union, and should also pave the way for deeper European integration.

Iuliu Winkler (PPE-DE), in writing. – (RO) Nearly one year ago, when marking the 10th anniversary of the creation of the European Central Bank (ECB) and Economic and Monetary Union (EMU), we highlighted the fact that: 'In the ten years it has been in existence, the results achieved by EMU are a resounding success.'

I think that this assessment is quite appropriate as I am a strong believer in the importance of the solidarity which Member States need to show in their joint actions to combat the effects of the financial crisis and reduce the adverse impact of the global economic crisis. Europe is in its most precarious economic situation since the end of the Second World War. In this climate, marking the 10th anniversary of the introduction of the euro must refocus our attention on the major European integration projects.

The introduction of the European single currency and the creation of EMU were joint decisions made through harmonisation and solidarity based on European values. This is the kind of attitude which we also need this year in order to devise and successfully implement measures to combat the financial crisis. Europe's competitiveness has to be maintained within the euro area and must be boosted in Member States which are preparing to join the euro area. Furthermore, EMU members' diverse interests must take secondary priority to the EU's common economic interests.

IN THE CHAIR: MRS ROURE

Vice-President

President. – The next item is voting time.

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

6. Voting time

6.1. Cooperation in the regulation of civil aviation safety (A6-0468/2008, Paolo Costa) (vote)

6.2. Common system of trade for ovalbumin and lactalbumin (Codified version) (A6-0510/2008, Diana Wallis) (vote)

6.3. System of taxation applicable to mergers, divisions, partial divisions, transfers of assets and exchanges of shares concerning companies of different Member States and to the transfer of a registered office (Codified version) (A6-0511/2008, Diana Wallis) (vote)

6.4. Language arrangements applicable to appeals against decisions of the European Union Civil Service Tribunal (A6-0508/2008, Costas Botopoulos) (vote)

6.5. Trade and economic relations with Western Balkans (A6-0489/2008, Bastiaan Belder) (vote)

6.6. The Common Agricultural Policy and Global Food Security (A6-0505/2008, Mairead McGuinness) (vote)

6.7. Developing civil dialogue under the Treaty of Lisbon (A6-0475/2008, Genowefa Grabowska) (vote)

Christopher Beazley (PPE-DE). - Madam President, we do seem to be having rather a lot of roll-call votes at the moment, which is a little irksome for people like me whose machines are not working. Could I therefore record 'yes' votes for everything and ask for a technician?

6.8. The transposition, implementation and enforcement of Directives 2005/29/EC and 2006/114/EC (A6-0514/2008, Barbara Weiler) (vote)

6.9. CFP and the ecosystem approach to fisheries management (A6-0485/2008, Pedro Guerreiro) (vote)

6.10. Framework for Community action to achieve a sustainable use of pesticides (A6-0443/2008, Christa Kläß) (vote)

6.11. Placing of plant protection products on the market (A6-0444/2008, Hiltrud Breyer) (vote)

6.12. Undertakings for collective investment in transferable securities (UCITS) (recast) (A6-0497/2008, Wolf Klinz) (vote)

6.13. Public finances in the EMU – 2007-2008 (A6-0507/2008, Donata Gottardi) (vote)

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Reinhard Rack (PPE-DE). – (DE) Madam President, I have the following request. When we have formal sittings here, there is always a camera in the middle of the seating area. It is not always exactly easy for the camera operators to work there; it is also, however, a problem for Members if there is a camera where we want to work. Could we not amend the allocation of seats if we want to have the cameras here? If not, someone really needs to come up with a better technical solution.

President. – We will consult the competent authorities.

Christopher Heaton-Harris (PPE-DE). - Madam President, I have been trying to wave to an usher throughout the voting procedure in order to give explanations of vote, but because you conducted votes so brilliantly and we got through them so quickly, an usher has not quite made it too me yet. I am holding a piece of paper asking to give two oral explanations of vote on the McGuinness and Breyer reports. I would appreciate it if you would allow me to do that.

Avril Doyle (PPE-DE). - Madam President, likewise, if I could have the same forbearance. My request is on its way to you as well.

7. Explanations of vote

Oral explanations of vote

- Report: Bastiaan Belder (A6-0489/2008)

Carlo Fatuzzo (PPE-DE). – (IT) Madam President, ladies and gentlemen, it gives me great pleasure to speak in this great parliamentary Chamber, crowded by Members from all 27 of our Member States. I rarely get such an opportunity to make myself heard by so many.

It falls to me on this occasion to explain my vote in favour of the report by Mr Belder on trade and economic relations with Western Balkans. I am absolutely in favour of the European Union making it as easy as possible for these Balkan states to join the European Union. I believe that it is important for economic aid to be higher than that allocated to date, and that we should make it possible to increase links between the Balkan states and Europe, develop tourism and allow all Balkan citizens, young and old, to live a better life than they have until now.

- Report: Mairead McGuinness (A6-0505/2008)

Marian Harkin (ALDE). – Madam President, first, I just wish to record the fact that I pressed the wrong button on the McGuinness report. In fact, I completely support the McGuinness report on food security – but I will check that with the services later.

I particularly agree with the point that we need to adapt the CAP to meet food security concerns and the fact that farmers need a stable policy environment in order to plan for the future. We cannot have certainty, but we certainly need to have some stability.

In addition, I support the fact that the market alone cannot provide income security for producers and also the call for a detailed impact assessment, in particular, let us say, on the implications for food security. If we look at particular EU proposals, for example on plant protection, again we need a proper detailed impact assessment on that, and we need to take food security into consideration when we conduct that assessment.

Mairead McGuinness (PPE-DE). – Madam President, I would like to thank colleagues for their endorsement of this report and Marian Harkin for her words of support.

It presents a clear statement of the view of this House on agriculture policy, not just at the European level, but also at a global level. In particular – and this is important – it calls for a refocus on agriculture policy in the developing world, providing assistance to those who can produce food to do so locally. I believe the EUR 1 billion that the European Union will provide for this purpose is a step in the right direction.

Obviously, I supported my own report. I believe it is a blueprint for the future in terms of how this House views agriculture. While the food security debate has gone off the political agenda, the problem of 30 000 children dying of hunger and starvation every day remains with us.

David Sumberg (PPE-DE). – Madam President, I am grateful to you for giving me the opportunity to explain why I abstained on the McGuinness report. It focuses on a very important aspect of the European Union and that is the absolute essentiality of ensuring food supplies to those who are starving or those who do not have a proper food supply. Nobody could be against that, and I am certainly not against that. But the problem with the report, in my view, is that it looks and refers to the common agricultural policy and does not address the fact that there is an urgent need for the reform, and further reform, of that policy.

It is not serving the people of Europe well; it is not serving the farmers of Britain well. Until that burden is taken away from the European taxpayers, then we are going to be in difficulties. Yes, the objectives of the report are right, but I am afraid that it fails very badly in addressing the core problem.

Czesław Adam Siekierski (PPE-DE). – (PL) I fully endorse most of the proposals and statements contained in the McGuinness report, which was adopted a moment ago. Sudden fluctuations in food prices are going to occur in the global market with increasing frequency, which will have negative consequences.

Price rises are felt most by low-income families, who spend a significant proportion of their budget on food. It is just such people who deserve help: the most needy people, both in developing countries and in the European Union. I agree that the common agricultural policy should be adapted to the new conditions in order to better address the problems of food security, and this is why the removal of instruments which manage markets and a reduction in the level of EU expenditure on agriculture in the future financial perspective should be opposed.

It is a good idea to establish an international body which will observe the prices of agricultural products and factors of their production under the auspices of the Food and Agriculture Organization, in order to monitor these data on a world scale and to be able to react rapidly to fluctuations. I think the establishment of a world system of storing food supplies should also be considered.

Syed Kamall (PPE-DE). - Madam President, I am grateful for this opportunity to explain why I also abstained on this report.

I think most people in this Chamber, from whatever part of the political spectrum they come from, would agree that food security is very important. The problem is that we do not agree on what food security is. To many of us, food security is making sure that there is enough food for the people of the world – wherever they come from. For others, it is an excuse for protectionism. Food security to them means only food produced in the EU for Europeans. 'Local production' is a phrase that I often hear used. I hear people using the excuse of food security to keep out imports from the rest of the world, thereby condemning the high-quality exports that we see from many of the poorer countries of the world and condemning many more farmers in poorer countries to poverty.

To say that a common agricultural policy should be the cornerstone of food security is an amazing statement which needs to be shot down.

Christopher Heaton-Harris (PPE-DE). - Madam President, I concur with the comments made by my excellent colleague Mr Syed Kamall on this matter. I abstained because it was my party's whip to abstain on this report, but everybody knows that food security is a very important subject to us all, which is why I am bemused by the way that this place deals with such a matter.

In this particular report – which I believe we all voted for – we mention the problem we were just about to create for ourselves by voting for the plant protection products directive. We have just undermined European food security. About three minutes after we voted for this report we were basically ensuring that our farmers would not be able to grow enough food for our continent in the future. I find this bizarre. It is a shame that nobody else seems to read some of these reports that go through this place.

Avril Doyle (PPE-DE). - Madam President, one of the biggest concerns and one of the keys in relation to global food security is to ensure sufficient, sustainable production and, indeed, food security in the so-called developed world, such as here in the EU, so that we can export our surplus production and are not competing ourselves on world markets for food, thereby increasing the prices for those in regions who do not have the climate, the soil, the know-how and the investment to produce their own food.

We have to be very careful with our policies to ensure that we are responding not only environmentally but also globally to the necessity for sustainable food production.

Peter Baco (NI). – (SK) I voted for the report on the common agricultural policy and global food security because it deals with issues that I have consistently been raising in the European Parliament as matters of priority.

The first issue involves the reduction in producer costs, which will lead to greater global competitiveness. The second issue is the reduction in the volatility of food markets, especially by increasing stocks. The third issue concerns halting the decline in the social importance of agriculture by increasing public awareness of its unique and irreplaceable role. The fourth issue concerns ending the random operation of the common agricultural policy (CAP) by implementing a systemic organisation of the policy with a focus on long-term objectives. The fifth and final issue involves putting a stop to the agricultural decline in the new Member States caused by the CAP's discriminatory principles, while significantly boosting utilisation of wasted agricultural potential in these countries, the new Member States.

- Report: Genowefa Grabowska (A6-0475/2008)

David Sumberg (PPE-DE). - Madam President, this goes to the core of this whole European Union. Here we are approving more money to try and persuade the public to vote for the wretched Lisbon Treaty. The public, on being given a chance in the Republic of Ireland, made it absolutely clear that they do not want it and if the people of Britain were to be given a chance – and they should have been because they were promised it in the last general election by the Labour Government – they would also vote overwhelmingly to reject this Treaty.

The message should be heard loud and clear in the European Union, it really should: people do not want it. People do not want more control in Brussels and Strasbourg. People want their own governments and their own legislatures to be making the decisions that affect them. Until that message is received we will keep pumping more taxpayers' money into forcing people to the polling box in the pretence that you actually persuade them to change their minds. They will not do so.

Marian Harkin (ALDE). - Madam President, first of all I would like to say that this is an excellent report. We are always speaking about connecting the EU to its citizens and the fact that the EU project cannot proceed without the involvement of EU citizens.

There are two types of democracy: representative, which we have in this House, and participative, which is what this report is all about. However, it is important to understand that civil dialogue is two-sided. It is reciprocal. Therefore, the concerns and ideas put forward by citizens must be taken into consideration by the EU institutions. I think we have an excellent example of that in the one million signatures for disability and the document that we are debating in this Parliament at the moment.

I disagree with the last speaker because I believe, if we do pass the Lisbon Treaty, that it gives us the opportunity to connect citizens to the EU in a much more meaningful way. Our role in this House is to ensure, if we pass the Lisbon Treaty, that it works effectively.

Daniel Hannan (NI). - Madam President, much can be inferred from the title of this report: 'Perspectives for developing civil dialogue under the Treaty of Lisbon'. Never mind that, as it seems periodically necessary to remind this House, the Treaty of Lisbon is not in force. It has been three times rejected in its several forms by 55% of French voters, by 62% of Dutch voters and by 54% of Irish voters.

Focus rather on the Orwellian Ministry of Love bit of the title 'Perspectives for developing civil dialogue'. Now, ordinary voters unversed in the peculiar idiom of the European Union might not understand those words, as we in this House do, to mean creating a new propaganda budget to try and convince people to change their minds.

I have to say that not every euro in the vaults of the European Central Bank will serve to convince people of an intrinsically bad idea.

Dialogue by definition involves two parties. The EU has to be able to receive as well as transmit. That means putting the Treaty to a referendum. *Pactio Olisipiensis censenda est!*

Syed Kamall (PPE-DE). - Madam President, thank you for giving me the opportunity to explain the way I voted on this report.

When I read the title of the report, 'Civil dialogue under the Treaty of Lisbon', it reminded me of a phrase by Mahatma Gandhi. When he was asked about Western civilisation, he said, that 'that would be a good idea'. Therefore, when I read this title, 'Civil dialogue under the Treaty of Lisbon', I thought, 'that would be a good idea, would it not?' If only we had civil dialogue. If only we had two-way dialogue. One of the previous speakers said that dialogue is very much a two-way process, but if we look at some of the civil society organisations being funded in order to promote the Treaty of Lisbon, we only see organisations that are fully signed up to promoting this fundamentally undemocratic Treaty. How many organisations that are against the Treaty will be funded or will be allowed to be promoted? There is no two-way dialogue, and that is why the citizens of the EU, when they are given the chance and asked about the Treaty of Lisbon, will choose to reject it.

- Report: Pedro Guerreiro (A6-0485/2008)

Syed Kamall (PPE-DE). - Madam President, thank you all for your patience in the Chamber. I wanted to speak on this but I have just got too much to say today, I am so excited by all the votes that have been going through the Chamber today. Yes, the common fisheries policy; yes, let us talk about sustainable development – but the two are inherently contradictory. If you want to look at a sustainable fisheries policy, you have to look at property rights and market-based solutions. Look at those countries where fishermen are given rights that are tradable and passed on from generation to generation. That is the best way to make sure that we have sustainable fish stocks, not some artificial communistic method where you have central planning in fishing. That is why we are seeing great depletion of fish stocks, and we will all suffer in the end.

President. – We will now suspend the sitting. We will return to the explanations of vote after the formal sitting.

IN THE CHAIR: MR PÖTTERING*President***8. Formal sitting - Latvia**

President. – Mr President of the Republic of Latvia, the right honourable Valdis Zatlers, it is a very great pleasure for us all to be able to welcome you today on your first visit to the European Parliament. I should like to start by thanking you, as the President of a country which is still a relatively new Member State of the European Union, for accepting the European Parliament's invitation to address us today, the day on which we are celebrating the 10th anniversary of our common currency, the euro. Today is a premiere in every sense of the word, as this was the first time that the European hymn has been played to welcome a guest to plenary here in the European Parliament.

(Applause)

May I take this opportunity to mention once again today the historic significance of the enlargement of the European Union in 2004. It took over 60 years to bring your country back into a free and democratic Europe and unify our continent.

We live today in peace, freedom and democracy. Our citizens enjoy prospects that our forefathers could only have dreamed of. We must and should rejoice in that.

It is true that today the European Union faces new and serious challenges. Even the people of Latvia have come to feel this quite clearly, for example as a result of the financial crisis, which has also hit your country hard, Mr President. The gas crisis between Russia and Ukraine is also giving the citizens of Latvia justified cause for concern.

It is precisely in times of crisis that we understand the value of membership of a European Union based on the principle of solidarity between its peoples. It is precisely in this time of crisis that we all feel the need for community and cooperation between our countries and the European institutions.

Together we are stronger, together we can defend our interests and values better throughout the world. That is also why the European Parliament hopes the Lisbon Treaty, which gives the European Union a stronger capacity to act to overcome these serious challenges, will shortly enter into force.

In this respect, the European Parliament elections due to take place in June this year are immensely important, because we want to push ahead with the success story of the European peace and unification project together, in a democratic European Union with a European Parliament with codecision powers in nearly every area.

I truly hope that the citizens of Latvia – and of all the other Member States of the European Union – will understand that their vote is important because it gives them European powers of codecision and in this sense will turn out in force during the forthcoming elections to the European Parliament.

Mr President, it gives me great pleasure to invite you now to address the European Parliament. May I warmly welcome you once again to the European Parliament.

(Applause)

Valdis Zatlers, President of Latvia. – *(LV)* Mr President, ladies and gentlemen, I thank the President for his kind words of introduction and his invitation to address the elected representatives of the nations of Europe. I am honoured to have this opportunity. I take great pleasure in addressing the European Parliament in my mother tongue, especially because for five years now, Latvian has been one of the official languages of the European Union. I am speaking to you today at a time when the term of office of the first Members of the European Parliament to be elected from Latvia is drawing to a close. I thank you for having carried out your duties with distinction.

Dear friends, this year, 2009, is a very significant year for Latvia. It is five years since Latvia acceded to the European Union and to NATO. Membership of these international organisations became a strategic aim for Latvia following the restoration of independence in 1991. Latvia clearly expressed its wish to participate in European and transatlantic economic and security structures. The enlargement of the family of European democratic nations in the first decade of the 21st century represented the most dynamic changes in Europe since the foundation of the European Union. These were significant changes. European structures were joined

by nations that had long been isolated by force from them, even though the values that lie at the heart of the European Union had historically been rooted in these nations.

On 18 November last year, Latvia celebrated the 90th anniversary of its proclamation. That anniversary was highly significant for our people. It once again affirmed our steadfast will to live in an independent, free and democratic nation. In the act declaring the Republic of Latvia in 1918 it is written that: 'All citizens regardless of their ethnic origin are called on to give their assistance, for all human rights shall be guaranteed in Latvia. It shall be a democratic and just nation, where there shall be no room for oppression and injustice ...'. I am very proud of these words. Thirty years before the adoption of the Universal Declaration of Human Rights, the Republic of Latvia declared its loyalty to its fundamental values and principles.

Latvia has always felt itself to belong to Europe and its values, even when Latvia and other Central and Eastern European nations were long bound to a state where many values were looked at through a special ideological prism. Peace reigned among the nations of the Eastern bloc, but it was the peace of the prison courtyard. It was brought about by the presence of tanks, repression and threats. Last year, ladies and gentlemen, both you and the whole of Europe were reminded of the inhumanity of totalitarian ideology by Edvīns Šnore's film 'A Soviet Story'. We have a common history, but our fates have been diverse. You have to look back into the past in order to understand one another and look to the future together. That is why I should like to thank the European Parliament for the declaration adopted on 22 September last year to proclaim 23 August as the European Day of Remembrance for Victims of Stalinism and Nazism. This declaration reminds the people of Europe of these tragic events in the history of Latvia and the whole of Europe.

Today, I should like to look at much more recent history. This year marks five years since Latvia became a member of the European Union and of NATO. What sort of time has this been for Latvia? What has our nation gained? What have our nation's achievements been and what are the challenges still ahead of us? Firstly, the aspiration to become part of Europe encouraged the consolidation of democracy in our society and contributed to the development of democratic institutions. With our accession to the European Union, Latvia signalled its determination for its own future, its determination to found its future on a European identity and on our common values: freedom and democracy, accountability, the rule of law and human rights, equality, tolerance and prosperity. Secondly, membership of the European Union has improved the investment climate in Latvia. 'European money', as we commonly call European Union structural funds, has contributed significantly to the development of Latvia's economy. Thirdly, we can enjoy the privileges afforded by the free movement of persons. Free travel in the Schengen area has become so customary and self-evident; it has become so natural to learn, work and gain experience in other European Union Member States. Fourthly, the free movement of goods and services has opened up new opportunities for business. Every entrepreneur and consumer can operate in a free environment without borders and without customs duties. For us in a country with a small internal market, this is particularly important. Fifthly, and most important of all, Latvian voices are heard in Europe and European voices are heard in the world. We can be proud that we have at our disposal such a unique mechanism of collaboration. It allows all of us to search together for active solutions to global challenges, climate and demographic change, the reinforcement of energy security, the problems of migration, and in the case of financial crisis, on a worldwide scale. Latvia now has at its disposal new political and economic instruments, but it must be noted that our nation's responsibility for the common future of Europe, a responsibility before all the people of Europe, has also significantly increased.

Looking back at our achievements, we must also be critical and own up to mistakes that have been committed. After accession to the European Union, the Latvian government lapsed into a sense of a 'job well done'; it had achieved its goal. We did not recognise that we were only at the beginning and not at the end of the process. The European Union offers great opportunities, but each nation and each society must grasp them by itself. We in Latvia have not grasped all the opportunities; we have not always wisely implemented cohesion policy or made use of the financial opportunities we have been offered. Our state institutions had to learn how to live in the European Union. We have not been sufficiently determined to adopt the euro; that is one of the greatest mistakes we have made in the euro integration process, something that is acutely evident today in the circumstances of the financial crisis.

Yet even the most hardened Eurosceptic must admit that Latvia's membership of the European Union has on the whole been positive. Is there anyone in Latvia who wants to return to a Europe where there are customs barriers between nations? No! Is there anyone who wants to wait in a queue at the border in order to enter a neighbouring country? No! Is there anyone who wants to return to a world where there are restrictions on the free movement of workers, on their education and on their gaining experience? Of course not! Even Eurosceptics soon get used to good things, and become simply sceptics.

Ladies and gentlemen, the deterioration of the situation within the financial system and economy in recent months has irreversibly changed the role and significance of national governments within economic processes. Until now, the financial markets were able to develop very freely. We were persuaded that the laws of the market would by themselves be sufficiently efficient in promoting economic development. We believed that the market alone would put everything in its place. That is indeed what happens. The market regulates itself. What we can see from this global crisis, however, is that our financial systems and our economies are suffering from that market, and most important of all, real people are suffering from the crisis. The course of events at the end of last year has shown us that it is essential for national governments to play a more active part in the economic process. The previous approach, of nodding off at the wheel of economic management, was irresponsible. Unfortunately, we have awoken too late. Late enough to still espy the obstacle – the financial morass – on the road ahead of us, but no longer able to avoid it.

In this situation, a complex approach at national, European and global level is what is needed. At the global level, coordinated action to restart economic growth is essential. That will only be possible by designing a new architecture and mechanisms for the financial system. It will be vital to supervise the system strictly, without simultaneously limiting initiative or market processes. The most difficult challenge will be to strike precisely this balance. At the European level, we have a significant advantage, for we can implement coordinated measures, take united action and achieve a sustainable solution. We welcome the Commission's European Economic Recovery Plan. It is an important step out of the morass in which we find ourselves at this time.

I shall spend a little more time on national-level solutions. The global financial crisis has also hit Latvia. There is a school of thought which suggests that Latvia is currently undergoing one of the most dramatic rescue operations of any financial system in modern European history. Currently, Latvia is working on measures to stimulate the economy in order to stabilise the financial and economic situation swiftly and effectively. It is a difficult task, but we shall succeed in overcoming the crisis only by seeing a clear way out of it, and not by mistaking short-term solutions for a long-term vision of economic development.

At the end of last year, six political parties represented in the Latvian parliament, from both government and opposition, agreed on a common stance of support for the economic stabilisation plan drawn up by the Latvian government. This agreement provides for special attention to be paid to monitoring how the loan granted to Latvia is utilised. The plan defines the medium-term priorities for Latvia's economy: support for exports, the promotion of free and fair competition, a significant reduction in the current-account deficit in the balance of payments, and the introduction of the euro in 2012. Accession to the euro area has become one of our nation's most important strategic goals. It is important for Latvia not to be left alone in this situation. We are being helped to overcome this difficult time not only by international financial organisations but also by the institutions of the European Union and by the nations of Europe. Latvia is grateful for this expression of solidarity.

Ladies and gentlemen, each enlargement has not only brought the European Union new Member States, but it has also introduced new accents into its agenda, including its foreign policy. Latvia's accession to the European Union took place at a time when Europe's Neighbourhood Policy, its goals, principles and implementation mechanisms, were being drawn up. Since that time, there has been a particular increase in the European Union's foreign policy activity towards its eastern neighbours. This has happened thanks to the engagement and experience of the new Member States. Latvia has always seen neighbourhood relations in a wider dimension. Latvia will continue to play an active part in the determination and implementation of this policy in the future.

This policy is not just a matter of the European Union's relations with particular states, that is, with those states with which it shares a land or maritime border. In the context of this policy, we must address the European Union's place and role in the world. Together with other like-minded nations, Latvia has actively encouraged a closer involvement by the European Union in its eastern neighbourhood region. A new political initiative, the 'Eastern Partnership' has come about, whose mission is to reshape Europe's common neighbourhood policy and adapt it to the specific characteristics of this region, thereby making this process more active, more courageous and more ambitious. Latvia notes with pleasure the European Commission's proposals in this regard. In its practical work, the Eastern Partnership must strengthen the political and economic relations between the European Union and the states in this region, and also strengthen the mutual cooperation between those states. In developing the Eastern Partnership, attention must be paid to the differentiation principle, individual assessment and the attitude towards each of the partners. Each of these states is following its own path of development. There are those states who wish to see themselves in the European Union, and there are those states that have chosen other goals for themselves. Our policy will

succeed only if we are able to work together with all the states of this region, helping with understanding where necessary. I also received positive signals for extending and deepening cooperation on my visit to the Central Asian nations last October, when I visited Kazakhstan, Uzbekistan and Turkmenistan. Latvia will continue to be an active supporter of Europe's Neighbourhood Policy and play an active part in implementing it. Every European nation has its own experience of history and its own opportunities to work on our common project for the benefit of the European Union. Latvia's particular contribution to the eastern dimension is the mutual trust demonstrated by our bilateral relations, which are rooted in a shared period in history, and the expertise born out of that trust. Latvia's duty is to make use of this special circumstance which could be lost within the next 10 years. After several decades, to eastern eyes, Latvia will be only one of the Member States of the European Union, not the gateway to Europe. Making use of these advantages, Latvia will maintain an active political dialogue in order to encourage a better understanding of the European Union and its values in the neighbouring states and so clarify the goals of the European Neighbourhood Policy and the Eastern Partnership. That is of mutual benefit, and we have an opportunity to hear how neighbouring states perceive their future relations with the European Union. I am convinced that Europe's interests would be best served by an early inauguration of the Eastern Partnership during the Czech Republic's Presidency.

Ladies and gentlemen, the question of energy security has very recently become topical during the first days of the Czech Presidency. The financial and economic crisis is cyclical in its own way. Questions associated with energy security and sustainable energy sources are, however, always on Europe's political agenda and that of the world. They are becoming more and more urgent. Energy security has a pronounced external dimension. This means that this question cannot be viewed divorced from the world situation. The recent events in Ukraine and the conflict in Georgia are proof of this. Even quite recently, European Union Member States regarded energy as an issue to be resolved at the national and not at the European Union level. The events of the last year in the energy sector, the interruptions to energy supply, the shrinking of energy resources and price volatility have helped to create a common understanding in European Union Member States of the need for a common energy policy. At the intersection of energy and politics, our main task is to secure a regular, sufficient, economic, sustainable and environmentally friendly energy supply.

You have to admit that the European Union has had only mixed success in this sphere. On some issues, of which the development of an environmentally friendly energy economy is an example, we have adopted ambitious goals at the European level, which we must now begin to achieve. On other issues – diversification of energy sources at European level and creation of a single energy market – we are right at the beginning of our journey. The events of the last few days, involving a cut-off of gas supplies from Russia, has opened eyes to the need to find the quickest possible solution at pan-European level. All of us have the responsibility of applying this common understanding to create a truly integrated and diversified European energy market. We must not allow our resolve to vanish along with this spring's snow. The energy security question can only be successfully resolved by an active dialogue with the transit and supplier countries for energy resources. The European Union has the foreign policy instruments to resolve this issue. Our responsibility is to make use of them.

A further direction where we must make serious efforts is the integration of the Baltic energy market with the Scandinavian and Central European energy markets. Integration in the Baltic region is patchy. Trade and transport in the region are developing apace. The energy market, however, is stagnating. Here, the European Commission has done noteworthy work. Its initiative to improve energy security and solidarity also includes the development of the interconnection plan for the Baltic energy market. This will allow for a progressive integration of the Baltic States into the single European energy market. I hold Sweden's involvement in the strategic discussions on the Baltic Sea region in high regard. Sweden will shortly have the opportunity to put it into practice during its presidency in the second half of this year. I am convinced that strong regions from the Mediterranean to the Baltic Sea make for a strong European Union.

Ladies and gentlemen, the initial aim of the European Union – the security and wellbeing of the people of Europe – has not altered. What has altered is the environment in which we must achieve this aim. The global economy is much more closely linked than it was half a century ago. At the same time, powerful new economic players have appeared on the world scene. It is only with coherent, far-sighted and, most important of all, common action by the European Union that we can hope not to be the losers in this global competitive struggle. Only together can we fulfil the promises of security and wellbeing for our citizens. Only thus can we attain the goal for which the people of our nations have cast their votes, in support of our participation in the European Union.

The European Parliament has already shown that it has a broad vision of the future of the European Union. This is especially true of its uniform and balanced approach to the Union's enlargement policy. Europe's

dynamic growth has given Europe the opportunity to compete globally. This growth is Europe's potential, which it must exploit, so that the Union can, even several decades from now, be an equal economic partner for the rapidly growing Asian and Latin American economies. It is you yourselves in particular, as the democratically elected representatives of Europe's nations, who feel the responsibility for this process most acutely. It is also impossible to overestimate the significance of the European Parliament in bringing the European project nearer to our people and extending its democratic legitimacy. In the future, the role of the European Parliament will become even more important.

It is important to unite in our multiformity and diversity. It is important to continue working on improving the European Union. That is a task that all Europeans must take on together. That is our common responsibility towards Europe. It is essential to prevent fragmentation of the European Union. Member States must seek solutions and avoid the development of a multi-speed approach to the European project. The agreement reached in the Council last month for the furtherance of the Lisbon Treaty is welcome. The Lisbon Treaty is the legal precondition for the future fully effective functioning of the European Union. Only by putting the principles of the Lisbon Treaty into practice shall we be able fully to realise the positive potential that the new, united Europe offers. How effectively the Lisbon Treaty will work in practice depends on the political will of the Member States and institutions and their ability to unite in achieving Europe's goals.

Ladies and gentlemen, until 2004, Latvia's goal was membership of the European Union. Since that time, we have shaped Latvia's goals in the context of Europe's goals. We can no longer consider and perceive ourselves separately from Europe. We can define and achieve Latvia's goals only if they match Europe's common vision of the future. For their part, Europe's goals are attainable if they correspond to the vision of every Member State. The European Union was built and must be strengthened on a base of common values. Only public discussion can tease out those values that are common to all of us. Only in unison can we agree on those values that we are going to place alongside those on which the European Union was founded. It is the task of all politicians, but especially of Europe's leaders, to define European values and initiate discussion on them.

Let us look into the future. How do I see the European Union and Latvia in the longer term? In 2015, say? The post-crisis economic world will have coalesced into several economic power centres. One of them will be the European Union. Europe will have the will and the ability to be united, for only union will afford us the chance to fulfil our tasks. Moreover, the European Union will still be open to all those Europeans who accept its values. This unity in diversity will be the key to the growing importance of Europe's role in the world. The European Union will have expanded, but it will not lose the capability of effective action. The European Union will be able to look after its own security and provide for stability in its neighbours. Education and culture will be the bridge joining the different experiences of the European Union's Member States and that will help to regain Europe's leading role in the world in the realms of science and culture. There will no longer be old and new, small and large European nations. In Europe, nations will be judged according to their achievements, not by geographical and geopolitical criteria. Europe will be united, and this unity will be secured by powerful regions, which while defending their own interests will work closely together with others, thereby creating a network of wellbeing and development throughout Europe. Every nation will contribute to this development according to its own abilities and particular knowledge.

What will be Latvia's role in the European Union of 2015? That will be a time when Latvia will have emerged from the crisis. Latvia's capital city, Riga, will be one of the flourishing centres of the Baltic economic region. Latvia's economy will be more balanced, more competitive and structurally transformed. In 2015, for the first time in the history of the independent state, Latvia will be entrusted with solving questions on the European and global scale as the presiding Member State of the European Union. Our contribution to Europe will be our special relationships with the Eastern Partnership nations. Latvia and our region will be the bridge to the East, just as the Mediterranean states will join both shores of that sea. Our vision of an open Europe and our experience of integration will be the spur to Europe's openness.

Ladies and gentlemen, 2015 is not far away; only six years stand between us. A century ago, the Latvian poet Rainis wrote: 'What changes, endures'. Those are still wise words today. I am convinced that Europe will change materially. It will grow more powerful in its economy, welfare and mutual cooperation. It will consolidate its value system. Europeans will be proud that they live in Europe and yet belong to their own nation. Unity in diversity, development, preservation of values and every citizen's responsibility towards his or her nation and for the European family as a whole, that is Europe's future.

Ladies and gentlemen, Europe's development and prosperity is the yardstick of our success. It is how our work will be judged. It is our responsibility. I call on you, as Members of the European Parliament, to encourage

Europeans' understanding of our common goals and of how they will affect the life of every European in his or her own home. The support of European citizens for the idea of Europe is the strongest guarantee of Europe's future. I thank you, ladies and gentlemen, for your work in this session. I wish you success in your further work and in the next European Parliament elections.

President. – Mr President, may I thank you on behalf of the European Parliament for your address, for your European courageousness and for your European determination. We were of course glad to hear that you value the European Parliament, and rightly so.

I still remember very clearly that, during accession negotiations in the second half of the 1990s, Latvia, Lithuania and Slovakia were initially excluded. It was the European Parliament that called on the governments to include Latvia, Lithuania and Slovakia in the negotiations. As a result, Latvia, Lithuania and Slovakia were able to become members of the European Union on 1 May 2004.

You addressed the energy question and I shall reply to you very briefly. We have a very responsible Commissioner, a compatriot of yours, Andris Piebalgs, who acquitted himself admirably last week and during the gas dispute with Russia and Ukraine, but especially with Russia. I should like to thank Andris Piebalgs for his work in the presence of his President.

(Applause)

Mr President, my closing remark is this: you spoke about how you are learning and Latvia is learning. That is certainly true. Yet even those who belonged to the European Community, to the European Union, from the beginning are learning from you and your historical experiences. If we are prepared to listen to each other and to learn from each other, then we shall all be the better for it. On the basis of our common values, we are strong, democratic and free. Thank you, President Zatlērs, it was a joy to welcome you here today. Thank you.

(Applause)

IN THE CHAIR: MRS ROURE

Vice-President

9. Explanations of vote (continuation)

- Report: Christa Kläß (A6-0443/2008)

Zuzana Roithová (PPE-DE). – (CS) Madam President, I welcome the compromise, which will force governments of EU countries to create a timetable and draw up action plans to limit risks from the use of pesticides. The restrictions on spraying by aircraft will surely be welcomed by EU citizens, as will the buffer zones for protecting drinking water and aquatic organisms. I voted for the directive because it is in line with my views on health protection.

Mairead McGuinness (PPE-DE). - Madam President, I voted in favour of this compromise because it makes sense that we have sustainable use of pesticides. I think the real problem is that there are such different rules across Member States: some countries apply training and education of operators in a very strict way and, therefore, have good sustainable use of pesticides, but not all countries do so. I think this piece of legislation will make it appropriate that we have higher standards across the European Union. That is good both for those who operate sprays and for those who come into contact with them.

I think we are talking about a very sensible package here, so I was very happy to support it, and I congratulate the rapporteur.

Avril Doyle (PPE-DE). - Madam President, I also supported this vote. There is no question that we need a regulatory system for pesticides. This is not in dispute. The Kläß report extends the range of controls and limits the use of PPPs to essential use.

Interestingly, while there was a very vexed debate on hazard-versus-risk on the Breyer report, I have always felt that this issue is more suitable to the actual use as distinct from placing on the market – in other words, this report. A wide range of common products can be hazardous if the handling and usage instructions are ignored. Being on the market in itself is not a risk to the consumer, the environment or the user of such products. Pesticides are only hazardous if the handler does not know what he or she is doing, if the application

equipment is faulty, if the aquatic environment is ignored or if they are improperly stored and not part of an integrated pest-management plan. The concept of quantitative use reduction needs careful management, as less frequent spraying with higher concentration of pesticide could result.

At the end of the day, these substances must be used to the least extent possible, as every farmer knows.

- Report: Hiltrud Breyer (A6-0444/2008)

Zuzana Roithová (PPE-DE). – (CS) Madam President, I would like to respond again to yesterday's plenary debate. I supported the new regulation because in my opinion it constitutes a tool for pursuing new and safer alternatives for protecting plants. I consider the mutual recognition of approved pesticides according to geographical zones to be a positive achievement for our Parliament. The preparation of a list of banned substances is also a step forward – these include carcinogens, genotoxic substances and also substances with neurotoxic and immunotoxic effects – and is based on scientific knowledge. As the Commissioner said yesterday, it seems that it applies to a relatively small percentage of the substances still used today. I would like to mention that we must apply these requirements strictly to imported goods as well. Commissioner, I also wanted to have a say on other reports but I was not given the floor. These reports have already been used for explanatory purposes or they have already been debated here, so I believe they will be adopted in their written form.

Diana Wallis (ALDE). - Madam President, I have a confession to make. Since I was a child there has been one vegetable that I hate: peas. But I have the misfortune to represent Britain's largest growing pea-growing area, which has given me a huge problem with the Breyer report. I agree with the aims of this report. I agree with the aims of the legislation to promote the health of our environment, the health of us as individuals, but it really potentially threatens a huge agricultural industry in my region.

After much soul-searching, I have abstained, but I wish to make it clear that I think our legislative procedure in this respect was flawed. We had so much information at the end – conflicting and otherwise – that I, and I think many others, would have welcomed the possibility of a third reading, or of conciliation, to make sure that we have protected all interests.

Marian Harkin (ALDE). - Madam President, I too found this a particularly difficult decision. I felt that the report was, in general, very well-balanced and constructive, and it was certainly designed to ensure a high level of protection for human health, animal health and the environment.

However, I have concerns about the situation where we are making decisions for approval of a particular substance based on whether that substance is a hazard or not, and we are not taking possible exposure into account. I think we need impact assessments conducted on a scientific basis.

One of my concerns is that, when I talk to citizens about the EU, one of the issues they constantly raise with me is that, at times, the EU's legislation is not always proportionate. While I believe there is flexibility in this report, I think we needed a little more, but crucially we needed further scientific evidence to support the case. Yes, there is the precautionary principle, and we need to be mindful of this, but decisions also need to be evidence-based, and I would have liked a little more evidence in this matter.

Neena Gill (PSE). - Madam President, the efficient and effective use of pesticides is a necessity. Whilst the protection of the environment and safeguarding of public health go hand-in-hand, I believe we have to balance the needs of consumers and producers. Whilst I welcome the aims of the Breyer report to reduce red tape, I am not able to support this.

I have met with a number of experts and farmers and NFU representatives in my West Midlands constituency who all have deep reservations about the effects that this report will have on crop yields. I share their concerns. My biggest worry is that there has not been a proper impact assessment by the Commission and there is no clear indication of what this report will mean for agriculture.

At a time of rising food prices around the world, I do not think that now is the time for us to have a knee-jerk reaction to introduce measures which may have adverse effects on food production. That is why my delegation introduced an amendment for a thorough and long overdue impact assessment.

Mairead McGuinness (PPE-DE). - Madam President, like other colleagues, I should like to say that this was a very difficult dossier. While Diana Wallis was concerned about peas, you can imagine that, in Ireland, potatoes were certainly on our menu and on the agenda. Overall, however, I believe that what we voted on

is a much better proposal and package than the original one on the table – and I compliment those who worked on it.

Let me say a few things about this – and I will end up with the key point. I think we are now in a position where farmers need to lobby the agrochemical industry to produce safer alternatives so that they can continue to produce food, and I think as much energy should go into that lobby as has gone heretofore.

When it comes to food imports, the Commission need to address the genuine concerns of EU farmers and producers that they will be banned from using certain substances but third countries continue to use them. We need an explanation of that in order to bring farmers with us.

Ashley Mote (NI). - Madam President, I voted against this simply because the proposal has been hijacked in effect by the Committee on the Environment, Public Health and Food Safety and Commissioners. The rapporteurs yesterday boasted about standardisation, and yet this is allegedly a Union of diversity. If there were one area where judgement, discretion and diversity are needed, it is perhaps this.

This was essentially an agricultural issue, but the Danish Commissioner for agriculture was nowhere to be seen at any time, and that is a disgrace. The reason, of course, is because of a conflict of interests since the Danes fail to process their drinking water after it comes out of the ground.

Farmers in my part of the world feel totally let down and frankly insulted by the fact that there are some assumptions here that they do not know what they are doing, and they need to be told. Essentially you have added yet another group to those in the UK who frankly loathe the European Union's interference.

Avril Doyle (PPE-DE). - Madam President, exaggerated claims have been made and fears expressed by all sides on this report. It is has been difficult to distinguish fact from fiction and to come to a decision on how to vote.

While I recognise the concerns of the soft fruit industry, the potato industry and the cereal farmers in Ireland who have spoken to me about this, I supported the compromise. I feel the improvements made were worth our support, even though I still have some concerns. I supported the vote as, in my opinion, the worst of all outcomes would be to deliver this report to conciliation. The five-year derogation, renewable if necessary for essential plant protection projects, is an important safety net and also encourages the agrochemical industry to research and produce alternatives.

Syed Kamall (PPE-DE). - Madam President, I think that, when one considers the European project, there is a dialectic at its heart. We talk about democracy, yet we ignore the democratic will as expressed in referenda in France, the Netherlands and Ireland. We talk about food security, yet we vote on a report which has the potential to undermine food production in the European Union. We talk about helping citizens and farmers in poorer countries, yet there will now be, as a result of this vote, a call to ban imports from farmers who have used pesticides that are now banned in the European Union.

I simply have a plea to my colleagues in Parliament and to the Commission: Please, let us think in future about the unintended consequences of our legislation. I agree with Mrs Wallis about the legislative process and that there should have been a third reading. I agree it has been rushed through and I think we all agree that there has been an insufficient impact assessment on a scientific basis. Let us make sure that does not happen again.

Christopher Heaton-Harris (PPE-DE). - Madam President, I tried to undermine the compromise by voting against those parts of this report. I will explain why by reading out a letter to me from James Mowbray, who is a farmer near Skegness in my region.

He said, 'I have personally been involved in the application of crop protection products for over 40 years. I have always applied products with a sensitive approach to other human beings as well as wildlife. I have incurred no apparent detriment to my health or the wellbeing of the environment. I therefore find it distressing that the possible withdrawal of many products, including the triazole fungicides, is based on less than scientific arguments and will make my business not particularly viable and reduce the availability of home-produced food'.

I received these comments from him and from literally hundreds of other people, from Empire World Trade, based in Spalding in Lincolnshire, John Manby in Parker Farms in Leicester, John Clark, who is based in Nottinghamshire, Jonathan Reading and hundreds more names. That is why I voted to undermine the compromise.

Kathy Sinnott (IND/DEM). - Madam President, now that this vote is over and the arguments have been made, I would like to come back to something that ran through the debate here and in the committee. This was the noticeable mistrust of farmers and an assumption by many that farmers are somehow enemies of health and the environment. In my experience this is the opposite of the truth. Farmers in Ireland are, and have been, stewards who for thousands of years have protected and preserved the environment, keeping it alive, clean and productive. Similarly, farmers have also been the basis of our health. They produce the good food that is the basis of our good health. I would urge you to renew our faith in our farmers, who are doing their best to feed us in very difficult situations, circumstances of weather, pest and, of course, EU policy.

Written explanations of vote

- Report: Paolo Costa (A6-0468/2008)

John Attard-Montalto (PSE), in writing. – We have just voted on an agreement for civil aviation safety. Although travel by air is one of the safest means of travel, however, one can never take measures which are too safe.

Linked to this discussion is that related to security. Since the horrendous terror attack on the twin towers, innumerable security measures have been put in place. Just like the issue of safety one can never be too secure. Indeed, it is when we feel too secure that terror strikes again.

Of course, one has to find a balance between civil liberties and rights and security measures; however, when it comes down to a choice one has to prioritise. For instance, there has been a substantial deal of opposition to the sharing of passenger lists on the basis of data protection. But surely such security measures will enable an in-depth analysis not possible at the frontiers.

We are living in a new era. Innocent civilians are purposely targeted and the civilians of certain countries preselected. In such an environment surely we are not expecting these countries to abstain from doing all that which is possible to protect the interests of its citizens.

Dragoş Florin David (PPE-DE), in writing. – (RO) I voted in favour of this report because the aviation industry in Romania will benefit directly too. The negotiated agreement reflects by and large the structure of a conventional aviation safety agreement; it is based on mutual trust in each other's systems and on the comparison of regulatory differences. This entails obligations and methods for cooperation between exporting and importing authorities. However, the means of achieving this objective, namely cooperation and mutual acceptance of each other's certification findings in the areas of airworthiness and maintenance, are set out in the annexes to the agreement, unlike in conventional agreements, where these measures are usually set out in separate non-binding agreements at civil aviation authority level. The annexes broadly reflect the content of the Community's Implementing Rules on airworthiness (Commission Regulation No 1702/2003) and maintenance (Commission Regulation No 2042/2003) to be modified by the parties based on a decision of the Bilateral Oversight Board.

Pedro Guerreiro (GUE/NGL), in writing. – (PT) The origins of the aviation agreements between the European Community and the United States (US) lie in and are based on the liberalisation of air transport.

These agreements established at EU level (or rather, by the European Community – the only body that exists in law – and its single Community market, which they intend to fully liberalise) are meant to prevail over any bilateral agreements established between various Member States and the US.

As in other resolutions previously adopted by the European Parliament, we would highlight that we are obviously the first to be interested in ensuring a 'high level of civil aviation safety' and measures 'to minimize economic burdens on the aviation industry and operators from redundant regulatory oversight'. However, we must safeguard two important aspects: (1) the objective and presumed basis of these processes must not be to create and facilitate the conditions for increasing the liberalisation of air transport, through the harmonisation of standards; (2) these processes must not promote harmonisation through a lowering of safety standards and rules, in particular where, when safety, minimisation of burdens and liberalisation are mixed together, it is profit and concentration that prevail.

We believe that air transport must be defended as a public service, provided by public companies in each country, which guarantee quality and safety in the services provided to citizens.

Jörg Leichtfried (PSE), in writing. – (DE) I agree in principle with Paolo Costa's report on civil aviation.

It is important for the EU and the US to agree on a common line with the help of this agreement. However, it is vital in this overseas partnership that we are real partners, not just on paper. Criteria must be found to which both parties must adhere.

In the event of contempt on the part of either the EU or the US, a rescindable variation in the agreement will be indispensable.

Bogusław Liberadzki (PSE), *in writing*. – (PL) I voted in favour of the report on the proposal for a Council decision on the conclusion of an Agreement between the European Community and the United States of America on cooperation in the regulation of civil aviation safety (A6-0468/2008). I agree with the rapporteur's proposal on the conclusion of this agreement.

I think that the objectives of the agreement, namely facilitation of trade in the goods and services covered by the agreement, maximum limitation of the duplication of assessments, tests and controls to significant regulatory differences and use of the certification system of either party to check conformity with the requirements of the other party are legitimate objectives.

I hope that the reliance on mutual trust of the other party's systems will favour the implementation of this agreement.

Marian-Jean Marinescu (PPE-DE), *in writing*. – (RO) As the European Parliament's rapporteur for the legislative report on the expansion of the European Aviation Safety Agency's (EASA) powers, I welcome the negotiated agreement with the United States on facilitating mutual acceptance of civil aviation safety certificates.

This agreement marks an important step in expanding transatlantic cooperation, which is a priority objective of the Group of the European People's Party (Christian Democrats) and European Democrats. It establishes sound conditions for boosting trade in goods and services in the civil aviation sector between the European Union and the United States, which undoubtedly benefits Europe. The agreement offers enhanced guarantees as regards safety and reinforcement of the compatibility of products, components and aircraft with the increased demands of protecting the environment. In these conditions, we can hope that the European Single Sky principles will be extended in the future to apply to transatlantic cooperation and that cooperation will be widened in the field of research, as well as the implementation of new technologies in this field, based on collaboration between SESAR and NextGen.

I believe that this agreement will facilitate in the long term the mutually beneficial extension of the cooperation framework between the EASA and the FAA, from which airlines, the aviation industry and, more significantly, passengers will directly benefit.

Luís Queiró (PPE-DE), *in writing*. – (PT) The future of the external transport policy requires good relations between the European Community and the United States. As a result, one of the fundamental points of this cooperation agreement on the regulation of civil aviation safety is mutual trust in each other's systems and the comparison of regulatory differences. The objective of this agreement is to facilitate trade in goods and services in the aviation sector, by limiting as much as possible the duplication of assessments, tests and controls to significant regulatory differences between the two parties. We therefore believe that a framework is being created which will work smoothly on a daily basis and which will allow technical issues arising from its implementation to be solved through a system of continual cooperation and consultation. This agreement is another fundamental step in the external dimension of the European transport policy, which is why I voted in favour of this report.

Luca Romagnoli (NI), *in writing*. – (IT) Madam President, ladies and gentlemen, I would like to state that I voted in favour of Mr Costa's report on the conclusion of the agreement between the European Community and the United States of America on cooperation in the regulation of civil aviation safety, as set out in the proposal for a Council decision.

I concur with the rapporteur in considering that Parliament must declare itself in favour of the conclusion of the agreement because this would clearly streamline the trade in goods and services between the parties in the airworthiness and maintenance sector, avoiding the redundant duplication of assessments and checks on compliance with safety requirements, which until now have had to be repeated even if they are very similar to one another. I believe, however, that the agreement should be applied provisionally at first, so that we can identify any practical and implementation difficulties and remove them before proceeding to final approval.

- Report: Diana Wallis (A6-0511/2008)

Dragoş Florin David (PPE-DE), in writing. – (RO) I voted in favour of this report for better legal regulation of companies within the EU.

Nicolae Vlad Popa (PPE-DE), in writing. – (RO) I voted in favour of the report on the common system of taxation applicable to mergers, divisions, partial divisions, transfers of assets and exchanges of shares concerning companies of different Member States as these legal transactions result in fundamental changes to commercial companies' legal status. The European Union also needs to take the necessary measures to provide uniform, harmonised but effective regulation.

I also supported it because I am a lawyer and I will continue to support in the European Parliament every effort made to harmonise and codify at European level fiscal, economic, civil and criminal regulations.

- Report: Costas Botopoulos (A6-0508/2008)

Dragoş Florin David (PPE-DE), in writing. – (RO) I voted in favour of this report as the Rules of Procedure of the Court of First Instance lack any provision as to the language required to be used in appeal proceedings (against decisions of the Civil Service Tribunal). There is, in fact, no equivalent to Article 110 of the Rules of Procedure of the Court of Justice.

- Report: Bastiaan Belder (A6-0489/2008)

Adam Bielan (UEN), in writing. – (PL) Madam President, following the last armed conflict in the Balkans, European states made widely differing statements on the subject. However, by its active engagement in the situation which existed, the EU confirmed that the Balkans are an important region for us and are an integral part of Europe. We are therefore obliged to support these countries in their efforts to achieve stability and full democracy. I endorsed the Belder report because it underlines the need to assist the Balkan states, while treating them as individual, independent partners.

Furthermore, it is good that the report underlines the need to establish a common energy policy. The diversification of sources is urgently needed, and this would benefit not only the EU, but the whole of Europe.

Avril Doyle (PPE-DE), in writing. – The report by Mr Belder considers the current situation of the European Union's trade and economic relations with this increasingly stable region, where many countries hold candidatus for EU membership. The role of the EU as a major partner for the area in maintaining trade and economic relations while pushing for a stable, lasting peace in the area is a very important one.

The EU's strength as an economic partner, but also as a model for a strong civil society, government and dynamic institutions, should be used to push for the development of the region. A threefold and differentiated approach, taking into account the relative differences between countries in the region as well as association agreements and further support, provides a clear way to address issues of underdevelopment and shore up intensive regional and international economic cooperation.

As a means of cementing a lasting peace and promoting the ideals to which we are all committed, I support Mr Belder's report.

Bruno Gollnisch (NI), in writing. – (FR) I know the Belder report only deals with the economic and commercial relationships with the Western Balkans and the evident need for the European Union to assist in their reconstruction, in the economic, legal, political and social fields.

I am surprised, though, that, despite the statement that this aid, as well as the accession processes, must be differentiated and adapted to each country, the report does not really take into account the specific situation of each country. Serbia, for example, is not even mentioned.

Above all, this Parliament, always quick to condemn violations of human rights around the world or to demand 'human rights' clauses in international cooperation agreements, has achieved the master stroke of voting for a report on the Balkans without once mentioning the dramatic and inadmissible situation of the Serb populations in Kosovo, who have become pariahs in the historical land of their fathers. Meanwhile, it congratulates itself on the hundreds of millions of euros given to the authorities who provoke, organise or tolerate this situation.

Vural Öger (PSE), *in writing*. – (DE) The consolidation of economic relations with the Western Balkans is of immense importance both to the EU and to the Western Balkans. I therefore welcome the fact that the European Parliament is working intensively on this issue and that we adopted the Belder report today. In light of the fact that the future of the countries of the Western Balkans lies with the EU, their economic and political rapprochement to the EU is very important. In order to tie these countries to the EU in the long term, the development of their market economies and regional cooperation must be fostered.

That is why constructive and positive signals from the European Parliament are also important. It is in the interests of the EU to champion the creation of political stability, legal security and hence good framework conditions in these countries for foreign investment. The Belder report underlines the fact that the level of economic relations depends on progress in each individual country. Moreover, it should be the EU's objective to diversify the national economies of the countries of the Western Balkans. All these important aspects are reflected in the report. I am convinced that a positive development in economic relations between the EU and the Western Balkans will be of benefit to all countries on the continent of Europe and I await the implementation of our proposals with anticipation.

Luca Romagnoli (NI), *in writing*. – (IT) Madam President, ladies and gentlemen, I voted in favour of the report by Mr Belder on trade and economic relations with the Western Balkans.

I agree with my fellow Member in considering that the European Union has a vital part to play in the process of economic and political revival of countries in the Western Balkan area, with a view to their membership of the European Union, firstly in terms of stabilising the political situation and secondly in economic and trade terms.

I would nevertheless like to emphasise the need for the Union to conduct an in-depth analysis of the situation with regard to respect for human rights and democratic principles within each country. I refer in particular to Croatia and the numerous Italian expatriates who continue to be clearly discriminated against in that country, despite Croatia's official application for admission to the EU. This aspect is, in my opinion, at odds with the situation of Serbia, a country that has only been granted the status of potential candidate and to which the Union should be more open than it has been until now.

Flaviu Călin Rus (PPE-DE), *in writing*. – (RO) I voted for this report on trade and economic relations with the Western Balkans (A6-0489/2008) as the motion for a European Parliament resolution also includes the opinion of the Committee on Foreign Affairs and that of the Committee on Regional Development of which I am a member.

Economic growth and development in the Western Balkans region will provide the conditions for constructive partnerships with the EU's eastern Member States, which ultimately includes Romania too.

At the same time, linking the economic and trade policies of the countries in the Western Balkans to the European Union's policy will support the stabilisation and association agreements signed between the EU and these countries.

I voted in favour of this report because economic stability may also lead to political stability in this area, which has been particularly troubled over the years.

Czesław Adam Siekierski (PPE-DE), *in writing*. – (PL) The EU should use all available means in order to motivate the Western Balkans region and persuade it to carry out essential reforms. The expansion of regional economic cooperation appears to be especially significant in this context, as also is the prospect of membership for states in the region. Extensive and stable economic contacts between particular countries would lead to specific economic integration, which would definitely help to limit the threat of conflict in the future. A realistic perspective of membership can also prevent this. The Balkans have already made huge advances on the road to rapprochement with the EU, but the prospect of accession will most certainly encourage states to continue their efforts at integration with the Community.

I would like to emphasise, however, that alongside instruments of economic support, initiatives which aim to integrate Balkan society with the EU are equally significant. Therefore the introduction of changes, which should be as far-reaching as possible and which would make the movement of people easier, is very important, as also is broad support for the region's young people. Only if the people of the Balkans feel that they have equal rights with the other citizens of Europe will we be able to say that we have achieved success.

Bart Staes (Verts/ALE), *in writing*. – (NL) I totally agree with what Mr Belder had to say and with his recommendations on how to improve trade and economic relations with the Western Balkans. The EU has

a key role to play in the recovery of that region. The stabilisation and association agreements, the trade preferences and technical and financial support are the three pillars on the basis of which the EU hopes to bring stability to that region. It is true that the level of development and adoption of the *acquis communautaire* is not the same in all the countries of that region, and so, in defiance of having a single strategy, it is necessary to choose specific approaches, which must be tailored to the needs in question. Albania is not Montenegro, and Bosnia-Herzegovina is not Kosovo.

The progress of the accession negotiations (or their opening in the case of potential candidate countries) with the Western Balkan states should, obviously, depend on full compliance with the Copenhagen criteria and unconditional respect for the principles of democracy and human rights. Let it be clear, though, that all those countries have a future in the EU and that their membership will ensure that the dreadful conflicts which have typified that region for centuries are now a thing of the past.

Andrzej Jan Szejna (PSE), in writing. – (PL) The European Union has played an immensely important role in the process of economic and political reconstruction of the countries of the former Yugoslavia. However, it has undertaken an enormous responsibility with regard to the whole of the Western Balkans. In connection with this, the EU is currently faced with the difficult task of reconstruction of the entire region.

The EU has become the main trading partner of all the countries in the Western Balkans. The three most important pillars of this cooperation are: stabilisation agreements, trade preferences, and technical and financial support. The process of stabilisation should above all be directed at raising the living standard and ensuring permanent economic development in the Balkan states. In undertaking its actions, however, the EU must bear in mind the membership of some of the countries in the EU and the status of the others as potential candidates for membership.

It is difficult not to agree with the rapporteur that a basic condition for development of the countries under discussion is membership of the World Trade Organization (Croatia, Albania and the former Yugoslavia are already members). For full integration with the world system of trade to take place, it is essential that Bosnia and Herzegovina, Serbia and Montenegro also join the WTO.

While appreciating the progress already made in terms of modernisation in the region, full integration of the Western Balkans with the EU economic system should be pursued.

- Report: Mairead McGuinness (A6-0505/2008)

Jan Andersson, Göran Färm, Anna Hedh, Inger Segelström and Åsa Westlund (PSE), in writing. – (SV) The report on the common agricultural policy and global food security discusses important issues such as the consequences of rising food prices in poor and rich countries and the importance of securing access to food for everyone.

We Swedish Social Democrats decided to vote against the report, as it contains problematic wordings in relation to agricultural policy. Among other things, we would like to see a reduction in the proportion of the EU budget allocated to agricultural policy, the retention and development of cross-compliance and the adaptation of the system to the market. The report is not in line with these views and we are therefore voting against it.

Liam Aylward (UEN), in writing. – Securing sustainable food supply is one of the greatest challenges that faces us. This challenge will continue to grow as the world's population expands. The current population growth rate is over 70 million per year. This means providing food for 70 million more people every year. How will we manage this when already over 850 million people in the world are undernourished?

While securing sustainable food supply is one of our greatest challenges, the EU is one of the greatest success stories of recent times, having brought peace, stability and prosperity to the region. The EU is the largest giver of ODA and is a model for international cooperation, and can put this experience to good use globally.

The EU cannot afford to follow policy lines that are narrow in scope. Just as international fortunes are intertwined, there is more and more overlap between policy areas. This report is an acknowledgment of this and a recognition that the EU's high standards and wealth of agricultural experience can be of a wider value in addressing global food security, including by providing funding for fertilisers and high-yield seeds, as well as training and practical support for farmers and food producers.

Niels Busk and Anne E. Jensen (ALDE), in writing. – (DA) Anne E. Jensen and Niels Busk have voted in favour of Mrs McGuinness's own-initiative report on the common agricultural policy and global food security,

as the majority of the report is excellent and it is only possible to vote either in favour or against. However, we cannot support paragraphs 63 and 64, which raise doubts about free trade in agricultural products. We are strong supporters of free trade and believe that it is absolutely right to work to bring about a situation in which trade in agricultural products is based on free market principles.

Ole Christensen, Dan Jørgensen, Poul Nyrup Rasmussen, Christel Schaldemose and Britta Thomsen (PSE), in writing. – (DA) The Danish Members of the Socialist Group in the European Parliament have voted against the own-initiative report on the common agricultural policy and global food security, as the report opposes the liberalisation of agricultural policy and criticises EU rules on the restriction of pesticides. We believe it is necessary to have balanced access to the global food supply, but that this will not be helped by either maintaining or extending the EU's agricultural aid.

Konstantinos Droutsas (GUE/NGL), in writing. – (EL) The global food problem is increasing rather than shrinking and affects all grassroots classes, not only in the less developed countries, but also in the more developed countries.

The main cause of this situation is that the basic criterion for the production of agricultural produce and food is profit rather than global food requirements.

The trading of foodstuffs on international exchanges has resulted in spiralling price increases and, hence, spiralling profits for the food multinationals, a perceptible reduction in rural output and global food reserves and an increase in the number of malnourished people.

In order to address this unacceptable situation, which condemns one billion people to malnourishment and starvation, the report confines itself to wish lists which are cancelled out by its insistence on abiding by the same policy: support for the common agricultural policy and its reviews and 'health check', the completion of negotiations in the World Trade Organization, the decoupling of aid from production and the continuing production of biofuels, on the pretext of the environment and using land which could be used to produce food.

It barely touches on the principles of food sovereignty and security and the right to self-sufficiency in food.

The MEPs from the Communist Party of Greece voted against the report because, despite its findings and 'wishes', it supports the anti-grassroots, pro-monopoly policy which is condemning more and more people to malnourishment and starvation.

Lena Ek (ALDE), in writing. – (SV) It is important that we combat and alleviate starvation. In this respect, I welcome the content of Mrs McGuinness's own-initiative report on the common agricultural policy and global food security.

I have, nevertheless, chosen to abstain, because the report was strongly protectionist in places. Subsidising and regulating our domestic agriculture does not promote our goal of an open, green, safe and enterprising EU. A freer world market for agricultural products would make it easier for people in poor countries to develop their agriculture. We are seeing this now in large parts of Africa, in particular.

Ilda Figueiredo (GUE/NGL), in writing. – (PT) We agree with various aspects highlighted by the report, in particular:

- the fact that the policy shift has resulted in a loss of potential market opportunities for EU producers and has led to increased reliance on imported food from outside the European Union, produced to very different production standards, thereby placing EU agricultural products at a disadvantage;
- the concern that dramatic increases in agricultural production costs may result in less usage and reduced output, which will exacerbate the food crisis in Europe and the world;
- the need for policy instruments aimed at averting such large and damaging price fluctuations;
- the concern about increasing market concentration in the food retail sector, which has led to the development of monopolies, and the need for alternative solutions in negotiations with retailers, in favour of small farmers.

However, there are also aspects with which we cannot agree:

- the increased orientation of the common agricultural policy towards the market and the devaluation of food sovereignty, with the emphasis solely being placed on food security, forgetting that this is difficult without food sovereignty.

That is why we abstained.

Duarte Freitas (PPE-DE), in writing. – (PT) The McGuinness report tackles an issue that I regard as strategic: food security and the importance of strong and competitive European agriculture in a globalised world.

Following the recent crisis in food prices, food security should be an EU priority. Despite the fact that another food shortage crisis is not foreseeable in the short term, it is likely that one will occur in the future, if we take into account the negative effects of climate change on agricultural production and the constantly increasing demand.

Bearing in mind that developing countries will probably not be able to produce food in sufficient quantities to supply their increasing populations, the industrialised countries will continue to have the important task of producing and exporting food.

The common agricultural policy must therefore once again become a European priority and form the basis of the European food security policy, given that, in a time of financial and economic crisis, it is more important than ever.

Jeanine Hennis-Plasschaert, Jules Maaten, Toine Manders and Jan Mulder (ALDE), in writing. – (NL) The Dutch People's Party for Freedom and Democracy (VVD) delegation has voted in favour of the McGuinness report on the common agricultural policy and global food security, despite the fact that it disapproves of some of the content in this report. The VVD delegation would have liked to have seen the report clearly stipulate that the barriers to trade in the developing world should be phased out with reciprocity. Alongside this, it would have liked the report to have argued in favour of a special, faster procedure for the authorisation of cisgenic products. These still fall under the same procedure as ordinary biotechnological products, despite the fact that they make use of genetic materials from within the same species.

Ian Hudghton (Verts/ALE), in writing. – The McGuinness report deals with issues of immense global importance. In two years world food prices have increased by over 80% and cereal stocks have fallen to dangerously low levels. Pressure on global food stocks are also coming from relatively new sources such as the move towards increased use of bio-fuels. I welcome the general thrust of this report and, accordingly, voted in favour.

Anneli Jäätteenmäki (ALDE), in writing. – (FI) Madam President, I voted in favour of adopting the report by Mrs McGuinness, but I would like to draw attention to the following issues in particular.

For the first time since the 1970s, we have been facing an acute worldwide food crisis. This crisis actually began before the present global economic crisis, at a time when world maize and wheat prices skyrocketed in a very short time. The food crisis may have changed its name to economic crisis, but the former has unfortunately not gone away. It is dreadful to think that, even before the problems posed by the current food crisis, around a billion people worldwide suffered from chronic hunger and malnutrition.

Food security – access to a sufficient, safe and nutritious food supply – must now become a key political priority both here and elsewhere. We cannot tolerate a situation where, while worldwide famine increases and the price of food soars, we in Europe are winding down agriculture drastically and for the oddest of reasons. In Finland, as in the other Member States, people must have the right to engage in profitable agriculture both now and in the future.

The food industry has a massive impact on employment, as it provides work for more than four million people in Europe. The entire food chain in Finland is estimated to employ approximately 300 000 people, which is some 13% of the employed workforce. There is an unquestionable need to protect these people's jobs during these times of food and economic crisis.

Nils Lundgren (IND/DEM), in writing. – (SV) It is interesting to note that the Committee on Agriculture and Rural Development has not chosen to include in its report a key issue proposed by the Committee on Development, which reads: 'the European Parliament calls on the Council and the Commission, in close consultation with the ACP countries, to give priority to the question of the impact on the ACP countries of EU subsidies on the export of EU agricultural products and to commit to providing specific, sustainable responses aimed at avoiding dumping, in compliance with the commitments made in this area.'

However, in the report it is claimed that the EU has addressed the potentially trade-distorting elements of EU agricultural policy that can negatively impact on farmers in the developing world. The report complains that non-EU countries produce food to very different production standards, thereby exposing EU agricultural products to unequal terms of competition.

These two claims in the report are controversial, to say the least, and not something that all the political forces within the EU would agree with. If this were the case, could the Committee on Development's proposal not also be included in the text of the report?

The report is also against reductions in aid payments within agriculture and is opposed to any reform of the common agricultural policy. Moreover, it proposes a citizen information policy regarding the common agricultural policy, which I view as political propaganda for a system that is very controversial, particularly in my country.

I have therefore voted against this report.

Luís Queiró (PPE-DE), in writing. – (PT) The recent extraordinary surge in food prices rightly prompted a discussion on agricultural policies, food security and development. Regrettably, the issue of international trade is often missing from such debates, thus leading to the search for solutions which ignore the positive potential that increased world consumption can have.

Although initially this food price inflation poses a threat of famine for countries and populations without resources, and demands increased humanitarian aid, it subsequently stimulates a global increase in food production capacity and a rise in global trade. This is an opportunity for the agricultural populations of the world, of which full advantage must be taken.

As for Europe and the common agricultural policy, our adaptation to this new world context – with a potential for slower growth than expected – should not occur at the cost of either protectionism and new barriers to trade or market distortion. The medium- and long-term profitability of European agriculture and rural development should be the criteria used in the common agricultural policy and its reform.

Zuzana Roithová (PPE-DE), in writing. – (CS) This report looks more like a defence of the current common agricultural policy than a comprehensive overview of food security in a starving world. Despite this I have supported it, because it draws attention to the importance of securing access to credit for farmers in developing countries so that they can modernise agricultural production and increase the output and quality of their food. I regret that the report paid little attention to the risks of land being bought up in the world's poorest countries for growing and exporting the cheapest possible food to the rest of the world, at the expense of the economic development and needs of local populations in countries suffering from chronic food shortages.

Luca Romagnoli (NI), in writing. – (IT) Madam President, ladies and gentlemen, I voted in favour of the report by Mrs McGuinness on the common agricultural policy and global food security.

I share the concerns expressed by my fellow Member and draw attention to the need, which is more pressing than ever, for appropriate measures to be taken to guarantee all citizens access to healthy, nutritious food, whether they are resident within the European Union or elsewhere in the world. I wish to emphasise that our efforts must be viewed from a medium- to long-term perspective and not focused merely on the short term.

It will not be enough to earmark substantial funding for poor and developing countries unless this is backed by a serious commitment by industrialised countries to ward off the speculation on the prices of staple foods that we have seen recently and introduce international agreements that take into account the very varied situations of countries that belong to the World Trade Organization. Otherwise the negotiations, which have already broken down, will continue to have little likelihood of success.

Catherine Stihler (PSE), in writing. – The issue of the CAP and global food security is important. We must make sure that we play our part in the EU ensuring that the hungry across the world are fed. It is a disgrace that there are people in this world starving to death due to our lack of political coordination.

Andrzej Jan Szejna (PSE), in writing. – (PL) The purpose of the common agricultural policy is not only to increase agricultural productivity and ensure rational development of farming production through optimal use of production factors, especially the workforce, but also to provide rural populations with a suitable standard of living, guarantee security of supplies and ensure reasonable prices for supplies to consumers.

Access to sufficient supplies of safe and nutritious food is currently a key political priority at EU and world level.

It is disturbing that food prices are higher than in previous years, and world food stocks have fallen to a critically low level. There is a danger that the world financial crisis may induce developed countries not to honour their obligations in the area of aid to developing countries.

Medium- and long-term action is needed to safeguard world food production and to support those people who are most seriously affected in terms of basic nutritional needs.

The greatest challenge now is to develop a policy for agriculture and food which will meet the needs of the increasingly numerous world population, which, according to estimates, by the year 2050 will have grown by 40%, while world food demand is expected to double in the same period.

Development of a policy which will ensure farmers a decent income from the food they produce is a key political issue. This is of fundamental importance in terms of safeguarding food production. If the market is not able to ensure this, it should be done through appropriate policy.

Glenis Willmott (PSE), *in writing*. – The Labour delegation will be voting in favour of the CAP and Global Food Security report, despite the strong reservations we have on the stance taken on the CAP.

We do not agree with the prominent role attributed to the CAP in ensuring food security nor with the criticism of the CAP reform, which has seen a shift away from quantity to quality production, the implication being that this has undermined our food security. Our position is that we need to modernise our agricultural policy, and not return to a production-based policy that encouraged massive over-production and a distortion of markets, undermining the ability of other countries to produce and trade agricultural goods.

We do, however, feel that the report raises many very important points on the issue of global food security, such as recognising the importance of food security as a key political priority for the EU, urging for greater cooperation on a global level, calling for more investment in developing countries to build up their production capacities, and urging for agriculture to be placed at the heart of the EU's development agenda. All of these points are equally important and demand that we look beyond the narrow focus of those using this issue as justification for a more interventionist and protectionist CAP and that we support the report.

- Report: Genowefa Grabowska (A6-0475/2008)

Jan Andersson, Göran Färm and Åsa Westlund (PSE), *in writing*. – (SV) We Swedish Social Democrats voted in favour of the report by Mrs Grabowska on the perspectives for developing civil dialogue under the Treaty of Lisbon. Strengthening the dialogue with civil society is important for creating an EU that listens to and represents the views of its citizens. We also agree with the demands in the report for work in the Council to be more open in order to enable civil society to participate in the dialogue in a meaningful way.

However, we would like to make it clear that we believe it to be wrong for churches and religious communities to be given a special status among civil society organisations. Churches and religious communities should take part in the dialogue with the Union's institutions in the same way as all other organisations.

Adam Bielan (UEN), *in writing*. – (PL) Madam President, every initiative which aims to bring citizens closer to the institutions which act on their behalf should be supported. However, care should be taken to ensure that the proposed initiative is not by its own momentum transformed into another institution. I endorsed the report because every step taken to bring citizens closer to the authorities which make decisions for them is a step towards a better and more transparent democracy. However, I want to emphasise that, as is the case in every dialogue, so also in the one concerning the Lisbon Treaty the opinion of every party should be taken into account.

Martin Callanan (PPE-DE), *in writing*. – This report refers to the Lisbon treaty, which, let me remind you, is not in force. It is therefore highly presumptuous, not to say arrogant, to be invoking the name of the Lisbon treaty as if it was already a fact of life.

In case you had forgotten: the Lisbon treaty was sunk by the democratic will of the people of Ireland. They put the brakes on the project because they wanted a different kind of Europe. In voting the way they did, the people of Ireland also spoke for the citizens of every other Member State, including my own, who were denied a referendum by their governments.

Ireland has been bullied into holding a second vote, but the Irish people are unlikely to take kindly to being treated with such contempt.

In future, we should avoid bringing ourselves into disrepute by discussing hypothetical scenarios such as the Lisbon treaty. It merely serves to expose the EU's arrogant disregard for democratic opinion.

I voted against this report.

Koenraad Dillen (NI), *in writing*. – (NL) I may be living on a different planet, but I seem to remember that the Dutch and French people rejected the European Constitution in a democratic referendum in 2005. That Constitution is dead and buried, at least if we call ourselves democrats. The cursed Treaty of Lisbon, which is simply an airbrushed version of the Constitution, suffered exactly the same fate, rejected, as it was, in a democratic referendum by the Irish people.

Europe, however, refuses to accept the opinion of the people and wants to ram the Constitution down the throats of Europeans through the backdoor, pretending that everything in the garden is rosy and talking of a so-called 'dialogue with the citizen in the framework of the Treaty of Lisbon' with the greatest cynicism.

This is supposed to be a 'dialogue with the citizen', 'a strong culture of consultation and dialogue', whereby the rapporteur, in her cynicism, quotes once more Article 10 of the Treaty on European Union: 'Every citizen shall have the right to participate in the democratic life of the Union'. This may be true, but Europe does not take any notice of the democratic voice of the people.

Avril Doyle (PPE-DE), *in writing*. – This report by Genowefa Grabowska provides for increased mechanisms of participation and for vehicles for civil dialogue within the European Union. It addresses the gap between members of the Union and the relationship they have with the institutions that serve them. It recognises the need to increase civil dialogue to maintain true engagement with the aims of the European project.

The recent rejection of the Lisbon Treaty in Ireland was in part due to differences between the perception of the Union and the reality of the Union. Addressing the generalised lack of information is key to achieving a genuine democratic partnership. Central to this proposal is the insistence that dialogue is reciprocal, that the opinions expressed need to be heeded and respected.

For this report, Ms Grabowska highlights both transparency and representativeness as essential components of active civil dialogue and a genuine participatory democracy. A more open and accessible Council, increased and more integrated inter-institutional cooperation, better use of new media as a means to connect with citizens and providing assistance to civil society institutions will help bring Europe closer together. For these reasons, I support Ms Grabowska's report.

Bairbre de Brún and Mary Lou McDonald (GUE/NGL), *in writing*. – We support any and all efforts to empower citizens, communities and civil society organisations with regard to political decision-making processes, including the EU.

However, we do not believe that the Lisbon Treaty provides any real advance in this field. Furthermore we believe that for the proposed Citizens Initiative to be meaningful, the Commission should be under a legally binding obligation to produce a White Paper outlining a response to the proposal, or the Treaty basis for not taking action.

Ilda Figueiredo (GUE/NGL), *in writing*. – (PT) This report is yet another one which goes against the majority of the European Parliament in its efforts to try and 'sell' the Treaty of Lisbon project at any cost, a task which has not proved easy, judging by the results of previous referendums. These repeated efforts have at least one merit: they clearly show how difficult and even painful it is for the Treaty's advocates to find arguments to promote it.

No propaganda exists – and this is the subject of the report – which can disguise the anti-democratic nature of the insistence by the EU's leaders on forcing another referendum in Ireland in order to impose this proposed Treaty. We do not share the narrow view of those who consider that developing a 'civil dialogue' or a 'citizens' initiative' is sufficient to counteract the nature of a proposal which, as a whole, prevents the citizens of each Member State from defining their collective future, and which insists on measures resulting in precarious jobs, increased working hours, easier redundancies and the privatisation of public services.

No propaganda exists which can conceal the neoliberal, federalist and militarist content of this Treaty project. That is why we have voted against.

Bruno Gollnisch (NI), in writing. – (FR) Mrs Grabowska's report recommends permanent dialogue between all the European institutions and the 'representatives' from civil society to define policies and draw up legislation at EU level, in other words a formal, compulsory organisation of participatory 'democracy' at Union level.

The trouble is, participatory 'democracy' is merely a front for those who reject true democracy: it allows dialogue to be restricted to the most active organisations, which are rarely the most representative, and it appears to test citizens' views in advance, the better to be able to refuse to consult them properly later on.

If the Europe of Brussels wishes to hear the citizens, let it take note of the French and Dutch 'no' to the European Constitution and abandon the Treaty of Lisbon, which is a mere copy of the Constitution. If opinion polls ought to be taken into account, as the rapporteur would like, put a stop to the negotiations for Turkey's membership, because the majority of Europe's citizens oppose it. If it is right to respect the principle that decisions should be taken as close as possible to the citizens, let Europe cease to rule over our daily lives. Then it would have some credibility when it spoke of democracy.

Anna Hedh (PSE), in writing. – (SV) I voted in favour of the report by Mrs Grabowska on the perspectives for developing civil dialogue under the Treaty of Lisbon. I believe that it is important to strengthen the dialogue with civil society in order to create an EU that listens to and represents the views of its citizens. I also agree with the demands in the report for work in the Council to be more open in order to enable civil society to participate in the dialogue in a meaningful way. However, I believe that the inclusion of the Treaty of Lisbon was unnecessary, as it is no longer relevant after the Irish 'no' vote in the referendum.

It is also wrong for churches and religious communities to be given a special status among civil society organisations. Churches and religious communities should take part in the dialogue with the Union's institutions in the same way as all the other organisations.

Jörg Leichtfried (PSE), in writing. – (DE) I agree with the report on the perspectives for developing civil dialogue under the Treaty of Lisbon.

I consider civil dialogue to be very important, so that the citizens of the EU can gain an insight into the areas of activity of their elected representatives.

I should like to highlight the comment that dialogue between the EU and the Union citizens should be a two-way dialogue, because it is not enough to inform our home countries about the implementation of projects; we also have to listen to individual people and take their opinion seriously.

Nils Lundgren (IND/DEM), in writing. – (SV) The Treaty of Lisbon has not been adopted. It was rejected by the voters of Ireland in a referendum and therefore must be considered dead. What was, essentially, the same draft treaty had already been rejected in referendums in France and the Netherlands.

However, the European Parliament's federalist majority is unwilling to listen, insisting, instead, on a Union that is governed to an even greater extent at the supranational level, despite the fact that its citizens have shown their scepticism in multiple referendums and that, given the chance, they would show this scepticism in even more countries, too.

The way of working demonstrated by the European Parliament's federalist majority shows what sort of a civil dialogue it is that they want. They only want to listen to those parts of civil society that fit into the federalist mould.

Outside the legislative procedure, the report we have before us is not particularly impressive. Paragraph 9 of the report states that all EU institutions should maintain up-to-date registers of all relevant non-governmental organisations. This entails an unnecessary increase in bureaucracy that leads nowhere. Furthermore, paragraph 11 of the report talks about promoting an 'actively European mindset' among EU citizens. How would this mindset be defined?

However, the worst aspect of the report is the call, in paragraph 22, to give European associations and European civil society organisations a shared legal basis at EU level. This proposal is yet another step towards constructing an EU state.

I have therefore voted against this report.

Andreas Mölzer (NI), in writing. – (DE) It may sound really nice to talk of a public debate on the Treaty of Lisbon in all the languages. Despite all the camouflage manoeuvres, the people have understood full well

that a treaty that is 95% in keeping with the rejected EU Constitution is no Columbus's egg, even if the EU establishment is trying to market it as such.

It is also interesting, given that we want to conduct this dialogue in all the languages, that we are not even in a position to ensure that the President-in-Office of the Council has an integrated website in the most widely spoken languages in the Union, namely English, French and German. We must also look particularly ridiculous to our citizens in praising the new civil initiatives provided for in the Constitution as a step towards more democracy, given that referendums are being repeated until the result wanted by the EU is obtained. As this initiative can only be yet another pure pro-EU-Constitution campaign, on which enough money has already been spent, I voted against the Grabowska report.

Nicolae Vlad Popa (PPE-DE), in writing. – (RO) I voted in favour of this report as civil society plays an important role in Europe in the European integration process, by passing on the opinions and requests of EU citizens to Europe's institutions.

For the European Union to be able to achieve its aims and objectives, it needs a broader public debate, a more effective civil dialogue and development of political awareness, all aspects recognised in this report.

The report also highlights the importance of the expertise which civil society makes available to institutions and emphasises the role and significance of functions for informing and raising awareness involved in civil dialogue.

I hope that the EU's current initiatives, which promote greater involvement by civil society in the European integration process, will continue in the future as well. I am referring in this instance to initiatives such as Europe by Satellite, Citizens' Agora and other citizen forums on various topics.

I hope that this report will encourage the European Union's Council to facilitate and simplify access to its proceedings, as this is a basic condition for initiating a proper dialogue with civil society.

Zuzana Roithová (PPE-DE), in writing. – (CS) Ladies and gentlemen, I welcome the fact that the report draws attention to the need for social dialogue at a time when European countries are experiencing a democratic crisis. People either do not understand or are not interested in topics unrelated to their everyday concerns. The low turnout in European elections is a logical consequence of the fact that European citizens do not know what positive contribution European legislation can make to them and they do not believe their vote can have any influence. It is little known that the Lisbon Treaty strengthens participatory democracy. I agree with Mrs Grabowska that the Member States should provide more fundamental support to non-governmental organisations. However, it is necessary to ensure that they are representative and transparent. I have backed the report also because it includes a request for the Commission to publish lists of the non-governmental organisations that have applied its proposals during the legislative preparations. This will certainly reduce the anonymity of the whole process and contribute towards the non-governmental organisations being more representative. I also take the view that the election campaign for the European Parliament provides a great opportunity for responsible MEPs to explain what decisions we make in Strasbourg, how civil society participates in our work and how it will be able to participate following adoption of the Lisbon Treaty.

Andrzej Jan Szejna (PSE), in writing. – (PL) The Lisbon Treaty accords dialogue with citizens the status of an imperative. This is binding on all EU policies and spheres of activity.

The success of dialogue depends on representativeness, and therefore on the strong commitment of key entities. National, regional and local authorities should use the method of dialogue, so that citizens can experience participatory democracy working in practice.

It should be admitted that the European Union has a lot of ground to make up in the area of communication, and indeed especially in the area of dialogue with citizens.

The citizens of the EU must be sure that no decisions at European level will be made without their involvement, and that by voting in elections they will have a real influence on the form of those decisions.

I fully support the call by the rapporteur to encourage the promotion of initiatives in the area of dialogue with citizens.

Charles Tannock (PPE-DE), in writing. – It is premature to be talking about what will happen once the Lisbon treaty comes into effect. The treaty remains in limbo and is still subject to a possible second ‘no’ vote by Irish citizens in another referendum later this year.

While this remains the case, we should not be acting as if the Lisbon treaty is already in force. Doing so lays us wide open to accusations of arrogance and contempt for the democratic process, which must still be concluded one way or another.

Furthermore, I am not in favour of EU funds being spent on promoting the Lisbon treaty through civil dialogue or any other means. We have free media and vigorous democracies in the Member States and are quite capable of conducting this debate on our own terms without the Commission trying to influence matters. In fact, in my country, the UK, the Commission’s attempts to promote further EU integration tends to be counterproductive.

I, like other British Conservatives, want to see the European Union going in a different direction by doing less and doing it better.

I therefore voted against this report.

Frank Vanhecke (NI), in writing. – (NL) The Grabowska report is yet another example of the scandalous way in which this Parliament handles the principles it claims to serve. ‘Dialogue with the citizen in the framework of the Treaty of Lisbon’: what a joke! The Treaty of Lisbon, which is the ex-European Constitution in disguise, was consigned to the waste paper bin in referendums in the Netherlands and in France, and subsequently also in Ireland. Other countries dare not even organise a referendum.

If it is dialogue with the citizen that Europe is after, then it should start respecting democracy. If the outcome of a referendum is not to the liking of the Eurocratic nomenclatures, this does not necessarily mean that the voting public is lacking in brain cells. The reverse is true! At any rate, I emphatically voted against this report again. *Nec spe, nec metu* or without hope or fear.

Anna Záborská (PPE-DE), in writing. – (FR) The European authorities must be open to dialogue and cooperation with the citizens and with organisations from civil society. Anyone may contribute to the common good.

However, particular interest groups, lobbies that do not represent the common good, should not be allowed to infiltrate the legislative process under the guise of a dialogue with civil society. Access to the dialogue must be equitable.

I insist that dialogue should be especially with associations that give a voice to the poorest individuals and families. The fight against extreme poverty and social inequalities will have no lasting success without a permanent dialogue with the families and individuals who experience extreme poverty in their daily lives. This dialogue is difficult but also a necessity. The European, national, regional and local authorities cannot take the easy route when we are building an inclusive society and a Europe for all. In terms of best practice, we should recognise the work of the European Economic and Social Committee and the International Movement ATD Fourth World which, since 1989, have been organising European sessions of Fourth World People’s Universities, which allow structured dialogue between representatives of the authorities and people with direct experience of extreme poverty.

- Report: Barbara Weiler (A6-0514/2008)

Gerard Batten (IND/DEM), in writing. – I abstained on this vote because, although I and the UK Independence Party fully support equality between men and women, the UK already has equality legislation which can be changed or improved when required by our own democratically elected and accountable Parliament. The EU is anti-democratic and undemocratic and is not a legitimate guardian of anyone’s rights.

Sylwester Chruszcz (UEN), in writing. – (PL) I endorse the Weiler report and express support for measures aimed at transposing the directive concerning unfair business-to-consumer commercial practices in the internal market. The idea of creating a blacklist of unfair commercial practices, not only for business-to-consumer relations but also for business-to-business relations, is laudable. I also support the mechanisms for monitoring and enforcement of the implementation of legal regulations in the area of consumer protection concerning unfair practices, and I support the initiative to open a publicly accessible database of national measures adopted in transposition of the Directive concerning unfair commercial practices. From the point of view of the Polish and the European consumer, the initiative is valuable.

Bruno Gollnisch (NI), *in writing*. – (FR) We abstained on the Weiler report on protecting consumers and companies against unfair practices and misleading advertising as we have major criticisms of it.

The first is that the European legislation on these issues is presented as a directive, in other words the Member States are relatively free in the resources they implement to achieve the objectives assigned to them. The rapporteur's wish for uniformity, both in the substance and in the form of national legislation, will remain a wish unless there is unacceptable interference by the European Union in the legal and administrative systems of the Member States, with no real benefit to consumers.

The second is that the main added value that the European Union brings to these areas is the help in resolving cross-border disputes. This issue has not been properly resolved either in the current applicable texts or in those called for.

The main objective of this legislation should not be to exist *per se* but to protect consumers and companies.

Małgorzata Handzlik (PPE-DE), *in writing*. – (PL) The Directive concerning unfair commercial practices and the Directive concerning misleading and comparative advertising have immense significance in terms of giving consumers more confidence and ensuring legal certainty for businesses in the internal market. This has particular significance in relation to cross-border transactions, which are increasingly common in the European market. National consumer protection authorities are still encountering difficulties in taking appropriate action in the target country in the case of such transactions.

Proper transposition, implementation and enforcement of these directives are essential for achieving the goals of the directives. Unfortunately, a number of Member States have not yet fulfilled this obligation, which does not contribute to the building of appropriate relationships between businesses and consumers.

In 2007 the European Commission used for the first time the 'EU Sweep' as a tool to check and enforce the implementation of consumer protection legislation as regards airline websites. Irregularities were confirmed on as many as 43.6% of the websites reviewed, which only confirms the necessity of greater monitoring in relation to the enforcement of existing provisions.

I welcome the Commission's initiative concerning the creation of a publicly accessible database of national measures adopted in transposition of these directives.

Ian Hudghton (Verts/ALE), *in writing*. – The EU has made significant progress in improving consumers' rights. It is disappointing that some Member States have yet to transpose the Unfair Commercial Practices Directive; and this House has today sent a clear message that those Member States should address this shortcoming.

Andreas Mölzer (NI), *in writing*. – (DE) We adopted an EU directive protecting consumers from unfair commercial practices and misleading advertising back in 2005. However, we still refuse to protect citizens from Internet callers, unwanted advertising calls and Scammer & Co. Rip-off companies hide behind post office boxes, front men and name-changing.

If you manage to catch any of these companies, they are sentenced to ridiculously small fines, which have no deterrent effect whatsoever. Fines here need to be drastically increased, especially for repeat offences. It is important for customers who have been ripped off to be able to file a compensation claim, otherwise we are just hanging them out to dry. The planned changes will improve the situation for consumers, which is why I voted in favour.

Zuzana Roithová (PPE-DE), *in writing*. – (CS) I welcome the debate on the report on the transposition, implementation and enforcement of Directive 2005/29/EC concerning unfair business-to-consumer commercial practices in the internal market and Directive 2006/114/EC concerning misleading and comparative advertising. While these directives form the backbone of consumer protection in the EU, they must be consistently applied in the Member States, especially for Internet purchases. The internal market must not be fragmented and businesses and consumers must come under the same rules and protection regardless of which Member State they are buying or selling in. I must draw your attention to the fact that some Member States, including the Czech Republic, have been late in transposing the directives into their national legislation. The most important thing now is whether the national supervisory authorities will actually force unfair businesses to put these rules into practice. The post-Christmas sales provide an excellent opportunity for checking. It is also necessary for European institutions to support greater cooperation between the national councils for radio and television broadcasting which have to monitor compliance with

the directives in the mass media and it is in our interest for the supervision to be applied consistently across the entire EU.

Luca Romagnoli (NI), *in writing*. – (IT) Madam President, ladies and gentlemen, I am voting in favour of Mrs Weiler's report on the transposition, implementation and enforcement of Directive 2005/29/EC concerning unfair business-to-consumer commercial practices in the internal market and Directive 2006/114/EC concerning misleading and comparative advertising.

I am firmly convinced that the proper implementation of the directive will make it possible for the public to be fully aware of their rights. The extension of consumer rights through the Directive on unfair commercial practices must be backed by the measures required to facilitate the exercise of those rights.

I agree with the rapporteur when she states that appropriate transposition, implementation and enforcement of the Directives on unfair business-to-consumer commercial practices and on misleading and comparative advertising are of fundamental importance to the achievement of the aims laid down in the Directives, particularly in the light of the different application and implementation methods and systems used in the Member States, the complexity of some of the legal concepts contained in the Directives, the quantity and exhaustive nature of national standards governing unfair commercial practices and misleading advertising and also the extensive range of application of the Directive. Lastly, I am delighted by my fellow Member's initiative, the aim of which is the legal regulation of a topic that is of paramount importance to the Community.

Andrzej Jan Szejna (PSE), *in writing*. – (PL) I definitely endorse Barbara Weiler's report on the transposition, implementation and enforcement of the Directive concerning unfair commercial practices in the internal market and the Directive concerning misleading and comparative advertising.

The issue of misleading and comparative advertising in business-to-business transactions has been regulated by the introduction of a single, consolidated directive. The issue of unfair commercial practices in business-to-consumer relations has been regulated by Directive 2005/29/EC.

The Directives were prepared to give consumers more confidence (their protection has increased due to the drawing up of a 'blacklist' of commercial practices which should be prohibited, and thanks to better harmonisation of the protection of consumers against unfair practices) and also to provide businesses with greater legal certainty.

A greater degree of protection could have been achieved if the provisions of the Directive were accompanied by legal measures allowing effective enforcement. Member States must therefore screen their legal systems and increase the clarity of the transposition process.

The changes introduced must be supported by clear procedures for implementation and effective measures for redress, which will give consumers the right to bring claims for damages for losses incurred in connection with unfair commercial practices, like the mechanisms for monitoring consumer protection in relation to airline websites first used in 2007. At the Member State level awareness campaigns and campaigns which improve levels of consumer education on the subject of consumer rights and their use should be considered.

- Report: Pedro Guerreiro (A6-0485/2008)

Jan Andersson, Göran Färm, Anna Hedh, Inger Segelström and Åsa Westlund (PSE), *in writing*. – (SV) We Swedish Social Democrats voted against the report on the ecosystem approach to fisheries management. We believe that the report does not make it clear that the fisheries policy must be devised with environmental and sustainability criteria as the starting point. In addition, the report focuses far too much on holding back on the necessary reforms of the fisheries policy and protects the interests of the large-scale fishing industry.

Duarte Freitas (PPE-DE), *in writing*. – (PT) Summarised very briefly, this own-initiative report of the European Parliament aims to integrate the Community requirements for the conservation of the marine environment with the common fisheries policy (CFP), which has, as one of its operational objectives, the gradual application of an ecosystem approach to fisheries management.

The fundamental points of this report that I should like to highlight are the fact that it considers that the present system of total allowable catches and quotas does not serve the aims of the reformed CFP, having proven inadequate for both the Community fisheries sector and the conservation of stocks.

Alternative management systems should be quickly established and, against this backdrop, I consider that the EU should be swifter in discussing alternative approaches, given that some, such as management based

on fishing rights (for example), form the cornerstone in countries such as the United States, New Zealand, Norway and Iceland, all with a strong tradition and great potential in the fisheries sector.

Reformulating the recovery plan for hake and lobster is another fundamental point which should be considered.

I voted in favour of this report.

Pedro Guerreiro (GUE/NGL), in writing. – (PT) Although I do not agree with the whole content of the adopted resolution, it does contain a series of important objectives and principles that should prevail in a fisheries policy.

It will be particularly important to reaffirm and defend these objectives and principles (as the Portuguese Communist Party (PCP) has consistently done), many of which are not respected by the common fisheries policy (CFP) (even though some are included in it), when the European Commission announces the presentation, next April, of a green paper on the future of the common fisheries policy, indicating a possible reform of this policy by 2012.

Given the objectives and intentions which have been set out by the European Commission and other EU institutions on the future of the fishing industry, this sector in Portugal – which is in deep crisis, the causes of which lie in the onerous policies followed for decades at national and Community level – should be alert to and should mobilise against new and even more onerous measures. If adopted and applied, these would bring about the destruction of a large part of this strategic sector, with negative consequences for Portugal.

Such a policy is not a foregone conclusion.

There are alternative policies for the fishing industry in Portugal.

These are policies which the PCP has been proposing and defending at both national level and in the European Parliament.

Ian Hudghton (Verts/ALE), in writing. – I voted in favour of Mr Guerreiro's report. The report correctly notes that EU fisheries policy should promote the modernisation and sustainable development of the fishing industry, safeguarding its socio-economic viability and the sustainability of fisheries resources, and guaranteeing the supply of fish to the public and food sovereignty and security, the preservation of jobs and improved living conditions for fishermen. This is the opposite of what the CFP has achieved over the last three decades, and accordingly I support the repatriation of fisheries management.

Luca Romagnoli (NI), in writing. – (IT) Madam President, ladies and gentlemen, I voted in favour of Mr Guerreiro's report on the CFP (common fisheries policy) and the ecosystem approach to fisheries management. It is of fundamental importance not to confuse sea or ocean policy with fishing policy: I totally agree with the rapporteur on this score.

A fishing policy must be based on the principle that an interdependence exists between the wellbeing of the fishing community and the sustainability of the ecosystems of which they form an integral part, particularly by acknowledging the specific nature and importance of small-scale coastal fishing and artisanal fishing.

I also agree with my fellow Member when he states that the main and paramount task of fisheries management, as an activity involving the exploitation of a renewable resource, is to control (directly or indirectly) the total fishing effort in order to guarantee the maximum sustainable catch. If we adopt this approach, we will take a further step towards achieving the goals laid down by the European Union.

- Report: Christa Klauß (A6-0443/2008)

Ilda Figueiredo (GUE/NGL), in writing. – (PT) In this case also, the final compromise has ended up taking into account several of the criticisms that we made about the initial proposal, specifically with regard to reduction indicators and targets, measures and timetables to reduce the risks and dangers associated with pesticides and the dependency on pesticides. In our opinion, it is more reasonable not to quantify these targets from the outset, so as not to create ever more obstacles to small-scale agriculture.

We also welcome the fact that the exemption from mandatory inspection of the equipment and accessories covered by the Commission's initial proposal is maintained and that the mandatory inspection of everything, including equipment and accessories used on small-scale family-based holdings, has been dropped.

We consider that this differentiation – in practice and in principle – between family-based holdings and intensive agro-industry should be present in all decisions. Incidentally, it should always be remembered that it was not family-based holdings and the non-intensive method of production which led to BSE, dioxins, nitrofurans and other food disasters ...

That is why we voted in favour of the compromise.

Duarte Freitas (PPE-DE), in writing. – (PT) I agree with the rapporteur and congratulate her on the final report.

The entry into force of this directive will be extremely important in terms of increasing pressure for the urgent amendment of the pesticide risk reduction policy, which in the EU has been characterised by a certain lack of information and inspection of practices and products. To protect human health and the environment, it is vital to help change the approach to agricultural pesticides.

This document is fundamental because it lays down rules on informing and training people who use pesticides and requires the inspection of equipment. It also prohibits aerial spraying (permitted in cases of absolute necessity and where there are no alternatives). Another positive aspect is the possibility for each Member State to define protection areas and risk areas.

Robert Goebbels (PSE), in writing. – (FR) I abstained from voting on the 'pesticides package' to protest against this anti-democratic method of submitting compromises to the European Parliament negotiated in informal dialogues between the Council, the Commission and representatives of the European Parliament, which are based solely on compromises reached in a single parliamentary committee. In fact, by dispensing with proper democratic debate during a first reading, not only is every Member's right to make amendments removed but this also produces European legislation which is conceived in defiance of any democratic transparency.

In addition, the legislation finally adopted is in many ways excessive, bureaucratic and counter-productive.

Eija-Riitta Korhola (PPE-DE), in writing. – (FI) Madam President, I consider the adopted reports on pesticides and plant protection products to be the best we could achieve, as well as realistic and fruitful, and that is why I gave them my support.

Although at the last moment in plenary some Members tabled amendments that they thought would have ensured that the legislation was founded on stronger scientific evidence, at the same time allowing the possibility of derogations for individual Member States, it was clear to the majority that it would be audacious to start disregarding the outcome of negotiations between Parliament and the Council, even if the amendments were valid.

It was the report on the placing of plant protection products on the market that particularly aroused passions. Differing national interests and approaches and the consensus that was absent in the Council were reflected in the mood of Parliament. The debate was a heated one within our group too. Nevertheless, the feedback from stakeholders in the sector shows that the legislation is consistent and will enable the realisation of the EU-wide targets set for them to improve and protect both the environment and public health.

Carl Lang (NI), in writing. – (FR) Impact studies carried out by French technical institutes and centres show that the draft revision of the European directive on pesticides could lead to the disappearance of many products currently on the market.

It is important that this draft gives farmers in the Union the means to protect their crops. Without this, crop production will fall off markedly and there could also be a noticeable impact on livestock production.

Entire agricultural sectors could be condemned in France and in Europe and the very role of agriculture, which is to feed our citizens with healthy and varied produce, would be threatened.

Without questioning the need to protect consumers and users, the new regulation must not threaten innovation or the diversity of chemical families. It must therefore immediately include alternative solutions.

This is the only solution to avoid the migration of a large amount of agricultural production and the jobs and wealth that go with it.

Faced with these crucial challenges for farmers, as the producers of vegetables, fruit and cereals, we need to remain vigilant in the face of the current reforms and the measures taken to apply them at national level.

Astrid Lulling (PPE-DE), in writing. – (DE) I voted in favour of both the compromises reached in the difficult dialogue negotiations between Parliament, the Council and the Commission.

Pesticides are unavoidable in modern farming. They guarantee optimal use of farmland in Europe, thereby ensuring a high standard of food production.

I am, of course, satisfied that account has been taken of my resolution adopted in November, so that particular care must be taken when licensing pesticides which are toxic for bees to ensure that pesticides which are proven to harm bees are not licensed.

The objective is efficiency, which means as much as necessary and as little as possible. A linear reduction in the number of products would be insane. Farmers need sufficient different products, if only to prevent resistance from building up.

I still of course have concerns about the actual effects of the regulation on agriculture, viniculture and horticulture in terms of their supply with pesticides and the prices of them and we are still in the dark as to the effects on the industrial sectors affected. A follow-up assessment here is indispensable.

I am delighted that Luxembourg now lies in the same zone as Belgium and Germany, with farmers and vine-growers able to use the same products on either side of the border. The problem with France must be solved with understanding.

Luca Romagnoli (NI), in writing. – (IT) Madam President, ladies and gentlemen, I voted in favour of the report presented by Mrs Klaß on the framework directive for the sustainable use of pesticides. I am fully in agreement with the adoption of the European Parliament and Council directive.

The aim of the directive is to reduce the impact of pesticides on human health and the environment: a quantitative reduction in pesticide use should therefore be one of the practical aims, to be achieved by specifically setting targets and implementing national action plans. Controls must also be much more restrictive in order to fully protect public health. I also believe that the labels placed on such products should be clear and comprehensible to all so that implications associated with the use of each individual element are known.

Bart Staes (Verts/ALE), in writing. – (NL) Yesterday I mentioned during the debate that I consider the present compromise to be an honourable one and that the Group of the Greens/European Free Alliance in the European Parliament will be endorsing it. I wish to stress, however, that, in order to reach agreement with the farming lobby and the pesticides industry, we had to make a few concessions. I still regret the fact that we dropped the 50% objective.

As a result, everything is left to the ambitions of the individual Member States. It is perfectly possible for Member States not to be too ambitious, which can lead to too much reserve. In addition, the result achieved in relation to the establishment of buffer zones adjacent to waterways has been moderated. This, too, is now being left to the Member States. A European minimum distance would have been preferable from an environmental and public health point of view. What is positive, though, is that public places frequented by vulnerable groups (parks, sports and recreational areas, schools and suchlike) will be better protected. This area had already received attention in Flanders and is now set to receive attention from all the governments of Europe.

- Report: Hiltrud Breyer (A6-0444/2008)

Martin Callanan (PPE-DE), in writing. – This legislation has the EU written all over it – a classic case of using a sledgehammer to crack a nut. Its effect on farmers and horticulture businesses in north-east England, the region I represent, will be considerable.

Undoubtedly, businesses will shed jobs and even cease trading altogether. Undoubtedly, our hard-pressed farmers will be faced with yet more bureaucratic headaches. Undoubtedly, agricultural yields will go down. The fact that we are also debating global food security this week is therefore richly ironic. Pesticides are essential for growing food, and they are already subject to a stringent safety regime.

No-one disputes the importance of protecting the environment but this legislation is unbalanced. It is overly prescriptive and lacks flexibility. The Commission has failed to carry out a sufficiently comprehensive and up-to-date impact assessment study.

For these reasons I voted against this proposal.

Charlotte Cederschiöld, Christofer Fjellner, Gunnar Hökmark and Anna Ibrisagic (PPE-DE), in writing. – (SV) We have today voted in favour of Mrs Breyer's report on the placing of plant protection products on the market. The regulation, which seeks to improve both food safety and the impact on the environment of plant protection products, is sound and important.

Since its first reading in the European Parliament, analyses have shown there to be a risk of the regulation being extremely far-reaching and inflexible, and it may make the commercial-scale cultivation of common crops (carrots and onions, for example) impossible in Sweden. The situation is not improved by the fact that the impact assessments of the rules differ in respect of important conclusions, for example between those of the Swedish Chemicals Inspectorate and its British equivalent, the Pesticides Safety Directorate. We regret the fact that in this second reading in Parliament there has been no opportunity to vote for clarification of this, but we would point out, at the same time, that the adopted text contains improvements on that from Parliament's first reading.

We would have liked to have seen the agreement reached between the European Parliament and the Council taken into account, which would have the effect of clarifying the regulation so that dangerous use would be more clearly prohibited while plant protection that is necessary, responsible and safe – which is now at risk of being prohibited – would continue to be permitted.

Ilda Figueiredo (GUE/NGL), in writing. – (PT) The compromise that has finally been reached in the European Parliament represents a climbdown from the maximalist proposals that were made on the elimination of active substances, particularly from the negative implications that these proposals would have had with regard to insecticides and pesticides. This is particularly true in countries such as Portugal, which is seriously affected by certain insect pests on fruit and vegetable crops, potatoes and olives and by certain diseases such as pinewood nematode and chestnut blight, and where, not least due to the lack of effective plant protection campaigns, these pests and diseases are causing serious damage, particularly to family-based holdings.

Although we have many doubts about certain specific aspects of the compromise, such as the issues of non-chemical methods of control or prevention, and of pest and crop management, we feel it is correct to apply the principle of mutual recognition of plant protection product authorisations and the creation of zones encompassing regions with similar soil and climate characteristics.

However, we insist on the need for studies to give us a true picture of the consequences of these measures on productivity and, as a result, on farmers' incomes, so that this cost can be shared by the whole of society, given that we are talking about environmental and food safety requirements.

Glyn Ford (PSE), in writing. – I voted against the amendments to the Breyer report. There has been a degree of unnecessary scaremongering in Britain about this report meaning 'the end of conventional agriculture as we know it'. This is not the position taken by farmers in other Member States.

Nevertheless, the real impact is unclear with the failure to provide a satisfactory impact assessment on the proposal in its current form. I therefore support the idea of a derogation post 2015 when current authorisations lapse in the event of any Member State having serious concerns about the availability of a pesticide having serious effects on crop yields.

Duarte Freitas (PPE-DE), in writing. – (PT) This document will help to harmonise the legislation on pesticides.

I agree with the report adopted, particularly because the application of the principle of mutual recognition of plant protection product authorisations will end the competitive imbalances that exist between different Member States (with different sizes of market) and will especially reduce environmental and food safety concerns. The creation of three zones encompassing regions with similar soil and climate characteristics is very positive. There would be a risk in lumping together completely different situations.

The issue of endocrine disrupting substances has, in my view, a fundamental basis: the proposed text is based on scientific opinion. The problem with endocrine disrupting substances is that, unlike carcinogens or mutagens, they do not have toxicological parameters, but produce a variety of effects ranging from minor hormone imbalances to genital malformations and/or cancer.

It is important to regulate substances which have a proven adverse effect on human health.

The regulation has a triple legal basis (agriculture, internal market and public health) which, in my opinion, is very positive.

Andreas Mölzer (NI), *in writing*. – (DE) In recent years the Union has constantly increased the limit values and a reduction was therefore long overdue. That pesticides which are hugely harmful to health can finally be banned is progress, although there is still far too little research here. The cumulative use of pesticides, which can be used to circumvent the limit values specified, still gives cause for concern. We still know far too little about the possible interactions and legal specifications here are overdue.

The extent to which documentation and traceability are really effective is open to doubt. The meat scandals in recent years show quite clearly how easy label fraud is. Last but not least there is still the problem that, although we may impose pesticide specifications on our producers and farmers, we then import products from countries with laxer requirements. The Chinese toy episode should be a lesson to us. The planned regulations are a step in the right direction, which is why I voted for them, but far more is needed.

Bill Newton Dunn (ALDE), *in writing*. – I voted against the conclusions and recommendations of the Trialogue between Council, Commission and Parliament because:

- this legislation was to be passed in too much haste, because both Parliament and Commission finish their terms of office this coming summer which is not a sufficient reason to legislate in a hurry;
- there has been no Impact Assessment of the proposals;
- the recommendations are not based on sound science, but more on emotional fears about the causes for the alarming worldwide disappearance of honey-bees and on fears about human health;
- the farmers whom I represent in Lincolnshire and in the East Midlands unanimously asked me to resist the proposals, and being practical people who grow our food their opinions should be respected.

Luca Romagnoli (NI), *in writing*. – (IT) Madam President, ladies and gentlemen, I voted in favour of the report presented by Mrs Breyer on the placing of plant protection products on the market. I agree with the purposes and goals, which are to ensure a high level of protection for human health and the environment.

The European Union has always placed particular emphasis on topics relating to the environment and this regulation is another strategy designed to achieve this aim. I am also convinced that it is right to provide for experiments on animals to be kept to a minimum and carried out only in the event of absolute need and for the use of alternative methods to be promoted so that animals are spared needless suffering.

Brian Simpson (PSE), *in writing*. – I have decided to vote against this report for two reasons.

Firstly, we need to give our farmers the tools they need to do their job and this proposal will limit their ability greatly, especially for those farmers who work in damper and wetter climates and need to use pesticides to protect crops and their livelihood. I am not aware of any farmer who wants to use pesticides, but they are an essential part of ensuring food for our population at an affordable price.

Secondly, no impact assessment has been done on this legislation which I find outrageous due to the serious implications it could have on the agriculture sector.

Bart Staes (Verts/ALE), *in writing*. – (NL) Yesterday I mentioned during the debate that I consider the present compromise to be an honourable one and that the Group of the Greens/European Free Alliance in the European Parliament will be endorsing it. I wish to stress, however, that, in order to reach agreement with the farming lobby and the pesticides industry, we had to make a few concessions. Whichever way you look at it, what was achieved in terms of the cut-off criteria is a watered-down result when compared to the EP's position at first reading.

Derogation options were expressly created for 12 substances. We also had our reservations with regard to the zonal approach. The idea of three zones across such a vast expanse strikes us as problematic because the environmental circumstances within any of those zones can vary enormously. What is positive, though, is that the legal basis is founded on agriculture, the internal market and public health, with the concern for public health being given top priority in the relevant recitals and in Article 1. Equally, the cut-off criteria for substances that have unacceptable effects on bees are a welcome addition. The requirement to replace dangerous products with safe alternatives more quickly was also complied with. Whilst the outcome could have been better, we voted on an acceptable compromise.

Catherine Stihler (PSE), *in writing*. – I was disappointed to see the common position amended. I would prefer the common position as it would give a better balance between public health and food production.

Glenis Willmott (PSE), *in writing*. – The continued lack of a thorough impact assessment means that the EPLP is unable to support the compromise package negotiated between the Council and the European Parliament rapporteur, as there is no clear indication of its impact on food production.

Labour MEPs do wish to see better and safer pesticides, but we also have a responsibility to both producers and consumers to be sure what the eventual effects of the current proposals on agricultural production and food prices would be.

Whilst the deal certainly would not have the catastrophic effects that have been predicted in certain quarters, the uncertainty involved is great enough for the EPLP to be unable to support the compromise package.

- Reports: Christa Kläß (A6-0443/2008), Hiltrud Breyer (A6-0444/2008)

Liam Aylward, Brian Crowley, Seán Ó Neachtain and Eoin Ryan (UEN), *in writing*. – Today we have abstained from the vote on this plant protection legislation.

It is a very difficult vote. We have been involved in all parts of the intense negotiations on this controversial package right up to this point.

The emphasis of this legislation is clearly on health and the links between chemical substances and cancer. Farmers are most affected due to direct contact. While this package seeks to limit the availability of carcinogens, Member States may allow substances on the market where there is a serious threat to plant health. The proposal seeks to protect bees and reduce red tape for substance authorisation. With a gradual withdrawal of substances until 2016, we would urge industry to come up with biologically sound and effective products.

We cannot vote in favour of this legislation. Despite repeated calls for a more recent impact assessment, none was forthcoming from the Commission. We cannot legislate in the abstract! Products will be banned based on hazard as opposed to scientific risk, which would be based on use and exposure. In addition, the definition of “endocrine disruptor” has not been agreed at scientific level and we have tabled amendments to await the opinion of Commission experts to address this.

Michel Teychenné (PSE), *in writing*. – (FR) With this text limiting the production and sale of pesticides, and the accompanying text setting out the framework for their use, Europe has finally achieved exemplary standards for pesticides. Hiltrud Breyer’s report is on the right lines. Whilst allowing low-risk products onto the market, it bans 22 substances deemed to be very harmful.

If we are to hope eventually for rational agriculture around the world, we must welcome this advance by the European Union. European agriculture, which makes abundant use of plant protection products, will not be weakened. However, with these texts, the EU will have the most rigorous legislation in the fight against toxic pesticides.

- Report: Wolf Klinz (A6-0497/2008)

Avril Doyle (PPE-DE), *in writing*. – The legislative regime for pan-European investment funds, Undertakings for Collective Investment in Transferable Securities (UCITS), has been subject to a considerable review. These are formed of collective investment schemes, which, having obtained an authorisation in a Member State, are able to use this ‘passport’ across the Union without the need for further examination. In these times of generalised financial insecurity, the regulation of financial dealings must be fairly and consistently applied to bolster confidence in the sector.

Wolf Klinz’s report proposes the introduction of ‘passports’ for management companies (MC) which are engaged by UCITS fund promoters. This proposal allows for the cross-border management of funds without the current requisite for fully functioning management companies being set up. It is vital that sufficient fund managers are available to maintain a proper watch on MC passports.

Mr Klinz has presented a compromise document that I can support.

Andrzej Jan Szejna (PSE), *in writing*. – (PL) UCITS (Undertakings for Collective Investment in Transferable Securities) are a harmonised investment fund product that invest according to defined investment policies. The UCITS framework Directive, to which the Klinz report refers, ensures cost transparency — and something which is particularly important at a time of economic and financial crisis in the EU — a high degree of investor protection. The Directive sets basic requirements on the organisation, management and oversight of investment funds.

It is true that, in comparison with the American market, European investment funds are characterised by their small size, a consequence of which are the high costs for investors. There is therefore a need to review the UCITS package, adapt it to investor needs and ensure the competitiveness of the EU fund industry.

The changes proposed by the rapporteur are primarily the introduction of new provisions concerning fund mergers (so that they will be treated as domestic mergers and will retain tax-neutrality), the introduction of a document which provides key investor information (replacing the simplified prospectus) and simplification of the existing notification procedure by using direct regulator-to-regulator information exchange.

- Report: Donata Gottardi (A6-0507/2008)

Jan Andersson, Göran Färm and Åsa Westlund (PSE), in writing. – (SV) We support the report, as we believe that sustainable public finances are very important. However, we object to the wording in paragraph 8, which states that a gradual and sharp reduction in the tax burden on mid to low-level salaries and pensions must be introduced, with tax deductions, revised tax rates and compensation for fiscal drag. We believe that these are matters that should not be dealt with at EU level, but are issues that the Member States should decide on themselves.

Konstantinos Droutsas (GUE/NGL), in writing. – (EL) The report on public finances in the Economic and Monetary Union (EMU) adopts the anti-labour decisions made by the Council and the Commission which are designed to strengthen the competitiveness of monopolies in order to safeguard the profits of capital and shift the burden of the deep capitalist crisis onto the workers' shoulders.

The anti-grassroots framework shaped by the EU with the Stability Pact and the Lisbon Strategy for the Member States, especially those in the EMU, in order to exercise financial policy is being strengthened.

The European Parliament, like the Commission, is trying to contain the centrifugal trends and the logic of 'every man for himself' by calling for even greater dedication to completing the internal market, harmonising taxes and strengthening competition and the rules of the market.

Criticism of the fact that the huge sums made available to deal with the crisis are not reaching small and medium-sized enterprises, let alone the workers, is misleading. The outdated and failed models of state intervention to cover the shortcomings of the market are wishful thinking and an attempt to disorientate the workers by seeking social consent to a rotten system.

The only solution is for the workers to fight for grassroots power and a grassroots economy to overturn capitalist barbarity.

Ilda Figueiredo (GUE/NGL), in writing. – (PT) It is actually quite interesting that the report recognises that the analysis of the public financial situation in 2007 and the first part of 2008 'clearly shows a change in the economic trend and the looming prospect of a slowdown in the economy and growth, coupled with a continued lower rate of inflation and increasing income disparities'.

However, to tackle the crisis, it then fundamentally sets out the same recipes that led to the current situation, instead of taking advantage of this opportunity to propose changes to the neoliberal and monetarist policies that have contributed to the current serious social situation of increasing inequality, unemployment, precarious and poorly paid work, and poverty.

It therefore insists on price stability and the Stability and Growth Pact, albeit with a degree of flexibility, and on the Lisbon Strategy, which, as we know, has been used as a pretext in order to pursue privatisation and remove responsibility for social functions from the state. This approach also involves the idea of the minimal state and the greater efficiency of the private sector, with the aim of imposing acceptance of so-called wage restraint, which actually results in a loss of purchasing power for wages.

That is why we have voted against.

Bruno Gollnisch (NI), in writing. – (FR) What I take from Mrs Gottardi's report on public finances is that it has learned no lessons from the world crisis.

Mrs Gottardi qualifies as 'market failure' and 'insufficient supervision' what is in reality the failure of a system which, for years, has been imposed upon us: that of deregulation, of extreme world-wide free market philosophy, of absurd financialisation of the economy, where the market rules and is supposedly self-regulating. The vague cosmetic touch-ups decided on at the G20 or in Brussels will not fundamentally

change the situation. We need to call into question the economic dogmas to which we are still subject. The crisis has shown that complete freedom of movement for goods, services, capital and people leads not to prosperity but to catastrophe. It has also shown that the Nation-State is the appropriate and effective level for decision, action and reaction, even if Mr Sarkozy felt he had to be accompanied everywhere by Mr Barroso to make people believe that the European Union was useful in this situation.

In this context, the rapporteur's good advice on the management of public finances and her call for compliance with the Stability and Growth Pact are, unfortunately, of little use.

Mary Lou McDonald (GUE/NGL), in writing. – We welcome some of the positive elements of this report, and in particular the recognition of the need to spread the tax burden more fairly, the importance of public expenditure and sound economic governance. However I abstained in the vote because of the report's adherence to the flawed Lisbon Strategy, emphasis on competitiveness, support for flexicurity and the implicit threat to pension schemes, public health and long-term care under the guise of 'structural reform'.

10. Corrections to votes and voting intentions: see Minutes

(The sitting was suspended at 1 p.m. and resumed at 3 p.m.)

IN THE CHAIR: MR VIDAL-QUADRAS

Vice-President

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

12. Security features and biometrics in passports and travel documents (debate)

President. – The next item is the report (A6-0500/2008) by Mr Coelho, on behalf of the Committee on Civil Liberties, Justice and Home Affairs, on the proposal for a regulation of the European Parliament and of the Council amending Council Regulation (EC) No 2252/2004 on standards for security features and biometrics in passports and travel documents issued by Member States (COM(2007)0619 – C6-0359/2007 – 2007/0216(COD)).

Carlos Coelho, rapporteur. – *(PT)* Mr President, Mr Barrot, ladies and gentlemen, the proposal we are discussing today is aimed at changing the regulations approved in 2004, which improved and harmonised the security regulations relating to the protection of EU citizens' passports and travel documents against fraudulent use, at the same time as it introduced elements of biometric identification. Contrary to the procedure in 2004, we are now in codecision. I want to thank the French Presidency and Commissioner Barrot for the enormous commitment they have made in this case with a view to reaching agreement at first reading. I would also like to thank the shadow rapporteurs for their work and their cooperation, which have been indispensable in obtaining this result.

This solution was necessary, if we bear in mind that this regulation came into force in 2004, and as from June this year at the latest, all the Member States would have to collect the fingerprints of children from birth. However, according to the existing studies resulting from pilot projects conducted in several Member States, it is very difficult to take or even rely on fingerprints of children under six years of age. It is true that the national legislature could create derogations from this obligation. However, that would mean that up to the age limit for which that exemption was granted only temporary passports could be issued. It would be an excessive burden for parents to have to obtain a passport for each of their children whenever they wanted to travel outside the Schengen area.

We therefore succeeded in reaching an agreement stipulating a period of four years during which the age limit will be set at 12 years, with an escape clause which should allow those States which have already adopted legislation enshrining a lower limit to apply this, provided that limit is not lower than six years. A revision clause was also expected, taking into account the results of the study which we requested the Commission to carry out concerning the credibility of children's fingerprints, stipulating that the age limit will be definitively set and harmonised for all the Member States in four years' time.

A second derogation was introduced relating to persons who, for various reasons, are physically unable to provide fingerprints. The International Civil Aviation Organization's 'one person-one passport'

recommendation was also accepted. As the European Data Protection Supervisor said, it is a further benefit in the fight against child trafficking.

With the goal of protecting children, we also obtained an interinstitutional agreement, concluded between the three institutions, to develop a common position on the adoption of the necessary rules to protect children against abduction and trafficking. The respective initiatives should be introduced by the Commission within the framework of the respective area of civil law.

I must confess that we are struggling with the issue of the Union's reduced competence in this matter: the issuing of passports is a national prerogative and the European Union can only intervene with regard to the reinforcement of biometric data in passports and travel documents, with the aim of improving the security of those documents within the framework of border control.

I have to say that we have established rules that safeguard the exercise of the Community competence, determining which types of data will be included – fingerprints and photographs – and also the limits on the use that will be made of them. They may only be used for the purposes provided for in this regulation – border control – and to verify the authenticity of the document and ascertain whether whoever carries it is or is not its legitimate bearer.

We also reached agreement on two studies: one on the so-called 'breeder documents', to guarantee that the documents which enable passports to be issued deserve the same trust as the passport we want to safeguard, and another on data matching in border controls, in order to be able to study the false rejection rates. As a result of these studies, and bearing in mind the four-year revision clause, at some point the necessary changes should be introduced through a codecision procedure, without forgetting that it is important to consult the European Data Protection Supervisor, a rule which was unfortunately not taken into account when drafting this proposal.

Jacques Barrot, *Vice-President of the Commission*. – (FR) Mr President, ladies and gentlemen, I firstly wish to thank the chairman of the Committee on Civil Liberties, Justice and Home Affairs. I also wish to warmly thank the rapporteur, Carlos Coelho, for his remarkable report and also for the excellent cooperation maintained with the Commission on a delicate and sensitive issue.

The Commission proposal is to introduce harmonised exceptions to the requirement to collect fingerprints, so that all European citizens receive equal treatment. In addition, the Commission wanted to protect children from human trafficking by making the internationally recognised principle of 'one person-one passport' legally binding.

I welcome the European Parliament's efforts to achieve an agreement on this proposal at first reading on the inclusion of fingerprints in passports issued by Member States by 28 June 2009 at the latest. Had an agreement not been found, everyone would have been obliged to provide fingerprints, including the new-born, whenever they travelled abroad with a passport. I, therefore, truly wish to express the Commission's satisfaction with the negotiated compromise proposal. Now the Commission will set about the task of the report requested and required by the European Parliament as efficiently as possible. I do not think I need to go on further. I will now listen with interest to the contributions from the Members and I again thank your rapporteur, Carlos Coelho, who has done an excellent job.

Urszula Gacek, *on behalf of the PPE-DE Group*. – Mr President, I am happy to support the proposals presented today.

I believe there is an urgent need to create a common set of standards for the verification of biometric data. Colleagues may not be aware that at present there are wide discrepancies between countries as to how rigorously, for example, they verify passport photographs. Many countries require that the citizen applying for a passport actually present him or herself in person, together with their documents and photographs, and in these cases the officials at the passport-issuing office can see if that person bears a resemblance to the photo presented.

However, in some countries – maybe most notably in the United Kingdom – applications by post are the norm, and the authenticity of the photo is only confirmed by a so-called 'professional person' who has known the applicant for at least two years. The list of persons eligible to do this in the United Kingdom makes for fairly interesting reading. This verification can be made by your optician or your dentist, but also by a professional photographer or a fire service official – no disrespect to members of these professions.

It is also interesting that fairly lax rules on verification exist in the United States. Verifications of photos for passports for first-time applicants can be carried out at so-called 'acceptable facilities'. In fact, this means the staff at the local post office. It seems incredible for such a security-conscious country, whose citizens enjoy visa-free travel to Europe, to have such a system of verification.

So, in order to make passports secure, we really need to bring in much more reliable biometric data, namely fingerprints. We also need to ensure that the agency responsible for their collection and verification complies with the same standards, not only within the EU but also in those nations whose citizens do enjoy visa-free travel to Europe, to assure us that they too are meeting the same stringent requirements as are our citizens here in Europe.

Martine Roure, *on behalf of the PSE Group*. – (FR) Mr President, when the regulation on security features and the inclusion of biometric details in European passports was adopted in 2004, the Member States did not envisage any derogation from the obligation to provide fingerprints. Current experience shows that the existing technology still does not ensure that the fingerprints of children under the age of 12 are reliable enough to allow them to be used as a security feature in passports. I therefore welcome the compromise found with the Member States to set 12 as the age limit for the collection of biometric data, and which includes a clause for revision in three years. On our side, we have accepted this derogation for those Member States that have already adopted legislation for children over the age of six.

The use of this type of data would only be acceptable if it truly offered protection to our children. That is not yet the case. We remain, however, open to any positive changes in the technology in this field. Our priority is to ensure the safety of children travelling alone to avoid kidnapping and trafficking of children. The inclusion of this data in passports gives a false sense of security as it does not prevent a child from crossing a border without parental consent. The compromise found with the Member States will allow the Commission to present a report on the requirements for minors travelling alone across external borders. This report will thus allow initiatives to be proposed that will guarantee a European approach to the rules protecting minors when they cross external borders of the Member States.

Finally, the biometric data in passports must only be used to verify the authenticity of the document and the use of sensitive personal data such as biometric details is only acceptable in conjunction with strict data protection rules.

Gérard Deprez, *on behalf of the ALDE Group*. – (FR) Mr President, ladies and gentlemen, firstly I wish to congratulate our rapporteur, Carlos Coelho, and the former French Presidency which, as expected, is not with us, for bringing about an agreement at first reading. It required the will to do it plus the ability to accept the compromise required. I have a special word of congratulation for Mr Coelho, our rapporteur, because his explanatory statement, which I invite my colleagues to read, is a little gem of intelligence and political skill.

Proper analysis of the text before us will reveal a major principle, which is also this report's revolutionary principle. This revolutionary principle has nothing to do with biometric data. That was decided in 2004. The principle is that of 'one person-one passport'. This raises the issue of children, and the age at which children's fingerprints can be taken. Let us not hide the fact that the compromise was extremely difficult. Some, like Mr Coelho at the outset, wanted this to be at the earliest possible age, to give children the earliest possible protection. Yet this would require reliable biometric data, which at the moment cannot be guaranteed. Finally, the following compromise has been achieved: children's fingerprints are obligatory from the age of 12. Those States that collect them earlier may continue to do so for four years, but in no case will the age limit be less than six and the Commission will, in coming years, report on an assessment of the system as it is operating and, if need be, and this is included in the text, any modifications. We must therefore hope for major progress in the technology, because the ideal for child protection would be to have reliable, comparable biometric data as soon as possible. With this in mind, we can register our agreement with this text, which I again welcome, and I congratulate the rapporteur, the Commission for its initial proposal and the Council for its sense of compromise.

Roberta Angelilli, *on behalf of the UEN Group*. – (IT) Mr President, ladies and gentlemen, I would like to start by congratulating the rapporteur on the excellent job he has done. As the rapporteur for the EU strategy on the rights of the child, it falls to me to stress certain important points in Mr Coelho's report, even though other fellow Members have already done so.

Firstly, the principle of guaranteeing a common approach to regulations protecting children who cross our external borders is very welcome.

Secondly, the principle of 'one person-one passport' is important, because it directly links the biometric data to the document holder. This does away with all the procedures currently in use that allow for children to be added to their parents' passports. This practice makes it much more difficult and unreliable to check the identity of the child, making it easier to snatch children involved in disputes and also to trade and exploit children.

Thirdly, the report also envisages that the Commission will submit a report examining the technical feasibility of using fingerprints for the purposes of identifying children under the age of 12. It is very important to work to improve the system and ensure its reliability, particularly for child protection.

I will conclude by saying that in my opinion it will be extremely helpful in future to identify the most sophisticated, appropriate and safe technical methods to record and thus categorically certify the identity and age of a child as early as is feasible, from birth if possible.

Tatjana Ždanoka, *on behalf of the Verts/ALE Group*. – Mr President, firstly, I would like to thank Mr Coelho for his excellent work. Although we all have different political opinions, he did his best in order to achieve a compromise.

The Verts/ALE Group strongly opposes the extensive introduction of biometrics until its necessity is proven beyond a reasonable doubt. We believe that it has crucial implications for personal data safety and for fundamental rights. We voted against biometrics in visas. We are also against biometrics in European passports. We see the current proposal as a possible way of establishing limits for fingerprinting people for a travel document. Therefore, we are satisfied that the compromise with the Commission and the Council is achieved, the age limit of 12 years is established for those Member States where fingerprinting of children does not take place and the age limit of six years is established for other Member States.

I would like to stress once again that our support for age limits does not mean that we support fingerprinting as such. We strongly believe that biometrics in passports can be used only for verifying the authenticity of the document or the identity of the holder. Use of such data for other purposes, such as law enforcement, is neither legitimate nor proportional. We cannot agree that everyone holding the European passport is a usual suspect whose fingerprints are to be stored. That is our position, but I would like to stress once more than we congratulate Mr Coelho and the Commission and Council on this compromise.

Sylvia-Yvonne Kaufmann, *on behalf of the GUE/NGL Group*. – (DE) Mr President, I am not in favour of taking fingerprints from small children or even tiny babies. Children must be exempted from the requirements to provide biometric fingerprints for passports. It is therefore right to create an exemption here for children. There is still no secure knowledge about the use of biometric fingerprints from children under the age of 12. The main ambiguity is how long fingerprints from growing children are in fact reliable. If we were simply to use these data, we might achieve the opposite of what we are trying to do, namely less instead of more security. It is therefore disproportionate to collect and use data whose reliability cannot be guaranteed beyond all doubt.

The compromise which has now been found with the Council reflects these concerns and, thanks to Parliament's insistence and thanks to the excellent work by the rapporteur, it is based on an age limit of 12 for a transitional period of four years, during which time a broad study will be carried out in order to investigate the reliability of children's biometric data. Unfortunately, the compromise also provides for exemptions for those Member States which already have laws allowing fingerprints to be taken from children under the age of 12. It is therefore even more important that we expressly establish during the course of the compromise reached that the European legal act on security features and biometric data in passports and travel documents cannot under any circumstances be used as grounds for appeal in order to set up databases containing these data at national level.

Gerard Batten, *on behalf of the IND/DEM Group*. – Mr President, I am very pleased to say that the UK is excluded from this regulation because it is not part of the Schengen zone. However, the British Government has said that it will keep in step with the regulation to ensure that its documents are not perceived as second class. This implies that it thinks the proposals are first class and then it will be bound by the substance of the regulation anyway.

But, as this report shows, all kinds of issues are raised concerning the authenticity of biometric data and its verification. What kind of originating documents are used for the initial identification of the applicant, and how can it be sure that they are authentic? Once a passport has been issued, it is not of much use unless the

data on it can be checked against the identity of the holder on some kind of national or centralised identity database.

The report acknowledges that there should be highly secure storage mediums for keeping such information, but we all know from experience in Britain that there is no such thing as a highly secure medium for storing such data. Personal and highly sensitive information for literally millions of people has been lost or disclosed from government databases over the last few years. Everyone in the UK knows that their personal information is not safe in the hands of our government.

This report does not speak about the reliability of biometric data itself. In fact the UK Passport Service's biometrics enrolment trial in 2004 showed a failure rate of 1 in 3 for facial recognition, 1 in 5 for fingerprints and 1 in 20 for iris scans. Biometric identification is an attractive idea, but it is not the fail-safe mechanism we all might imagine. The UK Independence Party will therefore be voting against this report.

Philip Claeys (NI). – (NL) Mr President, in my opinion the rapporteur is quite right to draw attention to a number of points which largely arise from the fact that the collection, processing and comparison of biometric passport data are relatively recent developments. Hence, it would also be sensible to review the entire procedure, as suggested, in three years' time.

It is also of the utmost importance that we introduce a degree of harmonisation as regards the handling of biometric data, because a chain is no stronger than its weakest link. In theory, the abolition of internal borders in the European Union should have resulted in improved supervision of external borders, but in reality it is apparent that the system continues to exhibit quite glaring vulnerable spots. International criminal networks, drug and human traffickers and illegal immigrants have all benefited from such vulnerable spots. If we want a more efficient border supervision system, it is, in any case, high time that biometric data constituted an effective part of that system.

Esther de Lange (PPE-DE). – (NL) Mr President, I too would like to thank the rapporteur, my colleague, Mr Coelho, for his contribution. He has already succeeded in achieving a compromise with the Council and the Commission at first reading and I strongly support that compromise, including the 'one person-one passport' principle. However, I would like to explore this issue in a little more detail.

This principle should make it possible to offer greater protection against crimes such as child trafficking and child abduction, because every child should receive his or her own passport with a chip containing his or her biometric data. Of course, this will carry a price tag. This will certainly be the case in Member States which have until now allowed children to be included on their parents' passports. In the Netherlands, the maximum cost of a passport is upwards of EUR 48 and the cost of including a child on his or her parent's passport is EUR 8.50. For a family with three children this will, therefore, result in a doubling of the cost of obtaining passports, from EUR 120 at present to more than EUR 240. Of course, every parent would happily hand over that amount if it contributed to their child's safety. Yet is it not true that, if it is possible to abduct a child, it is also possible to get hold of his or her passport? Once the amended regulation is in place, it will no longer be possible to include children on their parents' passports. However, is it not the case that including a child on his or her parent's passport in some cases actually serves the very interest of the child's safety, as it indicates which parent has custody of the child? How will it then be possible to carry out effective checks of parental authority?

Within the next three years the European Commission will have to review the need for an additional regulation, for example Community rules concerning the crossing of borders by children. At present, Member States are still fairly divided on this issue. I call on the Commission to use the review to examine whether or not and how the introduction of a single passport per person has contributed to a decrease in the number of child abductions. Has the current compromise produced the desired effect or has it merely led to side effects which require resolution?

Commissioner, our children's safety demands our permanent attention. Today we are taking one particular step. Should it be in the child's interest to take further steps in the medium term, you will certainly find the Christian Democrats in this House on your side.

Stavros Lambrinidis (PSE). – (EL) Mr President, the fact that Parliament's view prevailed today over the Council's attempts to introduce biometric data records for six-year-old children is a victory for the fundamental principle that personal data can only be collected if it can be proven that it is necessary, proportionate and of course useful to do so, a principle which I fear the Council and the Commission have frequently ignored over recent years in their legislative initiatives.

In the case of children's passports and fingerprints, obviously children need their own passports with biometric identifiers in an effort to prevent abductions, child pornography and trafficking in children.

At the same time, however, it is obviously illegal to collect such identifiers if they are not necessary. As far as fingerprints are concerned, we have studies which show that they are barely of any use for six-year-old children. Their fingerprints change so quickly that passports and recognition from them are useless.

So today Parliament has achieved a balance. It is demanding a serious study from the Commission in order to see when in fact children can be protected using their fingerprints, and will only allow them to be collected at ages at which we know for certain that this is the case.

Finally, in any case, as far as biometric identifiers in passports are concerned, we have said 'yes' for the purpose of recognising the holder, 'yes' for identifying the holder, 'yes' for ascertaining that the passport has not been forged, but 'no' to the creation of electronic data files on millions of innocent citizens.

Marek Aleksander Czarnecki (ALDE). – (PL) The introduction of passports bearing biometric identifiers of the holder is a response to appeals to engage in the fight against the falsification of documents, terrorism and illegal immigration. It is, therefore, exceptionally important to ensure a high level of confidence in the process of collection of biometric data and the creation of shared basic standards on collection of data, in a way which will ensure their security and credibility.

I endorse the rapporteur's proposal for an analysis to be made of the differences between Member States in the area of documents which must be presented as grounds for the issue of a passport. This is because normally the security of these documents is lower than the level applied when issuing biometric passports. In connection with this, the risk exists that they will be more easily falsified or forged.

Bogusław Rogalski (UEN). – (PL) Mr President, the harmonisation of provisions concerning security standards, in conjunction with the introduction of biometric identifiers, should have a beneficial effect on the verification of documents during their inspection, and so is an element in the fight against forgery. These factors are in turn a guarantee of a more effective fight against crime, terrorism and illegal immigration.

In view of the lack of appropriate tests connected with the use of new technologies, Member States should introduce their own requirements in the area of protection of citizens' rights. An age limit above which children have to be passport holders needs to be established, and also cases in which a single passport is issued to a holder and his or her children without biometric data should be eliminated. Situations of this kind may favour child trafficking, because checking the identity of the child is made difficult. In order to preclude this type of procedure, each person should hold his or her own passport.

In closing, I would like to emphasise that, in order to ensure security for the holders of passports and other identity documents, a high level of discretion in the process of collection of biometric data should be introduced.

Adamos Adamou (GUE/NGL). – (EL) Mr President, it is a fact that the amending regulation which we are being asked to approve will perhaps bring about an improvement in certain Member States in which biometric identifiers are even being taken from infants and will temporarily prevent certain Member States from dragging people under the age of 12, who at present are not obliged in any case in certain countries to travel on a personal passport, through such procedures.

We must evaluate the exceptions being proposed on the basis of the real motives for adopting them given that, regardless of the age limit for taking biometric identifiers, at some point we may all of us without exception be on electronic record.

Regulations such as these essentially maintain and further institutionalise the use of methods for keeping records on citizens everywhere – and how many innocent citizens – and grant the right to move our sensitive personal data.

It is therefore our duty to remind the citizens, whom we shall be asking in a few months' time to renew their vote in favour of principles and policies of the European Union, that we are not in favour of such measures.

Andreas Mölzer (NI). – (DE) Mr President, in theory collecting biometric data is certainly one way of making sure that passports and travel documents cannot be forged. First and foremost, the new technology will hopefully help us in the fight against organised crime and the flood of illegal immigrants.

However, all the Member States must understand in this respect that Frontex now needs to be upgraded in terms of funding and staffing so that it can actually perform its task really effectively. If there are no internal borders, the external borders must be protected accordingly. When hackers boast on the Internet about how easy it is to forge fingerprints on German registration records and point out that, if identity cards are reduced to credit card size, the photos are digitally cut to size, making biometric recognition more difficult, it is easy to start doubting this technology.

One thing is certain: if biometric data are used, data protection must be guaranteed for us normal citizens.

Edit Bauer (PPE-DE). – (HU) Mr President, Commissioner, ladies and gentlemen, first of all I would like to thank my colleague Mr Coelho for his excellent work. I wish to comment on just one point in the report.

Recent experience has shown that human trafficking, and in particular child trafficking, is reaching worrisome levels both within and outside the European Union. Therefore I consider it a positive step forward that minors can in future cross the external borders of the EU with their own passport. From the perspective of child trafficking, this can on the one hand offer greater security, but on the other hand it must be recognised that a child bearing his or her own document can travel with anyone at all.

I find it regrettable that the joint proposal failed to mention that the passports of minors should contain, in addition to their personal data, those of the person or persons who have parental responsibility for them. It is true that the first article of the proposal states that the Commission shall present a report on the requirements for children travelling alone or accompanied, crossing the external borders of the Member States, and make proposals, if necessary, regarding the protection of children crossing the external borders of the Member States.

This offers opportunities for the future, and therefore I request that the Commission, along with all the organisations concerned in this matter, such as the OSCE, OECD, UNICEF, UNHCR, IOM and last but not least Europol, jointly evaluate the developments and take the steps necessary to provide children with more effective protection. Experience shows that the number of children among the victims of human trafficking is steadily increasing.

Armando França (PSE). – (PT) Mr President, Mr Barrot, ladies and gentlemen, I congratulate Mr Coelho, Mrs Roure and the other Members on their work. In December 2004 the Council adopted the Regulation on standards for security features and biometrics in passports and travel documents issued by Member States. We have now had to take new steps towards combating the abduction and trafficking of children.

The use of passports by children according to the principle of 'one person-one passport' may be a fundamental means of winning this difficult and important battle. In my country, Portugal, collecting the fingerprints of children aged six years and upwards is already a long-standing practice, which is perhaps why I have no objection to it. As an upholder of the European cause, I believe that it is important to have harmonisation in this matter. It reassures me to know that the Member States which, like Portugal, long ago set six years as the minimum age for taking fingerprints will not have to change their national legislation.

I must emphasise that the passport security which is now being reinforced does not end with the existence of a passport. The passport in itself corresponds to an increased level of security, starting with submission of the documents required for issuing passports, followed by the collection of biometric data, to verification and matching at cross-border check points. This report is one more step in affirming the rights of individuals and guaranteeing their security.

Mihael Brejc (PPE-DE). – (SL) I endorse the report by the rapporteur, Mr Coelho, who has produced an excellent piece of work, as always. I agree with the proposals put forward, including that concerning the 'one person-one passport' principle.

However, I would like to hear what the Commission, in particular, or perhaps even my colleague Mr Coelho has to say about the question of what we should do when children travel alone, unaccompanied by their parents, as there is no uniform policy as regards which documentation they have to carry with them. The rapporteur's proposal is that the names of those with parental responsibility should be printed in the child's passport. However, sometimes, children travel accompanied by other family members and may, in fact, even live with them and so on. In short, we should be reasonably flexible in this regard.

On the other hand, I am concerned that no one has challenged the practicability of six-year-old children travelling unaccompanied. It might be possible by plane (let us not, at this juncture, discuss the possible traumas that the child – a six-year-old boy or girl – might experience on a plane), as the child could be

accompanied onto the plane, met at the other end and chaperoned to one of his or her parents, for example, or to someone else. However, what arrangements would pertain when children travel by train, coach or other means of public transport? How would that be monitored? If there are parents who are irresponsible enough to send their children on such journeys, I think that we should take a more positive stance on this and say that children are not permitted to travel on their own at such a young age. That may, perhaps, sound somewhat harsh, but as much has already been said here on how precious children are and on the topic of kidnapping and so on, we should also make a bolder statement on this issue.

I would also like to ask the Commission how things stand with the joint statement of the Council and the European Parliament concerning the security of the original documents needed in order for a visa to be issued. This is because I am somewhat concerned that, if it is true, the system in a particular Member State might be allowing abuse to take place at the point of issue. I would put one final question to the Commission, or perhaps to Mr Coelho: what should we do when people arrive at a border, but the data in their passports does not correspond with that held in official databases? I think that we ought to include an instruction that benefits the child, or rather, the passenger.

Wolfgang Kreissl-Dörfler (PSE). – (DE) Mr President, ladies and gentlemen, thousands of children a year fall victim to child traffickers and even more are abducted. A current study shows that it is unaccompanied minors who are the victims of such crimes. That is why we welcome the fact that the European Commission, in its amendments to the old regulation, now takes due account of children. When we demand that children too should have their biometric data in passports from a certain age, it is not due to mass hysteria, which I really do not share, but because we want to afford our children better protection. However, such protection can only be afforded if every child has its own passport with its biometric data and the names of its guardians.

As with all data collection, it is especially important to my group that the highest possible security is guaranteed when collecting, storing and processing the biometric data of all citizens and we must always be able to track who can access what data. The Council's regulations and decisions which affect this point make provision for very high protective mechanisms and control bodies to prevent data abuse. I have to say that I have fundamental confidence in my national authorities, unlike many private companies, some of which are able to pass unprotected data to third parties through scandalous security loopholes and receive due payment for doing so. That is precisely why it is so important for national authorities to capitalise on their established credibility and work closely with the data protection authorities. Contrary to what has happened here, this includes the European Commission honouring its legal obligations to consult European data protection officers.

(PT) I would like to congratulate my friend Carlos Coelho on the excellent work he has done for this Parliament. Thank you very much.

Dushana Zdravkova (PPE-DE). – (BG) Thank you, Mr President, Commissioner, ladies and gentlemen, I would like to congratulate the rapporteur, Mr Coelho, for the balance he has achieved in this report between ensuring a higher level of security for international travel documents and protecting the personal data and human integrity of the European Union's citizens. The suggestions made to improve a number of technical requirements will support the battle against cross-border crime, illegal immigration and human trafficking. For border countries like Bulgaria, which are exposed to intense pressure from migratory flows and the activities of international organised crime, the rapid and successful introduction of the new standards will be vitally important in terms of protecting the EU's external borders.

Unfortunately, in my country we have a few serious cases involving children who have disappeared, about whom there is still no information even now. This is why I feel that this report provides sound guidelines for the future development of standards for security features and biometrics in passports for Europe's youngest citizens. The introduction of the principle of 'one person-one passport' will provide them with an even higher level of security when travelling outside the territory of the European Union. The proposal to introduce additional information in the passports of children up to the age of 18 years will limit opportunities for the illegal activity of child trafficking. When it comes to applying the regulation within their national legislations, Member States obviously need to consider the possible financial repercussions for large families. This was also mentioned by some of our fellow Members who spoke previously. Freedom of movement must not be restricted for these families due to them having to pay a large amount of money for passports for their children.

Finally, on the subject of free movement of persons within the European Union, I think that the limits can be abolished on the age of entitlement to receive an identity card as this will also encourage and guarantee free movement for the EU's youngest citizens.

Genowefa Grabowska (PSE). – (PL) Mr President, I would like to begin by congratulating the rapporteur and by saying that I endorse this report. I think the report is not only important, but also good. I will perhaps begin with the statement which has been made here that a passport is a document issued by Member States in accordance with national regulations. It is true that we have different passports, besides the covers, but it is important to find a balance between the security measures of these passports, so that they identify a citizen of the European Union or another person entering the territory of the European Union, and at the same time resist crime, much of which involves passports, such as illegal immigration, terrorism, child trafficking or forgery of documents. That balance has, I think, been found in this report. There are no indications that the restrictions which we are including in the report will in any way influence or restrict Member States in the issue of passports.

I want to draw attention to one principle which I fully endorse: the principle of 'one person-one passport'. In relation to children it is a good principle, but I would not like it to be a financial barrier to parents who want their children to have a passport, but whose financial means may be limited. I also want to draw attention to one weaker moment in the report, although the rapporteur has drawn attention to it, namely to the fact that modern, untried technologies need to be reassessed, and it is good that in three years' time we will be able to do this. I also call for the role of the European Data Protection Supervisor to nevertheless be taken into account. That EU institution must be more heavily involved in the whole procedure and it is for this which I call.

Robert Evans (PSE). – Mr President, I also wish to thank Mr Coelho. This report is very important for the future of Europe and for its 500 million citizens: for their safety, their security and for anti-terrorism measures, amongst others. If the technology is there, as Ms Zdravkova said, we should make use of it.

From the point of view of children, Ms Angelilli, Mr Lambrinidis and others have said that it can be a vital weapon to counter child-smuggling, for example.

However, the crucial point is really in the new Article 3, which states that the purpose of biometric data is to verify not only the authenticity of the document but also the identity of the holder by means of directly available comparable features. At the moment, most countries rely almost exclusively on photographs and very few people, I would suggest – perhaps not even you, Mr President, nor even Mr Barroso – look like their passport photos – nor, indeed, would many of us want to! So I think that if there are new identity procedures and methods available, we should be prepared to use them.

As for Ms Gacek and Mr Batten and their anti-British, 'hit-and-run' contributions – because they are not here now to hear any response – I would suggest that the UK system is probably no better or no worse than many others in the European Union. We have checks and balances, but we can do better. If new 21st-century technology is available, then we should be prepared to make use of it and, as Ms Grabowska said a few moments ago, we should be prepared to amend it constantly to make the best possible use of what facilities are around the European Union.

Milan Gaľa (PPE-DE). – (SK) Protecting children from abduction and trafficking requires the introduction of children's passports.

The principle of 'one person-one passport' means that every child travelling outside the Schengen area will be issued a passport. The new method of identification will simplify border controls. The instruments for protecting children from abduction will include a European helpline for reporting missing, abducted or sexually exploited children, passports with biometric data and the soon-to-be launched pan-European child abduction alert system.

Attention needs to be paid to ensuring a high degree of confidentiality in the process of acquiring and using biometric data. I support the rapporteur's view that a study needs to be performed into the possible shortcomings of fingerprint identification systems in the Member States of the European Union. Subsequently, the introduction of a common European system for comparing fingerprints should be considered.

Nicolae Vlad Popa (PPE-DE). – (RO) I would like to congratulate Mr Coelho for this report.

I welcome this initiative, which marks real progress made, following the European Council of Thessaloniki, in establishing a link between travel documents and their owners and adopting the 'one person-one passport' principle.

I would like to highlight three important aspects.

Firstly, we need to adapt the principles and exceptions provided for in this report to the results and problems which have appeared in practice. This means that the focus must be put on the three-year review period set by this report during which both the Member States and the Commission must try to identify the recommendations between theoretical principles and practical obstacles.

Secondly, there is a serious problem with regard to the security of stored data and the protection of the owner's identity.

Finally, I would like to draw attention to the need to devise common principles governing the procedures required for issuing travel documents or passports as this phase is crucial for both ensuring the databases' security and preventing the forgery of these documents.

Martine Roure (PSE). – (FR) Mr President, one second more to thank you, Mr Coelho, and tell you that it is a great pleasure to work with you as you always show great skill, you have a true capacity for listening and analysis and it is due to you that we have achieved this result.

Marian-Jean Marinescu (PPE-DE). – (RO) Romania introduced the use of biometric passports from 1 January 2009. This type of passport contains 50 security elements and includes for the first time in the European Union a feature for identifying both a person's face and their fingerprints.

Romania has therefore taken an important step towards joining the Schengen area, scheduled for 2011. The introduction of biometric passports removes the final basic condition for Romania's inclusion in the Visa Waiver Program. As a result, the refusal to waive the visa requirement for Romanians going to the United States will now be based solely on subjective grounds and I hope that the United States will give this matter due consideration.

I would like to congratulate the rapporteur once again for adding significant improvements to the regulation, in particular, the creation of a uniform European system for verifying compatibility between biometric elements and data stored on a chip.

Silvia-Adriana Țicău (PSE). – (RO) The harmonisation of security standards at European level for biometric passports is an extension of the provisions of the Schengen *acquis*. The regulation stipulates a general obligation to provide fingerprints which will be stored on a contactless chip in the passport.

I support the exceptions regarding children under the age of 12 providing fingerprints and I urge a review and harmonisation of the specific national laws.

I feel that biometric passport data must be processed in accordance with Community legislation governing the protection of personal data and privacy. The Commission and Member States must take the necessary measures to guarantee this provision for processing biometric passport data, both at the border and during the process for maintaining the relevant databases, in the situation where national legislation contains this provision.

However, I would like to draw your attention to the fact that limiting the validity of a biometric passport for people who are unable to provide fingerprints, temporarily or permanently, to 12 months or less will make life more difficult for people with disabilities. I would therefore ask the Commission to reassess the relevant text.

Marios Matsakis (ALDE). – Mr President, no law-abiding citizen should be worried about his or her identity or their children's identity being substantiated. I therefore welcome the use of biometric data on passports and other documents.

I just wanted to raise a point for future reference. It is a fact that no biometric characteristic stays the same from childhood to adulthood except one: DNA finger-printing. This stays the same from conception to death and even beyond. It is possible today to identify someone even many years after his death by just obtaining some small specimen from the bone remains. DNA finger-printing technology today is quick, it is cheap and it can be carried out on just a few cells which can be obtained either from a quick mouth mucosal swab or from a drop of blood taken from, for example, the umbilical cord.

I therefore submit that in the future we should consider using DNA finger-printing as the only one biometric identification – which is guaranteed to be the same for every individual – for all European citizens.

Hubert Pirker (PPE-DE). – (DE) Mr President, my thanks go to Carlos Coelho, together with my congratulations on his report. We would have all been disappointed if his report had been below par, because we are already used to this standard of report from him. I particularly liked the fact that Carlos Coelho clearly pointed out from the beginning that his report was about the security of children. We can achieve this by issuing secure passports and by taking fingerprints to ensure that it is possible to check if the person crossing the border is actually the person shown in the passport.

This is therefore an objective which can be used to achieve security for children. That we are now discussing whether fingerprints should be taken at six years old or at twelve years old is a technical question, not a question of perspective. I would have no problem with taking fingerprints from the age of six, because this is all about children and their security. For me it goes without saying that data protection laws must be respected. We should not even be discussing that. It is the duty of a constitutional state to control that. If we achieve a situation in which we have secure passports and data protection laws are respected, then the European Union will have made a decisive step forwards in the interests of children and against child trafficking and child smuggling.

Jacques Barrot, Vice-President of the Commission. – (FR) Mr President, I think the entire House has paid homage to the work of Mr Coelho and to his qualities, and I would add my voice to the praise from Mrs Roure.

I would like to say, echoing Gérard Deprez, that we must try to head towards increasingly reliable, increasingly comparable biometric data that will allow us to make better use of the most sophisticated technologies to ensure security in this free space that we inhabit. That is why this meeting has been scheduled. I, therefore, welcome the fact that Parliament has also committed to this effort to make the identification of children more secure, which is necessary for their safety.

I have been asked if we already have proof that these processes are effective. I would say that only in use will we be able properly to verify the effectiveness but, *a priori*, everything suggests that increased security will come from improved identification of children travelling alone. In any case, we cannot fail to take this major objective into account. I will give the Parliament several answers to several questions.

First, I have to say that, in its proposals, the Commission has always stressed data protection. The European Data Protection Supervisor was consulted on the basic proposal and he made remarks, which the Commission has taken into account. I would also state that, as for the identifiers, our standards are harmonised with ICAO (International Civil Aviation Organization) standards, which, as has been said, will facilitate dialogue with the United States.

Next, I would remind you that for child passports, there is obviously a financial cost for families, but that is within the remit of the Member States and I would point out that for travel within the Schengen area, the identity card is sufficient. The passport is only required for travel beyond the European Union.

Finally, I wish to confirm that the Commission will undertake a comparative study of the existing rules in the Member States on minors travelling alone. At the appropriate time, we will propose that the Council takes the necessary measures to protect children more effectively and prevent child trafficking. It is highly evident that this study is, rightly, desired by Parliament and, of course, I undertake to ensure that my staff produce it in the best conditions and in the shortest possible time.

That is all I have to say, except to repeat my thanks to Parliament for having, once again, made its very constructive contribution to European legislation.

Carlos Coelho, rapporteur. – (PT) Mr President, if one thing has come out of the debate it is that there is concern about effective combating of trafficking in human beings – and, in particular, trafficking in children – amongst a large majority in this House. That is the greatest use of this measure that we will adopt and I am delighted by the fact that almost all the speakers have touched on this.

I would like to once again thank all the shadow rapporteurs for their collaboration, and that is not idle praise. It is fair to say that my colleague Mrs Roure played a crucial role in securing the agreement, to which Commissioner Barrot and the French Presidency also contributed a lot. I particularly wish to thank Commissioner Barrot for the Commission's readiness to give institutional backing to invigorating the fight against trafficking in children, as well as its readiness to collaborate in the three studies which we requested:

on the reliability of children's fingerprints, on breeder documents and on false rejection rates, which are some of the concerns that we have in relation to the implementation of these rules.

Finally, Mr President, Mr Brejc raised an issue: he asked if we are able to say that the issuing of passports is secure. To be completely honest, I have to say that this varies from country to country. Some countries have more rigorous systems than others, and that is another reason why the study on breeder documents is very important. I know that Europe has no jurisdiction over this area – the issuing of passports is a national prerogative – and that is why I was very happy when Commissioner Barrot agreed to having the European Commission collaborate in this study on breeder documents. It makes no sense for us to have passports that are very secure if this security might be sabotaged during the issuing process. It is a case not of imposing measures on Member States, but of sharing best practices so that we can guarantee that the European passport is a secure reality on our external borders. Thank you very much to all of you for your collaboration.

President. – The debate is closed.

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

Written statements (Rule 142)

Siiri Oviir (ALDE), in writing. – (ET) Mr President, ladies and gentlemen, the adoption of this regulation is an important step towards making EU citizens' travel documents more secure. As a result, by 29 June 2009 there should be a definite connection in the EU between a passport and its owner, which will go a long way towards protecting passports from fraud.

I particularly welcome the implementation of the principle of 'one person-one passport', which makes it possible to improve the security of travel, especially for children, and hinder the activities of persons involved in the trade in children and in kidnapping. It is commendable that this requirement will now be enforced in all Member States. In Estonia it has been in force since 2000.

In addition to secure travel documents, the border guards of the Member States have an important role to play, and they must pay increasing attention to the inspection of underage persons travelling with or without a guardian and crossing external borders of the EU, as they do in the case of adults.

The security of travel documents is definitely not limited to passports, and the entire process is no less important. Thus there is no point strengthening the security of passports without devoting attention to the remaining links in the chain.

I believe that, in addition to making travel documents more secure, the European Commission should consider adopting a common EU approach, in order to replace the different rules for the protection of children crossing the EU's external borders that are currently in existence in the 27 Member States.

Daciana Octavia Sârbu (PSE), in writing. – (RO) Terrorist threats have made it necessary to introduce some additional security and biometric elements to increase the protection of passengers travelling within the European Union. The most important features in the proposal for a regulation are the fight against child trafficking by introducing the 'one person-one passport' principle and the introduction of derogations with regard to taking fingerprints from children under the age of 12. However, the legislation in some Member States allows for fingerprints to be provided by children under the age of 12, but this will only be possible for a transitional period of four years. There will, however, be an absolute age limit of six years. Some pilot studies carried out by Member States have highlighted that fingerprints provided by children under the age of six are not of good quality and can also change while they are growing. Setting an age limit reduces the risk of an error being made when identifying people by taking their fingerprints. It also makes the opportunity for child trafficking more difficult. The need to protect travellers has become even more evident in the wake of the events of 11 September 2001. However, an increase in the level of protection and security needs to be accompanied by a guarantee of passengers' rights and dignity, as stipulated by the European Convention for the Protection of Human Rights and Fundamental Freedoms.

13. Public access to European Parliament, Council and Commission documents (debate)

President. – The next item is the report (A6-0459/2008) by Mr Cappato, on behalf of the Committee on Civil Liberties, Justice and Home Affairs, on public access to European Parliament, Council and Commission documents (implementation of Regulation (EC) No 1049/2001).

Marco Cappato, *rapporteur*. – (IT) Mr President, ladies and gentlemen, this is a report on the status of public access to European Union documents and also an opportunity to make some suggestions. In the short time we have available, I want to raise three important points.

The first is about the Council. European Union governments meet in the Council with law-making powers and, like any law-making assembly, they should be bound to make their work and their decisions public. I wish to emphasise this particularly because amendments have been tabled by the Group of the European People's Party (Christian Democrats) and European Democrats for a split vote on certain paragraphs. I hope the split votes are not taken to delete significant portions of the report. For example, paragraph 3 of the report asks for action to be taken following the judgment in the case brought by Maurizio Turco, a former Radical Party MEP, who won a case in the Court of Justice over the publicising of legal decisions taken by the legal services of European institutions and also over the obligation to disclose the identity of Member State delegations to the Council. We are entitled to know who is voting in the Council and how. I therefore hope that no one will vote against this paragraph 3, or paragraph 9, which asks for information about what is happening within Coreper, the Committee of Permanent Representatives, and asks that they should disclose the meeting documents and not secrete all the international policy papers away as diplomatic documents. This is a very important point!

The other point we raise concerns Parliament, our Parliament, because we must be the first to publicise what we are doing. We Italian Radicals call it the 'public register of elected representatives', in other words a register where we can find out everything about the activities of MEPs, who is present, who is absent, how they vote and, of course, the money they are paid. Beware though, and I say this because an application has also been filed for a split vote on paragraph 5, it would be a mistake to think that if we keep some of this information confidential – I am addressing Mrs Cederschiöld, who I know is sensitive on this issue – we will really just succeed in leaving ourselves more exposed to aggressive, demagogic attacks on MEPs. We know that some fellow Members have filmed other MEPs, they have turned themselves into spies on other MEPs. The way to get around this is not merely to prevent it, but to publicise our work in full, foiling the people who want to peer through keyholes and opening our doors by broadcasting parliamentary committee work, meetings and all the proceedings of this Parliament over the Internet.

The third point I want to raise concerns document formats, because the PPE-DE Group has also requested a split vote on paragraph 7, concerning this point. In this paragraph we ask for documents to be created using open-source word processors, technologically speaking, as well as effective multilingualism and technologies that allow persons with disabilities to gain access to information and documents. I hope that no one in this Parliament is against open-source multilingual access using technologies that facilitate access by people with disabilities, because this is an essential aspect for a portion of European Union citizens.

We know that the Commission has proposed a reform of our rules and we will deal with this in the Cashman report, but this resolution is our first opportunity to lay down some points of reference for this Parliament. I hope it will not be wasted and that all the crucial matters I have sought to raise in this report will not be in vain.

Margot Wallström, *Vice-President of the Commission*. – Mr President, I wish to begin by thanking you for a very well-written and interesting report, and I congratulate the rapporteur. This is an important and cherished subject, particularly in times of the revision of Regulation (EC) No 1049/2001 and also bearing in mind the changes that the Treaty of Lisbon – if it enters into force – will bring about on these important issues.

This report is in principle about the implementation of Regulation 1049/2001 and, therefore, let me start by recalling one of the positive elements in the implementation of the regulation because, as the quantitative data show and as the Parliament report acknowledges, the EU institutions have granted access to a higher number of documents while registering a decrease in the number and rate of refusals.

We are committed to continuing to enhance transparency and openness. Quite naturally, some of the recommendations made in the report go well beyond the application of Regulation 1049/2001 in 2006 and some are not directly related to the activities of the Commission, as we have just heard.

The report addresses a number of issues concerning openness and communication with citizens, and I particularly welcome that as a valuable input for a general reflection on transparency, communication and outreach.

Let me just briefly go through some of the recommendations and the principles underpinning them, because they deserve due consideration.

On the Turco case, I can assure you that the Commission takes this judgment fully into account. As has been said, it mainly concerns the need for increased openness where the Council acts in its legislative capacity, but it is also applicable to the Commission and all the institutions, and the Commission makes sure that each request for access is carefully assessed on a case-by-case basis against the parameters set by the Court of Justice.

Secondly, the proposal to lay down common rules on administrative procedures requires more reflection because many of these procedures are very specific in nature and unique, in some cases, for every institution. This means that we will need some more time to see how that could be done.

The recommendation to merge Regulation 1049/2001 and Regulation (EEC, Euratom) No 354/83 on the opening of the historical archives is quite complex for a particular reason, because Article 255 of the EC Treaty and Regulation 1049/2001 do not apply to all institutions and bodies. This might also change if and when the Lisbon Treaty enters into force, because it will then extend the right of access to documents to all institutions and bodies. This is why it is not so easy to simply merge the two, because the coverage is different.

On the Ombudsman's critical remark regarding the Commission's public registers, I would like to assure you that we take this remark very seriously. As you know, we have a public register of documents that has been up and running since June 2002 and since then the Commission has also put in place a dedicated register for comitology procedures and a register on expert groups. We are always doing our utmost to modernise our internal IT systems.

This, unfortunately, will not happen overnight, but has to be worked on. We always take into account the need to increase the coverage of the public register, and I hope you also know my personal commitment to this. We acknowledge that we still have to increase the coverage of our public registers and we confirm our commitment to develop the public registers in the interests of enhanced transparency.

In the resolution you target the questions of document management and a common portal and the Trans-Jai project. The Commission supports the idea of setting up a common portal in order to facilitate access for citizens to legislative documents. I think this would entail a common methodology, and we have to look at all the practical consequences of that on document identification and references. We would like to see a portal that could entail the full availability of public documents for each institution, so we are willing to work together with you on that.

On the Trans-Jai project, I come back to what I said in a reply in October, that this is expected to be open to the general public by 2010.

Let me also comment on the issue of exchange of information between the institutions. I understand what is meant there and what you are after, but I wish to remind you that between our institutions we already have an established working method with the exchange of confidential information held by the Commission and this is regulated in an annex to the framework agreement. We should also keep in mind that the question of sharing information between institutions is not related to public access and we think that this should be handled separately, as it is currently.

This report and the debate is also a valuable and appreciated input for another time when we can discuss it on a broader scale. I am grateful for Parliament's efforts to keep the issue of transparency and openness high on the EU agenda. We will come back to many of these questions in the very near future, for instance during the joint meeting of the Committee on Civil Liberties, Justice and Home Affairs with the Czech Parliament next week which I shall have the pleasure to attend, and then in just a couple of weeks we will be dealing with the important issue of revising Regulation 1049/2001.

I think the discussions should not end there. We need to be open about transparency and think also what we can do proactively outside the formal legislation, such as on improved registers, on greater user-friendliness and accessibility, active dissemination and quicker publication of documents. Something that I myself did last year was to make the register of my own correspondence directly accessible on the web. I am sure that you all have similar ideas and examples of what can be done if we just put our minds to it. So let us do that.

Luis Herrero-Tejedor, *on behalf of the PPE-DE Group*. – (ES) Mr President, Mr Cappato, your report is full of good intentions, the clearest proof of which is that no amendments were deemed to be necessary by the Committee on Civil Liberties, Justice and Home Affairs.

You were the one who introduced 18 amendments to your own report. It is those amendments that have given the report a radical edge – to put it in general terms – and that have raised very serious doubts for me.

I would divide into four distinct groups the amendments that you have proposed – amendments that you have proposed to yourself, I would stress – in a report that received the support of all groups initially. Firstly, some are impossible; you make some suggestions that are impossible. For example, Mr Cappato, some of your suggestions have no legal basis as yet: until the Lisbon Treaty enters into force, it will be impossible to harmonise the rules of the different institutions. Commissioner Wallström has just said something similar. You also call for 2009 to be declared European Year of Transparency, but we are too late, there is no time. Some of your suggestions are therefore impossible.

Secondly, some of your suggestions are inadvisable. For example, you call for transparency in the meetings of the political groups. This would not do. There is a need for privacy, since privacy is a political asset. If I want to disagree with my party and to maintain my opposition, I want to do so in private: that is not a lack of transparency. There must be transparency within public bodies, but not within the parties, the privacy of whose debates must be guaranteed. I cannot, therefore, agree with you on this point.

Some of your other assertions, Mr Cappato, are incorrect. For example, you state that 90% of legislative activity is done through comitology. This is a bold exaggeration, Mr Cappato. Furthermore, comitology has its own implicit transparency standards. If we introduce more mechanisms, more bureaucracy and more controls, we will be going against what we want to achieve: transparency, which is closely linked to simplicity.

Lastly – before the President signals to me, because I am already nearing the end of my time – some of your suggestions are unnecessary. For example, I understand that it is really wonderful and attractive to public opinion to speak of transparency in Members' activities, so that it can be seen whether they attend plenary sittings. It can already be seen, Mr Cappato. It can also be seen whether they attend the committees too; there are minutes for each of them, to which all citizens have access. The allowances that MEPs claim are also public. In other words, it is perfectly possible for citizens to gain access to this information.

I therefore understand that it is wonderful in terms of public opinion and it looks good to defend transparency, but you must realise that transparency means ensuring that things are seen as they really are and that if we contribute to distorting how things are seen, Mr Cappato, we are not contributing to transparency. Thank you for your generosity, Mr President.

Michael Cashman, *on behalf of the PSE Group*. – Mr President, thank you, Marco, for a very good report, but sadly I have to agree with other people in this House that you strayed beyond the remit – and I know why.

The previous speaker said that it is impossible. If we do not ask for the impossible, how will we ever achieve change?

But of course you have gone beyond your remit. We are not going to have broadcasts of political groups. MEPs putting up on their websites or through Parliament's Information Service what they do and where they go does not mean that they are effective; it does not mean they are good.

The Regulation is about access to all of the documents held, received or produced by the three institutions when acting in its legislative capacity. That is what we need to get back to. We need to define what the 'legislative capacity' is. We need to look at how the Regulation has worked up until now and we have to improve it. That is what I want to do in conjunction with all the players, and I am pleased to welcome here the Swedish Minister, Cecilia Malmström, who worked originally on this. We all want to take the whole issue of access forward.

Why? Because we recognise that many people realise that there are things that happen, particularly in the Council, as you have illustrated, whereby their ministers, their national ministers, are involved, but how they debate and how they vote is secret. Once we reveal that element of secrecy and we expose how Member State ministers actually vote, then those ministers are held accountable back home in their Member States and suddenly national citizens feel connected to all things European.

So, Marco, you have sadly gone wider than the remit, especially with this dream that you have. If you had not declared that you were an Italian radical I would never have known it from this report, but the fact that you expect political parties to broadcast their internal debates – it is not going to happen and indeed, as the previous speaker said, all you do is expose division rather than reinforce the fact that we are here because we believe in a Europe that is accountable to its citizens. That is why drawing up the voting list will be difficult. My heart is with you, but I have to follow my head.

Alexander Alvaro, *on behalf of the ALDE Group*. – (DE) Mr President, welcome Commissioner, tomorrow we will vote on the report prepared by my fellow Member, Mr Cappato, on public access to documents.

Mr Cashman, a very good and normally unbelievably efficient colleague, has already pointed out that the most important thing is to give the public access to documents that are discussed and decided upon here.

One might accuse Mr Cappato, as Mr Herrero-Tejedor and Mr Cashman have done, of going beyond the remit. That is surely a matter of interpretation and in this case also not entirely justified. The discussion as to whether or not, in principle, the group meetings should be broadcast is surely something we can talk about. The question is, then, whether we would have the right, for example, to hold such a meeting in private at the request of the majority of the group members, as there are certainly sensitive issues – as we all know from our own meetings – that need to be clarified between ourselves before we can go public with them. In my opinion, it is normal to wash your dirty laundry at home and not out in the street.

I might also add that this example shows that political parties – not the party groups in this case – always have a certain interest in the general public when it suits them. Otherwise, party conferences would not be broadcast so extensively. Interestingly, no one complains that the conferences of some political parties where things can get quite lively could be broadcast in full.

I think I can say, therefore, that Mr Cappato has produced a good piece of work here, even though – as we are accustomed to – suggestions for improvement may perhaps come from other groups. In some cases they are, in fact, so good that they should be considered.

Compared to either of the other institutions, Parliament can still be considered to lead the way when it comes to transparency and so I would not make it my top priority, since with regard to both the accessibility of documents and to the transparency of its sittings and the activities of the Members of the European Parliament, we are more open than any national parliament. That does not mean that there is no need for improvement, including in other institutions, particularly the Council, which, regrettably, is not here now. Mr Cashman has just said that we need to know who has made what decision and how in order to be able to establish accountability for political actions.

It is even more important, however, to provide access to documents produced within the framework of the comitology procedure, for example. A specific example is the Regulation on liquids in hand luggage, the annex to which was not accessible to citizens, and neither was it accessible to parliamentarians. The requirement for transparency has not been introduced in most Member States of the European Union without good reason, and that is to give the people the opportunity to understand the political activities, to be able to establish accountability and then perhaps also to enable different decisions to be made in elections.

Thank you very much for the extra time, Mr President. Good luck, Marco. I will be with you in the vote tomorrow, and I believe that we will bring this to a satisfactory conclusion.

Ryszard Czarnecki, *on behalf of the UEN Group.* – (PL) Mr President, if the European Union is to be for the citizens, rather than for the Eurocrats, then it obviously must be more transparent, as must the activities of the European Union's bodies. Only then may the Union regain the credibility it has carelessly tossed aside. For example, its credibility has been damaged by attempts to push the Constitutional Treaty through and the failure to hold national referenda. That is why it is right to demand that all Council debates, as they decide the fate of Europe, should be accessible to the citizens of the Member States of the European Union. However, these debates do not include political group debates.

It is also important for Parliament, the Council and the European Commission to adopt the same principles for providing access to documents, so that they do not remain lone stars in the information and IT firmament. I think that this report is a significant step towards transparency. However, I firmly believe that, with regard to certain issues, it may be taking things a step too far. Even Comrade Lenin once said that we sometimes need to take two steps forward, in order to take that one step back. The rapporteur might want to bear this in mind.

Eva-Britt Svensson, *on behalf of the GUE/NGL Group.* – (SV) Mr President, the report by the rapporteur, Mr Cappato, indicates that there are major shortcomings with regard to access to EU documents. I support the rapporteur's proposal for improvements in connection with the annual report. I also support the amendments tabled by the rapporteur. I furthermore assume that Parliament will vote in favour of a real principle of public access in the forthcoming vote on Mr Cashman's report concerning the Regulation on public access.

As regards the annual report, I would particularly like to highlight the fact that it is totally unacceptable for public access not to be guaranteed in respect of delegated legislation, which includes 90% of the legally

binding legal acts that are adopted each year by the EU institutions. Members' participation in the work of Parliament and all their financial circumstances with regard to their appointment in Parliament must also be totally transparent. I support the proposal for a combined public register.

Finally, I would like to say that increased public access is not a populist requirement but a democratic one.

IN THE CHAIR: MR MAURO

Vice-President

Nils Lundgren, *on behalf of the IND/DEM Group.* – (SV) Mr President, in a democracy, transparency is a concept of honour. In democratic countries, the citizens elect the governing authorities. These authorities appoint officials to implement democratic decisions. It would therefore be absurd for these elected representatives and appointed officials to be entitled to withhold information from their electorate. The fact that this happens nevertheless has two explanations. The first is a legacy from a pre-democratic society where the people were seen as subjects under non-elected rulers. The subjects were not permitted to interfere in the ruler's affairs. The second is that the nation's security, consideration of citizens' integrity, business secrets, market influence and similar considerations may require exceptions to transparency.

The first explanation is completely irrelevant today. The authorities must not, in their capacity as authorities, withhold information from the people. The second explanation, however, is sound and involves a difficult balancing act. These legitimate demands for finding the right balance are, unfortunately, often used by the authorities to preserve the option of secretiveness.

The EU does not have a proud tradition of transparency. In its childhood and early youth, the EU was almost totally secret, even down to the Commission's internal telephone directory. The EU began as a mandarin empire, and still is today, but important steps have been taken: the 1993 Code of Conduct, the acceptance of the Swedish Journalists' Association's demands in 1998, and the Regulation in 2001.

It is with a certain amount of pride that I note that my own country, Sweden, has the longest historical tradition of statutory transparency. That was why the Swedish state became involved in the Turco case and got the European Court of Justice to override the Council and the Court of First Instance last summer. This was yet another step away from the mandarin empire, but the road to establishing democratic transparency in the EU is a long one. There is a lot of internal resistance to quash. Mr Cappato's report should therefore receive the full support of this House, which would be yet another step forward along that long road.

Luca Romagnoli (NI). – (IT) Mr President, ladies and gentlemen, I am just going to speak for a few seconds to say that I agree with a good part of Mr Cappato's report. It would be surprising if I felt otherwise, because I believe I am the only Italian MEP who has tried to make public a list of attendances and the number of questions raised here in our Parliament by the Italian delegation. I have done this, year by year, in the small book in which I report on my parliamentary activities.

I would be happier if, for example, the Italian press, which all too often points its finger at us, would publish information that may not be earth-shattering in itself but would nevertheless serve to illustrate the type of activities that an Italian MEP carries out in this place. It would be all the better if it could serve to highlight how our actions, if properly performed, are independent of the political affiliations for which we have been elected, in the sense that we seek to be of service to the entire system.

I applaud Mr Cappato's initiative. I will vote for nearly everything contained in his proposal.

Marian-Jean Marinescu (PPE-DE). – (RO) The European Union is founded on the principle of transparency, which is referred to in Articles 1 and 6 of the Treaty on European Union, as well as in Article 41 of the Charter of Fundamental Rights of the European Union.

Europe has advocated from the outset a decision-making process which is as transparent and close to the citizen as possible. The European Parliament, by its very nature, is the first to promote public access to the decision-making process, since different opinions about legislative or non-legislative work help increase European citizens' confidence in Europe's institutions.

At the moment, public access to the European institutions' documents is fairly good. It is obvious however that the 2001 European legislation governing this right of access needs to be brought up to date.

Parliament asked the Commission back in 2006 to submit proposals for amending the Regulation, suggesting several recommendations:

- all preparatory documents to legal acts should be directly accessible to the public, and
- setting up a single access point with regard to preparatory documents.

The Commission took into account these recommendations which were also included in a new proposal for a regulation in 2008.

In the course of the decision-making process, the parties involved are faced with different opinions, sometimes contradictory. Negotiation leads to the most acceptable decision for all concerned. Europe's citizens must be informed about the process which has led to decisions being adopted because these decisions have a direct impact on their lives.

Marianne Mikko (PSE). – (ET) Ladies and gentlemen, democracy is based on transparency and openness. This is especially important now, as we approach the June elections to the European Parliament.

The simplification of the web environment would help increase voter turnout in European Parliament elections. If we provide citizens with clearly understandable information on the activities of representatives and the functioning of the European Parliament in general, we will be able to make young and old interested in what we do. The *e*-Parliament is a very welcome initiative.

On the basis of the search criteria, all information about the work of a representative should be available to citizens. I concur with the rapporteur that, in addition to the activities of the plenary assembly, individuals should also have access to work done in committees and delegations. Citizens must be able to acquire a full understanding of our activities.

I also support the idea of the creation of a joint register of information and documents. It is important that citizens should be able to monitor proceedings that are of interest to them and access all documents from one location. The creation of a unified portal will take time, but we should move in that direction. This is our route now and in the future. I support the Cappato report.

Marian Harkin (ALDE). – Mr President, I wish to congratulate my colleague, Marco Cappato, on his report. It is important that we are debating it here in Parliament.

When we speak of accountability and transparency, we must start with ourselves and that means all of the EU institutions. I agree with much of the report. I have one or two caveats. For example, we must ensure that, if we provide information on Members' activities, say, that such information is comprehensive. Otherwise we will end up knowing the price of everything and the value of nothing. By this I mean that our workload is really quite broad. It is not just attendance at committees or plenary. Any such information on Members' activities would need to include all the activities. Otherwise some very valuable work that is not concentrated in Parliament could be lost because it would be invisible.

I would like to say regarding my colleague Mr Romagnoli's comments that his good work was not picked up by the media, that it is only news if you do not do your work.

Finally, I would like to say that the core of the matter is that there should be transparency when we are acting in a legislative capacity. I agree with Michael Cashman that all citizens should know how their ministers vote in Council. This is crucial. Otherwise we play into the hands of the 'blame Brussels' brigade when something goes wrong at home.

Hans-Peter Martin (NI). – (DE) Mr President, my experience is presumably very similar to that of millions of Europeans. Commissioner, I entered this Parliament in 1999 with a great deal of enthusiasm that was not inferior to the enthusiasm that you continue to display. Then I did what so many citizens do. I wanted to know something, and that was: how are decisions made? Where does the money go? Who receives it? More and more voters have come to me and said: we do not know where we are with this EU. This was also my experience. Unfortunately, one then realises that behind many measures there is a deliberate intention to conceal the irresponsibility that we still have in our institutions, including unclearly assigned legislature. I can only encourage you to keep to your convictions to go further than the Cappato report currently does and make this basic information available. That would be an achievement, and I say this after 10 years.

Carlos Coelho (PPE-DE). – (PT) Mr President, Mrs Wallström, ladies and gentlemen, the transparency principle is a basic principle of the European Union. It reinforces the democratic nature of our institutions

and facilitates the participation of the citizens in the decision-making process, so ensuring greater legitimacy for public authorities by making them more effective and answerable to the people. I support the principle that all democratic institutions have a duty to ensure that their activities, documents and decisions are made public. Access to documents is a fundamental element in the loyal cooperation that is necessary between the European institutions.

During the investigation into the activities of the CIA in Europe, I criticised the Council forcefully for violating this loyal cooperation by imposing restrictions – full and partial – on access to essential documents. That is why I also applauded the decision of the Court of Justice in relation to the Turco case, in which it concluded that there exists, in principle, an obligation to disclose the opinions of the Council's Legal Service relating to a legislative process; those opinions could be crucial to understanding the direction that the decision-making process took.

I agree that the revision of the 2001 Regulation should proceed, not just to provide a response to the deficiencies since detected in it, but also in order to incorporate the most recent case-law, specifically the judgment in the Turco case. Nevertheless, we must clearly respect the legal basis at our disposal. Some of the rapporteur's proposals go much further than is permitted under the legal basis, as has already been mentioned by Mr Herrero and Mr Cashman.

There are, for example, rules aimed at national parliaments that have no legal basis. In the judgment in the Turco case, the Court of Justice itself recognises that the application of the Regulation must respect a balance between the risks of publication and the public interest served by making that document accessible. In some cases, Mr Cappato makes proposals that, in my view, put this balance at risk.

Călin Cătălin Chiriță (PPE-DE). – (RO) I would like to emphasise the fact that while Mr Cappato initially enjoyed broad support for his initiative, the 18 amendments introduced later on have resulted in a loss of that initial support.

Nevertheless, I support the fact that public access to the documents held by Parliament, the Council and the Commission is vital in order to bring the European Union closer to its citizens. I would first of all like to stress the need to publish the main documents created in the course of the comitology procedure.

Secondly, I think that on the European Parliament website under the personal profiles detailing the activities of each MEP, it would be a good idea to also publish the amendments submitted by each MEP in the parliamentary committees they belong to. Citizens need to clearly see what amendments have been submitted by MEPs during the European decision-making process, in addition to the reports, resolutions and plenary debates.

Thirdly, when the European Council is acting as a co-legislative institution in addition to Parliament, it should publish its debates just like Parliament publishes its own debates. The Council should demonstrate transparency by publishing its debates from now on before the Lisbon Treaty obliges it to do so.

Ewa Tomaszewska (UEN). – (PL) Mr President, civil rights include the right to information concerning the activities of representatives, elected by society, who fulfil important public functions. This is particularly true in the case of the European Union institutions, including the Council, whose documents are more difficult to access. Information programmes available on the Internet should be user-friendly and easily guide the interested person to the document for which they are searching. However, although many people have Internet access these days, not everyone does. We need publications that can be accessed in libraries and summaries that are more accessible to people who are not as comfortable reading texts. However, we need to consider whether the full transcripts of political group discussions should be published.

Charlotte Cederschiöld (PPE-DE). – (SV) Mr President, transparency has indeed undergone a dramatic change within the EU – and I am sure that the Commissioner would very much agree – since the advent of Regulation (EC) No 1049/2001 and the websites.

I would also like to emphasise that I think that the Commission and the Commissioner have made extremely good and constructive contributions to this issue in recent years. From the outset this was not an easy task, but I think that the cooperation in recent years has been very constructive, something for which you should receive praise. Everyone is always complaining about the Commission, but I do not think this is completely justified in all respects.

Naturally, we cannot have a situation in which justice and home affairs legislation is not transparent with regard to the justifications. Mr Alvaro is absolutely right in this regard. This is, of course, impossible. However,

to go as far, for example, as an officer or MEP submitting a report each day on what he or she has done that day is quite unreasonable. In the end, they will spend half the day writing a report about what they have done.

I would like to conclude by saying that we support Mr Cappato's report, provided it results in a legally certain, clear piece of legislation that is not unnecessarily bureaucratic.

Bogusław Rogalski (UEN). – (PL) Mr President, assuming that democratic systems, based on the rule of law, should be bound to publish provisions which are binding for their citizens, we should ensure that the activities of the institutions are transparent and open. In practice, the meetings and debates of democratic legislative bodies, as well as their votes, should, where possible, be transparent and draft legislation should be accessible to the public. Unfortunately, the Council often operates in a way which makes it difficult to relate a document to a procedure, which then makes it impossible for citizens to access these documents.

As we know, the Internet plays an extremely important role in providing citizens with access to EU documents. We therefore need a single EU portal, which will facilitate access to documents, procedures and institutions. We should define common rules for implementing administrative procedures, as well as for tabling, classifying, registering and disseminating documents. Our Parliament must set an example for the other institutions.

Avril Doyle (PPE-DE). – Mr President, I noted carefully what the rapporteur said. There are two categories involved here: access to information on EU legislative work, and access to documents in the non-legislative field. In relation to the former, I support what is being called active transparency to the point of freedom of information as the norm and, indeed, very reduced use of secret meetings and room documents at Council level. I think we should know how our Ministers vote so that they can be held to account to stop this 'blame Brussels' culture that goes on in national parliaments at home. I should also like easy access to MEPs' records of attendance and voting during parliamentary work at all levels.

We are elected by the citizens to do a job and we are entitled to be held to account by them. On the other hand, to suggest that all political groups or party meetings must be open to public scrutiny is patent nonsense and a recipe for an agenda to be hijacked. I have no fear of transparency. We do an honourable job here as politicians and we must stand up for the dignity of our profession.

Carlo Fatuzzo (PPE-DE). – (IT) Mr President, ladies and gentlemen, I am absolutely certain that the report by Mr Cappato has carefully avoided stepping on the toes of the public officials who are concerned with their privacy and the need to maintain confidentiality over certain situations that must stay that way. This is certainly a very important reason to approve his report, but I would also like to overturn the concerns of some of us, who fear that our right to freedom of action and privacy is being violated.

Let us take a look at what happens when the tables are turned and the public administrator wants to find out what we citizens are doing. We cannot have any secrets: in some of our Member States, private telephone calls are even intercepted between husband and wife, between parents and children and so on. We must absolutely not fear citizens knowing exactly how laws are made and decisions are arrived at in the Commission or in the Council, and that also applies to the legislative decisions made by our Parliament. I welcome this initiative.

Czesław Adam Siekierski (PPE-DE). – (PL) Clarity and transparency should form the basis of the activities of the European Union's institutions. Only if we achieve a suitable level of transparency will our activities become more comprehensible to the citizens, and therefore closer to them. The institutional crisis facing the Union demonstrates to us all the consequences of adopting the wrong approach to this issue. In my opinion, it was precisely this dismissive attitude towards the citizens of the European Union which resulted in the institutional reforms turning into a fiasco and the failure to ratify the Lisbon Treaty in France, the Netherlands and Ireland.

We should, therefore, draw the correct conclusions and be aware that social acceptance of the European Union's activities should be our basic priority. In order to achieve this acceptance, the citizens should be aware of what we do, how we operate and, ultimately, what decisions we take. We need a clear, cohesive and legible source of information on the activities of all the European Union institutions. The European Parliament's place is certainly at the forefront of this change, as it is the institution that is closest to the citizens of the European Union. We should remember that the Union was created for these very citizens.

Margot Wallström, *Vice-President of the Commission*. – Mr President, thank you for this debate and this discussion. I think it is difficult to summarise but, if I were to do so, I would repeat what some of you have said about this being a fundamental element in any democracy.

I prefer to look at it from the point of view of citizens: the right of citizens to know what is going on and to have access to information and documents and to then be able to make an informed choice. We will all have a very crucial year, because on the 7 June the citizens of Europe will vote in elections. It is, of course, absolutely fundamental that they have access to information.

We are still carrying a burden of historical differences in culture and views on what should be made public or not. I think we are still struggling with that in some cases. I come from a country where we have a very long tradition of the principle of openness and access to documents, while in other Member States it has been the opposite: It is first secret and only the things you decide should not be secret should be made public. I think this is still something that we have to try to tackle and deal with. I think that the report has also shown all the linkages and the interlinkages between all these issues and we have to look at it from a political point of view.

Again, the beauty of the Lisbon Treaty is that it would actually extend the right of information and access to documents and hopefully help end the 'blame game', as it would also give us a chance to follow what goes on in the European Council. Mr Cashman and others mentioned this and I think it is so important for all of us.

I hope you know that you can count on me to continue, on a daily basis, to strive to make sure that the Commission improves its access to documents. We can look at what we do in the committees; we can improve what we do on registers and on a number of points that Mr Cappato has raised and that are helpful to us. I think you should keep up the pressure on the Commission, but you have also shown that it concerns Parliament as well. You can also improve and add to openness and transparency. This is certainly a part of strengthening democracy in Europe. We will have the chance to do some work on this during preparations for the EP elections. That would be one of the ultimate tests for all of us.

Thank you very much for the discussion and we will come back to it very soon when we discuss Regulation (EC) No 1049/2001.

Marco Cappato, *rapporteur*. – (IT) Mr President, ladies and gentlemen, I offer my very warm thanks to the Commissioner. I did not mention this before but the report acknowledges that there has been an improvement in effective access, in positive responses to applications for access to documents. What I have tried to stress is the need for a change of mindset, you might call it, to a paradigm whereby information is already designed to be public the moment it is produced.

Mrs Cederschiöld, I am not asking for more paperwork due to the need to disclose and publicise everything, but for a system that is already set up to ensure that we not only have access to a document when we ask for it, but that we also have access to information at the moment it is produced, while naturally respecting confidentiality regarding political groups and political group meetings. This is also addressed to Mrs Doyle, and to Mr Herrero, who has left.

I am talking here about greater and easier availability of information; of course, this does not mean that groups would no longer be able to hold meetings behind closed doors. I am not talking about an absolute and ideological obligation applying to any meeting, but about ensuring that the infrastructure is in place if we want it. I do not believe it to be true, as Mr Herrero said, that information on attendances, votes and so on is fully kept and fully available. That is not true. Minutes are available for individual committees and the information can only be put together by conducting a meeting-by-meeting investigation.

I personally have been a direct victim of this. An Italian newspaper published banner headlines saying that I was absent more than anyone else, simply because I started mid-term and they based their calculations on the few months after I joined, comparing the attendances to the previous three years. This is an example to show that we ourselves must make the information available to allow maximum transparency, in order to prevent the manipulation and abuse of this information.

I am well aware that the worth of an MEP's work does not lie solely in attendances and absences, but I cannot understand the reason why we ourselves should half conceal this information, opening the door to the worst and most demagogic kinds of manipulation. I therefore hope that on these aspects and on the aspect of access to data by disabled people – I cannot imagine why the Group of the European People's Party (Christian Democrats) and European Democrats has asked for a separate vote on this – I really hope that we do not

have any last-minute surprises because I think this is a matter of fundamental importance for everyone. Mr President, thank you for your understanding.

President. – The debate is closed.

The vote will take place on Wednesday 14 January 2009, at 12 noon.

Written statements (Rule 142)

John Attard-Montalto (PSE), in writing. – Regarding the latter this is not the case of all Commissioners and it is unfortunate that currently we are not in a position to publish data relating to other funds received. However, there is a general misconception on our revenues.

Firstly, to date all members of the European Parliament receive the same salary as members of their National Parliaments. This means that the Maltese Delegation in the EP receives an honorarium identical to that of MPs to employ and run our office both in Brussels and Malta.

Perhaps it would be a good idea if Commissioners and Parliamentarians will have to fill audited financial statements on an annual basis, regarding all revenues received. These statements should be available to the public. I think that this suggestion may be the balance between the two important issues of data protection and transparency.

Anneli Jäätteenmäki (ALDE), in writing. – (FI) Mr President, I agree with many of the issues raised in this report on which we will be voting on Thursday. In future the Council must ensure that all its debates, documents and information are open to public scrutiny.

I also support the proposal in the report that there should be more information on Parliament's website on Members' activities and attendance.

14. Public contracts in the fields of defence and security (debate)

President. – The next item is the report (A6-0415/2008) by Mr Lambsdorff, on behalf of the Committee on the Internal Market and Consumer Protection, on the proposal for a directive of the European Parliament and of the Council on the coordination of procedures for the award of certain public works contracts, public supply contracts and public service contracts in the fields of defence and security (COM(2007)0766 – C6-0467/2007 – 2007/0280(COD)).

Alexander Graf Lambsdorff, rapporteur. – (DE) Mr President, ladies and gentlemen, worldwide there are currently 13 EU missions through which we are helping to bring peace and stability. Nine missions have already ended. In many of these operations, armed forces, often including police officers, from our Member States enter difficult environments. At the same time, we all know that there are still many more trouble spots and that demand for European intervention in international politics is more likely to increase than decrease, and, unfortunately, we also know that we Europeans are often not in a position to carry out our missions in the way that we really ought to, with optimum equipment and in an interoperable and strategically redeployable manner. We must achieve this, as we owe this to our soldiers and police officers involved in operations throughout the world. This goal is a long way off, however.

One of the reasons for this is our fragmented defence equipment market. Our 27 Member States indulge in 89 different, sometimes even duplicated, research programmes. The US has only 29. There is far too little cooperation between the Member States in connection with product development. So-called traditional suppliers are preferred over non-traditional, but perhaps better suppliers and that is what we want to change.

Goods and services to the value of around EUR 91 billion are acquired each year on the European defence equipment market. Of this, only 13% is, on average, put out to tender Europe-wide. The sorry country bringing up the rear in this case, I might add, is Germany with only around 2%. The bottom line is that the internal market for defence-related products is not working. Many important innovations in this high-tech industry cannot be utilised, our armed forces do not get the best equipment and taxpayers' money is wasted. As a result, highly developed defence-related products are becoming increasingly expensive, while the defence budget remains the same or is even getting smaller. In this situation, it is clear what it is all about. It is not about greater arms expenditure, but about spending the existing money more wisely. That is what we need to do. We owe it to our taxpayers.

Therefore, in a report in 2005 this Parliament called on the Commission to submit a directive for this sector. It has done so, in agreement with both Parliament and the Council. It was important for us, and also for me as rapporteur, that President Sarkozy expressly mentioned the European defence equipment market in his speech about the priorities of the French Presidency. With that it was clear that Parliament, the Council and the Commission would work together on this in a united effort. The agreement at first reading is a result of this common political will. Tomorrow, we will – hopefully together – lay the foundation for a new European legal framework, which will ensure a genuine opening of the market and greater transparency and competition with regard to procurement.

We must also view this directive in context. In December, we successfully adopted the Directive on the transfer of defence-related products within the Community. The directive before us today is the second important building block in the European defence equipment package. Although the two directives function independently in theory, in practice they need one another. This is another reason why the completion tomorrow of our work on the defence equipment package is so important. It will not bring a revolution in the market overnight, that is clear, but it is an important step in the right direction and it is able to move European security and defence policy substantially further forward.

I would like to offer my sincere thanks to my colleagues, the shadow rapporteurs Charlotte Cederschiöld, Barbara Weiler and Gisela Kallenbach for their ever fair, sometimes critical, but always constructive cooperation. I would also like to thank the Council and the Commission. Everyone involved showed a wonderful mixture of political will, professionalism and a willingness to compromise.

We all owe it to our citizens to make constructive policy for Europe together. I hope that we will fulfil this obligation tomorrow for our sphere of competence with the adoption of this package. Incidentally, we should be having this debate in Brussels and not in Strasbourg. Thank you.

Charlie McCreevy, *Member of the Commission*. – Mr President, let me first of all apologise for the weakness of my voice, as I have a very heavy cold.

You are about to vote on the proposal for a directive on the procurement of defence and security equipment, which the Commission tabled in December 2007 as part of the so-called ‘defence package’. This proposal is a major step forward towards the establishment of a common European defence market, which, by itself, is an important contribution to the Union’s security and defence policy. In other words, this directive is a politically highly important instrument which will help to strengthen Europe’s defence capabilities, make public spending more efficient and enhance the security of our citizens.

The negotiation process for the proposal has benefited from the close cooperation between Parliament, the Council and the Commission. Therefore, I would like to warmly thank the rapporteur, Mr Lambsdorff, for his intensive and efficient work to achieve an agreement with the Council in first reading. I would also like to thank the shadow rapporteurs for their constructive cooperation. I also want to congratulate the French presidency, together with the Slovenian presidency, for the way they successfully spurred the negotiations in Council. And last but not least, I would like to thank the Czech presidency for its commitment in finalising this file.

The Commission welcomes the text that we have now on the table. The new directive is tailor-made for defence and security procurement. It will give contracting authorities the flexibility they need to negotiate contracts which are often particularly complex and sensitive. It will also allow them to ask for specific security clauses to protect classified information and ensure their security of supply. All this makes the directive an instrument which Member States can apply to most of their defence procurement without putting at risk their security interests.

The new directive will also apply to sensitive procurements in the field of non-military security. This approach is in line with today’s strategic environment, in which transnational threats and new technologies have blurred the dividing line between military and non-military, internal and external security. Public procurement cannot ignore these developments: in cases where equipment for police forces, for example, has features similar to those of defence equipment, it is only logical to make the same procurement rules applicable.

All this will have major advantages: the new directive will make it possible for Member States to limit the use of the derogation under Article 296 of the EC Treaty to exceptional cases. Hence, the principles of the internal market will, at last, apply to important parts of defence and security markets in Europe. Fair and transparent procurement rules will become applicable throughout the Union and allow companies to tender

more easily in other Member States. European industries will get a much larger 'home' market with longer production runs and economies of scale. This, in turn, will reduce costs and lead to lower prices.

At the end, we will achieve greater openness of markets to the benefit of all: industries will become more competitive, armed forces will get better value for money, and taxpayers will benefit from more efficiency in public spending. All this is also the fruit of your work and your input. Let me therefore once again thank you and congratulate you on this.

Charlotte Cederschiöld, *on behalf of the PPE-DE Group*. – (SV) Mr President, a European market in defence-related products is not created overnight, but the rapporteur has built up confident cooperation that has helped us, together with the Council, and in particular the Commission, to take a first, very important step. Now defence-related products will be clearly incorporated within the ground rules of the internal market, which should help to lower prices. Along with a more open market come increased European competitiveness and more efficient equipment production.

The French Government also deserves praise for its constructive role, but the rapporteur, Mr Lambsdorff, has, of course, been the most important contributor. I would also like to thank the defence industry for its valuable contribution, which has increased flexibility. Many elements from the 2004 Procurement Directive have been retained here. At the same time, respect is shown for national security interests and special conditions for supply and the protection of information, for example. Application of Article 296 is retained as per the current legislation, but misuse is prevented. This should also be welcomed by the industry, which will, of course, continue to be able to influence the implementation of the directive as well as the development of new practices.

We in Parliament are pleased that the Council has met us halfway with regard to the threshold values and transparency, to name just a couple of examples of the many successes of the European Parliament, the Committee on Internal Market and Consumer Protection and the rapporteur. I, personally, am pleased that it has been possible to resolve the most controversial issues with regard to existing EC law. If Parliament, as I hope and believe, widely supports this report, then an important and logical step forward will have been taken.

My sincere thanks go to all my fellow Members and other stakeholders who have helped to make this a constructive and exciting process.

Barbara Weiler, *on behalf of the PSE Group*. – (DE) Mr President, Commissioner, ladies and gentlemen, at the end of last year there were some remarkable headlines proclaiming 'the world is rearming', 'trade in weapons is booming', 'defence equipment industry – expensive through lack of competition' and other cases of corruption in Germany as well as in other countries of the European Union. We Social Democrats are absolutely clear in our opposition to this kind of arms race, this increase in weaponry, and also the *laissez-faire* attitude towards corruption. We are in agreement with our national colleagues on this issue.

The aims of this legislative package, with these two directives on transfer and procurement that we are discussing here today, will ensure that it is not just a matter of competitiveness, but also of putting a stop to the wasting of taxpayers' money on the production of defence equipment and of preventing corruption. These are good enough reasons alone for the Social Democrats to accept the result.

There will be a European legal framework for awarding contracts for goods and services in the area of defence and security, there will be more cooperation between the Member States, in other words no unnecessary overlaps and no deceiving of Member States by the arms companies, and there will be more competition overall and fewer exceptions under Article 296.

For us Members – for all groups, I believe – it was important for us to have introduced the Remedies Directive, in other words the directive prepared by Mr Fruteau. For the Council, it was not at all so clear cut. For us it was important for there to be sanctions in the event of corruption, even down to exclusion from contracts. I think that is something new for this industry, which has been spoilt up to now.

However, it was also important to us that the results be viable for all 27 Member States. Even if only six or seven Member States have their own production and a few less get involved in trade, it is important to have 27 States behind us. We have succeeded in that. I am not sure whether everything will work the way we imagine it will and therefore we have incorporated the fact that Parliament wishes to continue to have a certain amount of control. We want to be informed, not just automatically by the Commission, but we want to be informed of the results and about the transposition of this package of directives.

In future, when we will have an even stronger European internal market and will gain European powers, as Mr Sarkozy has of course planned, then the European Parliament as an elected institution in Europe must be involved in genuine control, a control that we have in the national parliaments, but do not yet have in the European Parliament. This, however, is a task for the future. In Germany, for example, we have got our fingers burnt with the production of defence equipment and increased prices. We have the Eurofighter – an excessively expensive, if not *the* most expensive, project – and I am sure that every Member State has similar experiences.

Finally, I do not wish to express my thanks. The cooperation was quite constructive and the results are, above all, significant. However, I would like to say quite openly that the parliamentary procedure was intolerable. Reaching compromises with the Council and the Commission at first reading simply should not be the work of this House. For this reason, this procedure must only be an absolute exception in future. It was not, in fact, necessary for this legislative package. We should stick to our guns and, immediately after the vote, do away with this type of procedure for non-parliamentary work.

Cristian Silviu Buşoi, *on behalf of the ALDE Group*. – Mr President, I wish to begin by congratulating my colleague, Mr Lambsdorff, on his excellent report. I know he dedicated himself to this very important work. I consider it vital to create a common arms market and to establish a legal framework for this in order to further develop the European security and defence policy (ESDP).

I also welcome the important achievement that the principles of the Treaty, in particular transparency, non-discrimination and openness, will also be implemented in the defence and security market and, as has already been said, this will result in an improvement of the efficiency of defence spending.

The Commission's proposal, as well as Mr Lambsdorff's report, managed to establish a set of rules concerning procurement contracts in the field of security and defence, which allow the proper functioning of the common arms market.

I want to refer to at least two major improvements for both suppliers and the contracting authorities which aim to protect the security of the EU and its Member States. I would mention here the provisions relating to the security of supply, namely information about tenderers and subcontractors provided to the contracting authorities and the commitments tenderers have to make to ensure security of supply. On the other hand, tenderers are also protected by the introduction of the review procedure, which guarantees the awarding process is fair and no discrimination occurs.

The proposal increases the transparency in the work procedure, but Member States should not at all be reluctant to it as their security interests are safeguarded, especially by maintaining the derogations from the disclosure of information when security interests are at stake.

In conclusion, I should like to emphasise the fact that it is very important for us to have a common European market for defence. At the same time, when we are discussing this issue – the common European defence market – or perhaps if we discuss more sensitive issues like offsets in the future, we should seriously take into consideration the strategic interests and the concrete situation of each and every Member State.

Mieczysław Edmund Janowski, *on behalf of the UEN Group*. – (PL) Mr President, Commissioner, Mr Lambsdorff has done an excellent job. Congratulations. The spending of public money has always stirred up strong feelings. This is especially true in the case of procurement for the army or defence forces. Large sums of money are involved and we need to select manufacturers and service-providers who provide the best service, rather than the cheapest solution. We need high quality at a reasonable price.

We also have to consider how thorough all the work will be and the quality of the materials used, as well as specific issues such as confidentiality, even secrecy, especially in relation to crucial issues. These matters are also linked to the issues of offsetting and ensuring a return on investment. I think that we will have to return to this subject. I believe that the position presented in the proposal for a directive is correct. In my opinion, the proposed solutions will increase the efficiency of the European public tender system in the field of defence. They deserve our acceptance.

Gisela Kallenbach, *on behalf of the Verts/ALE Group*. – (DE) Mr President, I would like to thank the rapporteur for his constructive cooperation, because for all the justified criticism of the procedure at first reading, this cooperation was in actual fact the prerequisite for the voice of Parliament clearly being heard in the dialogue.

We are deciding today on a compromise with regard to an object of trade, the previous market for which was limited to just a few Member States. It has been a really interesting experience for me just to see

fundamental advocates of the internal market and competition suddenly pulling out all the stops to continue to be able to utilise national decision-making and isolation mechanisms. They did not succeed and that is a good thing.

Why was that? It was because more competition in the trade in defence equipment will hopefully in future result in a move away from the dictation of prices and in the chance that the public money designated for this purpose will be reduced and used more efficiently. The same goes for reducing corruption. We owe this to our citizens. It is also clear that unambiguous tendering conditions will now apply, which will lead to greater transparency in connection with the awarding of contracts and will at last also give SMEs a real chance of entering the market. Moreover, all conceivable loopholes for avoiding the tendering process have also been reduced, and any envisaged deviations must be agreed in advance with the Commission. The bartering which up to now has indeed been prohibited under law but has nevertheless been common practice has not been legalised by this directive. Last but not least, legal remedy can now be utilised for the first time.

I had hoped that we would Europeanise it further, reduce the threshold values and so gain greater transparency, but this is a major step in the right direction and I am looking forward to its transposition.

Tobias Pflüger, *on behalf of the GUE/NGL Group*. – (DE) Mr President, this directive is part of the defence package, the context of which is, and I quote, ‘the strategy for a stronger and more competitive European defence industry’. The principal guideline, as with so many things, is the free market for defence-related products too, in other words weapons, and weapons are for killing and waging war. The aim of the directive is to improve the efficiency and competitiveness of the arms industry in the EU. Mr Swoboda spoke plainly in the previous debate. He said that we need better initial conditions for the European arms industry in view of the competition, in particular from the United States.

In 2005, the EU Member States jointly became for the first time the top arms exporter in the world. Of these exports, 70% come from the four large nations of France, Germany, the United Kingdom and Italy. The main importer states are those of the Middle East. Our concern should not be for a more efficient arms industry, but rather for disarmament, and unlike the efficiency of the arms industry, for this there is no directive. It is very clear what this is really all about.

Andreas Schwab (PPE-DE). – (DE) Mr President, ladies and gentlemen, I would also like to express my sincere thanks to the rapporteur from the Committee on the Internal Market and Consumer Protection, but also to the Subcommittee on Security and Defence and its chairman and draftsman of the opinion on the Lambsdorff report, my friend Karl von Wogau.

We are not talking here about the export of weapons to states outside the European internal market, only about the issue of how the sale and trade in weapons within the European internal market, that is in the 27 Member States of the European Union, can be made more cost-effective and more efficient. I very much welcome the fact that Parliament has taken up a common position here, because, as a result, citizens will ultimately make considerable savings in a market of around EUR 70 billion per year, and therefore can in some way be paid a peace dividend.

This work and – it is a little disappointing that so few representatives of the Council are here today – this decision are extremely welcome in the light of an extremely difficult discussion between the Member States in the past. As much as I agree with the opinion about the difficulties experienced in the dialogue, as expressed by the Social Democrats, I have to say that one day we will achieve a milestone in European defence policy with this. I am even more disappointed that so few fellow Members wish to be present for this decision.

This morning we celebrated 10 years of the euro. I hope that in a few years we will also look back on today, as this is a milestone in European cooperation between Member States in the area of defence and of foreign and security policy, because in future it will, in principle, be the case that whatever requirements we set in our own Member State, the same will also apply automatically in all the other Member States. This involves a large credit of trust that the Member States have now become willing to give. For this I am particularly grateful.

However, I would also like to thank the Commission, which has worked with much vigour on this directive, which has overcome the opposition in the Member States and which has tried constructively to help Parliament to find a way through the tangled undergrowth of public procurement law. The positive points have already been mentioned, including the improvements that will be made to procurement law and I do not wish to repeat these.

With the second part of the package for creating this genuine European internal market for defence-related products we have indeed come another important mile along the road. This also strengthens the autonomous ability of the European Union to respond to international crises, work to which Mr von Wogau has devoted himself in particular in the Subcommittee on Security and Defence. If then, as recently described, an autonomous operation of the European Union in Africa under the leadership of an Irish General with a Polish deputy and troops comprising members from 15 different Member States is possible, then it shows how far the European Union has come in building a Europe of Defence. We need to go further along this road. Thank you very much.

Joel Hasse Ferreira (PSE). – (PT) Mr President, firstly I would like to acknowledge the rapporteur, Mr Lambsdorff, and the shadow rapporteurs, particularly Mrs Weiler.

Ladies and gentlemen, I believe it to be essential that we move towards integration of national defence markets and even strategic coordination of their production. We must move forward, with all the necessary specificities and precautions, towards applying the basic rules of the internal market to the defence industries, increasing transparency in the tendering processes that are organised and the contracts that are awarded involving Member States of the European Union. However, at the same time we must help to create the conditions that will make European equipment and products more competitive in world markets.

It seems important to me, Commissioner McCreevy, that this directive be able to guarantee improvements in the legal framework for public contracts in the fields of defence and security. It must further the construction of the internal market while, obviously, respecting the rights and interests of Member States, especially in the field of security; I refer specifically to those that manufacture arms, munitions and defence and security equipment, such as my own country, for example.

I would also, Mr President, highlight the provisions that allow easier access to this market for small and medium-sized enterprises, specifically by improving the rules for subcontracting. I also emphasise the prospect of making a greater and more profound impact on the industrial fabric, in order to create a true European market in the defence industries. That may also contribute to strengthening research and development, not just within these industries, but also in a section of European industry that feeds off their development.

In conclusion, I believe reference could be made to the obvious link between the defence industries and the foreign policies of the Union. However, in response to a recent speech, I would like to quote a classical Roman saying: 'if you want peace, prepare for war'. In the European Union, as it is almost a pacifist superpower, we call these industries 'defence industries' and not 'war industries' because we want peace, not war. That is also why we need defence industries.

Janusz Onyszkiewicz (ALDE). – (PL) Mr President, the United States spends around USD 500 billion on defence. The European Union spends a little over 200 billion on the same. However, the question is whether, in return for this 200 billion, the military capabilities of the European Union Member States really reflect that investment, as is the case in the United States. When I was defence minister, I met industry representatives and told them that I was the minister responsible for national defence, and not industrial defence. I think that the sort of directive we are discussing today, and for which I would like to express my thanks and my gratitude to Mr Lambsdorff, will lead to the large sums that we spend on defence being used in a significantly more sensible and reasonable manner, and that the military capability of the European Union will reflect our level of spending on defence.

Angelika Beer (Verts/ALE). – (DE) Mr President, ladies and gentlemen, I would like to point out once again that we are talking about a package: the resolution in December and this debate today. Only when we view both together – the regulation on transfers of defence-related products within the Community and now the procurement directive – do they make sense.

I have prepared the opinion of the Committee on Foreign Affairs. We had a core political objective, namely that with the harmonisation of the European arms industry and the liberalisation within the EU, tougher means of control with regard to the issue of exports outside the EU should at the same time be implemented. If we are going to mention the negative headlines, we should mention the good ones as well. At its last meeting at the end of last year, the Council, under the French Presidency, adopted the Code of Conduct as a legally binding instrument. That is a good thing and it is what this Parliament has always called for.

I would therefore like to point out once again that this harmonisation that we consider to be right – and not only the harmonisation, but also the development of a sanction mechanism that is to be used if this directive

is contravened – is now also under the control of the nation states and the Members. We will follow this process, and not only the harmonisation, with great interest.

Jacques Toubon (PPE-DE). – (FR) Mr President, I would like to add my support to the line taken by Mr Schwab a few moments ago. I would say that adopting this directive today is a major decision and we owe it to the very remarkable efforts of our rapporteur, Mr Lambsdorff, our shadow rapporteur, Charlotte Cederschiöld, whom I thank and naturally, the French Presidency who, at the end of last year, made great efforts to achieve a compromise.

In fact, what we are doing today is to finish a cycle which has been remarkably fast, that is to say a few months, which includes both the directive on the internal market in defence products, adopted in December, the Code of Conduct for exports, which became law at the same time and, finally, this directive reconciling Article 296 of the Treaty with the common rules on public contracts. In fact, this whole set, so to speak, commits us to what I will call ‘communitisation’ of the defence economy. This might, of course, appear to be inimical to the desire for sovereignty or even to the very characteristics of defence policies. In fact, this translates a desire for integration of state sovereignties.

The same thing will be noted in the field of justice. Throughout the French Presidency and since the Portuguese and Slovenian Presidencies, enormous progress has been made in yet another field in which national sovereignties wished to block any agreement or cooperation.

In fact, ladies and gentlemen, by adopting such a text, I believe we are helping to bring an end to the ideological debate on the nature and form of the European project. It is an area and a power, and it will be increasingly recognised in the fields of defence and foreign policy.

Geoffrey Van Orden (PPE-DE). – Mr President, as British Conservatives, we are generally strong protagonists of open markets, but, as a number of speakers have confirmed, the underlying thrust of this report is strengthening ESDP and EU integration rather than any real economic benefits. It certainly has nothing to do with strengthening defence capabilities.

I can see that there could be some marginal benefits in easier UK access to some other European countries’ markets in defence-related procurement. But there is a far greater advantage for others to access the UK market, which has the largest defence spend – and, by the way, the UK already has the most open defence procurement market in Europe.

Of particular concern is that, under the proposed rules, a government or firm that has made huge investment in some aspect of defence R&D may no longer be in a position to recoup this investment in the development and production phase. Development contracts are expected to be opened up to European competition, leaving a national government with no means of protecting intellectual property, jobs or export opportunities. It will be a brake on R&D.

There are other concerns as well, but I have to say that this report is not really necessary from a defence, industrial or, indeed, economic point of view.

Ioan Mircea Pașcu (PSE). – Mr President, the directive on defence procurement is an important step towards both the EDEM and the ESDP. I recognise the difficulties of reconciling free market principles with inevitable discretion on defence deals, and common rules covering the award of public contracts with individual practices regarding defence contracts.

This very complex set of regulations has, of course, to pass the test of practice, because trying to fit in the same box adverse elements like transparency and secrecy, and commonality and individuality, will require constant monitoring and the determination to penalise any individual attempt to favour one over the other in a continuous effort to keep a fine balance between all four.

Proper functioning will then be both a function and a reflection of the determination of the EU bodies to referee this nascent European market, and of the true willingness of national defence champions and the Member States behind them to respect and play the game according to these new rules.

One word on offsetting. For countries like mine, Romania, offset is, at least for the time being, an important mechanism to ensure the survival of our national industry.

Marian-Jean Marinescu (PPE-DE). – (RO) European unity and security have again been put in jeopardy at the moment by both the financial and economic crisis and the energy crisis. This has shown once again that only unity and solidarity enable us to successfully tackle the major problems in the modern world.

The introduction of common, transparent rules governing procurement in the market for security and defence-related products is an important step in tightening European security policy. It is also a mechanism specific to the market economy enabling European industry to compete successfully with major global players, especially in the United States.

A sound Community scheme needs to be set up as soon as possible for handling information security, while an adequate control system needs to be put in place for exports of security and defence-related products and equipment to third countries. The ratification and enforcement of the Lisbon Treaty will allow well-structured cooperation to be established on a permanent basis in the area of security policy, which is essential to the EU's future.

Bogusław Rogalski (UEN). – (PL) Since the 1990s it has been clear that the fragmentation of the European defence markets has had negative economic repercussions. During the past 20 years, defence spending has been cut, leading to lower turnover and employment levels, as well as cuts in investment in the field of research and new military technologies.

Today, even the large Member States have trouble funding new defence systems. A European defence technological and industrial base should be created in order to develop the Member States' fundamental defence capabilities. This step is vital, in order to meet global challenges in the field of defence.

It is also important to have a harmonised European legislative framework, which would allow the Member States to implement Community provisions without threatening their own defence interests. We should not forget an important element, namely the introduction of a control procedure. It should aim to guarantee tenderers effective legal protection, foster transparency and prevent discrimination during the procurement process.

Emmanouil Angelakas (PPE-DE). – (EL) Mr President, I too should like to congratulate the rapporteur, Mr Lambsdorff, and the shadow rapporteurs on the important work they have done.

The main feature of the European market is the fragmentation that prevails at national level. Exports of products relating to the defence and security sector in question are subject to national licensing systems which differ in terms of procedure, scope and deadlines.

This new legislation promotes transparency and lays the foundations for creating a single open European market in defence equipment, which is also a basic factor in strengthening European security and defence policy.

It is also important that there are fundamental provisions governing the security of supply and information. The citation of Article 296 of the Treaty establishing the European Communities has also been clarified, but is now confined to actual derogations, as provided for in the Treaty and as requested by the European Court of Justice.

To close, I should like to point out that it is important that there are flexible arrangements which strengthen the role of small and medium-sized enterprises which, in some Member States, form a sector that employs thousands of workers.

Nikolay Mladenov (PPE-DE). - Mr President, I would also like to congratulate Mr Lambsdorff for the excellent work he has done and of course his shadows, particularly, Mrs Cederschiöld, but let me also underline something that Mr Toubon said: the fantastic work done by the French presidency in achieving agreement on this directive.

I hope that when we return to it in a few years' time we will realise that we should not have been afraid to talk about a European defence equipment market because of a common European market. It is in the common defence interest of Europe and it is in the common interest of Europe to have more competition.

Let me highlight one part of this directive which is highly important for many Member States. This is particularly the text concerning subcontracting. I am very happy that the agreements reached with the Council and the Commission on the text concerning subcontracting have reflected to a large extent what Parliament has been pushing for, namely that there is more transparency in terms of subcontracting; secondly,

that there is no discrimination on a national basis when subcontracts are being drafted and finally that national authorities have the ability to allow contractors to subcontract up to 30% of their contracts.

This is in the interests of bringing our industry together across Europe.

Charlie McCreevy, *Member of the Commission*. – Mr President, I would like to thank all the participants in the debate. It is clear that the present text is a compromise and as such cannot take on board all the suggestions made with the attention of improving it. At the same time, however, Parliament has many reasons to be satisfied.

Firstly, it was Parliament that asked the Commission in its resolution of 17 November 2005 in the Green Paper on defence procurement to prepare this directive. Hence, it is to a large extent Parliament's proposal.

Secondly, and even more importantly, the current text has benefited enormously from your input during the process. A huge number of amendments from the Committee on Internal Market and Consumer Protection report have been integrated, in particular with regard to the scope, the provisions on remedies, and transparency.

The Commission can accept all these amendments and therefore supports the text. We are convinced that this directive will make a difference and contribute to a real European defence market. Let us face it, only five years ago, the idea of building this market with Community instruments was pure science fiction to most people, but today it is about to become a reality. We should not miss this opportunity.

IN THE CHAIR: MRS ROURE

Vice-President

Alexander Graf Lambsdorff, *rapporteur*. – (DE) Madam President, I would urge my fellow Member Mr van Orden to consider the fact that the only person here who supports him is the German far-left extremist. To Mr Pflüger from the left, I would say that a glance at the law will facilitate its understanding. It is not about exports at all, it is about the European internal market.

Otherwise, what Mrs Weiler said is correct. She said that these products are expensive through lack of competition. Yes, when there is no competition, they are expensive. We will hopefully introduce more competition into the European internal market. This will certainly not make these products cheap, but perhaps more reasonably priced at least. This is a big opportunity, an opportunity for the industry to open up new markets and an opportunity for medium-sized companies to penetrate these markets, too. However – and this is quite important – it is also an opportunity for transparency and thus for civil society, which will be able to keep a better eye on the way this market is structured and on what is happening, and for many non-governmental organisations.

I would like to expressly thank Mr Mladenov and Mr Toubon for their reference to the unusual work involved in this project. In essence, it is a project under the second pillar, that is the strengthening of the European security and defence policy, using an instrument of the first pillar, namely an internal market directive. Without the splendid work of the French Presidency mediating between the Member States – an extremely difficult task – it would never have succeeded.

We must expand these opportunities. It will be an opportunity for the political Europe. It will be an opportunity for the Common Foreign and Security Policy and an opportunity for the Europe of values and of peace. This is an opportunity that we must take advantage of.

Tobias Pflüger (GUE/NGL). – (DE) Madam President, I would like to make a request under Rule 145 of the Rules of Procedure. If you are addressed in person, you have the opportunity to respond briefly.

It will become clear relatively quickly who the extremists are here, if you take a look at what all this is about. It is about market extremism, which is evident in this area. I said that a more efficient defence industry within the European Union would naturally have an impact on arms exports. No one can deny that this is the case. To suggest anything else would indicate a total fixation on the European Union.

President. – The debate is closed.

The vote will take place tomorrow.

Written statements (Rule 142)

Bogdan Golik (PSE), in writing. – (PL) I would like to highlight the importance of the proposal for a directive of the European Parliament and of the Council on the coordination of procedures for the award of certain public works contracts, public supply contracts and public service contracts in the fields of defence and security, which I strongly support.

The directive opens the way for basing public procurement in the field of security and defence on transparent criteria, without discriminating against tenderers from other EU Member States, whilst simultaneously guaranteeing the security of these countries. That is why it is so important to be able to invoke the clause in the Treaty establishing the European Community which provides that its provisions may be disregarded if that step is necessary to protect the essential interests of an EU Member State.

Joint production, joint purchasing, public procurement – especially in terms of the most technologically advanced, and therefore more expensive, equipment – will give the European Security and Defence Policy a better chance of success. The proposal for a directive, which I support, is a positive step towards opening up the markets of the EU Member States and reducing rivalry in the sector between countries which could make use of shared and cost-effective solutions.

At the same time, I would like to express my reservations regarding the order of preference of standards examined during the process of drawing up technical specifications for the purchase of defence equipment. Defence ministers should be responsible for establishing implementation priorities.

Moreover, I also noted the lack of any reference in this proposal to the Code of Best Practice in the Supply Chain of the European Defence Agency, which is implemented by suppliers. It is therefore not clear whether this criterion should continue to be taken into account when selecting suppliers.

Dushana Zdravkova (PPE-DE), in writing. – (BG) It is my firm view that defence and security are of paramount importance to each Member State, but they are above all areas in the interest of every citizen in the European Union, as well as of the European defence industry.

It goes without saying that the option of derogating from this directive will continue to apply. For this reason, it is vitally important that Member States are urged to improve their legislation governing public procurement in the area of national security. They should also use the opportunity provided by Article 296 of the Treaty establishing the European Community, solely on the condition that they have guaranteed a similar level of transparency, accountability, focus on results and efficiency, including an adequate mechanism for settling disputes which have arisen.

I would like to state that a directive, no matter how comprehensive and specific it is, cannot replace the need for the EU's defence industry and, more generally, its security industry to have a clear vision. The lack of any vision and strategy cannot be compensated for by rules and exceptions which will make countries 'cheat' to protect their private interests, wholesale or retail, according to the size of their defence industry. For this reason, a strategy must be devised in this area, which will be in the interest of upholding European principles.

15. Question Time (Commission)

President. – The next item is Question Time (B6-0001/2009).

We are going to deal with a series of questions addressed to the Commission.

Part one

President. – Question No 30 by **Colm Burke** (H-0992/08)

Subject: Ten years of the euro

In light of the recent celebrations to mark the tenth anniversary of the adoption of the euro, can the Commission comment on the key lessons learnt in terms of the coordination of fiscal policy across the euro area, especially in light of the recent financial and economic crisis?

Joaquín Almunia, Member of the Commission. – While the experiences with budgetary coordination have, overall, been positive, some lessons can be drawn. The analysis of the first 10 years reinforces the case for strengthening the effectiveness of budgetary surveillance in good times. It also shows the need to address broader issues which may affect the macroeconomic stability of a Member State and the overall functioning of economic and monetary union.

Fiscal policy coordination should better guide national budgetary behaviour over the whole cycle – that is, both in good times and in bad times. Increased attention should be paid to monitoring public debt developments while medium-term budgetary objectives should be strengthened to address implicit liabilities. All these kinds of developments call for deeper budgetary surveillance.

But surveillance should also be broadened to take account of developments within Member States that may affect budgetary sustainability, such as the growth of current account deficits, persistent inflation divergences, persistent divergences in the evolution of unit labour costs, or trends of unbalanced growth.

Surveillance must build on the existing instruments. The key instruments for fiscal policy surveillance and economic policy coordination are clearly anchored in the Treaty and, indeed, in the Stability and Growth Pact.

The recent adoption of the European economic recovery plan by the Commission on 26 November last year also breaks new ground as far as governance and budgetary coordination is concerned.

It highlights the Commission's role as a catalyst for short-term emergency economic stabilisation policies. Based on our own economic assessment, the Commission has quickly set up a fully fledged and quantified economic response to the economic slowdown. The Commission's quick delivery is a response to the clear risks of bigger-than-ever national economic policies at this juncture.

The recovery plan recognises the inherent division of tasks embedded into the EU economic policy framework. Since Member States are responsible for budgetary policy, the Commission set a global target for additional fiscal stimulus, taking into account the amount needed to kick-start the EU economy as a whole.

Member States are free to devise the size and composition of their respective fiscal stimulus. It now implies challenges in terms of coordination and surveillance of the implementation of national measures. The Commission and the ECOFIN Council will jointly monitor the implementation of the national measures in compliance with the principles laid down in the recovery plan.

Looking forward, judicious implementation of the fiscal surveillance framework will anchor expectations of future fiscal developments. Together with the strengthening of national budgetary frameworks and rules, and the implementation of reforms curbing the rise in age-related expenditure, this will ensure that sustainable positions are restored.

It thus contains adverse effects of expectations of rising deficits and debt on risk premia and private consumption and investment.

Colm Burke (PPE-DE). - Commissioner, I very much appreciate your reply. In view of the fact that we have a common monetary policy, but given the ongoing problems, do you see a greater role for the Eurogroup, while respecting the taxation policies in individual states? Do you think that the implementation or the adoption of the Lisbon Treaty would in any way affect that area in relation to taxation? I think the important thing is that we need to work together. How do you envisage new ways of trying to generate stimulus in economies of the EU countries?

Joaquín Almunia, Member of the Commission. – What is the role of the Eurogroup? As you know, the Eurogroup is right now, and will continue to be after the Lisbon Treaty comes into force, an informal body. So, the Eurogroup cannot adopt formal decisions even when they relate only to euro-area members belonging to the Ecofin Council.

But over the past three or four years, since we began with the presidency of Jean-Claude Juncker, in particular, in January 2005, the Eurogroup has improved the content of the discussion agenda. Members of the Eurogroup together with the Commission and the ECB discuss this deeper budgetary surveillance and broader economic surveillance that I mentioned in my introductory remarks. The Eurogroup often discusses other issues concerning the external role of the euro and the external dimension of euro area.

Tax issues, as you know very well, are a very delicate issue. According to the present Treaty but also according to the Lisbon Treaty in the future, tax decisions require unanimity at EU level, and I do not foresee any kinds of changes in the decision-making framework in the near future.

Jörg Leichtfried (PSE). – (DE) Commissioner, I am interested in the following point. Over the last 10 years the Eurogroup has been a huge success and, particularly during the most recent crisis, other countries have expressed an interest in joining the group. Is the Commission already planning which countries could possibly

become members in future? Are there other countries interested in joining the euro area because being a member has proved to be so worthwhile?

Nils Lundgren (IND/DEM). – (SV) Firstly, I would like to ask the following question: if it has been so successful over the last 10 years, why do Italy and Greece, to take two examples, have a 10-year treasury bond rate that is a couple of percentage points above that of Germany?

Secondly, why is Sweden's 10-year interest rate 0.4 percentage points lower than Germany's, and Finland's 0.6 percentage points higher, when both are well-managed countries?

Joaquín Almunia, Member of the Commission. – As you know, Slovakia joined the euro zone on 1 January this year, so we now have 16 of the 27 EU Member States participating fully in the EMU and sharing the same currency. Who will be the next? It is not up to the Commission to answer that question. It is up to the candidates who wish to join the euro area to apply. At the present time we know which EU Member States would like to join the euro area as soon as possible but unfortunately do not fulfil all the criteria required by the Treaty – the Baltic states, Hungary and others – and we know that there are two EU Member States, namely the UK and Denmark, that got an opt-out so that they can be excluded from the responsibility of all EU Member States to prepare themselves and their economies to join the euro area one day.

I do not know who will be the first to join the euro area after Slovakia. It could perhaps be one of the two Member States with an opt-out. It is possible that in the coming months Denmark, for instance, might decide to no longer have an opt-out and to apply to join the euro area. In fact, Denmark fulfils all the criteria to join the euro area according to the Treaty, but it is up to the Danish authorities, the Danish Parliament and maybe the Danish citizens in a referendum, to decide.

This morning we were commemorating here the 10th anniversary of the euro. I am sure that in the next 10 years all – or almost all – the EU Member States will join the euro area because, in these times of crisis during this difficult economic period, the advantages of being a member of the euro area have increased a great deal. Those who have not yet joined the euro area realise that the advantages are much bigger and much more important than the responsibilities they must bear as members of the euro area, or the difficulties.

Regarding your remarks, if I were in your position I would not argue against the euro area in terms of interest rates. Ask Denmark what has happened with their interest rates during this period of crisis. Denmark is a non-euro-area member whose currency is linked with the euro and whose Central Bank closely follows the decisions of the European Central Bank. The markets are not rewarding those who are not in the euro. They are putting higher risk premiums on them.

President. – Question No 31 by **Paulo Casaca** (H-1016/08)

Subject: Collapse in dairy prices on the EU market

According to a Commission working document dated 21 November 2008 on monitoring price trends, annexed to the communication on food prices in Europe (p. 9), between October 2007 and October 2008 the price of butter on the EU market fell by 30%, while that of powdered milk decreased by 40%. Both prices thus appear to be descending unstopably towards the intervention levels.

Does the Commission believe that the content of its proposal drawn up a year ago on raising the milk quotas, as approved by Parliament and the Council, should be maintained unchanged in the face of these market trends?

Does the Commission believe that the limits existing under the current rules as regards intervention for powdered milk and butter are likely to be sufficient to prevent disastrous consequences for farmers' incomes, as in a region like the Azores where farmers' activity is totally dependent on the market in dairy products such as those mentioned?

Mariann Fischer Boel, Member of the Commission. – I shall start by describing what the situation looked like just a few years ago. We all remember that the dairy sector was very stable with very few price fluctuations, but over the last few years the situation has changed dramatically. Firstly in 2007, I remember clearly in August and September, we saw huge increases in dairy prices and then we experienced last year the same or an even worse reduction in prices, so the situation today is that prices are very close to intervention prices and in some parts of Europe even below intervention.

I can assure Members that I am extremely concerned at the quick deterioration of the European dairy market. We have support measures in place that can be activated to support the dairy sector and we have already taken action.

Contrary to the normal situation, where the private storage scheme for butter is normally activated on 1 March, we have decided to activate the scheme from 1 January, which means that the production that has taken place in December is also eligible for this scheme. Intervention buying or granting export refunds are other instruments that are available to support the dairy sector or the dairy market efficiently.

With regard to the intervention system starting in March – and therefore also covering the production that will take place in February – butter and skimmed milk powder may be purchased until the end of August. First, for fixed quantities at fixed prices, followed then by a tendering system should the situation so require.

I would also like to remind you of the situation back in 2007. I think we all remember the immediate and quick reaction that was witnessed by the European Parliament, by the Council, by Member States, that put enormous pressure on me to increase immediately – yesterday rather than tomorrow – to increase the quotas to ease the situation on consumer prices.

I would also like to speak out very clearly today to try to stamp out misunderstandings which are circulating that the increase in milk quotas is to be blamed for the very weak dairy prices that we see today. The reality is that despite the 2% quota increase that took place after April this year, the production of milk has actually fallen. That is what we see now, due to the fact that an increase in quotas is a possibility for Member States or for farmers to produce but it is certainly not an obligation. This shows clearly that dairy producers are reacting to market signals.

The relatively small changes that we have seen in the quota system can therefore in no way explain the market volatility that we are seeing. The lower demand from consumers is probably a reaction to the high prices that we saw last year as consumers then tried or wanted to step out of the high-quality high-priced dairy products. Then, of course, there is the economic climate in which we find ourselves these days. For the same reason it is important that we do not fool ourselves and think that by micro-managing the dairy market we decide for the whole sector. The conclusion must be that the quota system has not been able to deliver market stability in the market place.

Concerning the question of the Azores, the Portuguese authorities have used any opportunity to ask for increased milk quotas for the islands because of the fact that the Azores seem to be extremely competitive and seem to be benefiting from the increased production. I am quite sure that the larger quotas, and the ultimate end of the quota system, will benefit the Azores' dairy sector. That will be the case, I think, even in spite of the fact that those beautiful islands are quite remote and milk has to be moved around between nine islands.

To conclude, I can assure Members that I will manage our dairy policy instruments in a responsible way with a view to ensuring an effective safety net for the dairy sector.

Paulo Casaca (PSE). – (PT) Thank you for your clarifications, Commissioner. I regret that I am unable to share your optimism regarding how these increases in permitted production levels will benefit the Azores' production.

I can assure you that these effects – according to a magazine published this week, they are already estimated at a drop of more than 60% in the world market price of powdered milk since August 2007 – are having a profound effect on the incomes of farmers in the Autonomous Region of the Azores, and certainly also in several other parts of Europe. These measures, which I hope will turn out to have some effect, have still had no impact. That is why, Commissioner, I was asking you to devote your full attention to this situation.

Mariann Fischer Boel, Member of the Commission. – You know that I am always very happy to have a dialogue and a discussion with you on the importance of the agricultural sector and also on the Azores.

We find ourselves in a situation today where the market is extremely difficult. This is not only the case for the Azores, but is the general situation in Europe, where we have to realise that prices are decreasing to a level that we would never have imagined just six months ago. I can only assure you – and I think that you believe in my ability to find the right solutions at the right time – that this is going to be the way that we will manage the system under these circumstances.

Mairead McGuinness (PPE-DE). - Happy New Year to the Commissioner, although the news is not good on dairying.

Could I specifically ask you, Commissioner – because you have alluded to some of the factors which have resulted in the price fall – given that we were not clear on why prices rose so dramatically, is there a detailed analysis as to why prices have fallen so dramatically? Are you confident that the reforms of the health check are sufficient in view of all this uncertainty? Lastly, is a safety net enough if we erode producer confidence and they drop milk production, as is happening now?

Mariann Fischer Boel, Member of the Commission. – Firstly, I think there are various reasons for the situation of very low milk prices.

Perhaps the biggest reason is the fact that the Russian market is of huge importance for the European Union and just recently we have seen a huge devaluation taking place in the economic sector in Russia, which means that prices for the Russian consumer have increased dramatically. I do not know the exact figures, but the devaluation is at least 50%. The consequence has been that the possibility of selling our products in Russia has been receding dramatically. There is also, as I said, the consequence of the high prices we saw in 2007, where people stepped back a little from the high price of dairy products – and obviously they have not returned. And then there is the situation today with the uncertainty in the general economic situation.

Ms McGuinness asked whether we think that what we did in the health check is good enough. The fact is that the health check does not start until 1 January 2010, with all the different tools available to support the different sectors. We have seen during the discussions that we have new challenges and we have reserved the modulated money for those new challenges. But these are not effective in 2009. That is why we have proposed to the European Parliament, the Council, and the Ecofin Council to spend some of the so-called unused money – EUR 5 billion in total from agriculture, and for the rural development policy it is specifically EUR 1.5 billion – now, in 2009. It is then in the hands of Parliament and the Council to see whether it is possible to spend some of this money.

If you remember the list of the new challenges, the dairy sector was also mentioned. Therefore, I hope that there will be an understanding in Parliament as well to trigger some of this money to be used not exclusively but also on the challenges facing the dairy sector.

President. – Question No 32 by **Johan Van Hecke** (H-1018/08)

Subject: Microcredits

In May 2008 Commissioner Mariann Fischer Boel proposed reallocating EU funding that was previously used for export subsidies, price support and the storage of surpluses to microcredits, to enable farmers in the developing countries to buy seed and fertiliser. Microcredits are unquestionably a major aid in combating poverty and an instrument for achieving the millennium goals. Back in April 2008 Parliament called in a Written Declaration for more resources to be released for microcredit projects.

What practical action has the Commission so far taken to follow up that proposal?

Jim Allister (NI). - Is it not the practice to take two supplementaries after the questioner, and did I not indicate right at the outset of the question to the Commissioner that I had a supplementary question to ask?

Why was it not called?

President. – Mr Allister, I was not at all aware that you had a question to ask. If I had known, I would of course have given you the floor.

Jim Allister (NI). - With respect, your staff indicated that my request had been noted. So, if your staff were aware of it, then, by implication, you were aware of it.

Why were you not informed?

President. – I am sorry, according to my staff, no one saw you.

Louis Michel, Member of the Commission. – (FR) Madam President, ladies and gentlemen, the discussions between Parliament and the Council on the adoption of the regulation establishing a European food facility led to the decision not to use the funds available under heading 2 of the budget to finance this facility, contrary to what was proposed by the Commission. However, the Regulation of the European Parliament and of the

Council, adopted on 16 December 2008, did provide for a budget of EUR 1 billion under heading 4 of the budget for the period 2008-2010. It will be used to fund measures supporting agriculture and food security in the developing countries worst hit by the food crisis. Microcredit features largely in many of these measures, as well as others aimed at strengthening agricultural and rural production. Parliament will have the right to examine the programming of the work funded by this facility, in accordance with the provisions of the comitology regulation. I am able to tell you that an initial package of approximately EUR 300 million, involving 24 to 25 countries, will be presented in February, while the general plan for the use of the entire facility will in any case be presented by the Commission and adopted by 1 May 2009.

The Commission is in favour of developing microcredit and microfinance institutions more generally. In addition to credit, the latter offer a wide range of financial services, including savings, insurance products, money transfers and payment systems. The Commission is committed to helping the most disadvantaged individuals and those with low incomes to access these financial services. It believes that the greatest barrier to the development of financial systems for the most disadvantaged is not the lack of funding, but rather a lack of institutional and technical capacity. That is why the Commission is focusing its efforts mainly on strengthening the institutional powers of microfinance operators. In addition, where access to capital proves to be a significant limitation for microfinance institutions, for example where a microfinance institution wants to develop its services in rural areas, the Commission can fund the capital needs of these institutions through specialised financial institutions such as the European Investment Bank (EIB), using credits to grant loans or to contribute to the capital. In certain cases, where new microfinance institutions are created, the Commission may also decide to provide funding for these start-ups through specialised NGOs. Moreover, on the basis of these comparative advantages, the EIB manages microfinance operations within the general framework of the facilities funded by the EU budget, namely the FEMIP (Facility for Euro-Mediterranean Investment and Partnership) in the case of the Mediterranean region, or via the European Development Fund, which is the investment facility for the African, Caribbean and Pacific States.

Johan Van Hecke (ALDE). – (NL) Mr President, all of us here have welcomed the decision to earmark EUR 1 billion for the poorest farmers in the countries which have been hardest hit by the food crisis, but my personal regret is that the Commission's proposal to employ unused agriculture funds for this purpose has come to nothing, as a result of pressure from certain Member States and also from one section of Parliament.

As the Commissioner said, the Commission attaches great importance to microloans as an effective instrument for combating poverty, but recently some questions and criticism have been raised, specifically as to their accessibility. People are saying that this is an urban instrument to which rural areas have no access.

My question to the Commission is: has an overall evaluation of this instrument been carried out?

Louis Michel. – (FR) We are of course, as I said, working on preparing the mechanism that should allow us immediately to employ the financial resources that have been set aside for this purpose.

In my view, neither the nature of the funds nor their origin presents a problem in terms of capacity. It is clear that, even in the case of rural projects, there will be no problem at all. I can therefore reassure you on this subject; there should be no difficulty and, in any case, the concern you feel will be largely addressed, as you will see, in the first package, which will come at the end of February and also in the general plan, which will be available by 1 May at the latest.

Jörg Leichtfried (PSE). – (DE) I have only one brief question. Have you considered putting in place certain controls on these microloans to encourage people to focus on fair trade or organic cultivation and do you believe controls of this kind to be useful? Or are you of the opinion that it really does not matter whether requirements of this kind are implemented or not?

Louis Michel. – (FR) Clearly I cannot get involved in the direct management of developing countries. Developing countries generally have extremely fragile policies on these things. I think I have understood the heart of your question and I believe the approach you suggest sounds promising, in principle. I can see what you would hope to achieve by it, too. Perhaps I might look again at this issue and try to incorporate it into the current discussions, and then come back to you to see how we might arrange it.

I imagine you are thinking of incentives that would enable us to direct certain policies much more towards small family farms, and so on. I think that organic farming, in a number of developing countries, is undoubtedly an option, provided that it would be possible to create sectors. However, this is just off the top of my head. If we can create a sector, in a country where there is a surplus of agricultural production at any given time, that could of course represent an interesting diversification, with good added value. Anyway, I

can clearly see that your suggestion is useful and I promise to involve you so that you can work with my staff to see how we can incorporate it into our discussions.

Mairead McGuinness (PPE-DE). - Is the Commissioner concerned that the issue of global food security, which is part of this question, has slipped down the political agenda because of the global economic crisis? What action is the Commission taking to ensure that it is high on the political agenda, because 30 000 children are still dying of hunger and starvation on a daily basis?

Louis Michel. – (FR) I am sometimes surprised by certain questions, and not because we are not talking about these things and working on them every day. Your question implied that the Commission does not appear to be keen to pursue the work that was largely in fact begun by the Commission, with Parliament's help and support.

Rest assured; I have to tell you that this is an interesting point since the fact that prices have fallen since the food crisis a few months ago could lead some to believe that the problem has been solved. Although they have gone down, prices will not return to the relatively low level they were at before. You are therefore right to highlight this and to point out that the food crisis is still ongoing and will remain a real problem for many years. You may be assured that I will be monitoring this matter very closely; it will not be forgotten.

Part two

President. – Question No 33 by **Marian Harkin** (H-0970/08)

Subject: Reforming the budget

The outcomes of the Commission's public consultation on 'Reforming the budget – Changing for Europe' called for the Commission to enhance the effectiveness and efficiency in the delivery of the budget by increasing transparency and public access to it. In addition to this the recent publication of the Court of Auditors' Report 2007 made various recommendations in terms of cost/risk balance, monitoring and reporting, simplification of instruments, and improving the information and control provided by Member States. Can the Commission comment on what steps it will take to address the main results of the public consultation and the Court of Auditors' Report in terms of increasing performance and minimising administrative burdens?

Dalia Grybauskaitė, Member of the Commission. – I have two questions today on the budget reform, one more general and one more concentrated on agricultural matters. I am very happy to have at least two questions because we were asking for more interest from Parliament.

In response to the first question, this is more general and concerns more the delivery and efficiency of European budget delivery. Part of the public consultation concentrated specifically on how to make delivery of the European budget more efficient, faster, simpler and more transparent. The public consultation has made a strong call for the improved effectiveness and efficiency of the European budget, in particular through the simplification and proportionality of the administrative budget and control.

In this context, a number of issues were identified, some of which are already taking concrete shape in the Commission. Among those initiatives which are already in place is the European Transparency Initiative. Thanks to this initiative, the Commission has already provided a first response to the need for increased openness and accessibility to the budget.

Some other issues mentioned in the consultation deserve our serious attention. The first is the integration of expenditures currently outside the budget – the so-called budgetisation of the funds. This would obviously increase synergies, legitimacy and administrative simplification, but we have not been very successful over the years. You are aware of this with regard to some funds. The responsibilities of the Member States are another important element. It is important to further strengthen the responsibilities of Member States, who manage over 80% of the European budget, particularly in areas under shared management. A clearer allocation of responsibilities between Member States and the Commission is needed. This will also hopefully be partly improved if we have the Lisbon Treaty in place.

The third element is the rigidity of our budget. The current European budget is still rather too rigid, recent examples being the negotiations for the food facility or the European recovery plan, especially in the current environment. Then we have problems with the gas supply in Europe where we are not able to deliver or have an agreement between the Member States to invest in future projects such as interconnections or gas storage. That again shows how much we need to invest in the European budget's operational capacities to react.

The third group of problems which has been mentioned in the consultations concerned minimising the administrative burden. The Commission has also already made various commitments. In the action plan towards an integrated internal control framework, the Commission has committed itself to making proposals for simplified rules on cost eligibility issues. This includes extending the use of lump sums or flat-rate payments wherever this is appropriate. In its recent communication on tolerable risk, the Commission proposes to redefine the control system in terms of risk objectives and an acceptable level of error. We hope for the support of the Parliament in these political discussions and later in negotiations with the Council.

The Commission looks forward to the Parliament's support in general in rationalising and simplifying budget delivery and then in examining future legislation in general. I thank you for the questions. This is the least attractive question we usually receive because it is sometimes treated as being too technical. No matter how good the political decisions being made are, good politics can fail if we do not have efficient delivery mechanisms.

Marian Harkin (ALDE). - Thank you for your comprehensive reply, Commissioner. You spoke about the responsibility of Member States. Can you specify the progress being made in simplifying the basis of calculation of eligible costs and making greater use of lump-sum payments, particularly in the area of the structural funds?

My second question relates to the consultation document itself and the largely negative response to agriculture. If we look at the consultation document, it lists tomorrow's challenges as diversity, scientific and technical progress, the knowledge economy, climate change, energy security, but it does not mention food security. So, is the negative response to agriculture unduly influenced by the document itself?

Silvia-Adriana Țicău (PSE). – (RO) I would like to mention the fact that 2009 is the European Year of Creativity and Innovation.

We also have another priority, climate change. We must not forget that, as part of the European economic recovery plan, the need to finance priority infrastructures, such as those for energy and transport, are also a priority.

How is this reflected in the budget reform?

Dalia Grybauskaitė, Member of the Commission. – So, three additional questions.

On the structural funds and what we are already doing: In negotiations with Parliament in agreeing the 2009 budget, we already agreed and have made a declaration that we will accelerate the absorption and we will make the decision-making process more flexible for Member States, including on how to use structural funds. This is also included in our recovery plan. It is important, and we calculate that it will help to accelerate use of structural funds of about EUR 6 billion in 2009 alone. It is our obligation to Parliament and we also agreed it with the Member States in Council, who supported these efforts.

Therefore, two packages of changes in regulations have passed from the Commission and I hope it is already somewhere in Parliament, at least in the Committee on Regional Policy and Planning, and in Council and we hope that it will be passed very fast for Member States to use it.

On food security and CAP relations: It is very interesting to hear your question and I can imagine what questions I will receive from other Members. It is a very sensible question on CAP in general. We have received a lot of criticism in the consultation process on the quality of CAP, not against the policy but against the quality and capability to react and help on time.

The policy is quite expensive by its very nature and that is how the participants mainly perceived this policy. And of course you are absolutely right, it is our understanding that this policy, in the near future and medium term, will be changing to investing more in environmental and health aspects, including food security. That is how we probably will see the medium-term future.

But, of course, not everything suited all participants. We tried to be as objective as possible. We published all consultation materials. It was discussed in the November conference chaired by President Barroso and everything is published, including our research on think-tank inputs, all consultation materials and our summary. So it is public; it is available. It is not yet our opinion. We tried to be objective and not to affiliate ourselves with an opinion, but we wanted to see the public's reaction. We wanted to give you an objective opinion on how we are seen from outside with our policies or budget, and for us to use it for our future preparation of the political decision.

On the third question on priorities, you are absolutely right. Everybody is discussing this. We know what we need to do. Member States know, governments know, but do not always agree when it comes to money. Negotiations on budget finalisation usually centre on *juste retour* negotiations. Who returns the same? Especially now during this downturn in economy – when we have such serious problems in energy and in the external world – especially now we need again to concentrate and not forget that the strategic goal, which we need to perform all together, Commission and you, is to prepare the strategic paper on budgetary reform.

President. – Question No 34 by **Mairead McGuinness** (H-0996/08)

Subject: EU budget reform

Is the Commission satisfied that the recent public consultation 'Reforming the Budget, Changing Europe' reflects the view of the majority of European citizens; or is the 'one message' gathered from 'hundreds of voices' really reflective of the whole of EU opinion?

What are the key conclusions that can be drawn and what does the Commission consider will be the big shifts in EU spending in the future?

Specifically, what does the Commission expect to be the key reforms of spending on agriculture?

Dalia Grybauskaitė, *Member of the Commission.* – The question was given to me with the main emphasis on the agricultural outcome of agricultural consultations, but more general elements have been included in the question so I would like to start with some general remarks.

As regards the consultations which we launched, we have been very satisfied because it was the first time in European history that the debate took place so openly, with all those who were capable and willing participating in the process. We had a huge input from NGOs, governments, think-tanks, civil society, and that was very useful to us and will be useful to us.

It reflects, of course, a very wide range of opinions and perspectives that cannot be reduced to one or two particular messages, but the contribution largely endorsed the Commission's general approach on the budget reform aiming at a strategic vision to maximise the European value added from any euro spent in the European budget. They offer criteria to flesh out the notion and views on how to balance the stability and responsiveness of the European budget.

Many contributors agree that the budget has evolved significantly over time, but only few are fully satisfied with the current budget structure. The consultations convene a sense of priorities in terms of challenges that Europe has to address, with climate change, global competitiveness at the top of the list.

Contributions also propose a range of possible reforms concerning specific spending policies, the financial system and the way the budget is being delivered. More detailed information, as I have already mentioned, is available on the Commission websites.

Finally, on agriculture, the consultation shows a relative growth consensus on the need to further reform CAP. Some consider it best to continue reform along the same lines as the earlier reform health check, or mid-term review, others favour more radical changes. Most contributors emphasise the necessity of turning CAP into, or concentrating on, competitiveness of European agriculture, responsiveness to climate change, food safety and quality requirements, and other environmental objectives. Opinions differ, however, on the nature and extent of the change that is needed.

The Commission's expectations with regard to key spending areas, especially in agriculture, are subject to ongoing work based on consultation, technical assessment, scientific inputs and sectoral policy discussions. They will be part of the political response that will follow later this year. The Commission will then prepare our strategic paper, and I very much hope that we will be able in cooperation with you to perform our duty together.

Mairead McGuinness (PPE-DE). - Thank you, Commissioner, not only for your response but also your comments in relation to Marian Harkin's words on food security. I think it is a big gap in the market.

Let me draw your attention to the report I drew up and which was voted through in this Parliament today by an overwhelming majority of people supporting the CAP and its role in global food security, and to the discussion we had about falling dairy farm incomes. We need to have some reality check here on those who suggest wild reforms. We are talking about food for European citizens and incomes for those who live and manage the rural environment. I would like you to bear those in mind as we go forward.

Göran Färm (PSE). – (SV) I have a short question to ask the Commissioner. I took part in the Commission's excellent conference in December on the mid-term review of the budget. At this conference, the Commissioner gave an excellent and proactive speech on the importance of tabling proposals for amendments now. However, we are now hearing rumours that there will be no proposal on the mid-term review of the budget until *after* the European Parliament elections and after the German federal election in September. My question is simple: will the Commissioner table a proposal for a mid-term review of the budget before the summer or not until after the German federal election?

Justas Vincas Paleckis (PSE). – (LT) Commissioner, I would like to thank you for your precise and open answers and to say that discussions on budget reform have been ongoing for some time, already more than a year. What is the influence of the financial crisis on these discussions? I would also like to know whether any ways out will be sought while reforming the budget, so that in future we can avoid financial crises like the one we are experiencing now?

Dalia Grybauskaitė, Member of the Commission. – Concerning a reality check, I agree fully that any decisions we make, especially strategic ones, need to be very politically responsible. We should not change the best, but we need to get rid of what is old or not very effective.

Concerning the mid-term review, I think there is a misunderstanding. We have never been asked to prepare a mid-term review of the European budget. We have been asked to prepare the full-range budget reform paper by the end of 2009, and it is up to us to decide the timing – where politically it is more proper or where we can have a more efficient and effective response. Personally, I would like it to be prepared earlier – maybe in the spring. But I have to take a serious reality check because we have elections, perhaps the ratification of the Lisbon Treaty etc. We should not waste a good proposal and allow operational events to overshadow it. Let us leave it to President Barroso to decide on the final date, but we are ready and this Commission is ready to do its job.

(LT) Mr Paleckis, your questions are really very important, very deep, I might even say so deep and important that not even the whole European budget would provide an answer. In truth your questions are strategic, whereas no budget could react effectively now or in the future to the sort of financial crisis which has occurred.

The European budget represents just 1% of gross domestic product, but the financial crisis was largely caused not because of a lack of money, but perhaps I would say because of supervision issues, the globalisation of the financial system, its monopolisation and many other reasons.

The European budget, like the budget of a very small international organisation, has no doubt a certain selection of instruments, but it really is not large. That selection largely consists not of actual finances or money, but rather regulating measures, control measures, recommendation measures, also including in the field of macroeconomic policy. This is probably even more important than how much money we actually have or can inject.

At the moment we really have the Globalisation Adjustment Fund, we have the flexibility instrument and others, but they are not really efficient or effective. It was precisely for this reason that in our recovery plan the Commission proposed investing those EUR 5 billion in strategic structural changes to energy inter-connections and other energy infrastructure projects and so far countries are in no hurry and are not very willing to discuss this matter.

The crisis itself shows that investing in strategic energy projects and other strategic joint European projects is extremely important. I hope very much that this crisis will be one of those lessons, which Europe should take very seriously. I also hope that it will help to concentrate and in future use the European budget where we can gain most benefit, as it is far too small to cover everything and solve everything.

Therefore, it is not easy to answer your very general questions, but as I mentioned, I hope very much that this crisis situation in the world and the economic recession, which can now be seen throughout Europe, should really help politicians invest more in European strategy.

President. – Question No 35 by **Seán Ó Neachtain** (H-0972/08)

Subject: Cybercrime

With ongoing advances in technology and more and more people using the Internet, it is becoming increasingly difficult to police the Internet. What is the Commission doing to fight against cybercrime at EU level?

Jacques Barrot, *Vice-President of the Commission*. – (FR) Madam President, to answer Mr Ó Neachtain's question, the Commission has pursued a policy on combating cybercrime for many years, in close cooperation with the Member States and other European Union institutions.

There are four ways in which the Commission helps to fight cybercrime: by encouraging cooperation between Member States, by facilitating public-private partnerships, by developing various legal instruments, and lastly by engaging in cooperation with third countries.

The 2007 communication entitled 'Towards a general policy on the fight against cyber crime' enabled the Commission to promote information sharing in the field of cybercrime between Member States' law enforcement authorities, either bilaterally or through Europol.

Member States must designate permanent contact points through which other Member States can request assistance or information. The Commission also helped to draw up the Council conclusions on a strategy to combat cybercrime, adopted last November.

This strategy proposes a series of measures aimed at fostering cooperation between Member States to fight against crimes such as child pornography, terrorism, attacks on information systems and fraud. A platform for reporting offences detected online must be put in place to centralise cyber-offences so that they can be collated by Europol.

At the same time, the Commission is developing a partnership policy between law enforcement authorities and the private sector to take action against cybercrime.

The Justice and Home Affairs Council of 8 December 2008 made recommendations on public-private cooperation against cybercrime. The Commission also wants to set up a European financial coalition against commercial images of child pornography. The purpose of this coalition is to unite the efforts of various public and private parties to combat the production, distribution and sale of images of child pornography on the Internet.

Lastly, the Commission played a large part in drafting laws laying down minimum standards for harmonising applicable criminal legislation. This is the case with Framework Decision 2005/222/JHA on attacks against information systems and Framework Decision 2004/68/JHA on combating the sexual exploitation of children and child pornography.

The Commission is now looking at how to update and implement these instruments.

I will conclude by saying that we must keep in mind that the Internet is a global information network. The European Union cannot regulate it on its own. That is why the Commission hopes to encourage international cooperation in this area and will be organising a meeting this year with international organisations and EU agencies to try to coordinate the respective activities of these bodies.

That is my answer to Mr Ó Neachtain.

Seán Ó Neachtain (UEN). – (GA) Madam President, I would like to thank the Commissioner for that answer. I would like to ask you a supplementary question, Commissioner. As regards cyber-bullying or denigration, which mostly affects young people who use social sites such as Bebo and Facebook, the denigration or bullying committed against young people on those sites should be stopped. What does the European Union intend to do to ensure that the community draws more attention to this bullying?

Silvia-Adriana Țicău (PSE). – (RO) I would like to ask what measures the Commission is considering for enabling Member States to adopt the Council of Europe Convention on Cybercrime, what action plan the Commission is considering for making improvements and fighting against cybercrime and also what measures you are considering for digital signature interoperability.

Den Dover (PPE-DE). – If I could welcome the answer given so far by the Commissioner but also ask him to make sure that human rights in this field are kept in mind at all times. In other words, I am all in favour of stamping out cyber crime, but can we make sure that internet companies are not, with police authorities and the like, too heavy-handed in dealing with the public who are using the internet for their own pleasure?

Jacques Barrot. – (FR) Madam President, you are right, and I will answer the question on human rights and the fight against cybercrime straightaway. We must indeed pay very close attention to ensure that there is a commitment to respect human rights when combating cybercrime; I would even go so far as to say that we must enforce respect for human rights.

Within the Stockholm multiannual programme, running from 2010 to 2014, we will introduce an entire heading on combating cybercrime with, as I have said and would say again to Mr Ó Neachtain, the aim of having the Observation Centre within Europol, which will allow us precisely to better coordinate the monitoring of national institutions responsible for supervising questionable sites, from which child pornography is distributed to particularly vulnerable audiences. You are right; we must also learn the way in which young people are enticed to certain sites, leaving them at risk of being attacked in some way by the creators of these sites and those who visit them. That is what I can tell you. I would like to say again that this in fact represents a complete strategy to be conducted in an even more purposeful way than in the past, in light of our greater understanding of the risks of the web.

I also have high hopes of the European financial coalition against commercial images of child pornography. We will bring together the different public or private bodies in order to tackle the production, distribution and sale of images of child pornography on the Internet, and also try to locate and apprehend the criminals. If we reach agreement on the funding in the comitology procedure, I hope to launch this coalition in February 2009. I thank Parliament for all the support it will be able to give on this matter.

President. – Question No 36 by **Liam Aylward** (H-0978/08)

Subject: Terrorist threats

We saw last November the terrorist attacks in Mumbai, where many EU citizens' lives were threatened. In light of the Madrid and London bombings in 2004 and 2005 respectively, it is clear that we are under threat from similar attacks on the EU. Can the Commission tell us what we are doing to strengthen and enforce information exchange between Member States' police forces to respond to such attacks?

Jacques Barrot, *Vice-President of the Commission.* – (FR) Madam President, I will answer Mr Aylward. The key to effectively combating terrorism and other forms of serious crime is to ensure that the right people have access to the right information at the right time, which is a huge challenge at European Union level.

We have tried to promote and facilitate effective information sharing between the police forces of the various Member States. The Framework Decision of 18 December 2006, known as the Swedish decision, which all Member States had to implement by mid-December 2008, that is, very recently, creates a common legal framework for the rapid exchange of information and intelligence between Member States' law enforcement authorities.

This Framework Decision stipulates that, when the police force of a Member State receives a request, it must be handled using the same criteria as those applied to national requests. That is one way in which we are addressing this issue.

Another example is the 'Prüm' Council Decision of 23 June 2008 which sets out a detailed mechanism for exchanging specific types of data, including fingerprints, DNA profiles and information linked to vehicle registration, all of which can lead to successful criminal investigations.

Under the Prüm Council Decision, Member States grant each other limited access to their DNA and fingerprint databases in order to check for matches. This is very useful as this Council Decision makes for extremely effective sharing of DNA and fingerprints.

Europol also has a crucial role to play. The Europol Information System, EIS, enables Member States to find out whether the law enforcement authorities of other Member States hold any information needed at operational level. Of course, for Europol to play its part, the Member States must contribute to the EIS satisfactorily.

It goes without saying that we must now plan new measures for information sharing in the next five-year programme that will succeed the Hague programme. This five-year programme will need to guarantee a coordinated, consistent approach to information sharing, and should incorporate a European Union strategy on information management. However, of course, information sharing also raises concerns about the protection of personal data.

The strategy must allow an overall approach to information sharing that meets the needs of the police and is based on the interoperability of IT systems.

That is my answer to Mr Aylward.

Liam Aylward (UEN). - I would like to thank the Commissioner for his reply. In a very brief supplementary question, what is the European Union doing to confiscate the assets of terrorists within the Union, and can the Commissioner outline how many criminal assets bureaux are currently in operation in the European Union?

Avril Doyle (PPE-DE). - I would like the Commissioner to indicate whether he is getting full cooperation between all 27 Member States in relation to information exchange between police forces. If not, which countries are taking a different line, and has the Irish Government requested any opt-out in this particular area?

Paul Rübzig (PPE-DE). - (DE) Commissioner, I would like to ask you whether there is a security and safety policy relating to terrorist threats against nuclear power stations.

Jacques Barrot. - (FR) We are currently in the middle of a study on the confiscation of assets generated by this illegal activity. In particular, Judge Jean-Louis Bruguière has been given the task of monitoring the SWIFT terrorist finance tracking programme. His findings will be available soon. The European Union has benefited from information produced by the terrorist finance tracking programme, and Judge Bruguière has been responsible for checking that it has all been done in compliance with data protection. I can say that this will, in the long term, help us to confiscate the assets of a number of individuals who have made illegal profits.

As for information sharing, I have already told you that the Europol information system could be much more effective if the Member States were to contribute information in a more trusting and transparent manner. We will work on this. Indeed, it is one of my chief concerns to build up this trust between the various intelligence bodies in the Member States, so that we move towards more effective exchange of information. I have not heard anything about an opt-out clause in this field. I think I have more or less answered your questions.

Regarding the threats to nuclear power stations, the Commission has also proposed a text designed to allow for improved surveillance of key infrastructure, which obviously includes nuclear power stations.

President. - Question No 37 by **Armando França** (H-0979/08)

Subject: EU immigration policy

Given that EU immigration policy should have a major humanitarian element and guarantee respect for human rights; that it should help promote integration measures rather than repressive measures, and likewise measures designed to put the rights and obligations of immigrants on an equal footing with those of nationals and to encourage cooperation between the Member States and between the latter and the countries of origin; that it should promote solutions which strengthen intercultural dialogue and respect for differences, for minorities and for freedom, and whereas the French Republic has already signed protocols with various African countries, specifically Congo-Brazzaville, Tunisia, Benin, the Mauritian Islands, Senegal and Gabon, with a view to encouraging development and the possibility of legal immigration, what back-up and support has the Commission provided for those Member States which wish to initiate such processes?

Jacques Barrot, Vice-President of the Commission. - (FR) In answer to Mr França's question, the Global Approach to Migration adopted by the European Union in 2005 aimed to provide a more adequate response to the challenges that migration poses to the EU as a whole. This global approach is based on improving dialogue and cooperation with third countries in all aspects of migration, to build a partnership for better migration management.

In order to give practical content to the Global Approach to Migration, the Commission supports cooperation initiatives with third countries, in the areas of migration and asylum. Examples of this include the Aeneas programme, which funded over 100 projects from 2004 to 2006, or the Migration and Asylum programme that succeeded it, which was allocated a budget of EUR 205 million for the period 2007-2010.

From the initiatives chosen in the context of an annual call for proposals, many are put forward and implemented by the Member States in collaboration with third countries. Let us take an example: on the basis of the Aeneas programme, the Commission funds a Hispano-Moroccan project managing seasonal immigration between the provinces of Ben Slimane in Morocco and Huelva in Spain. This programme also supports cooperation between Spain and Colombia for developing circular migration. Similarly, we funded the temporary return to Cape Verde of highly qualified Cape Verdeans who live in Portugal, to inform and train potential emigrants in their home country. In addition to these measures, geographical financial instruments such as the European Development Fund and European Neighbourhood and Partnership

Instrument also help to give practical expression to the Global Approach to Migration. For example, the European Commission recently backed the creation of the Migration Information and Management Centre in Mali, a project that a number of Member States are very involved with.

Furthermore, as part of the global approach, the Commission proposed new tools to encourage partnership with third countries and to develop greater synergies between Community action and that of the Member States. We now have the mobility partnership, a new tool being introduced by the European Union, at present on a pilot basis. These mobility partnerships are a means of developing dialogue and cooperation between the Union and third countries in the areas of legal migration, development, and the prevention and reduction of illegal immigration. We have signed the first partnerships with Cape Verde and with the Republic of Moldova, detailing specific offers of cooperation. For instance, under the partnership with Cape Verde, Portugal proposed signing a new protocol extending the scope of an existing protocol on the temporary migration of Cape Verde workers, to provide work in Portugal. Other available tools include migration profiles, which consist of analyses of the migration situation in a given country, and cooperation platforms to bring together, in the third country in question, country representatives and the main funding providers concerned with migration. We have put in place a cooperation platform in Ethiopia, on the initiative of the United Kingdom, and we are planning another for South Africa.

Lastly, the Integration Fund and the Return Fund can of course help Member States to introduce pre-departure measures in third countries to assist potential emigrants in finding work in their country of destination, and facilitate their civic and cultural integration, or, on the reverse side, to introduce short-term support measures for returnees.

There you have it, Mr França, I wanted to give you a whole series of examples, but most importantly I would like to say that I am completely convinced of the need for Europe to manage migratory flows through this global approach that links migration and development and genuinely enables concerted migration management. This is the direction we should be taking, I believe, and it will make Europe's migration management an example for the world to follow.

Armando França (PSE). - (PT) Mr Barrot, I agree with you; I agree with your dissatisfaction. In truth, we must be dissatisfied with all these measures, which are sweeping.

The truth is that illegal immigration to Europe continues. The trafficking of human beings continues. There are areas in which there is a lot of immigration, specifically the Mediterranean and heading for Italy. France has come forward with a set of important bilateral cooperation agreements, but other Member States have not been doing so. The Commission must carry on without losing its enthusiasm for this policy of cooperation and aid for Member States ...

(The President cut off the speaker)

Colm Burke (PPE-DE). - Mr President, the question refers to EU policy having a major humanitarian element and guaranteeing respect for human rights. Just recently in Ireland someone was being deported even though the person's daughters would be subject to female genital mutilation.

Has the Commission encouraged Member States to adopt a common position on this? In some states in Europe it is still not illegal, and would the Commission encourage Member States to adopt a common position on dealing with this very difficult issue?

Jacques Barrot. - (FR) Firstly I would like to assure Mr França that I will, of course, do my utmost to now develop the global approach through mobility partnerships between the Union as a whole and third countries. You are right, some Member States have concluded bilateral agreements, but this should also be the case for the whole of Europe, and you were right to emphasise the risks of illegal immigration caused by a failure to organise legal migration successfully.

Next, the case that you mentioned, Mr Burke, is a case that clearly shows the wisdom needed in return policy. There can be no case for returning people to third countries where their life or their person will then be in danger. We must therefore conduct this policy wisely.

I do not wish to go back over the Return Directive. It has been controversial, but it does, however, provided it is properly transposed in the Member States, enable us to monitor to some extent the way in which these return policies are managed.

I do intend, in any case, to keep a close eye on this matter.

President. – Questions which have not been answered for lack of time will be answered in writing (see Annex).

Part three

President. – Question No 51 by **Emmanouil Angelakas** (H-0983/08)

Subject: Opening up of 'closed' professions

In pursuit of the single market objective of the free movement of persons, goods and services, the Commission is encouraging the opening up of 'closed' professions in those Member States where they exist, which in general terms is a move in the right direction.

Are there cases in which the closed professions could remain so, provided they successfully serve society as a whole by providing services without creating problems? What are the possible negative repercussions of opening up some closed professions? Has the Commission carried out studies into the impact on local communities, particularly in regions with specific features (e.g. mountain and island regions, etc.)?

Charlie McCreevy, Member of the Commission. – Firstly I should clarify that the Commission does not pursue as a general objective the opening of closed professions. However, in the context of its internal market policy, it considers that the legitimate need for Member States to regulate certain activities has to be reconciled with the need to ensure the free movement of professionals throughout Europe.

It goes without saying that better quality and wider choice in professional services must have a positive effect on the entire EU economy. To this end, the Services Directive obliges Member States to screen their national legislation for requirements applied to certain professions, such as quantitative and territorial restrictions, in order to evaluate their appropriateness in the light of conditions established in the case-law of the European Court of Justice. By 28 December 2009 Member States will have to present to the Commission their report on the results of this screening and evaluation exercise. This will give them an opportunity to identify the possible negative repercussions of opening up certain closed professions and justify any restrictions.

On the basis of these national reports, the Commission and all Member States will undertake the process of mutual evaluation and will examine and discuss changes introduced in Member States' legislation as well as any requirements that would have been maintained. On 28 December 2010 the Commission will present a summary report to the European Parliament and the Council on the results of this mutual evaluation process. Obviously, requirements to think about specifically regulating the professions will be discussed in this context. In addition, again with the aim of ensuring the functioning of the internal market, infringement proceedings have been opened whenever national rules are found to impose discriminatory or disproportionate restrictions in the area of regulated professions as regards, for instance, access to ownership, incompatibilities or compulsory tariffs.

Finally, the Commission's work in the field of competition also seeks to stimulate appropriate patterns of review of the existing professional rules within each Member State, as provided for in the two Commission reports on competition in professional services. National competition authorities are invited to check, in the light of competition rules, whether a regulation has clearly defined both a public interest objective and the least restrictive means of achieving that objective.

Emmanouil Angelakas (PPE-DE). – (EL) Madam President, Commissioner, I realise that what the Commission is trying to deal with is the creation of a single internal market and the free movement of professionals.

On the other hand, there are certain professions which I called 'closed' and which can only be exercised once a sum of money has been paid. I refer to taxi licences, which in many Member States of the European Union are costly, and the profession of pharmacist, which is exercised under demographic and distribution measures. I should like to hear the Commissioner's thoughts on this issue.

Paul Rübig (PPE-DE). – (DE) Are you of the opinion that local knowledge and regional regulations should be a basic requirement to ensure that these professions can be carried out accordingly?

Avril Doyle (PPE-DE). – I am not sure if bookmakers and tote operators and operators of the pari-mutuels qualify under the professions, but certainly in terms of the single market and free movement of services it is an issue. Where is this debate at? I do know that the Commission's offices have been involved and I am still receiving quite a lot of vexed representation in this area. Secondly, as regards recognition of the professional qualifications directive and the whole area of mutual evaluation which the Commissioner referred to, are

any problems likely there? Are we comparing like with like if we are opening up professions in one Member State to another?

Charlie McCreevy, *Member of the Commission*. – There are two separate issues being spoken about here by the various Members who have addressed this subject. One is the scope of the Services Directive; the other is the regulation of professional qualifications. The Services Directive has in its scope all of the services in the European Union with certain limited exceptions. The question about pharmacists was raised by Mr Angelakas. He may be aware that we do have some infringement proceedings against some Member States in this particular area.

On the question of mutual evaluation which is required under the Services Directive, each Member State has to go through all its rules and regulations before 28 December this year and then we will have a mutual evaluation to see what is proportionate and what is not.

The question that Mrs Doyle raises is that of gambling infringements. She will be aware that we have, in one form or another, some actions pertaining to at least 15 Member States at this particular time. There has been court jurisprudence on this particular matter. Gambling is a service that comes under the scope of the Services Directive like everything else, and these matters have to be addressed. There are various stages of proceedings against Member States in this area. We are also inundated with lots of other possible infringements in this area.

President. – Question No 52 by **Georgios Papastamkos** (H-0984/08)

Subject: Credit rating agencies

The Commissioner responsible for the internal market and services, Mr Charlie McCreevy, recently stated the following in connection with the regulation of credit rating agencies. 'I want Europe to play a leading role in this sector. This proposal goes further than the rules existing in any other jurisdiction. These very exacting rules are necessary to restore the confidence of the market in the ratings business in the EU.'

Will the Commission say why it did not propose the adoption of a more exacting regulatory framework at the stage preceding the financial crisis?

Charlie McCreevy, *Member of the Commission*. – The Commission has closely followed the activity of the credit rating agencies (CRAs) over the past few years. Following the European Parliament's resolution on credit rating agencies in February 2004, the Commission considered very carefully what legislative measures would be necessary to regulate the activities of credit rating agencies.

In line with the advice received from the Committee of European Securities Regulators (CESR) in March 2005, the Commission adopted in 2006 a communication on credit rating agencies. In this communication the Commission concluded that various financial services directives, combined with self-regulation by the credit rating agencies, on the basis of the IOSCO Code of Conduct, the methods for CRAs could provide a satisfactory answer to the major issues of concern in relation to credit rating agencies. It is stated that this approach would require continuous monitoring of developments by the Commission.

In addition, the Commission asked CESR to monitor compliance with the IOSCO Code and to report back on an annual basis. At the same time, the Commission indicated in the communication that it might consider putting forward legislative action if it became clear that compliance with EU rules or IOSCO's Code was unsatisfactory or if new circumstances were to arise, including serious problems of market failure or significant changes in the way credit rating agencies are regulated in other parts of the world.

The financial crisis shed a new light on CRAs. Since August 2007 the financial markets worldwide suffered from a major confidence crisis. This financial crisis is a complex phenomenon involving multiple actors. The credit rating agencies are close to the origin of the problems that have arisen with subprime markets. The crisis highlighted poor performance by credit rating agencies. An explanation could be found in the unsatisfactory way the agencies managed their conflicts of interest, the lack of quality of the methodologies they issue, insufficient transparency around their activities or the inappropriate internal governance in the agencies.

The subprime crisis demonstrated that the framework for the operation of credit rating agencies needs to be significantly reinforced. That is why in June 2008 I announced that the Commission would take regulatory action in this area and on 12 November 2008 the College adopted the proposal covering regulatory activity of credit rating agencies with the agreement of this Parliament and of the Council.

Georgios Papastamkos (PPE-DE). - (EL) Madam President, Commissioner, you personally said in reply to a question of mine in 2006 that, in keeping with the recommendations of the Committee of European Securities Regulators, the Commission would not be tabling any new legislative proposals in the credit rating agency sector.

The massive financial crisis occurred and now here you are telling us that we need a stricter legislative framework. We do indeed need a stricter regulatory framework. My question is: do you acknowledge that the Commission's regulatory reflexes were sluggish in this matter?

Eoin Ryan (UEN). - I know that the Commission has put forward proposals on credit rating agencies and other initiatives that address instability in financial markets to try and ensure that a similar crisis does not reoccur such as CRD, deposit guarantee schemes and Member State balance of payments.

Could I ask him, what proposals does the Commission plan to put forward to encourage growth and competitiveness in the real economy, especially in the SME sector which is particularly important now as more and more European economies are experiencing recession?

Charlie McCreevy, Member of the Commission. - In reply to Mr Papastamkos, let me refer to the report in 2005. We did say at that particular time that we would keep the activities of credit rating agencies on watch, and in 2007, when the subprime crisis reached its peak, I met with the credit rating agencies and expressed our dissatisfaction as to how we perceived they had conducted their affairs.

The questioner will be aware that in December 2007 I wrote to CESR and to ESME for further advice as to what I should do in relation to certain areas. I made quite clear in speeches and in comments at that time that leaving the status quo as it was just not an option.

As a consequence, we came forward with the Commission proposal in 2008 and that matter is now being debated by Parliament and the Council of Ministers. I think that in the past, when keeping the activities of the credit rating agencies under review, I made it quite clear that we would consider the matter in the light of changing circumstances. And in the words of a person in the last century, far more famous than me – when the facts change, we change too. And that is what has occurred.

Mr Ryan, as to what we will do in the areas of financial regulation to which he has alluded – the proposals on credit rating agencies and the capital requirements directive – he put forward a legitimate question concerning what the European Union was doing to address the problems in the real economy because although the changes to do with financial regulation has undoubtedly been timely in areas where there was a lacuna in financial regulation, it in itself is not going to galvanise and kick start the European economy.

Mr Ryan will be aware that in the past couple of months the Commission was at the centre of coordinating the approach of financial stimulus which was adopted by the European Council at its December meeting. Of course it still remains the prerogative of Member States to affect their own financial stimulus if they deem it appropriate because those matters remain the prerogatives of the Member State governments. But the Commission in responding to that stimulus package also committed some funding within our remit and coordinated with the agreement of the other European players as to how we will kick-start things there.

I remember even before that we did adopt in the Commission some initiatives which should help to stimulate small business activity in the SME sector – such as the Small Business Act, such as the European Private Company Statute – and hopefully they will contribute in some small way to assisting in the turn around of the general economy in the European Union.

President. – Question No 53 by **Gay Mitchell** (H-0990/08)

Subject: Financial crisis

In the light of the ongoing financial crisis, has the Commission changed the rules of the internal market in order to make it easier for individual Member States to take protective action concerning their economies and industry?

Charlie McCreevy, Member of the Commission. – At this time of financial crisis and economic recession, both European governments and the European institutions need to show determination and flexibility, as mentioned by President Barroso in the preface to the recently adopted European economic recovery plan.

To show this flexibility, the Commission will, for instance, put in place a simplification package to speed up decision-making on state aid, allow for the use of accelerated procedures in public procurement in 2009

and 2010 for all major public projects, and request that Member States take corrective action in case of any excessive deficit in timeframes consistent with economic recovery to allow their economies to adjust.

However, this flexibility does not mean that the Commission has changed or will change the rules of the internal market. A modernised approach to policies set out in the single market review of November 2007 needs to be pursued further as foreseen.

The 16 December 2008 progress report called 'The Single Market review: one year on' highlights a series of recently adopted measures that will help create the conditions to relaunch the European economy. They include, most of all, stronger contractual rights to enhance consumer confidence, lower costs and administrative burdens, and a single company statute for SMEs. It is also evident that we need to restructure the European regulatory and supervisory framework in order to minimise the risk of future crises.

Over the year, we have been working alongside Parliament and the Council to, among other things, increase protection for bank depositors, dissuade banks and other financial institutions from taking excessive risks in the future and better regulate the credit rating agencies. The rapid adoption and implementation of these proposals is elementary. We need to demonstrate that Europe can provide concrete answers.

Over the coming months, the Commission will formulate in a comprehensive manner how the current regulatory and supervisory framework should be further reformed to bring back stability and confidence. We should strive for a more stable system that does a correspondingly better job in providing opportunities to trade, hedge, diversify and pool risk, allocate resources and mobilise savings. This calls, among other things, for better cooperation and coordination between national regulators and supervisors, as well as avoiding any protectionism.

To foster longer economic growth we need to reduce the cost of capital and to enhance capital allocation. It will clearly require a further strengthening of the internal market.

This flexibility certainly does not mean any changes to the single market principles. On the contrary: at a time of financial economic downturn, both European governments and European institutions need to hold firmly to the principles of the single market. It is essential that any measures to tackle the crisis are guided by the fundamental freedoms and the principles of non-discrimination and proportionality. For instance, a framework for national rescue plans is already in place to prevent any negative spill-over effects amongst uncoordinated national actions.

A level playing field which has benefited Member States' consumers and businesses so much since 1992 needs to be maintained and safeguarded. This is essential as any measure which would undermine the single market could further aggravate the impact of the financial crisis on the wider economy.

Gay Mitchell (PPE-DE). - I hope the Commissioner's voice gets a little bit better. Let me thank the Commissioner for his reply and say to him that I am glad to hear that protectionism is not on the way back because that would indicate that there is not going to be a recovery. There *will* be a recovery in Europe.

Could I invite the Commissioner to start talking about that recovery? The most hopeful thing we have heard in some time were the comments made by President Trichet reported in today's press, where he said that he could see a recovery coming in 2010. Could I invite the Commissioner to start talking about the future so that we do not lose hope and also to talk about the opportunity there is for Europe to become more competitive while this particular crisis is ongoing?

Brian Crowley (UEN). - Madam President, I would like to thank the Commissioner as well for his response and advise him that a drop of whisky, some hot water and a slice of lemon is very good for clearing the throat.

With regard to your answer, and in particular concerning the economic recovery plans and so on, what has been highlighted over the last number of months has been that coordinated action is the only response that can deal with the present financial crisis. The question I want to ask is whether any plans have been made or any initial contacts been made with the incoming American administration – the Obama administration – to see what further coordinated action at financial level is required?

Charlie McCreevy, Member of the Commission. – I undoubtedly agree with Mr Mitchell when he says that protectionism is not the answer. But I am sure that there are many Member States which probably see a possible opportunity to engage in some protectionist measures, but I would say two things on that.

Firstly, we will be vigilant in enforcing EU law in order to prevent any measures which are contrary to the rules of the European Union.

Secondly, I would say to those Member States: if people believe in that particular approach, it would be my view and I know that of Mr Mitchell that that would prolong the duration of the economic downturn. But there have always been differences of opinion regarding this particular approach and there are probably many Members on other sides of this House who would not agree with either myself or Mr Mitchell.

I also agree with Mr Mitchell that it would be appropriate to balance all this negative talk of economic downturn – which there is – with a sense of realism and not to be overly pessimistic. I am afraid that in the world in which we live – whether it is in the Member State we know best or in other Member States – there has always been a predisposition to concentrate maybe overly on the negativity of the economic downturn. Now we have to balance this with realism because there has to be realism in economic forecasting as well and people will have to be realistic. But there is a balance to be struck between being overly pessimistic and being realistic. Confidence is a very fragile thing and it takes a long time to recover it and it can be gone in a flash.

So, I welcome the comments of the President of the European Central Bank in today's paper as to the scene in the next couple of years. But, as I said, there should be this balance and people should be aware of where this balance should be struck.

Mr Crowley asked a legitimate question as to what arrangements we have made to discuss these economic and financial matters with the US administration. There is a very strict protocol in place in the United States, as you are undoubtedly aware, even for people who are in the transition administration as to what is done by them and they guard it religiously.

But as soon as the new administration is in place, we will be in contact with the new Treasury Secretary. We already have a lot of fora in which we discuss matter, such as the Transatlantic Economic Council, the Financial Markets Regulatory dialogue, which are ongoing the whole time. As soon as the new Obama administration takes office next week, we will be making contact with our new counterparts in that regard.

President. – Questions which have not been answered for lack of time will be answered in writing (see Annex).

(The sitting was suspended at 7.30 p.m. and resumed at 9 p.m.)

IN THE CHAIR: Diana WALLIS

Vice-President

16. Pharmaceutical products package (debate)

President. – The next item is the Commission statement on the pharmaceutical products package.

Günter Verheugen, *Vice-President of the Commission.* – (DE) Madam President, ladies and gentlemen, the proposals in the so-called pharmaceutical package which I am presenting this evening at Parliament's request have a common theme. The intention of the package is to strengthen the rights, needs and interests of patients in our healthcare systems.

In our view patients are not merely the subject of services available from healthcare providers or the subject of the financial interests of the pharmaceutical industry. Patients are responsible citizens whose health is their most important asset and who are entitled to have the best and safest treatments and medicines at their disposal. Patients are the subject of healthcare policy.

However, health or restoration to health is not just a right. It also involves an obligation to take care of oneself by eating healthily, having a healthy lifestyle and playing an active role in one's own treatment, if treatment is required.

Our proposal for more effective monitoring of the actual effects of approved medicines, for example, presupposes this type of active involvement on the part of patients. If patients do not notify the authorities about anomalies relating to medicines that they have taken, the monitoring process will be a waste of time.

This also applies to protection against counterfeit medicines. Patients can, and should, in future ensure that they are not taking fake medicines by checking that all the safety features which will be required on future packaging are in fact in place. If we believe that active, informed patients play an essential role in healthcare, in monitoring medicines and in preventing the spread of counterfeits, it is hard to understand why patients are not allowed access to information about the most important medicines. For this reason, the pharmaceutical package consists of the following four parts: a political communication and three legislative proposals on the safety monitoring of medicines, on counterfeit medicines and on patient information.

The rapidly growing numbers of fake medicines have forced us to act. The number of counterfeit medicines confiscated at the EU's external borders increased almost fourfold between 2005 and 2007. If we do not act now, the first deaths will be caused sooner or later. The problem has also affected the legal supply chain for medicines. We have discovered fake medicines at different stages of the supply chain. Each individual case involves thousands of packages and, therefore, thousands of patients are potentially at risk. In future, patients in Europe must be able to have total confidence in the quality of the medicines which they obtain from legal suppliers, such as pharmacies.

Our proposals are therefore as follows: firstly, clear regulations for all those involved in the legal supply chain; secondly, stricter supervision of medicines in transit or for export; thirdly, the latest safety features on medicines which are particularly at risk, including a seal, an identification feature and a barcode to ensure complete traceability for every package; and, fourthly, regulations for the safety monitoring of active substances.

While the proposal was being drawn up, a misunderstanding arose which I would like to clear up once and for all. The proposal's sole objective is to improve patient safety. It is not intended to prevent a specific form of medicine distribution, such as parallel trade. The sector in question has been responsible for a striking information campaign. In this case you could almost call it a disinformation campaign. However, I would like to clarify once again that the parallel trade in medicines is an activity which is permitted under the EU Treaty and will remain so. Parallel traders simply need to observe the new safety requirements, as do all other participants in the supply chain. No one is being given preferential treatment and no one is being put at a disadvantage.

The legislative proposal on pharmacovigilance, in other words on monitoring approved medicines, will improve patient safety and reduce the unnecessary administrative burden. This is a good example of how less bureaucracy can lead to greater safety. This will be achieved by making responsibilities clearer and reporting obligations more effective. In addition, manufacturers must introduce an efficient monitoring system. Community-wide access to information about undesirable or previously unknown side effects will make Community-wide risk management significantly easier.

Finally, the pharmaceutical package includes a proposal for improved patient information. I know that this is a highly controversial issue which we have often considered in this Parliament and I hope that we will succeed in discussing this issue calmly and objectively and without resorting to polemics.

Patients have a right to information and this applies in particular to medicines. Health is one of our most important assets, if not the most important. The significance of health will continue to increase in our aging society. In a democratic society, it therefore goes without saying that patients must be provided with comprehensive information about matters which affect their health.

I must state very clearly, and this really is a fundamental principle of a democratic society, that we do not need to explain and justify the fact that people should be provided with information. Instead, we need to explain and justify the situation when citizens are not provided with information.

Patients are already actively searching for information. All of us will have come across this situation among our friends, acquaintances or even family members, when a seriously ill person or their relatives and friends search desperately, and in many cases these people really are desperate, for information about whether a better medicine or a better treatment is available.

The first place that these people look is the Internet. They come across information from other parts of the world and are not able to tell whether it is product advertising or factual information. In my opinion this situation is both dreadful and intolerable.

I would therefore like to make it absolutely clear that the current situation does not meet patients' requirements for high-quality information. It also results in discrimination. People who can understand English and can use the Internet have access to information which is unavailable to those people who cannot understand

English and cannot use the Internet. These are generally older people and it is particularly important for them to obtain factual information.

As things currently stand in Europe, if a medicine is American, then the information is available, and if it is European, the information is not available. Our considerations are based on the fact that the ban on advertising prescription-only medicines should under no circumstances be relaxed and that there is a significant difference between information and advertising. Our proposal is therefore that certain information should be released and, in particular, the information which has been reviewed by the authorities and can be found, for example, on the package leaflets of medicines. Secondly, this information should only be published on the Internet in written answers to specific questions or in healthcare publications specified by the Member States.

Thirdly, strict quality criteria must be followed and, fourthly, the Member States must put in place effective monitoring mechanisms. The information must be monitored before publication. Exceptions to this will only be permitted in the context of effective systems.

I would like to explain that there is, of course, a grey area relating to patient information and advertising for medical products. Individual patients are not able to see through this grey area in which information of all kinds is made available via media of all kinds, with the media taking editorial responsibility. Very often this information is controlled by interested parties, to put it cautiously, and readers are not able to identify the source of the information or the interested party involved.

I will be working with the media and with the pharmaceutical industry to draw up a code of conduct in order to ensure that this highly questionable practice is brought to an end. However, to achieve this we need to find a better and more modern solution to the problem of patient information.

This package contains very up-to-date and progressive proposals. It draws the obvious conclusions from the increasing importance which citizens place on questions that concern their own health. I hope that I will have the support of the European Parliament for this package. Thank you very much.

John Bowis, *on behalf of the PPE-DE Group*. – Madam President, I very much welcome the Commissioner's statement and in particular the tone in which he opened it when he was referring to patients as being the centre of this. I am just taking through this Parliament a report on cross-border health, and fundamental to that is the safety of patients. If I may say so, I wish this had come sooner so that we could have completed your package, along with other health measures within this Parliament. That is not going to be possible, but at least we are on the road.

Perhaps you could mention to at least one of your colleagues that we would also like to see something on needle-stick injuries as part of that safety package.

But we are looking now at the three items that you have referred to. You have referred, rightly, to information to patients and you have dwelt on the detail of that. I believe that patients, and particularly the patients with conditions like neurodegenerative diseases, are very anxious to see this information to patients coming in in a way which is certainly not advertising but does give them confidence that what they read – whether it is on the internet, in the package or in advertising or announcements, shall we say – is bona fide and trustworthy. At the moment they cannot do that and so they are, as you say, at risk.

The second one is counterfeiting. Counterfeiting is one of the curses of our age. It is one thing to have a watch or designer clothing counterfeited, but it is far more serious if it is a medicine. If it is a counterfeit medicine, then patients are at risk and patients can die because of counterfeit medicines. As we have heard, the statistics – 2.5 million packages a year seized at EU borders – have greatly increased over the previous two years, from 2005-2007, and the frightening thing is that it is increasingly within pharmacies and it is not just the internet packages.

Thirdly, you referred to pharmacovigilance. We reckon that 5% of all hospital admissions are the result of adverse drug reactions and that adverse drug reactions cause a fifth of the unnecessary deaths in hospitals. So it is vitally important that we have a simplified, more reliable package on pharmacovigilance too.

If we get these in place, then I believe my report and the safety of patients can go hand in hand, and that must be at the top of our agenda tonight, during the rest of this Parliament and in the Parliament that is to come at the end of the summer.

Dorette Corbey, *on behalf of the PSE Group*. – (NL) Madam President, Commissioner, ladies and gentlemen, it is good that we are discussing a new piece of pharmaceutical legislation this evening. I would also like to thank Commissioner Verheugen for providing us with this opportunity.

Commissioner Verheugen has rightly raised the fact that a number of amendments to the legislation are necessary. We need a greater focus on safety, better rules concerning information for patients and effective measures against counterfeit medicines. I would also stress the point that the patient must play the central role in this regard.

Medicines are subject to strict supervision, which is why it is not possible to put any old thing on the market. Strict tests are carried out on medicines before they reach the market, but once they are on the market it is extremely rare for them to be tested again. Supervision of a medicine is limited once it reaches the market. Side effects are reported, but there is little research into the effectiveness of medicines. The proposed legislation gives us an opportunity to make very necessary improvements on this front.

For example, cholesterol-lowering medication is taken on a mass scale, although little is known about the effectiveness of various products and very little, indeed, is known about which product is the most effective. The same applies to antidepressants and other drugs which have an impact on people's mental health. It would be a good idea if the pharmaceutical industry were required to undertake more extensive research into the effectiveness and side effects of its products. Independent testing is necessary in this regard.

We all know that patient information about medicines is a controversial topic. Anyone watching prime-time television in the United States can see what trouble this can cause. 'Ask your doctor for x medicine for breast cancer or y medicine for cystitis.' So far, there has been a ban on the advertising of medicines in Europe and, as far as I am concerned, that is how it should remain. We cannot allow anyone to saddle us with a diagnosis or talk us into taking a drug.

The pharmaceutical industry wants to inform patients about its products and thinks that it is the body most capable of doing that. I imagine that that might very well be the case, but independent testing is crucial here, too. The legislative proposal relaxes the rules on the circulation of information via the Internet and printed media. As Commissioner Verheugen himself says, this is a modern and progressive proposal. There must be a very clear dividing line between information and advertising and patients should have the right to reliable information. For this reason, it would be a good idea to collect information in a European database, together with comparative information on the effects and side effects of medicines.

The third proposal in the package tightens the rules intended to prevent counterfeit medicines from being placed on the market. That is only right, because, as my fellow Member Mr Bowis has stressed, placing counterfeit medicines on the market is a serious offence. Commissioner Verheugen is also right in saying that this phenomenon is not so much a consequence of parallel trade as of altogether different mechanisms which we need to tackle. In the upcoming period we should deepen our discussion about the advantages and disadvantages of information for patients, counterfeit medicines and patient safety, because it is certain that we are dealing with a number of public duties here. The industry has a responsibility, patients have a certain amount of responsibility, but so do the authorities as well.

Carl Schlyter, *on behalf of the Verts/ALE Group*. – (SV) Madam President, I would like to thank the Commission for its statement. I think that it is good to address environmental aspects, for example. Contamination from pharmaceutical products is a growing problem in treatment works.

As regards advertisements for pharmaceutical products, I would like to see the toughest possible restrictions. I have really become quite tired of this issue. One evening when I was watching television, a quarter of all the advertisements were for over-the-counter pharmaceutical products. I would like the Commission to carry out an impact assessment to see how great an effect the advertisements have had on sales of these pharmaceutical products. Is it reasonable to have so many advertisements for pharmaceutical products on the television, even if we are talking about over-the-counter medicines?

In Sweden, we had an example of the vaccine Gardasil, which scarcely falls within the bounds of over-the-counter or epidemiological vaccines. I would therefore like us to tighten up the legislation in this area.

As regards the counterfeiting of medicines, this is probably also connected to our current patent system. There is an extremely large difference in price. I believe that a solution for better steering research in the direction of needs that are in the public interest would perhaps be to introduce the greater use of prize funds for pharmaceutical products. Neglected tropical diseases, for example – that is to say an area where there is

no buying power – would then be able to obtain new medicines. This would better enable research to be carried out into producing medicines for groups in society that do not have a strong buying power.

I would like the Commission to look more closely into the possibilities of making greater use of prize funds, whereby a person who develops a new pharmaceutical product receives a one-off sum. Manufacture would then be licence-free. I believe that in certain cases this could be a better system for improving research and, above all, for eliminating the purpose of counterfeiting medicines. I see many advantages to being able, from a political position, to steer research into solving a disease problem instead of treating the symptoms for 30 years with medication that is very lucrative for the undertakings concerned.

Finally, I would just like to say something about nanotechnology. There are nanoparticles in medicine, but we know very little about their toxicological effects. I would like better methods to be introduced for investigating the toxicology of nanoparticles.

Irena Belohorská (NI). – (SK) Many of us will probably talk about healthcare subsidiarity in connection with the pharmaceutical package. Nevertheless, the situation on the pharmaceutical market indicates that, for Europe to be competitive in research and development, as well as in the distribution and sale of new medicines, closer cooperation or improved cooperation between the Member States is required in this field.

Patients need to be better informed about medicines and of course about their unwanted side effects, so that they can participate in treatment more effectively. Due to limited funding for pharmaceutical research and development in Europe, the European pharmaceutical industry is unable to compete with America, Japan or Canada. That is why medicine prices have been rising disproportionately on European markets.

We have discussed repeatedly in the European Parliament the insufficient accessibility of certain drugs, for example those for the treatment of cancer or so-called rare diseases. We place patients who are already in a difficult situation in the position of beggars who have to find sponsors in order to obtain treatment. The high price of many medicines forces the healthcare sector to seek cheaper alternatives, in other words generic medicines. Unfortunately, it is precisely these that are frequently counterfeited and often contain no active substance apart from sugar and the tablet compound.

The aforementioned facts show us how important it is to exchange opinions, discuss and subsequently adopt a complete pharmaceutical package ensuring that patients are treated with high-quality and affordable medicines. In this context, I am looking forward to effective cooperation with the rapporteurs appointed for specific parts of the package in the Committee on the Environment, Public Health and Consumer Protection. I have to agree with the Commissioner that it is medicines sold via the Internet that greatly endanger the safety of pharmaceutical policy.

Anne Ferreira (PSE). – (FR) Madam President, Commissioner, ladies and gentlemen, it always surprises me when health matters are handled by the Directorate-General for Enterprise and Industry. On reading the proposals on patient information, however, it soon becomes apparent that, one or two nuances aside, they treat medicines as if they were any other consumer product.

On this issue, I believe that information provided by the industry itself, other than labelling and statutory notices, is called advertising and it is by repetition that it becomes a competitive commercial asset.

The Commission may well put forward certain provisions to define its proposals, and it may keep telling us that it is patient associations that are impatiently awaiting such provisions. There are many of us who are not fooled by the impact of this 'patient information' directive and know that it will have no benefit in actually improving the health of Europeans.

We can already be certain that, if the text were to be adopted, the pharmaceutical industry's marketing budget would skyrocket, undoubtedly at the expense of research. Already today, 23% of turnover is dedicated to advertising and only 17% to research, and if we look at the United States and New Zealand, where this advertising information is already permitted, we can see that it has led to an increase in the number of prescriptions and health costs, without any visible improvement in the quality of care or in citizens' health. Let this be a lesson to us.

Finally, I would like to conclude by saying that a modern solution would be to have more faith in health professionals, or to train them better, so that they can provide information on treatments and prescription medicines.

Åsa Westlund (PSE). – (SV) Madam President, Commissioner Verheugen, as you said, this package was much talked about even before it was tabled. This is perhaps not particularly strange, as pharmaceutical products affect everyone. However, they also affect powerful companies with strong interests as well as the use of tax revenue.

I, personally, asked the Commission to include the effect of pharmaceutical products on the environment in the information provided. I am very pleased that the Commission has included this in its proposal as something that may be included in the information that may be provided. However, I think, in fact, that this information probably could be mandatory when providing information about the pharmaceutical product.

I do not want to see advertisements for prescription pharmaceutical products. I am therefore pleased that the Commission appears to share this view. However, like the Commission, I believe that patients and the general public should have the right to sound and accurate information on pharmaceutical products. In several cases this already exists today. In Sweden, for example, we have a system called FASS. It is important for it to be possible, as an ordinary citizen, to find reliable information quickly, particularly in view of the fact that there is plenty of information that is downright misleading, in particular in various chat rooms on the Internet that are easy to find if someone is in a vulnerable situation. However, just as the Commission has proposed, it is necessary for the information to be monitored objectively so that it can be relied upon. It is this part of the Commission's proposal that I am quite dubious about. It will be extremely important to regulate how these information channels can and should be set up, so that they are easily accessible while at the same time only accessible to those looking for the information, so that the information is not given to people who have not asked for it like an advertisement.

I am also a little dubious about whether it is really necessary to have full regulation of this matter at EU level. When all is said and done, this is an area that relates to health services and medical care and that should fall mostly within the competence of the Member States. I would therefore prefer to be a little more convinced that the legislative regulation of this matter at EU level was really necessary.

Erna Hennicot-Schoepges (PPE-DE). – (FR) Madam President, I have two questions I would like to put to the Commissioner. Do you intend to find a way to prevent a magazine, distributed free of charge in pharmacies in Germany and subtly funded by the pharmaceutical industry, from being affected by this directive?

My other question relates to the names of medicines in cross-border regions. The names are often different despite the fact that the medicines contain identical substances. Could there not be a way to simplify things for those who live in cross-border regions?

Avril Doyle (PPE-DE). – Madam President, I welcome the Commission's statement tonight and look forward to reading in more detail exactly what is in this package.

Some years ago here we had the pharmaceutical review. That included veterinary medicines, as well as human pharmaceuticals. I am just wondering why the two have been divorced at this stage in the proceedings. The Commission will be aware of my interest through the legislation on maximum residues, which feed into the food chain through veterinary pharmaceuticals. I have been critical of serious shortcomings in the Veterinary Medicines Directive now for some time.

Could the Commissioner just comment on drug interaction and multi-drug therapy and drug-resistance issues in relation to this discussion here tonight? I, like others, feel there should be far more patient information now. Patients should not have to 'compete' – if that is the word – with what is on the internet, where there is sometimes a lot of misinformation. They should get properly reviewed scientific information at first hand with their medicines.

Finally, I also have concerns with the role of drug companies in influencing doctors' prescription habits. Could the Commissioner comment, please?

Günter Verheugen, Vice-President of the Commission. – (DE) Madam President, ladies and gentlemen, in response to Mrs Corbey's comments, I would like to say first of all that I gave the go-ahead for a European database of prescription-only medicines several years ago. Work on the database is going well and it will be available in the foreseeable future.

Not only Mrs Corbey but also several other Members of this House have asked the question: is it possible to make a clear distinction between information and advertising? Let me state clearly once again that the Commission is totally opposed to allowing advertising or publicity, or whatever you want to call it, for prescription-only medicines in Europe. We will not permit this under any circumstances. However, I do also

have to contradict you when you give the impression that there is no difference between information and advertising. Anyone who says that it is not possible to distinguish between information and advertising is insulting hundreds of thousands of journalists who clearly demonstrate every day in their work in newspapers, on the radio or on television that there is a difference between information and advertising. The regulations which we draw up are so accurate and so precise that there is no question of blurring the lines between information and advertising. The information must be based on data that has already been authorised by the approval authority. It must be authorised before it is published and it is subject to strict quality controls. I really do not understand how anyone could believe that this was advertising.

Mr Schlyter has highlighted the question of vaccines. I must state clearly at this point that vaccines are, of course, not freely available. Vaccines are normally made available to ordinary citizens by the public health authorities in the context of information campaigns which aim to ensure the highest possible vaccination density. That is how things should be, but the difference between information and advertising must, of course, also be taken into account in the case of vaccines. I fully share your opinion in this respect. The issue of counterfeit medicines is unrelated to intellectual property. Fake medicines are not produced as a result of a dispute about intellectual property. The medicines which are being faked have already been approved, which means that any issues of intellectual property have been resolved. Counterfeit medicines are produced for reasons of pure greed. There is no question of violating rights to intellectual property. This is simply a criminal act. At the very least faking medicines involves bodily harm, if not attempted murder, but it has nothing to do with questions of intellectual property.

I would like to draw your attention to statistics produced by the European Medicines Agency which has been investigating the possible effects of improved patient information. In Great Britain, 5% of all the people who are admitted to hospital are there because they have taken the wrong medicine, in other words, a medicine which they are allergic to or which they should not have been given. Of all the patients in hospital in Great Britain, 5% have been hospitalised because they have taken the wrong medicine. We know that in 50% of these cases this could have been avoided if the patient had been informed about the nature of the medicine they received. However, this information was not available to them. I also use this argument in reply to healthcare authorities in the Member States who are not enthusiastic about the prospect of well-informed patients because they believe that well-informed patients are demanding and will ask for more expensive drugs. These statistics show that patient information can even save money.

In answer to Mrs Hennicot-Schoepges' question about brochures and magazines which are made available free of charge, I do not think that it is possible for European legislators to prevent anyone from distributing free brochures. This happens in several Member States. However, the ban on advertising also applies to these magazines and brochures. I am thinking, for example, of the very well-known publication *Apothekenschau* in my native country. These publications are not allowed to contain advertising for prescription-only medicines.

I have said something about the grey area, in other words, the surreptitious advertising which you also mentioned. Yes, it does exist. We are familiar with these practices and our proposals are specifically intended to prevent this surreptitious advertising which is found in a number of areas.

As far as the border regions are concerned, the circumstances described are related to the fact that we still essentially have national approval of drugs. European approval is the exception, not the rule. This means that manufacturers have their medicines approved in the different markets in the Member States and no one can prevent them from registering the medicines under different names. This is where the problem lies. If a medicine has European approval, then it is available throughout Europe, including the border regions, under the same brand name.

Mrs Doyle, I do not believe that there is a one-to-one correspondence in the areas which we are discussing between human medicine and veterinary medicine. I think the structures are very different in these cases. For example, animals are not able to find out about medicines themselves. The relationship between demand and availability is quite different. However, I will be very happy to consider this problem further. I would also like to point out that in the case of the question of residues we issued a proposal a long time ago, as you know.

President. – The debate is closed.

17. Dangerous substances and preparations (dichloromethane) (debate)

President. – The next item is the report by Carl Schlyter, on behalf of the Committee on the Environment, Public Health and Food Safety, on the proposal for a decision of the European Parliament and of the Council amending Council Directive 76/769/EEC as regards restrictions on the marketing and use of certain dangerous substances and preparations (Dichloromethane) (COM(2008)0080 – C6-0068/2008 – 2008/0033(COD)) (A6-0341/2008).

Carl Schlyter, rapporteur. – (SV) Madam President, I actually wish that the French Presidency were here tonight, as I have to say that the cooperation that we had was extraordinarily good. Without its commitment and its willingness to find ways forward we would never have been able to reach an agreement. During the process, there was always a blocking minority on some issue or other. It is thus thanks to very good collaboration with the French Presidency that this legislation is now being realised, which is a very good thing.

What we are discussing is dichloromethane (DCM), a paint stripper. It is also an industrial chemical that is actually used a lot in the pharmaceutical industry. In its industrial application, however, it is entirely possible to protect workers and the environment when using this chemical. It is predominantly when it is sold to consumers that there are problems. DCM is a noxious chemical in that it is carcinogenic, has a narcotic effect and has harmful effects on health. It is easy to be affected by it. By the time you smell DCM, you have already exceeded the safety limit by a factor of three, which makes it extremely difficult to protect yourself against. A proper protective set-up consists of very high-spec gloves that have to be changed every three hours. You have to have equipment that usually costs around EUR 2 700 with an independent ventilation system.

The fact that this chemical is used today is very much dependent on the fact that it is used illegally. This meant that it was also important to restrict and prohibit use by professional users. It is often the self-employed and companies consisting of just a few staff who are out there cleaning up graffiti or stripping paint. The protective equipment is very often left at home or just not available at all. Banning this chemical is therefore, to a very large extent, a worker-protection issue. We know that, in those countries where it is used – which means 24 of the 27 Member States at present – DCM is hardly ever used properly in accordance with national and European legislation. I think it will suffice to quote the German Chemical Industry Association's own text, which states that even if there is good ventilation, paints are stripped in restricted areas, the paint residues removed are collected and the DCM pots closed immediately, the exposure limit is still exceeded on a regular basis. That is why self-contained breathing equipment is needed.

I think that it is very positive that the Commission put forward a proposal and that we have now reached a compromise that will, in practice, also prohibit professional use, with countries having the ability to obtain national derogations. However, those who obtain such derogations must guarantee that those who work with this chemical have suitable protective equipment, adequate training and awareness of the alternatives and they must be able to justify why they are unable to make use of these alternatives. It is, in fact, the case that there are functional alternatives available in all the areas in which dichloromethane is currently used. We are talking about the 5% that is used in the dangerous way, which is to say for paint stripping. The other 95% of the volume of DCM used is used within industry. It is a good thing that we are tightening up the protection of workers and the environment there, too.

All in all, I am, in fact, very satisfied with the agreement. It will improve people's ability to strip paint safely without being exposed to dangerous, carcinogenic chemicals. My fellow Members of this House have helped to make it possible to achieve this agreement so quickly, and I thank you all for that and for all the shadow rapporteurs and myself being able to reach agreement with the Council. This bodes well. This was, in fact, the last chance before REACH to ban chemicals in the old-fashioned way. It was therefore a type of grand finale for the old style of chemicals policy and it was certainly a good finale for us to reach agreement so efficiently.

In respect of DCM, there are those who argue that the alternatives may possibly be at least as dangerous, if not more so, but the assessments by the Commission and others have clearly shown that the alternatives are significantly less dangerous. We are now creating a market for the alternatives. The reality is that those companies that are currently grumbling will, in many cases, also manufacture the alternatives, while there are also smaller companies that manufacture alternatives. It is a good thing that they will now get the chance to exploit their competitive advantage of greater environmental protection in the internal market. We are heading for a safer future, and I thank everyone who has been involved in the process.

Günter Verheugen, *Vice-President of the Commission*. – (DE) Madam President, ladies and gentlemen, I would like to begin by thanking the rapporteur, Mr Schlyter, for his hard work on this proposal. We have now come to a good compromise with the Council, which can be accepted after the first reading.

It is question here of restricting the marketing of dichloromethane and its use in paint stripping products, in order to reduce the risks identified in several major studies carried out on behalf of the Commission. There is no doubt that dichloromethane is hazardous to human health because it is highly volatile. This volatility causes highly concentrated vapours to form in the ambient air which can easily be inhaled by users of paint strippers and which then have a direct toxic effect on the central nervous system.

In poor working or operating conditions, this has led to or contributed to fatal accidents in several Member States. The majority of accidents and fatalities have taken place in a commercial and professional environment, in particular as a result of inadequate ventilation and failure to use personal protective equipment. However, consumers have also been involved in accidents, although the number of accidents reported in this case is much smaller.

The Commission's proposal is intended to reduce as far as possible and as far as technically feasible the risks involved in the use of this hazardous chemical. In the version amended by Parliament and the Council, the sale of paint strippers containing dichloromethane to consumers will be banned completely. There should also be a ban on consumers using this substance, because they do not generally have the necessary personal protective equipment and cannot be trained or supervised to ensure that they use the substance safely.

The marketing and use of dichloromethane by professionals will be subject to a general ban. However, as some Member States believe that it is essential for professionals to continue using this substance in future, these Member States will be given the option of permitting its use under specific strict conditions. These Member States must impose specific rules and regulations for authorising professionals which fit into their existing national systems. Professional users will only be granted authorisation after they have completed a training course. The training course must, among other things, provide information about the risks of dichloromethane and the availability of alternative substances. Employers and self-employed people should preferably replace dichloromethane with other substances or procedures, taking into account the relevant workplace safety legislation.

The use of paint strippers containing dichloromethane will continue to be permitted on commercial premises, provided that all the necessary measures have been taken to keep the exposure of the people working there to a minimum. For example, it is essential to ensure that there is adequate ventilation in order to remain as far as possible within workplace limits. Measures to minimise evaporation from containers of paint stripper must also be put in place. In addition, protective respiratory equipment must be worn when the workplace limits are exceeded.

Mr Schlyter recommends that you support the compromise text negotiated with the Council. I also believe that this compromise represents a good balance. I am therefore in a position to give my full support to the compromise on behalf of the Commission.

Erna Hennicot-Schoepges, *on behalf of the PPE-DE Group*. – (FR) Madam President, first of all I would like to thank the rapporteur and reiterate that we have worked very well together to reach this compromise, which has the support of the Group of the European People's Party (Christian Democrats) and European Democrats. Attention must be drawn to the fact that this is a highly toxic product and that viable and safe alternative solutions do exist. Indeed, we cannot deny the hazards – as you mentioned, Mr Verheugen – associated with the use of dichloromethane, particularly if the conditions do not guarantee user safety. Often dichloromethane is used by individuals carrying out restoration work in their own homes. They find it to be an excellent and effective product, but do not realise that by using it in an enclosed space they risk losing consciousness very quickly, and that there is even a risk of death if due care is not taken.

Contrary to the extreme position of a total ban, as first proposed by the rapporteur, the compromise we have reached now leaves Member States the option of providing an exception for professional and industrial use, but under clearly defined conditions. This is a valid compromise and it is important to recognise that dichloromethane is responsible for many accidents. I regret, moreover, that we have very little information on the accidents at work that have happened. I would also point out that an impact assessment was performed before the Commission's work began and that its findings shaped the text. We must nonetheless ensure that very specific information is available to those individuals who may still be tempted to use this product, even though it is the Member States that are now responsible for drawing up clear rules and enforcing the general marketing ban on this product that is hazardous to health.

Graham Watson, *on behalf of the ALDE Group*. – Madam President, I would like to congratulate the rapporteur Carl Schlyter, and the shadow rapporteurs, on the very thorough and professional work that they have done on this dossier. It is a rare pleasure for me these days to be able to participate in debates arising from committee work and particularly at this time of day, or should I say at this time of night.

I have not had the privilege to participate in the debates in committee other than on one occasion when I wished to ensure that my colleagues understood the importance of voting to support the rapporteur's proposals. But this is an important issue, indeed an issue of life or death, and one that for me is doubly important because I have a particular constituency interest in it.

Dichloromethanes, as we have heard, are substances with a uniquely hazardous profile. They are so volatile that inhalation, even just the casual smell of them, is above all recognised health limits. They are carcinogenic and they cause neurotic effects with nerve damage. Under normal temperatures their use causes them to evaporate to dangerous levels. To work safely with dichloromethanes one needs an air-proof suit at a cost of about EUR 2 000, and to protect one's skin, gloves at a cost of EUR 25 or EUR 30, which need to be replaced every two or three hours.

Of course nobody does this, even if they know of the harmful nature of the substance. There is no effective way to ensure the safe use of dichloromethanes for the public. And, because they are so toxic, the rapporteur and the committee wanted to ban them, even for professional use, in order to prevent fatalities. Over the last eight years the Commission has on record some 18 fatalities from the use of these products and some 56 non-fatal injuries. I am sure that in reality there have been more. But there has been an industrial lobby which has created a blocking minority in Council, and for that reason the rapporteur and the committee reluctantly agreed to allow the Member States a derogation for professional use.

However, we have achieved not only strict protection for workers using them professionally, but also a commitment to control and inspection by the Member States. A complete ban on these products already exists in Sweden, Denmark and Germany, and I hope no Member State will ask for such a derogation. Industrial use is a different matter. These products can be used safely industrially in the right conditions.

Some Members have argued that they should be allowed to be used for the protection of cultural heritage, for the removal of paint from old monuments without damaging. But experts have suggested this would not be a good idea, and therefore my group will not be supporting any amendments tabled in that direction.

I mentioned that I have a constituency interest in this. I have been in correspondence with Commissioner Verheugen for seven years now on this issue. Why? Because I have in my constituency a company called Eco Solutions, which has developed a perfectly safe alternative to dichloromethanes. It is a water-based alternative. It has the same effect even if the process takes a little longer. I am sorry to say that the only Member State lobbying hard for the retention of dichloromethane use was the United Kingdom, which also produces in industrial quantities many such substances.

It took me four years' work with Commissioner Verheugen to get the Commission's expert committee even to look at the existence of this safer water-based alternative, and it has taken three years to get that water-based alternative recognised as an effective and useable technology. But I am pleased to say that, as with all the best stories, this one has a happy ending. Dichloromethanes will come off the market for non-industrial use. My constituents will become richer with their new technology, and everybody will live happily ever after thanks to the excellent work of Carl Schlyter and his colleagues on the Committee on the Environment, Public Health and Food Safety.

Jens Holm, *on behalf of the GUE/NGL Group*. – (SV) Madam President, dichloromethane or DCM is a dangerous chemical that can cause cancer, eye damage and acute damage to organs such as the heart, liver and kidneys. DCM is used in the manufacture of pharmaceuticals and as a paint stripper and degreaser, amongst other uses. Some Member States, such as Sweden, Denmark and Austria, have already introduced a ban on DCM.

It is a great thing that the issue of DCM is now on the agenda. It is even better that this agreement will mean a total ban on DCM when it comes to ordinary consumers. For this, I can but give high praise to our rapporteur, Mr Schlyter. Well done, Carl!

Unfortunately, workers in the pharmaceutical industry and those working on cleaning up walls and façades will continue to run the risk of suffering the effects of dichloromethane. This agreement will not, I am sad to say, mean a total ban on the professional use of DCM. This is a serious failing, and one that I hold the Commission entirely responsible for. This derogation, however, has been framed in such a way that what I hope is the small number of Member States that want to use DCM must guarantee that their workers do not

suffer as a result. The burden of proof is thus on those countries that want to engage in the limited use of DCM, which must prove that the substance will be used in the safest possible manner and guarantee the protection of workers. In the end, this is quite acceptable.

By and large, this is a good agreement. I would like to urge the Commission to draw inspiration from this decision. Yes, we can! Let us now go further. I urge the Commission, please, is it not possible for you to give us an indication that, in the future, there will be more bans on hazardous substances such as carcinogenic azo dyes, bisphenol A and the flame retardant deca-BDE? If the EU cannot do this, why can you not permit individual Member States to go further and introduce their own bans? You, in the Commission, even go so far as to force the Member States to lift restrictions that they sometimes already have. My own country, Sweden, for example, was forced to allow azo dyes after joining the EU in 1995. Following threats from the Commission about legal action in the European Court of Justice, Sweden has now begun to permit deca-BDE. That is unacceptable and, more than anything, it is not environmentally friendly. That is not the way to conduct a progressive programme of environmental legislation. Commission, Commissioner Verheugen, please do convince me otherwise! Prove that environmental considerations take priority over the demands of the market in more cases than this single example.

Urszula Krupa, on behalf of the IND/DEM Group. – Madam President, dichloromethane, which is available on the market and is authorised for common use in the shape of various commercial products, is also widely used in the chemical industry, as well as the textile and pharmaceutical industries. Dichloromethane is easily absorbed by the human body, it is highly toxic and carcinogenic, and is responsible for many cases of poisoning, including fatal accidents. In Poland alone, the number of people exposed to this chemical agent in the workplace is estimated to stand at several thousand. While industrial use of the chemical can be effectively controlled, the use of dichloromethane by individual consumers, or even by professional companies, is inevitably associated with a risk to human health and life, not only due to the fact that there is no way of implementing proper controls, but also due to the high cost of implementing protective measures.

All warnings and measures to regulate the use of dichloromethane have proved to be ineffective, in view of the high toxicity and the volatility of this chemical compound, which is why it is necessary to completely withdraw dichloromethane from widespread consumer use. Economic factors should not be used as a reason for maintaining this poison in common use. We must also avoid using the interests of industries which manufacture products containing DCM as an argument to support restricted consumer use of dichloromethane. As far as the common usage of this compound is concerned, the cost to society far outweighs any material benefits.

John Bowis (PPE-DE). – Madam President, I agree with the very last phrase that the Commissioner used, that we can welcome this compromise and, on that basis, I congratulate the rapporteur and the shadow rapporteurs on bringing this together.

It has been a hard road to get to this. Originally the Commission came forward with a proposal to ban this substance for individual use – not for professional use – and the rapporteur brought forward these proposals to extend this to professional use. And so we listened to the evidence of our constituents, as Graham Watson has done. He has talked about industrial lobbies. He has also referred to an industrial lobby in his constituency, which successfully persuaded him of the alternative. We know that 90% of paint strippers use DCM, so we had to look at the balance of this.

None of us wants to go over the top in our descriptions of the dangers. Sometimes when I was listening this evening to the hazards of this substance, I wondered why we are satisfied that industrial workers should be subjected to it but not allow professionals to use the substance, within the rules and under strict guidance; and all the clothing that Graham Watson is going to issue to people in the future – these white suits, or whatever they are, a space-age parliamentary benefit – will be coming.

I think that this, among many other substances, poses a high risk. It is potentially hazardous. There is evidence that there have been accidents and people have been hurt. It is probably right that we take stronger action than has been taken in the past. That is why I accept and genuinely welcome the compromise that is being sought. It leaves the door open to Member States that wish to, and believe it is right to, continue under the tight rules that have been laid down to allow professionals – and only professionals – to use this in addition to industrial use.

But, Commissioner, you now have a responsibility to go back and do the research on the alternatives. Look at the alternatives that are available: NMP has been available for 11 years, but only now is found to be reprotoxic; there are flammable solvents that can cause glue-sniffing problems; there are date-rap drug

substances that are seen as safe alternatives; there is DBE, about which not much is known; and there are the more basic blowlamps and sanding methods that can be used, although dust and other problems arise there. So let us now go back and thoroughly investigate the alternatives so that we really can be sure that we are providing a safer alternative for our constituents. If we find that some of the alternatives are no less dangerous, then I am sure the Commissioner or his successors will be back to tell us so and to bring forward a proposal – and if they do not I am sure Carl Schlyter will.

Zuzana Roithová (PPE-DE). – (CS) Madam President, dichloromethane has narcotic effects causing damage to the central nervous system and loss of consciousness, as well as cardiotoxic effects. If it is misused there is a direct risk of death and this factor has implications for terrorism. I therefore support a ban on its use by ordinary consumers and strict restrictions on professional use. As alternative and possibly less toxic bleaching substances exist, then in my opinion it is unnecessary to permit exceptions. However, the proposal we will vote on tomorrow will allow Member States to apply to the Commission for exceptions in justifiable cases, although under very strict conditions. I would like to know how the Commission or anyone else will assess the validity of applications for exceptions and how they will monitor compliance with the restrictions.

Günter Verheugen, Vice-President of the Commission. – (DE) Madam President, ladies and gentlemen, I would like to start by saying a few words to Mr Watson. You have played an important role in bringing about this proposal. At the time when you told me in person about the problem which you had had for several years with the Commission, I realised that there were alternatives to this substance and I am sure you will agree that from then on things moved very quickly. I personally instructed my Directorate-General to present the proposal because it was clear to me as a result of my dealings with you that there were alternatives. I have stated on another occasion in this Parliament, and I would ask Mr Holm in particular to listen to this, that although I am the Commissioner with responsibility for enterprise and industry, I do not believe that an industrial product which is hazardous should remain on the market simply so that it can be used to earn money. I am of the opinion that, when there is an alternative which can replace a hazardous industrial product, it should be replaced. This is the principle which I have adhered to when we discussed and adopted REACH in this Parliament. All the substances which you referred to, Mr Holm, are now governed by REACH.

Dichloromethane would normally also be covered under the terms of REACH, but because the health risks are so evident and because there have been so many cases, we have given priority to this substance. It is possible that we will have to act in the same way in the case of other substances if the health risks are equally obvious and if we cannot wait until the very comprehensive and demanding REACH procedure has been completed.

I would also like to make it clear, Mr Holm, that I would also have voted in favour of a more far-reaching compromise. If Parliament had been able to agree with the Council on banning the commercial use of dichloromethane, I would have voted in favour this evening. Please do not hold the Commission responsible for the fact that there are several Member States who did not want to take this further for reasons which I am not familiar with. This is the reason why the Commission presented its proposal in the way that it did, because we wanted to produce a proposal which had a chance of being accepted and this is now what has happened.

My last remark concerns the comments made by Mr Bowis in relation to the toxic effects of the alternatives. With chemicals it is always a question of weighing up the degree of risk involved. Our thorough and comprehensive studies have shown that none of the alternative substances currently on sale have the properties of dichloromethane which are so dangerous, in other words the direct toxic effect on the central nervous system. This occurs only with dichloromethane and not with the other substances.

We are aware of very few accidents involving the alternative substances. This also applies to countries where the use of dichloromethane has already been banned, such as Denmark, Austria and Sweden. If the situation should change, the Commission will, of course, investigate and, if necessary, propose measures governing other substances.

Finally, I would like to comment on the remarks made by Mr Holm, which I temporarily forgot, concerning the question of whether the Commission will force Member States to abolish progressive environmental or health regulations, because they conflict with internal market regulations. The Commission will not do this. Current legislation states explicitly that Member States have the right to enact national regulations which differ from those of the internal market if they believe that this is necessary for health or environmental reasons.

As I am responsible for monitoring the notification of these differing regulations, I can tell you that the Commission acts on the basis of a clear and unambiguous principle in this case. We take the healthcare-related and environmental arguments of the Member States seriously. If they enact different regulations for these reasons, we do not force them to revoke their environmental and health regulations. If you have any information from recent years to back up your accusation, I would like to find out more specific details, so that I can refute your claim. The case that you mentioned dates back to 1995, which means that I had nothing to do with it.

Carl Schlyter, rapporteur. – (SV) Madam President, I would like to come back on what Mr Watson said. He, too, has played his part. Though you are not a member of our committee, you have still had an impact on our committee and helped us to reach a compromise. Of course, the staff who have helped me to reach this agreement have also played an important role.

I can only reiterate what Commissioner Verheugen said. The Commission has been clear throughout the process, at least with me, that if the Council and Parliament had reached a more far-reaching compromise involving a total ban, the Commission would have accepted it. There has been no lack of clarity between the Commission and me in relation to this issue.

I would just like to illustrate this chemical to you all. If I were to open a single one-kilo pot here and now, spread it over the benches and paint it out, we would, in fact, somewhat exceed the safe limit throughout this exceedingly large chamber. That is how very toxic this particular chemical is.

I can only conclude this debate by appealing to the Commission to ensure, now, that those Member States which apply for a derogation for professional use have that derogation revoked if these new, stricter rules are regularly broken. We know, everybody knows, and all the studies show that, if dichloromethane is used correctly in such a way that the health of the workers involved is protected, this substance is both uneconomical and unecological. If DCM is allowed to behave according to proper market conditions, which is to say if the legislation is complied with, its own uncompetitiveness will very quickly mean that DCM will be completely abandoned to be replaced by the alternatives. I will take this opportunity to appeal to the Commission to ensure that the regulations are complied with. If this is done, DCM will phase itself out sufficiently quickly.

President. – The debate is closed.

The vote will take place tomorrow.

Written statements (Rule 142)

Gyula Hegyi (PSE), in writing. – (HU) With today's decision, the European Parliament is significantly restricting the use of the paint stripper known as dichloromethane. As the shadow rapporteur for the Socialist Group in the European Parliament, I welcome the decision, into which we have put a lot of work. In recent years there have been many fatalities as a consequence of dichloromethane use. This extremely volatile substance is damaging to the nervous system, and for the same reason is also carcinogenic. The victims were primarily individual users, those decorating their own homes and house decorators, since in industrial use certain safety regulations are observed. The concentrations measured in certain European industrial plants were so high that – in case of prolonged exposure – they would cause cancer in 10% of the workers.

According to the compromise text that has now been adopted, dichloromethane can in future be used as a paint stripper only in industry and under strict safety regulations. Consumers and professionals will have to strip unwanted paint using one of the many equally effective but non-harmful alternative chemicals or, for instance, by pyrolytic/thermal stripping.

The most important point is that this carcinogenic substance should not be permitted to be used in enclosed public areas such as shopping centres and underpasses, since the vapour produced by volatile substances is heavier than air, and therefore measurements have shown that it sinks downwards and endangers children in particular. In making its decision, our political group took ample account of the opinion of the trade unions concerned, since in the case of industrial use, our main concern is the health of the workers.

Bogusław Rogalski (UEN), in writing. – (PL) Madam President, as we know, many dangerous chemical substances are authorised for general use, in spite of the dangerous ingredients they contain. One of these substances is dichloromethane (DCM), which is generally used for manufacturing pharmaceuticals, solvents and other products.

It is a substance that is particularly harmful to human health, as it is classified as a carcinogen. It damages the nervous system and causes serious damage to internal organs, which can directly lead to death.

In view of their higher respiratory rate, children are more susceptible to dichloromethane poisoning, as are people with cardiovascular diseases. It is also alarming that there have been deaths linked to dichloromethane poisoning.

In view of the fact that we know that there are products on the market which could provide an alternative to products containing dichloromethane, as well as the fact that certain Member States have banned the use of this substance, introducing a total ban on its usage seems essential.

A further argument in favour of banning DCM should be the fact that, as experts have pointed out, we cannot ensure that consumers will use DCM safely.

The Commission's proposal to introduce training on the use of products containing DCM for professional purposes will cost approximately EUR 1.9 billion in its first year of implementation.

Withdrawing DCM from general circulation therefore seems to be the most sensible and responsible solution.

18. Authorisation to ratify the Work in Fishing Convention, 2007, of the International Labour Organisation (Convention 188) (debate)

President. – The next item is the report by Ilda Figueiredo, on behalf of the Committee on Employment and Social Affairs, on the proposal for a Council decision authorising Member States to ratify, in the interests of the European Community, the Work in Fishing Convention, 2007, of the International Labour Organisation (Convention 188) (COM(2008)0320 – C6-0218/2008 – 2008/0107(CNS)) (A6-0423/2008).

Ilda Figueiredo, rapporteur. – (PT) Madam President, Commissioner, ladies and gentlemen, with this report we wish to adopt the proposal for a Council decision on Convention 188 of the International Labour Organization (ILO) on work in the fishing sector, establishing minimum international standards that must be respected, and fairer conditions around the globe. In this way we will remedy the low rate of ratification of many conventions in the field of maritime labour.

This Convention, adopted in June 2007 by the 96th session of the International Labour Conference, is aimed at establishing minimum international working standards for the fishing sector and promoting decent living and working conditions for fishers. It covers, amongst other things, conditions relating to such important issues as health and safety at work, manning and hours of rest, crew list, repatriation in case of problems, recruitment, placement of workers and social security.

The professionals in this sector have been waiting a long time for the adoption of this ILO Convention on work in the fishing sector because they believe that it represents a step forward in dignifying this important strategic sector, in which some 30 million men and women work worldwide.

In 2003, the ILO Office and its tripartite constituents began working on drawing up updated and comprehensive international labour standards for the fishing sector, aiming to provide appropriate protection for fishers around the globe, in view of the special nature of the sector and its specific living and working conditions. Taking into account that it is a sector with a high rate of fatal accidents – to which serious levels of exploitation and a lack of protection contribute – it requires special protection.

This Convention also reviews other existing conventions on the sector, specifically on the minimum age, on the medical examination of fishermen, on their articles of agreement and on the accommodation of crews. It is accompanied by a Recommendation (No 199). It should be noted that this Convention became necessary after the adoption of the ILO consolidated Maritime Labour Convention in February 2006, which excluded the fishing sector from its scope.

Therefore, we are calling for every effort to be made to ensure that the various Member States swiftly ratify the Convention, preferably before 2012, as it will enter into force once it has been ratified by 10 of the 180 ILO member countries, eight of which must be coastal states. However, it is equally important that its provisions be applied in places where they are not yet in effect.

Finally, I would like to thank all those who helped to draw up this report, including my colleague Willy Meyer, draftsman of the opinion of the Committee on Fisheries. I hope that all my fellow Members inform their national parliaments and governments so that this Convention can be ratified as quickly as possible.

Vladimír Špidla, *Member of the Commission*. – (CS) Madam President, ladies and gentlemen, fishing is by nature the most globalised of professions and one that confronts globalisation in all its might. An estimated 30 million people work in this field and these people are exposed to significant hardships and dangers quite apart from the effects of globalisation. According to statistics from the International Labour Organization, a comparison of the number of fatal accidents in the fishing industry with the number of fatal accidents at work generally shows that fishing is one of the most dangerous jobs in the world.

All European institutions support the generally recognised Programme for Decent Work. The Commission recently reinforced its commitment through the renewed social agenda and a report linked to the Communication on decent work of 2006. An important part of the Commission's approach is its support for international work standards. A general improvement in safety conditions, medical care and legal protection in the area of fishing together with levels of social protection closer to those enjoyed by other workers can be achieved only if efforts are made to establish minimum standards on a global level. As members of the International Labour Organization and with the support of the Commission, the EU Member States have contributed as much as possible to creating an updated and purposeful Convention through which these international minimum standards will be established. These can be supplemented with mechanisms for ensuring harmony and mechanisms for enforcement such as inspections in foreign ports subject to certain conditions. In June 2007 the Convention and the non-legally binding recommendation were adopted by the governing body of the International Labour Organization.

Convention 188 revises several older standards of the International Labour Organization relating to fishermen and, when it comes into force, it can create equal and improved conditions for all. The Convention regulates matters such as minimum age, medical examinations, the location of the crew, rest periods, employment contracts, repatriation, the recruitment and location of workers, pay, food and accommodation, medical care and social security. Some parts of the new Convention relate to coordinating social security and this is an area exclusively under the Community's competence. The Council must therefore permit the Member States to ratify these parts of the Convention. The areas of shared competence also cover several other themes. As the new standards of the International Labour Organization must take effect as soon as possible, the Commission is proposing that the Convention include a challenge to Member States to try and speed up submission of their ratification documents and to submit them if possible no later than 21 December 2012. This challenge will be supported by a review of the ratification situation performed by the Council before January 2012.

Iles Braghetto, *on behalf of the PPE-DE Group*. – (IT) Madam President, Commissioner, ladies and gentlemen, as we know and as someone has said this evening, the International Labour Organization considers the fisheries sector to be one of the most dangerous working environments. The number of fatalities each year amounts to approximately 24 000, and this gives an idea of the size of the problem. This sector therefore requires wide-ranging regulations and far-reaching international laws, able to ensure the appropriate safeguarding of the living and working conditions of fishermen throughout the world, who are often exposed to situations of harsh exploitation.

Convention 188 on work in the fishing sector is therefore a law of fundamental importance, aiming to establish a level playing field in the sector and fairer conditions of competition. As already mentioned, the Convention promotes dignified living and working conditions for fishermen, health and safety in the workplace, adequate rest periods, crew list, repatriation, recruitment, pay, and social security.

This initial debate has actually made us realise how much common ground there is on the importance of this provision. We would therefore simply like to emphasise the urgent need for the Member States to ratify it so that it can enter into force as soon as possible.

Proinsias De Rossa, *on behalf of the PSE Group*. – Madam President, I am very happy to speak on this issue here tonight. I believe that the job of a fisherman, or indeed a fisherwoman insofar as there are some, is one of the most dangerous jobs in the world. Certainly, in Ireland alone, rarely does a year pass without some fishing boat being lost at sea, and many fishers are injured in their work.

As a former Minister for Social Welfare in Ireland it was my task to try and find a way in which the rights of people working on fishing boats could be respected. It is an extremely complex area, where the issue is whether one is working under a 'contract of work' or a 'contract for work' – the difference being between

those who are working as a normal employee for tax purposes and thus pay their social contributions to the skipper who is an employer, and those who share the proceeds of the catch, who are not treated as normal employees. The difficulties in reconciling those positions are extremely complex. As a Minister I managed to find a piece of European legislation which resolved the problem for a short period, but unfortunately it was subsequently challenged and found not to apply precisely to the issues at stake.

The importance of having common minimum standards which are globally applied really goes without saying. These include standards of health and safety on board, accommodation, the provision of food, and indeed the guarantee that minimum rates of pay are also applied to those who are employees, and that there is an obligation on boat owners and skippers to ensure that people's contributions are fully paid up.

It is important that these are global minimum standards, because unfortunately the tendency has been for a race to the bottom in this area, as indeed in other areas too, so having this convention approved as soon as possible would certainly be something that I would urge at a very early stage. I think 2012 is a long way away and we should try to shorten this deadline if at all possible.

Kathy Sinnott, on behalf of the IND/DEM Group. – Madam President, it is vitally important that fishermen have work conditions that are reasonable, as safe as a high-risk occupation like fishing can be and that offer a decent return that allows fishermen and women to support themselves and their families. The financial return also needs to be a stable and reliable base for maintaining our coastal communities. As it happens, the coastal communities in my constituency are finding it very difficult to survive.

The question for me in this debate is whether ratification of Convention 188 of the International Labour Organisation, thereby extending the regulation and policy to those who work in fishing, will be a promotion and a protection to fishermen or an obstacle, and whether or not it can achieve the global level playing field that our fishing industry needs to survive.

A Kenyan delegation told me of a Japanese factory ship that harvests their waters and those of their neighbours. What conditions do those working in that factory ship experience? From what I was told I suspect they were not good. What I do know is that the fish caught do not benefit the people of Africa, even though they are from their territorial waters. When that fish is sold on the international market they are not sold at prices that Europe, especially Ireland, can match.

Fishermen out of work in Ireland are denied social welfare payments and this creates great hardship. Therefore, if ratification will achieve a significant decrease in fishing fatalities, ensure social security benefits for fishermen and social benefits, like medical care and the dole, then I welcome it and encourage its ratification. If it further promotes fishing as a viable industry for the small and medium operator, especially family-owned fishing boats, then I certainly can support it, because, as it is, fishing is dangerous and in many parts of the world exploitive – not just of fish, but also of people. Can it, and will it? I hope so.

Jean-Claude Martinez (NI). – (FR) Madam President, the sustainable management of fishing means regulating fishing efforts, of course, but it should also take account of fishermen's efforts. Fishing, as everyone agrees, and above all offshore fishing and deep-sea fishing, is the hardest job in the world, even if we are no longer in the era of the fishing conditions of the Basques and Icelanders of the 19th century, who embarked on long campaigns. It remains a very tough profession and worthy of respect, with 24 000 deaths every year.

Fishing is the perfect example of global activity due to the globalisation of the resource, namely the fish, which have no regard for national borders; therefore international laws are the only appropriate response. Since fishermen's work must be regulated internationally, the legislator is, of course, the International Labour Organization (ILO) and we are currently celebrating the 50th anniversary of the first ILO fishing conventions, on the minimum age, employment controls, medical examinations and accommodation. Today's convention, Convention 188, will thus amend, supplement and revise the previous conventions. This must all be ratified as soon as possible, before 2012. It is a fine example of joint management of jointly owned global resources by joint parties, and it is urgent, since the sea professions – dockers, fishermen, sailors – in today's globalised economic competition, are exposed to all manner of abuse, exploitation and trafficking, even cases of slavery, in the name of cutting costs, obviously.

Legal protection is therefore vital in terms of health, accommodation, safety, working time, living conditions, salaries, medical care, and thus employment contracts and social security. Hence we are now establishing a minimum legal status for fishermen and in so doing we are creating a level playing field for global competition.

This may not necessarily mean much to European fishermen who already have this, but for the fishermen of the world, of Peru, Asia or Africa, it is a great step forward.

Marie Panayotopoulos-Cassiotou (PPE-DE). – (EL) Madam President, I think that this evening's debate is very important because, with the consent of the European Parliament, with the resolution that I imagine we are going to unanimously support tomorrow, we shall again give momentum to the implementation of the decent work agenda which we all supported last year. Convention 188 is nothing more than a part of the application of this agenda to the fisheries sector, which was not covered by the standard contract on seafaring work and, as previous speakers said, it is very important that we also have a minimum coverage at global level in this sector too.

The countries of the European Union will, I imagine, all ratify this Convention by 2012, as provided for. Eight Member States have already ratified it, meaning that the Convention will start to apply and all of us living on the coast will therefore be able to take pride in the fact that our fishermen have coverage and will not have competition from third countries which may have social support for their fishermen.

I would reiterate that Parliament has already voted in favour of protection for women working in or connected with fisheries. Female employment in fisheries, both direct and indirect, is very important, because if women in coastal areas did not stand by fishermen, these areas would be much poorer and much more sparsely inhabited, because needs are met by people, not just legislative texts.

We are therefore contributing to a culture of coastal areas, a social culture which will make use of the cultural elements of Europe linked to the sea and coastal areas. From south to north, every area has its peculiarities; however, the Convention which we adopt for ratification by the Member States provides cover in every instance and for fishermen's every need.

In particular, we must support measures for their education and care in old age.

Zuzana Roithová (PPE-DE). – (CS) Commissioner, like my fellow MEPs I consider it necessary to adopt standards that will ensure decent working conditions for employees in the fishing industry. It is not possible for the European Union in the 21st century to allow conditions similar to slave labour in any branch of work. I appreciate the fact that the proposed amendments were adopted in a tripartite format where governments, employers and employees drew up a comprehensive international work standard which takes account of the specific nature of this industry. It is on the plus side that the new arrangement determines a minimum age, medical examinations, rest periods and social security and that it is also concerned with living quarters, food, safety and health protection at work. All of these elements will undoubtedly lead to decent working conditions for fishermen while reducing injuries and deaths. Even though I represent a country that has no sea I welcome this standard, I support the fishermen and I wish them the quickest possible ratification of this Convention and not just because I enjoy fish.

Paulo Casaca (PSE). – (PT) I too would like to add my voice to those of the rapporteur, the Commissioner and all of our fellow Members who rejoiced at this initiative of the International Labour Organization and who are calling on all Member States to ratify Convention 188.

The issue is that the victims of deregulation of the fishing sector – that wild market without frontiers, principles or limits – are not only the sustainability of the resource that is fish, but also fishers themselves. The protection of fishers must become a fundamental part, if not the very heart, of the common fisheries policy.

That is my basic demand: that we do not stop at ratifying this international convention, but put the protection of fishers at the heart of the common fisheries policy.

Vladimír Špidla, Member of the Commission. – (CS) Madam President, ladies and gentlemen, I hope you will allow me the pleasure of noting down the arguments expressed in the debate as they emphasised, from a very wide range of viewpoints, the importance of the debated Convention. They also emphasise, from a similarly wide range of viewpoints and through profound arguments, its importance to the everyday lives of fishermen, who number almost 30 million, as I mentioned in my introduction. Ladies and gentlemen, in my opinion the formal process for this proposal is clear. Our subsequent political efforts must be directed towards achieving ratification as quickly as possible because the deadline set out in the Commission's proposal is the latest possible deadline and any reduction in the time taken would, in my view, be a good thing. I would like once again to thank the rapporteur Ilda Figueiredo for the work she has done and to thank all MEPs for the support they have shown for this proposal.

Ilda Figueiredo, rapporteur. – (PT) I wish to thank the President and the Commissioner, as well as all the Members who have spoken and supported the ratification of this Convention. I am sure that the report will be adopted tomorrow by the European Parliament, thus contributing to the swift ratification by the Member States of Convention 188, accompanied by Recommendation 199, on work in the fishing sector.

As has been said here, our goal is for it to enter into force soon, preferably before 2012, which is why we are calling for its ratification by all Member States. It will contribute significantly to achieving minimum international standards that guarantee better working conditions, more safety and fewer fatal accidents around the globe for this very dangerous, but also strategic sector.

It will also contribute to recognising the dignity of fishers, whose work is so hard and must be central to our concerns.

President. – The debate closed.

The vote will take place tomorrow.

19. Agenda of the next sitting: see Minutes

20. Closure of the sitting

(The sitting closed at 22.45.)