

## TUESDAY, 20 APRIL 2010

IN THE CHAIR: MR BUZEK

*President*

### 1. Opening of the sitting

*(The sitting was opened at 09.05)*

### 2. Agenda

**President.** – In view of recent developments in the situation and by agreement with the political groups, I would like to propose the following changes to the order of business on Wednesday. They are new changes in relation to those we adopted yesterday at 17.30. They are additional changes.

Firstly, we are withdrawing Question Time with the Council from the order of business. The Council has informed me that in connection with the transport difficulties being experienced this week, Mr López Garrido will have to leave Strasbourg on Wednesday at 18.00, so we will not be able to have Question Time in the evening. Secondly, we are withdrawing from the order of business Mrs Țicău's report on the energy performance of buildings, because it was not adopted in committee on Monday. Thirdly, we are entering an oral question on the ban on the use of cyanide mining technologies as the third item on the agenda in the afternoon immediately after the debates on SWIFT and PNR (this is about passenger name records). In this way, the sitting on Wednesday will close at 19.00. I will say this again, very briefly: we have withdrawn those items which are not possible and, as a result, we will end Wednesday's sitting not at 24.00, but at 19.00. I repeat that these matters have been consulted with the chairs of the political groups.

**Paul Rübig (PPE).** – (DE) Mr President, I simply want to ask whether sittings will still be taking place in the House on Thursday, whether committees such as Scientific Technology Options Assessment (STOA) and others will be meeting, whether interpreters will be available for the sittings, and whether groups of visitors will be admitted to the House on Thursday.

**President.** – I am just preparing an e-mail to all Members, which I will sign in person. Some of us have not even reached Strasbourg and also want to have this information. The e-mail will be sent at around 11.00 and will contain answers to as many of the questions as possible to which we already know the answers.

On Thursday, all the committee meetings may be held, but no votes will be taken. The European Parliament services will be here. There will not be a plenary sitting. Everything, apart from the plenary sitting, will be working as normal. The groups which come to Strasbourg to visit Parliament will be received – the groups which we have invited – they will be able to visit Parliament and enter the plenary Chamber, but no proceedings will be held.

The only difference from a normal day will be that there will be no plenary proceedings and no voting. The rest will go ahead as normal on Thursday.

On Thursday and Friday, you will be able to sign the attendance register.

The remaining information will be given in the e-mail, which will reach you before lunch at the latest.

Yesterday, there was a meeting of the Conference of Presidents, and also a meeting of the Bureau. Quite a number of matters were decided. From now on, a task force will be at work which includes the parliamentary services. The task force is in touch with me all the time, and I am in touch with the chairs of the political groups, because we must maintain constant contact in all matters which concern decisions about this week and the coming weeks. Please remember that European Parliament committees will be meeting next week and we must not block the normal committee proceedings, and we must prepare the sitting in Brussels as normal. Decisions about this have not yet been made, but they will be made in the next few days.

Please expect brief information from me about everything that is decided and about everything we plan for the future.

### 3. Disruption of air traffic in Europe (debate)

**President.** – The next item is the statements by the Council and the Commission on disruption of air traffic in Europe.

As we all know, decisions for the next few days must be made by the executive arm of the European institutions. This will be, of course, the task of the Commission and the Council of Ministers. As we know, both the Commission and the Council have been working on this at least since Sunday, but we, as MEPs, have our duties, too. These concern longer-term answers to the present crisis. We are going to want to get our parliamentary committees involved in this. We must also think about how to respond to the present situation at the part-session in Brussels. It may be that we will respond with a resolution. I am talking about different ways of reacting. I would like to ask you all to give attention in your speeches, too, to how Parliament can contribute to solving the present problems. They are, first and foremost, the problems of our citizens, the residents of Europe. We do, of course, have a problem with getting to Strasbourg and Brussels, but that is our problem and we should definitely not make a point of this. We should prepare ourselves to discuss how to solve the problems of Europeans in a situation in which air traffic is paralysed. The most important matter is what we, MEPs, can do in the next few weeks to improve the situation. However, since in the first hours and days, the greatest responsibility rests with the executive, I would like to thank the representatives both of the Council and of the Commission for being with us.

**Diego López Garrido, President-in-Office of the Council.** – (ES) Mr President, as everyone knows, air transport is absolutely strategic in nature. It affects the public, their daily lives and their right to free movement – which is a fundamental right – and it undoubtedly has a decisive effect on economic activity.

When there are problems with air transport, when there are disruptions affecting more than one country, the strategic nature of air transport becomes even more evident, and the damage is greater.

When, as in this case, it affects the majority of European Union Member States, it becomes an extremely serious problem, indeed a crisis. It is, of course, an unexpected and unprecedented crisis that must be tackled in the appropriate manner. Moreover, we have the paradox that we are dealing with a subject on which the European Union as such does not have many powers, fewer, in fact, than it has on other matters, but even so, it has to react, it has to act.

In this air traffic crisis in Europe, two circumstances have arisen at the same time: the maximum level of seriousness – the crisis has been very serious – but also a low level of immediate legal capacity on the part of the European Union to act in this area. This is therefore a situation in which it is not easy to act from a European Union perspective. Despite that, we have acted and reacted.

That brings me to the second part of my statement: what action has been taken in this case. Firstly, the Member States, the airport authorities, applied the existing protocol, taking into account the map showing the influence of the volcanic ash drawn up by the Volcanic Ash Advisory Centre in London. This was a scientific assessment, and based on that, it was considered that that airspace should be automatically restricted for flights. That is what was done first, and it was done with the utmost caution and safety and the minimum risk, on the basis of that first contribution from Eurocontrol, which, in turn, was based on what was said by the Volcanic Ash Advisory Centre in London, which was established years ago.

Naturally, however, this situation clearly extended beyond the Member States and therefore, the European Union and its institutions set to work right from the very beginning. More specifically, in recent days, there was a series of technical meetings that resulted in the political decision reached yesterday by the Transport Ministers.

Throughout the weekend, the Council, the Spanish Presidency, the Commission – most particularly Commissioner Kallas, whom I thank for his willingness and hard work throughout this period – and Eurocontrol have been working to prepare a much more precise, much more appropriate reaction to what was already becoming a more lasting crisis, which was beginning to have very serious effects on the whole of the European Union and beyond.

The work done over the last few days produced the recommendation by Eurocontrol, which was unanimously adopted, firstly at the meeting held yesterday in Brussels between Eurocontrol, the Commission, the Council, the airport authorities, air traffic organisations and all the sectors concerned, regarding the need for Eurocontrol to establish three zones affected by the volcano starting from today. The first zone would be the zone of greatest ash density, in which there would be an absolute restriction, an absolute ban on flights;

the second zone would be the opposite, a zone in which no kind of ash is present at all and is therefore unrestricted for flights; and the third would be an intermediate zone in which there is low ash density, which would therefore allow flights without any risk. The national authorities would have to examine this zone in a coordinated manner, starting from today, in light of the data that Eurocontrol supplies daily and constantly, every six hours, in order to decide whether they need to establish air corridors or zones in which flights would be permitted.

This technical recommendation, which came from and was proposed by Eurocontrol, was unanimously adopted yesterday by the 27 governments of the European Union, therefore giving it a European focus and a European approach to what is needed at the moment. In other words, the European Union makes a decision and therefore proposes that the Member States act in that way. There was a unanimous agreement between the European governments and the Commission, along with the proposal made by Eurocontrol, to act in that way.

Safety has therefore been maintained as the priority. There is no room for compromise on this, as Commissioner Kallas said – he said so this weekend – and therefore, there is an area in which there is a ban, an agreement for an absolute ban on flights. We will gain a much more precise idea of the real risk from all of the data that is going to be used by Eurocontrol, not only from London, but from the tests that are being carried out with test aircraft without passengers, as well as data from the national authorities, from the manufacturers of aeroplane engine parts and from the European Aviation Safety Agency in Cologne. All of this data will have to be taken into account when establishing the zones agreed yesterday by the Transport Ministers at the extraordinary Council meeting called by the Spanish Presidency.

It is therefore an evolving, more dynamic and more precise model than the one being used so far, based, first of all, on scientific data, secondly, on a technical decision by Eurocontrol, and finally, on a decision by the Member States on the intermediate zone, on which they have to be coordinated.

In turn, Mr President, the Council of Transport Ministers adopted a very clear position yesterday, saying to the Member States that they should do everything they can to make as many alternative methods of transport available to the public as possible so as to resolve the very serious situations affecting the mobility of European citizens and other citizens. They have also tackled the extremely significant economic consequences of this situation – as Commissioner Kallas will explain – in a taskforce, a group led by the Vice-President of the Commission, Commissioner Kallas, Commissioner Almunia and Commissioner Rehn, which is going to submit a report next week on all the economic aspects. Finally, there will be another Transport Ministers' Council as soon as possible to discuss all of these issues.

Therefore, Mr President, a decision has been made that means giving a European perspective and a coordinated European approach to what is happening, based on safety and the need to be as effective and precise as possible when making a decision on flights, while protecting citizens' rights. I am very pleased, Mr President, Mr Buzek, that the European Parliament has proposed a detailed debate on this issue. In fact, this debate means that you clearly have the reflexes to act immediately, as is fitting for the House that represents the peoples of Europe, and that you can consider on a longer-term basis what action needs to be taken in response to this entirely unforeseen, completely new crisis, which has had extraordinary and extremely serious effects on the lives of European citizens.

**President.** – I would like to assure the Council of Ministers and the Spanish Presidency, and please tell them about this, that the European Parliament is ready to cooperate at any moment, and that we are open to discussing these matters in committee. We are open to receiving representatives of the European Commission and the Council and to discussing these problems. We want to be involved in this. We are from the different regions of the European Union, we were chosen in direct elections, and are responsible for the residents of the Union, and so our involvement is essential. We are ready for this. Of course, we can only do what is possible for a legislative authority to do. We cannot make executive decisions, but we want to help both the Commission and the Council. We are open to this. That is why we are having this discussion.

**Sjím Kallas, Vice-President of the Commission.** – Mr President, I am very happy to present to Parliament the report on the action taken by the Commission regarding the effects of the European airspace crisis as a result of the volcanic eruption of Eyjafjallajökull. The House will know that 84 000 flights have been cancelled, affecting thousands of passengers.

As you know, Eurocontrol, at our initiative, convened a telephone conference on Monday morning and the Commission participated actively yesterday afternoon in an extraordinary Council of Transport Ministers. There are, in my view, four key messages to convey following the Council.

All the Transport Ministers are in favour of a coordinated European response to the crisis. National solutions are not effective in dealing with these kinds of problems, which affect airspace globally. I must underline that the spirit of cooperation amongst the Transport Ministers was high and we have had several telephone conversations where everybody stated they were ready to take responsibility and cooperate.

The second important point is that safety comes first. There cannot be any compromise on safety. This is, and remains, our fundamental concern. We have to ensure the highest safety standards for our citizens.

The third principle is that the Ministers agreed to the progressive and coordinated opening of European airspace while ensuring safety. This started this morning at 08.00, through Eurocontrol. Three types of zones are included in this decision, based on the degree of contamination. The first of these zones is located at the nucleus of the emissions, where total restriction of operations will be maintained, given that it is impossible to guarantee its safety.

The second of the zones is one which will not, in principle, impede air traffic cooperation being carried out, even though ash is still present. That zone will need to be confirmed, and the decisions on operations will be taken in a coordinated manner by the authorities in the Member States.

The third zone is not affected by ash, resulting in no restrictions of any type on operations. Eurocontrol is providing maps every six hours with the relevant information for the national authorities.

Fourth, through these measures, we are ultimately anticipating the implementation of the single European sky programme and, in particular, the functions of the network manager. I know I can count on the strong support of Parliament following the success of the second single European sky package last year.

You will know, and the minister mentioned, that a taskforce – a group of Commissioners – has been organised to discuss State aid issues. Yesterday, I talked with airline representatives and they said that they are simply not ready yet to assess their losses. The main question for them, owing to all the economic consequences, is to resume flights. The model for resuming flights is the most important thing. We should not panic about State aid and any other measures to help the air transport sector.

Passenger rights is another important issue, and we must enforce the implementation of passenger rights. The rules are good ones. Everyone shares the view that the rules are good. The question is enforcement, which again is in the hands of the Member States. We should really push ahead with that and have several ideas on how to better enforce the rules.

I would now like to comment on what are, in my view, deliberate attempts to confuse things – who should do what, who has done what and what the models are. It is clear that in some countries, elections are coming up, and so on, but after the volcanic eruption, all the decisions made were based on existing and agreed models on how to handle these kinds of situation.

This model is intergovernmental and airspace is a national competence. It is not the Commission which is giving the orders – there are rules covering our national systems and our model, to repeat, is based on existing information and existing assessments. There is nothing wrong with that model. We can now think about how to modify the model. We started discussing this yesterday. To say that the European model completely failed is totally wrong. This was, and is, an extraordinary event. The eruption of such a volcano and the unexpected widespread cloud of ash is something which has happened on very rare occasions in the world – it is not like snow or the like, which occurs often.

It was already clear at the weekend that the situation was turning into something very exceptional, and over the weekend, we had several discussions on how to approach the issue. To say that the Transport Ministers should have intervened immediately is completely contrary to our understanding of how things are organised in Europe. Those kinds of decisions are in the hands of independent experts and independent bodies. Myself and Minister López Garrido were at Eurocontrol on Sunday, and I was in contact with all the Transport Ministers of the larger Member States. We were ready to take responsibility and ask what we should do to resolve the situation. However, these cannot be arbitrary decisions, but are in the hands of a special body. That body held a meeting, and we held discussions with it, on Sunday. These were very difficult discussions, as what was under consideration were people's lives.

On Monday morning, there was an extraordinary Eurocontrol council, which agreed on the so-called 'free zones' model. We were very happy that Eurocontrol was cooperative. To repeat, this was not within the Community's competence at all, but events have shown that a national approach was an obsolete approach.

We definitely have a greater impetus now to create a more European approach to these kinds of events and to regulate them. We must also, of course, assess the consequences and outcome.

The main thing – as everybody, including the airlines, said – was that it was very important to resume flights. Concerning passengers, the most important thing is to get people back home or to their destinations. That was the key issue addressed yesterday.

To sum up, we are working intensively with the Council and with Eurocontrol to monitor the situation and, if necessary, to take new decisions. The model provided for now is quite suitable for resuming the vast majority of flights.

**Corien Wortmann-Kool**, *on behalf of the PPE Group*. – (NL) Mr President, thank you to the Commission and the Council for the information you have given us about the crisis in European aviation. What has become clear over the past few days is that, without aviation, not only does our Parliament run into difficulties, but our European cooperation and our economy faces huge problems, too. That is why it is important that we are having this emergency debate in Parliament today. Passengers have been stranded, airlines, the travel industry and companies which depend on air travel have all been hit hard, and all this comes on top of the economic crisis.

Safety is paramount. Let there be no misunderstanding about that. Passengers have to be transported safely, but it is clear that we were not sufficiently prepared for this exceptional situation. The closing of airspace on the first day was a swift response to a problem with which we, in Europe, have, until now, been unfamiliar, a volcanic ash cloud. But what happened in the days following this? The computer models showed us that we ought not to fly, but the test flights went ahead without any problems. Let me reiterate that, while safety must, of course, come first, it is important that we reopen European airspace on the basis of facts and correct assumptions. It is necessary that we carry out more work, tailored to our specific circumstances. The good thing is that the first steps towards that were taken yesterday and we have to build on that quickly. We have to take decisive action. Safety first, but we also have to make sure that we can again use the safe zones very soon.

In addition, we need structural measures. The single European sky, which has given rise to so much resistance amongst the Member States, is something which could also help us make aviation more effective.

Airlines have suffered huge economic damage. High costs were incurred, not only through the grounding of air traffic itself, but also because assistance had to be provided to stranded passengers. Insurance companies are not providing any cover and it is questionable whether we can justify all the costs falling on the shoulders of the airlines. I therefore urge you to investigate the scale of the costs incurred, the scale of the damage suffered and what compensation might perhaps be provided. To give you an example: the costs incurred by the airlines, based on our European directive on passenger rights, and what disaster assistance is payable. Is it not the obvious step to ascertain whether, in this case of force majeure, we could actually pay that out of the European budget?

Commissioner Almunia, you have indicated that you would be favourably inclined to the provision of State aid, but I must warn you that we must prevent the Member States sponsoring their national champions. It is therefore extremely important that we coordinate this at a European level. Not only the State aid framework, but also the effective provision of State aid. That is what I call on you to ensure.

**Martin Schulz**, *on behalf of the S&D Group*. – (DE) Mr President, ladies and gentlemen, I believe that this crisis has a human dimension which we will definitely have to discuss today. A lot of people, tens of thousands of them, are stranded all over the world and waiting to come home. I believe that we should be thinking about these people this morning. Almost all of us, many of the Members of this House, have had similar experiences in recent weeks. We are privileged Members of the European Parliament, who can make use of the available infrastructure. However, many people are stranded in far-flung corners of the world. They are unable to leave and get back to their jobs, their children cannot go to school, because they have not been able to come back from their holidays, and they are stuck without accommodation and without any money. I would like to say once again that my sympathy this morning is with these people. I hope that it will be possible to get them home quickly.

Airlines are a vital part of our transport system, not only for passengers, but also for goods. The financial losses caused by this volcanic eruption are significantly greater than those resulting from the events of 11 September 2001. This is why I am calling on the Commission to take a flexible approach to authorising domestic aid for airlines that are at risk, if aid of this kind really has to be provided.

Finally, we need to be aware that air travel is one part of the very vulnerable infrastructure which we have in Europe. If air travel is no longer possible, we are not in a position to compensate adequately for its absence. This is why I believe that the project which we started 20 years ago, the expansion of the trans-European networks and, in particular, the expansion of rail transport, is a credible and significant alternative and, as we are now seeing, an alternative which is vital to our economic survival. It is important that we now acknowledge this fact once again.

My colleague, Mr El Khadraoui, will be covering other aspects of this issue, but I would just like to say one thing. We have not yet succeeded in bringing about the interoperability of trains between different countries. It is not possible for a German intercity express to bring German people back from Spain and, in the same way, a French high-speed train cannot travel as far as Budapest. This means that we are still not in the position that we should have reached. Although we have made appropriate resolutions in Parliament, I am of the opinion that we do not need these sudden periodic bursts of action. Instead, we must adopt a sustained, ongoing approach to putting these new concepts into effect.

**Gesine Meissner**, *on behalf of the ALDE Group*. – (DE) Mr President, Mr Kallas, Mr López Garrido, in this case, we have seen that nature really is more powerful than any of the technologies available to us. To a certain extent, we have been taught a lesson. However, at the same time, it is important to note that this situation has shown us that we have not made as much progress in Europe as we should have done.

For 20 years, we have been talking about an internal market for transport and a single European sky. This would, of course, not have prevented the volcanic eruption, but it would perhaps have allowed us to act more effectively and more quickly.

We have been calling for a single European sky, coordinated by Eurocontrol, for a long time, but it is still not in place. In just the same way, and here I am moving in the same direction as Mr Schulz, we still do not have interoperability on the rail network. It is still not possible to buy a rail ticket which will take you from northern Europe to the south, travelling right across the continent. In this case, too, it becomes clear that we have a great deal down on paper and have discussed many of the issues, but in reality, a lot of what is needed is missing.

It is obvious that the response in Europe was unsatisfactory from the point of view of the citizens. Of course, the situation was difficult and, of course, it was not possible for the ministers from any of the individual countries to open up their airspace when there were warnings coming from an institute in London that it was not safe to fly. At the same time, it was unsatisfactory that no actual measurements were taken using balloons, for example, but that everyone was working with statistical extrapolations. Many of the citizens of Europe were annoyed about this. The position of the airlines is also understandable. They were suffering financially and would have liked to have seen a quicker response.

The airlines have suffered financial losses and, of course, it is very important that the passengers are brought home as soon as possible. We must protect their rights. However, it is important for passengers' rights in Europe that transport and travel opportunities are available to them. For this reason, I believe that it is vital for our transport system in Europe to have airlines and other transport options in place which passengers can use. This means that it is essential for us to consider in more detail how we should deal with this situation, how we can provide support for the airlines during the crisis that the transport sector is already undergoing and how we can maintain and guarantee the mobility of the citizens of Europe, which is a major achievement.

As far as compensation for damages goes, it is no use us approaching the volcano, because, as we already know, that will not get us anywhere. Nature has its own laws, but we have to try to react to them in the interests of the citizens of Europe. This is why I think it is a very good thing that a task force is being set up with Mr Kallas as its chair. This is very important and we will continue to discuss how we can draw conclusions for the future from this crisis.

**Michael Cramer**, *on behalf of the Verts/ALE Group*. – (DE) Mr President, ladies and gentlemen, there has been a fundamental change in mobility in Europe over the last six days. The crucial factor in this case was not a serious accident, measures to combat climate change or the high price of aviation fuel. On this occasion, nature itself played the decisive role.

The Icelandic volcano has once again shown the human race the true power of nature. We must take a lesson from this for the future. The human race is not omnipotent and never will be. It is right that the response to this volcanic eruption has come from Europe. As the volcanic ash can cause aircraft engines to cut out and

can also obscure visibility through aircraft windows, the European Organisation for the Safety of Air Navigation, Eurocontrol, took a responsible approach and made passenger safety its top priority.

On behalf of the Group of the Greens/European Free Alliance, I would like to extend my sincere thanks to Eurocontrol, to the Transport Ministers who supported Eurocontrol and, in particular, to the German Transport Minister, Peter Ramsauer. We should also support the German pilots' union, Cockpit, which has behaved more responsibly than the management of the airlines by refusing to fly under visual flight rules in European airspace, because it believes that this would be irresponsible. Either the airspace is safe or it is not. Ultimately, it does not matter under which rules planes are flying or under which rules they are crashing.

Therefore, the Greens would like to denounce in the strongest possible terms the approach of the airlines which wanted to give priority to profit rather than safety. We are calling for the European airspace to only be opened again when there is no risk at all. We are calling on all politicians not to give in to the pressure exerted by the airlines and not to hand over responsibility for safety to the pilots, for example.

We have become painfully aware in the last few days of the deficiencies of national and European transport policies over recent decades, which have neglected and, in many cases, are still neglecting, the rail system. These policies have focused entirely on air transport. Every year, the airlines in Europe are given EUR 14 billion by European taxpayers, because, in contrast to the fuel used by the railways, kerosene is not subject to taxation. This puts the airlines' temporary loss of income into perspective.

However, there is one conclusion which we must draw from all of this. The railway is not only the safest means of transport; it is also essential for safeguarding mobility and stopping climate change. Therefore, I would like to thank all the rail companies in Europe which have helped to get passengers to their destinations.

The volcanic eruption in Iceland should be a warning to all of us. What we are now experiencing is the reality of the future of transport. However, transport will only have a successful future if the necessary measures do not have to be taken overnight. For this reason, we are calling on all the Member States of the European Union to change the priorities of national and international transport policy. Rail transport must be given priority, not only in words, but also in financial deeds, so that we do not have to experience a situation like this again.

**Peter van Dalen**, *on behalf of the ECR Group.* – (NL) Mr President, we once again find ourselves witnesses to the major impact that weather and climate can have on transport. A not particularly large volcano erupts in Iceland and air traffic in many parts of Europe grinds to a halt for several days. I think it is only right that we have today at least managed to partially resume flights. I also think that we were justified in doing this and that it was something that we were able to do, because the test flights have shown us that we can fly, although obviously only as long as we continue to enjoy the good visibility conditions that we have at present.

At the same time, I think that we were too rigid in shutting down all air traffic in one fell swoop. We have been too rash in making comparisons with the KLM flight that was engulfed in the volcanic dust of Mount Redoubt over Alaska in 1989 and too rash in making references to the British Airways flight which found itself in a cloud of volcanic dust over Indonesia in 1982. Do not forget that both of these flights ended up totally enveloped by dust from volcanoes which had erupted only shortly beforehand and which were relatively nearby. The density and the heat of the dust particles in the cases of those flights were of a level incomparable to the circumstances of the present situation.

I therefore approve of an approach that takes into account the differences in concentration of volcanic dust. If you go with that approach – as we appear to be doing – then it is only right that we reopen parts of the airspace, certainly in certain corridors and at certain altitudes. This reopening is desperately needed, I think, because the Icelandic ash is starving our airlines of cash. The possibility that a few struggling airlines might collapse in this crisis does not cause me much concern. However, we cannot allow major and reputable companies which put safety first to collapse. Too much money and too many jobs are at stake.

In addition, we have to work with a realistic approach that takes into account dust particle concentration. It is right that some parts of the airspace should be reopened today. We should apply this pragmatic approach in the future, too, so that we can strike a sound and, even more so, responsible balance between safety and economics.

**Lothar Bisky**, *on behalf of the GUE/NGL Group.* – (DE) Mr President, the decision made by the aviation safety authorities not to put passenger safety at risk was absolutely right, even if this meant closing European

airspace for several days and involved financial losses for the airlines. In my opinion, it is irresponsible for airlines to ask their pilots to fly at their own risk. What does 'at their own risk' actually mean in this case?

I welcome the fact that the Commission is considering authorising special State aid for the airlines, which would otherwise be in serious financial difficulties as a result of the current situation. We will be talking later about employment in the European Union. If the EU and the Member States can at least help to prevent things from getting even worse, this is the right thing to do. However, in return for the provision of State aid, the airlines must give a binding undertaking not to make staff cuts or salary cuts. They must also guarantee that they will not reduce holiday allowances or deduct pay for the days on which employees were not able to get to work because of the transport situation.

It is high time that the Commission put in place a permanent common European monitoring system for aviation safety. This monitoring system should be specifically designed to prevent social dumping. I would like to remind everyone of the State aid given to the banks, which profited from the aid, but did not take a corresponding social approach. Competition and the pursuit of profit must not be allowed to take priority over the safety of human lives.

**Francesco Enrico Speroni**, *on behalf of the EFD Group*. – (IT) Mr President, ladies and gentlemen, in my view, the situation caused by the volcano has been managed in a tardy, inefficient way. The first real operational meeting took place yesterday, Monday: the volcano started erupting on Thursday morning; therefore, it has taken four days to reach an operational decision.

It is true that some restrictions have perhaps been excessive, especially where safety is concerned. Why, though, ban flights in Belgium when the cloud was in Norway? Why ban single-engine piston aircraft from flying at an altitude of 500 metres when the ash was above 8 000 metres?

Perhaps the rule that was applied was the one that we aviators have known about for years, namely, that the safest flight is the one where the pilot is in the bar and the aircraft is in the hangar. However, that is not the way to tackle emergencies, and so I believe that, in view of the obligation to guarantee the safety of passengers and crew, it was a good idea to adopt these measures, but they were just adopted too long after the situation had occurred.

Therefore, for the future, we will need to take account of safety requirements in the first instance, but also of requirements which, while reconciled precisely with safety, involve not just an indiscriminate ban on flights, but measures that reflect the real situation, not the statistical situation, so that, for the sake of a sector that is vital to the whole economy, we may prevent a repeat of the negative economic consequences and repercussions that we saw when the attack of 11 September 2001 took place, not only for the air transport sector and the tourism sector, but for the economy as a whole.

I therefore call for swift action, serious action, and action in full knowledge of the facts.

**Angelika Werthmann (NI)**. – (DE) Mr President, ladies and gentlemen, safety has priority over all other considerations. We cannot take the risk of a plane full of passengers suffering engine failure and perhaps, as a result, crashing in a built-up area. I would like to remind everyone of the British Airways plane which flew through an ash cloud on its way to New Zealand in 1982 and, in particular, of the serious incident involving a KLM Boeing 747 in 1989 which flew through a thick cloud of volcanic ash. Both planes narrowly escaped disaster.

Human life is priceless. I welcome the decision to close the airspace during this crisis and therefore to ensure that pilots do not have to take responsibility for the passengers entrusted to their care. Test and measurement flights have taken place, but only up to a certain height and under visual flight rules. These flights were not able to carry out any real analyses or produce any significant results.

One other comment I have on flights under visual flight rules is that in the case of the KLM plane, the ash cloud was not visible. Nature teaches us respect and, at the same time, makes clear to us the limits of globalisation. We are all highly aware of the serious financial consequences. However, a human life is worth much more than goods. Therefore, taking into account the cases I have mentioned, I would like to call for the greatest possible responsibility and caution, including with regard to the division of the airspace into three zones.

**Mathieu Grosch (PPE)**. – (DE) Mr President, Mr López Garrido, Mr Kallas, this flight ban brings us back to the wide-ranging debate on safety which has often taken place in Parliament and in which we have said that we, by which I mean Parliament, and also, I believe, the Commission, could and should introduce regulations



in this area on a European level, if the Member States wanted this to happen. We have often had this debate not only in relation to air transport but also in the context of the railways and other areas. Therefore, we should today be asking this question of those bodies that are able to answer it: firstly, the aviation authorities in the relevant countries and, of course, the organisation responsible for coordination at a European level. This coordination has worked exceptionally well.

In my opinion, the top priority is the safety of passengers. The financial aspect is less important, although we must not lose sight of it. The individual countries made the right decision. I hope that in future, Eurocontrol and the national aviation safety authorities will make the decision and not the individual airlines, because we are once again faced with experts who have differing opinions. For this reason, we must be extremely cautious.

From an economic perspective, it is, of course, a disaster for an industry which is now suffering its third crisis, following 11 September and the economic crisis. Therefore, we should take measures at a European and not a national level and provide aid packages which are compatible throughout Europe and do not distort the market, as has happened frequently in the past. Aid is needed, but not only at a national level.

The passengers are now in a situation in which the law as it stands does not provide them with all the help that they might expect. Justifiably, we have discussed this subject often in Parliament. However, I assume that the airlines and the other companies affected will make it possible for the passengers to insist on the rights that still remain to them.

For me, the future lies in the single European sky. I would like to point out that we will be discussing this subject frequently in the European Parliament over the next two years.

**Saïd El Khadraoui (S&D).** – (NL) Mr President, ladies and gentlemen, Commissioner, I think there are three important elements to this debate. First of all, the support provided to and the repatriation of stranded passengers; that has to be the absolutely top priority for all authorities at all levels. In that connection, we can agree that the European Regulation on Passenger Rights has secured for a great many of them at least a minimum of comfort and support. However, in practice – as you are well aware – we have, of course, experienced quite a few problems: chaos in the airports, a lack of information, etc. I therefore advocate that we set up an enquiry at a European level, in cooperation with the airlines and all the other parties involved, so that we can look into how we can help in these kinds of situations.

Moreover, I would also call on you to establish a kind of task force at Commission and Member State level to organise repatriation as effectively as possible. I know that this is a job for the airlines, but there are certainly people stranded out there in distant locations who will have to wait quite some time for repatriation, even if airspace is reopened. We need to give our attention to that.

A second important element, a second chapter, if you like, is the procedure for instituting flight bans. What has happened is that we have again heard pleas for more cooperation and more European-level coordination and the single European sky – something to which references have already been made – will prove helpful in the future. It is true that the European Union currently has no decision-making powers either over the airspace of the Member States or over Eurocontrol, which makes it very difficult to take effective and coordinated decisions.

However, it is also true that, until yesterday evening, we were actually using a rather conservative mathematical model at a European level. Basically, this model is based on the worst-case scenario, which means that a little bit of volcanic dust has been flagged up as a massive cloud requiring a flight ban, as it were. You will be aware that the US is using another model, one which applies a flight ban only to the area directly above the volcano itself and which leaves the operating risks in the hands of the airlines. That is another model. The model in between these two extremes that has already been agreed on – the one with the three zones – now, that is a good model. Let us see how we can really integrate safety and efficiency with that.

My third and last point is about how we are coping with the economic impact. It is a good idea to list the various possibilities, but we need a European approach. Finally, let me just add that we should not delude people into thinking that we will be able to compensate everyone for the inconvenience they have suffered. That is simply not possible.

**Dirk Sterckx (ALDE).** – (NL) Mr President, first of all, I would like to say something to the minister, that is, to the President-in-Office of the Council. Not to you personally, but to everyone who has ever held your office, and possibly also to some of those who will hold it in the future. How have you been able to get away

with obstructing a European approach of this kind for so many years now? Time and again, the Commission and Parliament have had to push the Council into reaching an agreement and, even then, it always ends up being a weak compromise. Why is it that the Council always thinks in intergovernmental and national terms and not in European terms? That is one of the lessons which we are going to have to take away from this situation. My fellow member, El Khadraoui, has already said that there is scope for better cooperation, but not just in terms of airspace management. Coordination between the national authorities could also be improved, but you have made the point yourself, President-in-Office, that Europe does not currently have the powers to make those improvements. Well, give Europe those powers, at long last! That would make things a lot simpler.

My second point concerns scientific information. We have a single centre in London which specialises in certain areas only and which has, in conjunction with Eurocontrol, decided that safety must come first. That was, indeed, the right decision to make, but does that go far enough? Should we not strengthen the European model by bringing a few different specialisms together and creating a real European centre for aviation safety? This volcano has not finished erupting yet. When it last erupted 200 years ago, it remained active for ten years. So, we need to make preparations for the years to come. I think we need to strengthen the European model and – and this is an important point for this House – we must also ensure that passenger rights remain intact and that State aid be awarded to everyone on the same footing.

**Isabelle Durant (Verts/ALE).** – (FR) Mr President, even though thousands of people find themselves in great difficulties today, I believe that this volcanic eruption sounds like a real call to order: a call to order that urges us to review our relationship with the weather in the transport sector and, above all, our excessive dependence on air transport, which has gradually and, at times, without our knowledge, taken the place of all other means of transport. That is even more essential given that, today, no one can say, of course, whether this volcanic eruption will stop or how this cloud is going to move in the weeks and months to come.

This means that we must primarily – and I support both the Commission and the Council on this – continue to abide by the precautionary principle and the principle of safety. I am, moreover, astonished to see that, at one point, in the pharmaceutical sector, the precautionary principle was used to put pressure on the Member States and on Europe to incur expenditure which, in my view, was somewhat ill-considered. Today, another sector seemingly also wants to question or criticise the precaution being taken by the Member States and the European Council. I find that extraordinary. There is no pocket-book precaution. Safety and the common good are the priority.

As for the rest, I believe that we must, of course, develop rail transport. That is the main priority and, as my colleague said, it is clear that here, we have a vision of what our transport system should be; in other words, rail must recapture the market for small and medium distances. I also believe that diversity of transport and modes of transport is important. This, incidentally, is the subject of the White Paper on which we will have to work in committee.

In the short term, I consider that the priority is surely to bring people back home, to compensate passengers and, perhaps, to see what needs to be done for the airlines, but in a very targeted way. I also believe that, structurally speaking, we must provide far greater support for videoconferencing. Videoconferencing as a medium remains extremely incidental and of little relevance to anyone; this applies not only in the case of Parliament, of course, but also more generally. I believe that support for such practices would help us to reduce our dependence on air travel.

Finally, I believe, because the President asked us, that the European Parliament could, perhaps, for its part, review its way of working, by considering, for example, working five days a week for two weeks, rather than three days or three-and-a-half days per week. This would also be a way of setting an example, in the way that we organise our work, of how to be less dependent on air transport, which is, clearly, extremely fragile and subject, as nature is showing us today, to unknowns over which we have no control.

It is truly a question of reviewing the system as a whole, and there will be an opportunity, within the framework of the White Paper, but also within the European Parliament, to review our own method of supporting other means of transport, including in terms of the way we work.

**IN THE CHAIR: MR MARTÍNEZ MARTÍNEZ***Vice-President*

**Ryszard Czarnecki (ECR).** – (PL) Mr President, I greatly regret the fact that it seems many fellow Members, before making their speeches, did not seek the advice of professionals – people who have spent several thousand hours at the controls of an aircraft. I have the impression that this is an extremely political discussion, and that charges are being made against the Council, whereas the Council, for the life of me, is not responsible for volcanoes. It can be said with hand on heart that Eurocontrol's decision was too hasty, and I say this most emphatically, because everything was lumped together. The diversification of the situation which arose was not taken into account at all. We are responsible for the system of permanent air traffic management, and I think there is a lesson here which we can learn from these events. However, I am absolutely certain that the decisions which have already been made were made for too long a period of time, and it is my conviction that they could definitely have been different.

**Jacky Hénin (GUE/NGL).** – (FR) Mr President, ladies and gentlemen, I believe that at moments like these, we must have words of comfort and sympathy for all those who have been, or still are, victims, in one way or another, of disruption to traffic, just as we must have words of sympathy for airline employees who, with the limited resources at their disposal, have tried to respond to passengers' needs.

We do not wish to add our voice to those who criticise a great deal but offer few suggestions and still claim to be in possession of the truth once the storm has passed. We should like to say here that the principle of passenger safety must be reaffirmed as the priority principle. It is better to have a dissatisfied passenger who is alive than a passenger who, unfortunately, dies on board.

I should like, at the same time, to say that Europe suffers from too little credibility. Better cooperation and unity would probably have meant better communication, a better explanation to us, and a better attempt at satisfying those who simply wanted information.

In our opinion, it is important to strengthen the powers of the European Safety Agency and to allow it to rely, at all times, on scientific advice, on the basis of which it could justify its decisions in all circumstances. For the future – and this has already been said, but I believe that it should be re-emphasised – we shall have to do even more work to ensure that the means of transport crossing the territory of Europe complement one another by trying, here too, to ensure greater consistency between them.

Finally, Mr President, if you will allow me, in order to dispel any suspicion that may exist, I should like to propose that a European Parliament committee of inquiry be set up on this matter.

**Anna Rosbach (EFD).** – (DA) Mr President, I have two important points to make. Firstly, it is unfortunate that Europe is at a standstill and thus unable to compete globally, but that also applies to American and Asian airlines, which are unable to land in the EU.

Secondly, I would like to thank all the parties involved for their efforts.

It remains to be decided whether or not airlines will be financially compensated. The outcome will be decided by the debates in the days ahead. It is good to hear that there is now a three-step plan. I am pleased about that. The Financial Times criticises the politicians for having 'simply' shut everything down on safety grounds and suggests that Europe introduce the US strategy of allowing individual airlines to decide themselves whether or not to fly. I hope that we here in Parliament will immediately reject that model. It would be disastrous for passengers if an airline threatened with bankruptcy decided to fly simply for the sake of profit.

What we need is a forward-looking strategy: better measuring instruments in the airspace to predict atmospheric changes and the development of aircraft engines that use fuel more efficiently and are less sensitive. However, aircraft are vulnerable not only to terrorist attacks, but also to extreme weather conditions. Aircraft are highly energy-intensive and polluting. It will not be possible to develop solar-powered or electric versions of cargo or passenger aircraft, but what we can do is finally get started on high-speed trains and on establishing direct high-speed rail links between all the major cities of Europe. Trains can be made much greener than aircraft and are genuinely capable of competing with aircraft for internal European destinations.

**Danuta Maria Hübner (PPE).** – Mr President, today we know better than we did a week ago that jet-free skies cost a lot. The cost to airlines goes beyond their lost revenues. Other industries are affected, though there are also industries benefiting from the situation. What matters is also the fact that this new disaster has hit the already very fragile European economy facing the need for fiscal consolidation.

I would like to raise two issues.

The first is related to State aid. Offering airlines State aid in compensation for the losses has a precedent in the bail out offered to American Airlines after 9/11. The European Commission also offers fast-track procedures to State aid, which is appreciated. But my question to the Commission is whether we know the expected size of this new burden for national budgets suffering from huge deficits and debts and facing the challenge of fiscal consolidation. Is State aid through national budgets the best solution? Are any other options being considered by the European Commission?

The second issue is related to the European Union's capacity to manage crises. We hear that during the first few days, there was no consultation or coordination amongst relevant national authorities in a situation covering 80% of European air space. I can assure you, Commissioner, that you can be totally independent and still coordinate.

We might also hear soon that coordination would have allowed us to design and implement a better solution, so in my view, this is the time to move forward on EU crisis management. We clearly see that disasters that affect our citizens can also occur outside the EU territory in the European Economic Area, or even outside the EEA. My question to the Commission is: how will it use this disaster to enhance the European Union crisis management capacity? I can assure you that we in the European Parliament will support all your efforts to make us more effective and more efficient in crisis management.

**Hannes Swoboda (S&D).** – (DE) Mr President, in the last few days, I have seen and experienced the alternatives to air travel in Europe, on the one hand, during a car journey from Belgrade to Vienna and then on a train journey from Vienna to Strasbourg. Although there are problems on the roads, the road infrastructure is relatively well developed, even in Europe's neighbouring regions. However, the situation on the railways remains appalling. This is not acceptable.

Where would we be today if we had implemented the provisions of the so-called Delors Plan? We would already have the trans-European networks and we would have more high-speed rail lines and high-speed trains. After only a few hours, the toilets on the train were unusable, although it was a modern carriage, because a lot of people had to stand or sit on the floor for several hours and therefore the trains were overcrowded and the facilities overstretched.

Therefore, I would like to call on Mr Kallas to give a new impetus to the modernisation of the railways in the form of more high-speed trains and the provision of capacity reserves. We need a certain amount of reserves. Not only during the disastrous volcanic explosion, but also in winter, we have discovered that we have too few reserves and that focusing on profitability alone is not enough. We must also put more emphasis on accommodation.

**Izaskun Bilbao Barandica (ALDE).** – (ES) Mr President, Mr López Garrido, Mr Kallas, thank you very much for your explanations and for the work that you have done.

I agree with you that the priority is safety, and that the crisis that has affected us is a complicated one, but we took too long to communicate, because we did so five days after the first attempt.

However, in order to measure up to what people, the European public, expect from us now, the conclusions of this debate need to be clear, simple and, moreover, practical. They also need to have immediate effects that everyone can see.

Therefore, the taxpayers, who will also have to pay for this crisis, definitely have the right to be guaranteed at least three things: firstly, greater transparency regarding the decisions to close airports and how the situation is developing. They were informed late when the crisis first began, which I believe helped to increase the problems in many airports, and also made it more difficult for many users to make alternative travel arrangements. We therefore also need greater transparency now that the three zones have been defined. We want to know what they are and what they are going to mean.

Secondly, they have the right to be guaranteed total respect for passengers' rights. We need clarity, we need to define who is responsible for passengers' rights, what the scope of those rights is going to be and the deadlines for exercising them. I agree with Commissioner Kallas that there also needs to be monitoring of the processes that the airlines are going to use in order to allow for these claims.

The final thing that they have a right to be guaranteed is State aid for the airlines. I ask you to clearly define what this State aid is going to be and what the criteria are going to be for granting it, and that we monitor

and control the consequences that this crisis could have for airline workers. We also need to maximise the control measures in order to prevent airlines from using circumstances like these to make gratuitous or excessive adjustments to their workforce.

What this current crisis has very clearly shown is the need to develop European coordination and interoperability further.

**Philip Bradbourn (ECR).** – Mr President, as has already been said, no one could have predicted the recent events in Iceland. The airline industry is having to cope with very unpredictable circumstances, both in terms of the volcanic eruption and, of course, the general economic background. With this in mind, we should base such an extreme measure of shutting all European airspace on proper scientific evidence and, with the current technology available, make sure that disruption is minimal and information is communicated efficiently.

In this respect, Eurocontrol and national authorities have added to the frustration with their poor management of this crisis. Continually pushing back the closure of Europe's airspace every six to eight hours has meant that passengers could not plan journeys by other means and airlines themselves have been kept waiting for progress. Computer modelling and satellite technology are available to aid these situations but, even with all of this technology, we still seem to have been in a position of almost licking our finger and sticking it in the air to see which way the wind is blowing. At least, that is the way the public perceives it. This has been a disaster for all concerned. Long-term prognosis, not decisions by knee-jerk bulletin, is what is required.

**Christine De Veyrac (PPE).** – (FR) Mr President, I should like first of all to emphasise that the application of the precautionary principle by the majority of the European governments when they closed their airspace in a targeted and temporary manner was a wise and prudent decision.

The safety of our fellow citizens must surpass every other consideration and, in these circumstances, the attitude of certain airlines in demanding the complete and immediate opening of the airspace on the strength of one or two test flights seems obscene, to say the least.

I believe that it was Mr Hénin who spoke just now about the complementarity of transport, particularly as regards the railways, and I should like to take this opportunity to say how sorry I am that paralysis in the air has been made worse by the disruption in rail transport caused by strikes that are both irresponsible and incomprehensible in these circumstances.

To return to our subject, I should like to commend the Commission's decision to authorise the release of public funds to airlines affected by the current disruption. It is a common sense decision in a context already marked by crisis; this assistance must, however, be considered as exceptional.

In this connection, I would like the criteria for granting these funds to include the exemplary behaviour that the airlines must demonstrate in compensating their customers who have fallen victim to flight cancellations. Indeed, it is unacceptable that certain airlines should be abusing the *force majeure* clause to avoid their obligation under Regulation (EC) No 261/2004 to compensate passengers. Travellers are victims of the current situation and, where no alternative solution is offered to them, they should not have to bear the financial cost as well.

Moreover, travel agencies are exempt from the obligation to compensate travellers for unused flights. That is not right, either. Airlines, like travel agencies, have insurance that covers them in exceptional cases, such as the one that we have been experiencing these last few days, and we must therefore ensure that travellers are properly compensated for flights that have been cancelled.

**Silvia-Adriana Țicău (S&D).** – (RO) Approximately 2 million passengers in the EU-27 use air transport every year, with 22% travelling domestically, 44% inside the EU and 34% outside the EU.

The eruption of the volcano in Iceland has highlighted to us the weakness of the European transport system. During the last six days, more than 17 000 flights have been cancelled and millions of passengers have remained stuck in various locations, both inside and outside the EU. In these circumstances, the rapid provision of accurate information to passengers was an absolute must.

Passenger safety must be our overriding concern. This is why, particularly within the European Union, there should be an efficient system for redirecting passengers to other forms of transport: rail, waterways or roads. If such a system had been in operation, 66% of passengers who were grounded during this period and those travelling within a Member State or the EU itself would have reached their destination using other means of transport.

It is becoming absolutely vital to allocate the necessary funds for a trans-European transport network to be developed so that high-speed railway lines can serve not only all the Member States' capitals but other large European cities as well. Another increasingly paramount aspect is the development of transport along inland waterways and of the European maritime corridors. Let us demonstrate political will and stick to our slogan: 'Keep Europe moving!'.

**Pat the Cope Gallagher (ALDE).** – (GA) Mr President, I would like to welcome the efforts Commissioner Kallas and the transport ministers have made to resolve this problem.

Despite the age of technology in which we live today, I think it is a reminder to us that we are in the hands of Mother Nature like never before.

I come from a country – Ireland – where we are two sea crossings from mainland Europe. I do know that we, and the people that I represent, have felt the effects of this possibly more than any other citizens in other Member States. After the announcements last night, there was real hope that the situation would ease. However, overnight it has changed again, and the restrictions in our airspace have been extended until 13.00 today.

Many passengers are stranded in various parts – not just of Europe, but many parts of the world – and our priority must be to try and help those people, to help the many people who have deaths in their families and who cannot get home. Those people should be given priority by the airlines and not ignored by them and treated the same as any other passenger.

The economic impact is immense and I am pleased that the Commissioner will be heading up a group to establish the economic consequences of this. Of course, it is essential – and I think this is the real point – that the role of Eurocontrol is strengthened as a result of the crisis, because volcanoes do not respect economic, geographic or political boundaries. We must deal with this from the centre. I agree that dealing with it from 27 perspectives, or countries, is not successful. One of the biggest problems facing the passengers today is the confusion ...

*(The President cut off the speaker)*

**Vicky Ford (ECR).** – Mr President, the ash cloud has caused stress and trauma for many thousands of travellers and financial loss to many businesses. Indeed, many of our own colleagues from far-flung corners of Europe have been left stranded this week. The Presidency should be thanked for agreeing that it would be undemocratic to vote without them – all too often, those of us from further away feel that we are being brushed aside in the interests of central European alliances.

The volcano has also reminded us that we are not masters of this planet and do not have the answers to all the questions. It is clear that we need a much better understanding both of volcanic ash and of volcanic gases, and research in this area should be encouraged.

It has also reminded us of how addicted we have become to air transportation. We know we must reduce that dependency in the years to come. We should welcome investments in advanced communications systems for virtual meetings, as well as investment in high-speed railways.

Finally, plans to reduce unnecessary travel should be welcomed. That is clearly one area where Parliament could lead by example.

**Marian-Jean Marinescu (PPE).** – (RO) Exceptional natural phenomena, such as the eruption in Iceland, cannot yet, unfortunately, be predicted. An inadequate response may be justified in such cases, but only once. We must closely analyse what happened and prepare an effective response in the event of such a phenomenon recurring. The information about the eruption's consequences was inadequate. Today, almost a week since the chaos broke out, we still do not know how much longer it is going to last and what the actual risks are.

A centre needs to be set up to carry out suitable monitoring, regardless of the cost, in order to give those involved, companies and passengers the opportunity to take the necessary measures. The companies' response was late and disjointed, which created major problems for passengers. Companies made no attempt to cooperate in order to coordinate the management of the flow of passengers and the maximum possible use of the routes still available. The only logical response to this shortcoming is to create the single European sky and establish a centralised traffic control system under the responsibility of a single body.

President-in-Office of the Council, last year, I was rapporteur for the single European sky initiative and I found it extremely difficult to reach the current format of the initiative, having conducted extremely tough negotiations with the Council. This year, the exact same thing is happening with the European freight corridors.

I believe that Member States should understand something about what has happened now. Member States' response was inadequate and it failed to provide transport via other means. Currently in Europe, it is not possible to buy a train ticket in a civilised manner. The creation of a European centre responsible for intervention and coordination in the event of exceptional natural disasters is an absolute must. The modernisation of rail transport is also a priority about which a huge amount is said, but too little done.

I hope that Member States have understood one extremely important message: it is not enough to be prepared in your own backyard; the same conditions must be in place across the whole European Union. What is needed is coordination, responsibility and a decision-making facility, all at European Union level.

**Stavros Lambrinidis (S&D).** – (EL) Mr President, the skill of the captain shows in the storm. In the volcanic storm which hit Europe, the Union was slow to foresee, slow to react to and slow to prevent the spread of the problems for European citizens. Just as we were slow to react to the economic storm, but that is another story.

There are two aspects to today's debate:

Firstly, as regards the ban on flights and coordination. Obviously, it cannot be the companies that weigh the risk of life against the cost to them and decide when and where they fly. That is a matter for the competent national authorities. The only absolutely positive achievement over the past few days is that there were no victims to mourn; we did not risk it. However, in a situation which went beyond the borders of Europe, it should have been the national authorities, from the very first instant, that coordinated with Eurocontrol and with the meteorologists, to see if they could open the corridors, which today we are now saying that we are opening – to my mind unfortunately – following financial pressure from the companies. That terrifies me.

Secondly, in such a chaotic situation, it is unacceptable that the application of the European Regulation on passenger compensation was contested, a regulation which – in such circumstances – should be activated automatically. Do you know that few trapped passengers have been assured by their companies that they will be paid for overnight accommodation and that, of them, most obtained payment because they drove a hard bargain with the companies, while the majority received nothing? I believe that the European Parliament should investigate how the companies reacted, compared with the regulation, and if passengers' rights were respected.

**Ivo Belet (PPE).** – (NL) Mr President, Commissioner, ladies and gentlemen, good morning. We are dealing with exceptional circumstances here, of course. The current disruption to air traffic is more severe than that around the time of 9/11, but it is clear that we were not as well-prepared as we could have been for such an emergency situation. Despite all the efforts made by the tour operators and airline staff, many passengers have simply been abandoned to their fate and have had to cobble together a solution on their own. We clearly have to learn from this situation and take appropriate measures.

Mr President, Commissioner, first of all, we have no choice but to adopt an emergency plan, a European-coordinated plan. What is key here is that the plan must provide stranded passengers with not just safety, of course, but information and help, as well, so that those who are affected, at the very least, have someone they can turn to and are guaranteed shelter. We have to seize on these events in order to substantially improve the fate of any passengers affected in the future. In the past few days, another thing that has become clear is that we in Europe are going to have to invest an awful lot more in creating a cross-border high-speed rail network, which would provide an environmentally friendly alternative to what is clearly a vulnerable air transport network. Let us make real efforts, within the framework of EU 2020, to bring about a compelling investment rail project which will be good for the individual citizen, good for the environment and good for employment.

**Jo Leinen (S&D).** – (DE) Mr President, as if we had been able to predict what was going to happen, the Committee on the Environment, Public Health and Food Safety, which is also responsible for civil protection, has an own-initiative report on the community approach to the prevention of natural disasters in the pipeline. The rapporteur is Mr Ferreira. We will be voting on this report in the next session and we will discuss our experience of the volcanic ash cloud then. Plenary will very soon be able to formulate Parliament's position on these subjects.

I agree with the Members who have said that we are poorly prepared for natural disasters. Fortunately, Europe has few natural disasters. However, we also have little experience in this area and it is clear that our crisis management is poor. In my opinion, it all took too long. Five days before a test flight took place and real data was collected is simply too long. We must learn from this. I do not want to make any accusations, but experience shows that we must do things better the next time around.

If this volcanic ash has made one thing clear, it is the need for more Europe. Mr Kallas, you have said that the national authorities have responsibilities. However, this does not help the people who have suffered as a result. We need more Europe in civil protection and in a common transport policy. The Treaty of Lisbon opens up more opportunities for us. In the same way as Mrs Hübner, I would like to ask you how you will make use of the opportunities afforded by the Treaty of Lisbon in crisis management and civil protection. This situation must improve.

**Anne Delvaux (PPE).** – (FR) Mr President, ‘shambles’, ‘chaos’, ‘paralysis’, ‘cacophony’, ‘catastrophe’, ‘disaster’: the press is not lacking for words to describe the closure of European airspace and its consequences.

I shall not dwell on what has already been said, notably as regards the extent of the huge – unfathomable, one might say – financial impact of this crisis in direct or indirect terms. While I welcome the possibility of exceptional public aid being granted to the airline sector, which has already suffered a great deal since 11 September 2001, I am still perplexed about Europe’s management of these events.

Firstly, knowing that 750 000 European passengers have been affected, a good number of whom are still stuck in the four corners of the world, knowing that the economic losses are growing exponentially over time, how can we explain that it has taken not one, not two, three or four, but five days for the European transport ministers to hold a meeting, by teleconferencing, to coordinate their actions and to decide to create traffic-differentiated zones?

Secondly, no one contests the need, as an absolute priority – and I stress the word ‘priority’ – to apply the precautionary principle. However, today, when traffic is gradually being permitted once again in secure zones, in unchanged weather conditions, and when the volcano is still active, one is entitled to wonder what additional safety guarantees for passengers we could not have provided earlier, sooner.

Thirdly, a model of evolving action has been developed – according to the weather forecast, the evolution and activity of the volcano can change from hour to hour – but who is going to continue to carry out an up-to-date assessment of the safety of air corridors? Must these test flights be carried out by civil aviation and the airlines? Finally, if this lasts, gets worse or happens again – which is likely – the management method put in place must provide for greater coordination among Member States and special operational procedures based on real data and better coordination of other means of transport in exceptional circumstances. It must also take account, however, of the need to coordinate assistance so that we can get the tens of thousands of stranded passengers home; they too are entitled to information and assistance. So far, however, only isolated and national initiatives have been taken.

**Inés Ayala Sender (S&D).** – (ES) Mr President, I welcome the opportunity that this debate gives us to face up to our responsibilities.

In response to today’s crises, the national dimension and intergovernmental decisions are not sufficient, nor are simple solutions, even if they are based on statistical models.

It is right to recognise the diligence with which, on the day after airspace was closed, the Spanish Presidency of the Council saw the opportunity for a European approach in order to find a solution to the chaos that was already spreading beyond the national governments and, more importantly, was plunging thousands of travellers within and outside our borders into a desperate situation. Repatriating them must be our priority.

While the initial measures were adequate, according to the principle of precaution and guaranteeing safety for all citizens – those flying and those under the flight path – the lack of clarity about the future and a growing feeling of unease, as a result of the complexity of the intergovernmental decisions, raised the big question that is always raised: what is Europe doing? We have to acknowledge that the joint work by Commissioner Kallas and the Spanish Presidency succeeded in record time – which is never quick enough, but to be honest, given the difficulties, they did it in record time – in changing the approach. Although this approach is precautionary, as it has to be, it raises important questions.



The conclusions of this choice are: the application of passengers' rights does not stand up in an exceptional situation. The work done at European and national level was not sufficient. In the short term, we need to repatriate and provide urgent solutions, but in the medium term, we need to improve.

The External Action Service should also be able to respond to these emergencies; in some cases, it cannot close at the weekend.

The air traffic sector, travel agents, the tourism industry, logistics, etc., which were only just glimpsing an end to the crisis, have taken a real battering, and I welcome the presence of Commissioner Almunia, who will be responsible for managing the solution required for the sector.

Ending the uncertainty as soon as possible will also help us to get out of this crisis. Finally, we clearly need a replacement system for air travel, even once there is a single European sky. The railways, the roads and the maritime sector put together have not managed to replace it.

**Artur Zasada (PPE).** – (PL) Mr President, Mr Kallas, we are certainly dealing with a crisis situation. In Europe, air traffic has been reduced by 70%, and 80% of airports have been closed. I do hope, however, that we are able to draw several constructive conclusions. Firstly, the Commission should do everything to ensure that the eruption of the volcano does not lead to the bankruptcy of European air carriers, which are in a catastrophic financial situation as it is. I say this in the context of yesterday's debate on financing the security of air travel and the Council's resistance to financing stricter measures related to security.

Secondly, experiments with new, unproven technologies such as body and liquid scanners will certainly not improve security, but they undoubtedly will have an effect on the financial condition of European air carriers.

Thirdly, the question of passengers. I think the decision to halt flights out of concern for passenger safety was a wise one. However, that concern should not stop there, but should also include help for those who, through no fault of their own, have been stranded at airports. These matters have already been discussed more than once at sittings of the European Parliament and, in particular, the Committee on Transport and Tourism. Paradoxically, however, only the eruption of the volcano in Iceland has made us all aware how essential the aviation industry is to the proper functioning of the European Union economy, and this is true in particular of those representatives of the EU institutions who, for this reason, were not able to attend the funeral in Krakow on Sunday.

**Jörg Leichtfried (S&D).** – (DE) Mr President, Mr Kallas, Mr López Garrido, ladies and gentlemen, I believe that the response of the European Union and the Member States to this crisis has been entirely satisfactory and that everything possible has been done. They have acted according to the principle that safety is paramount. We can discuss whether the ash cloud should have been investigated more quickly. I believe that this would have been possible, but in principle, what was done was acceptable.

We now need to discuss and think carefully about what should be done for the people, the European citizens, who are stranded. I was called yesterday by three people who are in this situation. One case concerns members of a family who are waiting in an airport in Thailand and have been told that they will probably be able to fly out on 29 April. They have already spent a whole week at the airport. The second case involves young people in New York who have been told not to leave their hotel for at least a week, because they could be picked up at any moment. The third case is a family of pensioners on an island in the Norwegian Sea, who can no longer afford to pay for their accommodation, but are unable to leave.

These are issues which we in the European Parliament need to think about and discuss. We must offer these people solutions, give them support and make useful proposals. We cannot abandon the European citizens who are in this situation; we must help them.

**President.** – Thank you very much, ladies and gentlemen. We are now in an extreme situation, because the subject that we are debating is so urgent and so distressing for many people, and in particular for the public, that we have more 'catch-the-eye' requests than ever.

This is a record, as I think we have 13 or 15 requests, and even though Members are still asking to be included, we obviously cannot have 20 people speaking.

We are nevertheless going to try to enable everyone to speak, among other things, until the President arrives, as he has stepped out for a moment and I am replacing him on an impromptu basis. As I do not wish to begin the next debate, we are going to be conducting the catch-the-eye procedure until the President's eye drops out or everyone on the list has spoken.

**Sergio Paolo Francesco Silvestris (PPE).** – (IT) Mr President, ladies and gentlemen, I am grateful to the Commissioner and to the Minister of the Spanish Presidency for their speeches and for the work they have done.

I do not think there is any question that the priority in this emergency is to guarantee safety, and safety has been guaranteed, because the outcome of this disaster, of this unexpected, natural event, is that no aircraft have been involved in an accident caused by the cloud.

The safety objective has therefore been achieved, and we can only be pleased about that. There are still two problems today: the first is that of the timescale. Could action have been taken sooner? Could it have been taken earlier? Could steps have been taken to intervene sooner and to reopen the area that was safest for air traffic sooner, given the huge economic effect, the economic impact that this disaster is having on air traffic and on the airlines? Could action not have been taken earlier? This requires answers.

The second issue: thousands of passengers are still grounded and are having to stay in hotels, to change ...

*(The President cut off the speaker)*

**Marc Tarabella (S&D).** – (FR) Mr President, this debate has given rise to many speeches by transport specialists. It is true that we have focused strongly on the economic problems that this exceptional and unforeseeable situation has caused.

There are also human aspects, as has been said, and I am looking at the situation more from the point of view of a defender of citizens as consumers, many hundreds of thousands of whom are currently stranded somewhere in the world, unable to return home. I am thinking more of them, and especially of those who can no longer afford to stay where they are, who are stranded and have no other solution.

As regards these empty skies and these airports full of people in distress, thought may have to be given to recasting the directives on transport, especially air transport. The directive on package travel will probably be reviewed. Could we not – and this has not been spoken of so far – think about compulsory insurance to provide cover, in the event of *force majeure*, for such people, especially so as not to leave them in distress?

**Jarosław Leszek Wałęsa (PPE).** – (PL) Mr President, the current situation makes us realise and testifies to our impotence before the forces of nature. However, as a serious organisation, the European Union should be better prepared for such situations, and should, in particular, be ready to react efficiently in urgent cases. It is difficult, of course, to prepare for something which may or may not happen once every 150 years, but we can see at the moment that the European railway infrastructure and network of connections is completely insufficient. We have to answer the question, here, as to how this should be improved.

Other questions which we ought to discuss are, firstly, what kind of public assistance will be made available to businesses which are under threat? We know that huge amounts of money will be needed to repair the financial situation of these businesses. Another question is how we should develop a strategy which will prepare us in the long term to react and make better improvements ...

*(The President cut off the speaker)*

**Antonio Masip Hidalgo (S&D).** – (ES) Mr President, the Commissioner talked about the procedures being absurd and obsolete. Let us therefore be consistent.

We have wasted too many opportunities, too many treaties, when we could have introduced Community powers over European airspace. Nevertheless, while we were not able to act as we should have done in the air, we can do so on the ground. For example, we can monitor passengers' rights and also mediate or ask for a truce in the various land transport industrial disputes. There should be no minimum services; there should be maximum services for all.

**Czesław Adam Siekierski (PPE).** – (PL) Mr President, I hope the current difficult situation in European transport will not last for too long and will not turn into a real transport crisis. The experience we are gaining is too expensive, but is very instructive. We should draw the right conclusions, and here are some which suggest themselves immediately. Firstly, transport security, both in the area of quality and in the ability of citizens to travel, is a priority obligation which we have in common. Secondly, there is a need for balanced development of all forms of transport, but in particular, we must not neglect rail transport. Thirdly, efficient transport is the lifeblood of the economy. The transportation of goods and the mobility of the workforce are decisive for development, and we should remember this particularly during the economic crisis. Finally,

there is a need for suitable procedures, coordination, separate support for airlines, mutual help and European solidarity for the good of our citizens.

**Piotr Borys (PPE).** – (PL) Mr President, Mr Kallas, the catastrophe has shown us that we do not have procedures in the European Union for dealing with catastrophes like the one which has arisen as a result of the volcanic eruption.

Firstly, the European Union should coordinate matters relating to safety and decide whether or not aeroplanes can fly. This must not be exclusively for Member States to decide. Secondly, we need to think about the question of economic responsibility. I think a European system of insurance against this type of situation, or perhaps national insurance schemes, should be the solution. Thirdly, on the matter of the logistics of passengers who were stuck in transit between particular countries, there was a lack of real mobility in the transport and TNT networks and of fast trains. Finally, I think that in the case of passengers who have been left stranded outside the European Union, the European External Action Service should be ready with definite procedures for helping them. I hope those rapid procedures will be introduced.

**Kriton Arsenis (S&D).** – (EL) Mr President, ladies and gentlemen, over the past few days, we have experienced an unprecedented upheaval in our lives. Aeroplanes, which we depend on to travel to and from our regions to Brussels and Strasbourg, are no longer available. The upheaval has been massive; we have had to take trains, ships and buses, it has all taken much longer and numerous members were barely able to get here.

However, what we have seen over the past few days is that we are absolutely dependent upon aeroplanes; we have seen that there are alternative means, but that the present rail infrastructure in Europe is inadequate; it is not state of the art. Can we perhaps imagine a European Union with a full network of high-speed trains, a Europe in which all journeys less than 1 000 kilometres long are made by train and in which we only use aeroplanes for longer journeys?

The impact of air travel on the climate in the European Union is huge. It is greater than that of refineries and steel works ...

*(The President cut off the speaker)*

**Magdalena Alvarez (S&D).** – (ES) Mr President, I believe that the responses that can be given now can only alleviate the current situation, but cannot prevent it from happening again.

In transport, there are no short cuts, there are no short-term solutions, and this should be an opportunity – even more so now that the White Paper is being drawn up – to include, introduce and establish the necessary measures to reduce our excessive dependence on our air transport connections. We need to balance these connections by facilitating and strengthening the alternatives that are currently severely lacking in comparison, such as railways and sea transport.

I therefore think that both Mr Kallas and Mr Grosch, who is the rapporteur for the report, will have taken note of the requests made by all the Members regarding the need to strengthen the railways and the trans-European networks for this mode of transport.

**Bendt Bendtsen (PPE).** – (DA) Mr President, a lot of sensible things have been said during the debate this morning, but I think we need to look a bit more to the future. What we have experienced is something we will experience again. The experts in Iceland say that it is not a matter of whether there will be further eruptions – the question is merely when they will occur. That is why we need to look slightly further ahead and work out how to handle such a situation when it occurs again in the future. As part of this, I believe that we need to start focusing on getting high-speed rail links between the European capitals and how we bring about the interoperability that is needed.

**Tanja Fajon (S&D).** – (SL) Ladies and gentlemen, it is, of course, clear to us all that passenger safety must be our top priority and that we are having this discussion today primarily because nature has reminded us of this. Flights have been grounded across most of Europe, passengers are waiting indefinitely, airlines are sinking into the red, industry workers are afraid for their jobs, the economic damage is immense. Obviously, airlines are entitled to think that, if farmers can claim damages for natural disasters, they, too, are entitled to an indemnity. As for the environment, we have certainly done it a huge favour over the past couple of days.

Interconnection – let that be the lesson that Europe needs better integration of air, rail and road traffic, that we need to provide finance for high-speed trains and that we need less pollution. We need to respond immediately and responsibly and, above all, with passenger safety in mind.

**Judith A. Merkies (S&D).** – (NL) Mr President, first of all, I would like to express my sympathies to everyone who has been affected by this crisis. Now, 'crisis' is a word that we have been hearing far too often these days: economic crisis, financial crisis, transport crisis, every other kind of crisis under the sun. If one thing is clear, it is that our society is extremely vulnerable to crises of this kind. We need a safety net. We tend to talk a lot about the green society, but a green society also needs to include green transport and we have clearly not completed our work yet as far as that is concerned.

Many members of my group and others, as well, have said it already: it is a matter of great urgency that we invest in green transport and in better and faster connections within the EU – and, of course, better and faster connections outside the EU, too, if we are able to have any say there – by rail and why not by boat, as well, if it comes to that? That would be good for the economy, good for the climate and also good for the stability of this society, because that is what it desperately needs.

**Gesine Meissner (ALDE).** – (DE) Mr President, it has become clear that the focus of this whole issue is on the passengers. We want passengers from Europe to be transported safely. We want safety, but we also want transport options. I believe that we need all the means of transport currently available. We need aircraft, as we cannot replace flying with another solution. A lot has been said about high-speed trains. Of course, it would be good to have more of them, but what use is the best high-speed train if it has to stop at the border?

For this reason, I think we should take one step at a time. Firstly, we need continuity across the European rail systems, in just the same way that we need the single European sky. As all the parties have spoken out in favour of more coordination between the Member States, I would like to call on everyone once again to take action, because it is the parties in the Member States who are responsible for blocking progress in this area. Please make sure that the parties at home in the Member States are genuinely in favour of opening up transport in Europe. If we are all able to convince our parties, the situation will improve in future.

**Corina Crețu (S&D).** – (RO) There has been a huge amount of talk in recent days about the financial losses sustained by airlines, which are an actual fact. It is becoming clear that a mechanism for providing assistance to these companies needs to be adopted, all the more so as this crisis caused by the eruption of the volcano in Iceland may be protracted.

However, I believe that passenger safety and consumer protection must come above everything else. There has been a huge level of discontent among passengers whose treatment varies from one country or company to another. It is obvious that practices in this area need to be standardised, which would mark a big step forward for passengers who are currently on the move from place to place, against a backdrop of uncertainty surrounding the reopening of the airspace.

**Gilles Pargneaux (S&D).** – (FR) Mr President, Commissioner, this crisis that we have been experiencing for some days has also demonstrated – and this has not been said enough – the failure of the Lisbon Strategy, which the European Union was able to put into action in the last decade.

This failure, which stems from deregulation and fierce competition, shows today, with this crisis, that the European Union has been incapable of coordinating the necessary approach that would have made it possible not only to protect those who are trapped in these airports but also to plot the way forward by allowing airlines to make test flights, for example. I call on the European Union, therefore, to pull itself together.

We are told that we need more Europe. Indeed, there must be a public service, supported by the European Union, in a sector as prominent as air transport.

**Elisa Ferreira (S&D).** – (PT) Mr President, this was, of course, an unforeseen crisis and the precautionary principle must naturally take priority. There are, however, lessons to be learnt, and the first is that no sufficiently strong and politically responsible European voice has been heard for five days. Such a voice has been lacking with regard to the protection of passengers' interests, the clarification of their rights, the search for alternative transport and the coordination of solutions.

A second conclusion is that the way out of the crisis must not look to the ordinary citizen like a power struggle between those who want to avoid economic losses and those who want to uphold the precautionary principle. There must be clear transparency and clear objectivity as regards the conditions under which we get out of this situation, in which the whole of Europe's air space has been shut down. Therefore, improving scientific tests and also coordination at the level ...

*(The President cut off the speaker)*

**Robert Goebbels (S&D).** – (FR) Mr President, the precautionary principle has become a principle of irresponsibility. In the face of the slightest risk, the precautionary principle has become an invitation to abandon all responsibility. No so-called ‘responsible’ parties dare shoulder their responsibilities any longer.

A potential influenza epidemic? Hey presto, thousands of people are invited to be vaccinated. An erupting volcano? Hey presto, the entire European airspace is closed, even though experience has shown that volcanic ash is not really dangerous except for aeroplanes that have to cross a dense cloud.

However, because of the precautionary principle, our companies are subject to the failure of the responsible parties to assume responsibility, to the weakness of experts and to the impotence of politics, which has taken to chattering about the need to reduce our excessive dependence on air transport and to invest more in rail networks, probably by extending them as far as Asia, the Americas, Africa, Oceania and every island in between.

#### IN THE CHAIR: MR BUZEK

*President*

**Diego López Garrido, President-in-Office of the Council.** – (ES) Mr President, I think there has clearly been agreement that first of all, we need to focus on nature. Mr Cramer said this quite clearly, and I agree with him, because this is an important message for all of us. We must also, of course, focus on the European Union, on European action, in response to a crisis that has European importance and which has had an extremely serious impact on millions of citizens of Europe and other countries outside the European Union, as well as on the economies of major European sectors.

It was immediately apparent that the events overtook the action of the Member States, who have decision-making powers to open the airports, and therefore, there was immediate intervention from the European Union. I repeat, Mr Speroni, Mrs Ferreira, the action was immediate. On Friday, it became apparent that a serious situation was setting in. As soon as this became apparent, the European Commission, along with the Spanish Presidency of the Council and Eurocontrol, immediately set to work, and on Sunday – as Mr Kallas said earlier – there was a public appearance by the Commission and the Presidency – Mr Kallas and myself – explaining the situation and setting out what was going to be done. The action to be taken was yesterday’s meeting of Eurocontrol and the decision of the extraordinary Council meeting, called by the Spanish Government and chaired by the Spanish Minister for Public Works, which took place yesterday.

Therefore, action was taken. Action was taken in order for this to lead to a decision, to action, to an approach, a focus that was European in nature. Today, yesterday’s decision by the extraordinary Council of Ministers is being implemented. This morning, at 08.00, Eurocontrol defined four zones with an extended safety perimeter in which there can be no flights, and other areas in which there can be flights, provided that there are agreements and coordination among the Member States. Airspace is therefore gradually being opened up, but this will naturally depend on the conditions and on nature. Naturally, it will depend on these things, but the decision taken yesterday is already in practice today, and this will, of course, always be done on the basis of the precautionary principle and the need to ensure safety.

I believe that what was immediately seen is that in this case, the European approach meant that a much more balanced decision could be adopted. The European approach meant that various factors could be taken into account that should always be taken into account when something extraordinary happens such as what we are going through at the moment. Firstly, it means that the risk assessment model is much more precise, much more accurate. Mr Sterckx, in response to what you said about this, I want to say that Eurocontrol is taking into account the decisions made by the Volcanic Ash Advisory Centre in London, but it is also going to take into account the test flights, the information from the national authorities, the information from the aeroplane manufacturers, and the information from the European Aviation Safety Agency in Cologne, which I agree needs to be strengthened. All of this will be taken into account in order to draw up a more accurate map, as is happening now, at this moment, through the technical proposal being produced by Eurocontrol, based on scientific data.

The European approach means that safety, which is an essential, fundamental principle, above all other principles, can be taken into account at the same time, and I therefore agree with those who have said this. It means that the economic consequences can be taken into account, and the Commission has set up a working group – which has also been very well received by you – to present a report next week on aspects relating to the economy. It also means that citizens’ rights and their mobility can be taken into consideration. That is why I am again calling on all the European Union governments to help get people home, to make

use of every possible means of communication, and to make a special, extraordinary effort to do so, because that is the main right that citizens have: to go home, to go to wherever they want to go. We are therefore calling for their right to free movement to be respected.

For the future, I believe that this situation opens up a panorama for us for a very thorough debate, and the European Parliament is the right place for that debate to take place. This debate must look at the problem of passengers' rights under these exceptional circumstances, and the need for an emergency plan, which also requires transparency – as Mrs Bilbao said – in the European Union's actions, so that there can be structural reforms, which means strengthening the trans-European rail networks in Europe. This is becoming an absolutely strategic objective, which, all things considered, is simply the structuring of Europe, because historically, the structuring of the modern state was done on the basis of developing communications, roads, railways, and also maritime connections. In the future, the structuring of Europe, the Europe of the 21st century, will not be completed if it is not done through the infrastructures of communication, in this case, essentially through the railways.

The two things go hand in hand, and developing these transport infrastructures is a strongly political, symbolic and real issue, which is becoming a central objective for 21st century Europe. In this respect I believe that this was exactly the right place and time for Mr Swoboda, Mr Schulz and Mrs Álvarez and for other speakers to mention these reforms, because this is undoubtedly an element for the future that the European Union needs to aim towards.

**Gay Mitchell (PPE).** – Mr President, could I respectfully ask that this debate be extended, because this exchange is far too polite. People are being treated like dirt in train stations, by airlines and by authorities in airports. We are being far too polite. We should be using the EU's power in the Council and in the Commission to force people to open information points. In Brussels Central Station, there are six information points; four of them are closed.

This debate should be far longer, and more Members should be allowed to participate in it. I am not at all pleased with the action taken by the Council and the Commission to serve the interests of the travelling public, who are sleeping in train stations.

**President.** – That has been mentioned several times, today. Everyone from the European Parliament who spoke before you raised these matters.

**Siim Kallas, Vice-President of the Commission.** – Mr President, I wish to thank the honourable Members for all their remarks. I have four additional ones to make.

First of all, these events have given us much food for thought as regards our strategic plans. One of the most interesting and crucial issues is intermodality and flexibility between modes of transport, and the ability of railways to act as some kind of alternative. We will address this issue soon, with the discussions on the recasting of the first railway package and the White Paper on the future of transport.

This is a very serious issue. Yesterday, we discussed it with the Council of Ministers as well. I can promise you that we are taking this issue very seriously – including teleworking and other factors aimed at limiting unnecessary transport and travel.

Concerning the economic impact, we will take all aspects into account and will make proposals. However, we should be careful. Money does not come from nowhere, and things must be fair for all the other actors in the economy. We must be very balanced in our approach. There can be no miracle.

As regards passengers' rights, the rules are very clear. Some Members asked about the rules and whether we should revisit them. I do not think we should revisit the rules adopted by European decision makers, including the European Parliament. They are good. The question is a very different one. It is that of implementation and enforcement, which is in the hands of Member States. We have a clear plan on how to proceed with the enforcement of these rules and on how to influence the Member States. It is clear what must be done concerning passengers' rights today.

One other matter, which is not such a big issue: many colleagues and the press have said we were too late and were not prepared. Well, I was active all the time. I was at Eurocontrol. I was in contact with ministers. In this Chamber today, you have the same dilemma as faced by all those experts and decision makers, but this is a matter which is in the hands of experts and the safety authorities, not in the hands of politicians. It is the same dilemma: safety versus flexibility.

We were prepared for a volcanic eruption but we had different types of evidence regarding the eruption. This was mentioned here as well. One British Airways flight and one KLM flight were affected by the volcanic eruption, so rules were established on the basis of there being a serious risk. The authorities acted in accordance with the assumption that there was a serious risk and that flights should be cancelled.

Now we have a more differentiated approach. On Sunday, the majority of the test flights were made and information came through to Eurocontrol, where we discussed these issues – the test flights and the definitive results for those flights. Now we have flexibility and the matter is still in the hands of the Member States. We are going ahead with the Single Sky, which is a very promising European project, and there is a common understanding among ministers that this is the way forward, with better coordination at Europe level.

This is a big opportunity. Those are the comments I wanted to make. I wanted to say that, as regards information, the Commission issued press releases on Thursday and Friday concerning passengers' rights. We said that passengers' rights should be taken very seriously. The information about passengers' rights came from the Commission immediately, and as from Sunday, larger coverage began of all the issues which, by yesterday, were very well covered.

That is the picture. The case is not closed. We have three or four days at least before the majority of flights resume. The solution for the economy and for passengers is a resumption of flights, with airlines bringing passengers home or taking them to their final destination. It is still a difficult situation and we must deal with the consequences.

Thank you for your remarks. We will have several opportunities to discuss this matter further.

**President.** – The debate which we are now ending was, certainly, the most important item of our proceedings. If only because of this debate, it was worth meeting here in Strasbourg. This discussion is something which our citizens expect – that we should deal with these problems, and it is just this which we have been talking about since the morning. It is the most important topic.

I would also like to express my thanks for the fact that 14 Commissioners from the European Commission have taken part in our final debate. It is very important that they have listened to your remarks.

The debate is closed.

#### **Written statements (Rule 149)**

**Kinga Göncz (S&D), in writing.** – (HU) Although thanks to the intervention of the aviation authorities, the volcanic ash cloud fortunately did not cost human lives, the level of information and coordination in Europe gets a failing grade. The closure of the skies caused difficulties for hundreds of thousands of Europeans, preventing them from reaching their destinations. Everyone is trying to deal with the unexpected problem, but the inadequate provision of information aggravated the situation. Often, passengers were not provided with adequate information either by telephone or via the Internet. Confusion was further caused by the fact that the aviation authorities and airlines issued contradictory information. There was also a lack of coordination between air and ground transport. We experienced personally how important it would be to modernise public transport links between Member States and to develop trans-European transport networks. I welcome the Commission's decisive crisis management steps. The working group created to this end ought to reinforce coordination between aviation and air traffic control authorities, and it would be worth examining the continued validity of safety measures introduced in the 1980s as well. I recommend that in similar crisis situations, the European Parliament should not complicate an already chaotic transport system by commuting between Brussels and Strasbourg. Instead, it should hold its plenary sessions in Brussels.

**Filip Kaczmarek (PPE), in writing.** – (PL) Mr President, our debate on the situation of European aviation must not be restricted to the trivial matter of how to get to the part-session of the European Parliament in Strasbourg. Concentrating too much on this aspect will give the impression of an unjustified egocentricity on the part of Members of the European Parliament. We should use our imagination. The social, economic and even political effects of keeping European airspace closed for a longer period may prove to be a colossal challenge for the whole of Europe. In Poland, some politicians and journalists are asking, for example, why some people could not get to Krakow on Sunday, while others did get there. They are also asking why it was not possible to get to Krakow by road or rail on Sunday, but it was possible to get to Strasbourg by these means on Monday. Events which happened as a consequence of the volcanic eruption in Iceland are also going to have a very strong global dimension. We do not usually think about the huge significance of air transport. Ethiopia's losses alone, which result from the fact that it is not possible to export flowers to Europe,

amount to EUR 3 million a day. We must make a very serious analysis of how closing the skies will affect the labour market, our competitiveness and the whole economy, and how it will affect the lives of ordinary people. Who knows – it may be that this inconspicuous event in Iceland will determine the future of the European Union. Thank you very much.

**Ádám Kósa (PPE)**, *in writing*. – (HU) As a result of the limitations and cancellations of flights for several days on account of the eruption of the volcano in Iceland, thousands of people are stuck at airports under difficult conditions. Despite considerable flight delays (in cases of trips under 1 500 km, over 2 hours), the airlines have provided little or no assistance and did not give accurate information regarding travel options to people's final destinations. They did not make arrangements for passengers to have access to free telephone, fax, e-mail or Internet facilities, and did not provide transfer or accommodation, either, even though passengers are entitled to such support under the EU regulations in force. Passengers living with disabilities, elderly people and families with small children are even more vulnerable in such exceptional situations, and this has been the case now as well. This unexpected situation has shown that passenger rights that were previously honoured can be wiped out in a matter of minutes, and that the need for the Passengers' Charter that I, too, had earlier urged is particularly great, to avoid a repetition of the helplessness of the airlines and relevant bodies. At the same time, I recommend that in the event of any exceptional change, it be automatically mandatory to send information and a message about alternative solutions to every passenger's mobile phone.

**Jacek Olgiard Kurski (ECR)**, *in writing*. – (PL) The volcanic cloud caused by the eruption of the Icelandic volcano Eyjafjöll has been effective in disrupting air traffic over Europe in the last few days. To date, tens of thousands of flights have been cancelled, making it impossible for passengers to travel. For the whole of Europe, and for national and EU authorities, this is a lesson from which we must draw conclusions for the future, including so that similar events in the future do not paralyse the work of the European Council or of our assembly. Amongst those affected were also Members of the European Parliament, who were, as I was, unable to come to the Strasbourg part-session this week. A great deal of controversy has surrounded our meeting in Strasbourg this week, because some Members simply could not get to it from their constituencies. We did not know until the last minute if the part-session would be held at all. It would be good for all of us to have procedures in place in future so that we would be ready if faced with similar exceptional situations.

**Tiziano Motti (PPE)**, *in writing*. – (IT) Mr President, the news has accustomed us to scourges, natural or wilfully caused, that bring a nation's structures and society to its knees, creating transport and supply emergencies. Funds made available from the European budget and coordination among various civil protection bodies are already in operation, thanks to the experience acquired. An emergency such as the one caused by the Icelandic volcano was never expected, however. Our citizens will not forget the airport notice boards showing every single flight cancelled, the prison, day after day, that was the airport transit areas, and the interminable queues at stations, car rental companies and taxi ranks. The airlines have suffered the greatest financial losses. The citizens risk being made fools of: aside from the inconvenience and the unforeseen costs that will be difficult to recoup, air fares may be increased to offset the losses incurred. This possibility must be avoided. Just as it does for natural disasters, the European Union will have to respond by compensating citizens who have incurred unforeseen costs in an effort to minimise their discomfort, along with the airlines, but in so doing, it must avoid the risk of describing such compensation as State aid, and hence unlawful aid. The citizens, above all, must receive assurances that the European Union will help them, so they feel protected, both directly and indirectly. Until now, many still cannot admit that they feel protected. From Parliament, which is drastically reduced by the absence of many Members who are unable to get here, we call for the urgent adoption of a European action plan of coordination between national governments and bodies and an organised form of protection of the citizens. In this way, we would obtain that swift response to the needs of the citizens that the governments have been strangely unable to guarantee today.

**Śławomir Witold Nitras (PPE)**, *in writing*. – (PL) Ladies and gentlemen, in the last few days, we have all been witnesses of the blockade of airports throughout almost the whole of the continent of Europe. The situation is unusual, because it is not the result of strikes, but of a natural disaster caused by the eruption of a volcano in Iceland. This paralysis, in which we are all to some extent involved, has brought with it a series of consequences, such as the financial problems of airlines and a growth in the significance of land and maritime transport. It is this to which I would like to draw your attention. In recent years, air transport has had a clear lead over other means of transport. It was faster, safer and more convenient for passengers. However, in the present situation, it is essential to introduce measures which will allow land and maritime transport to compensate us better for the inconvenience caused by the paralysis of air transport.

**Cristian Dan Preda (PPE)**, *in writing*. – (RO) No justification is required for air traffic security. Since the volcanic eruption in Iceland, travelling by air not only appears not to be a viable option, but almost an



impossibility as well. I strongly believe that more coordination at European level would have helped EU citizens stuck at various airports across the world or completely unable to set off on their planned trips. I hope that the single European sky will become a reality one day.

As you are well aware, the complete ban on flights over the last few days has also affected our Parliament, or rather the operation of its plenary sessions. I think that there is no justification for postponing the vote and reducing the session by a day, even though only roughly 65% of MEPs were present on Monday evening, 19 April. In my view, the session must be held as normal.

#### 4. Commission Legislative and Work Programme for 2010 (debate)

**President.** – The next item is the statement by Mr Barroso, the President of the European Commission, on the Legislative and Work Programme of the Commission for 2010.

I would like to stress that a good number of Commissioners are also present in the Chamber. The whole European Commission is strongly represented, because the subject is extremely important for all of us. We have had to curtail the subject somewhat, because of the change to the order of business, and after listening to what Mr Barroso has to say, we will hear speeches from the chairs of the political groups, who will give a political opinion on what the Commission is proposing for 2010. Then we will ask Mr Barroso to speak again and to respond to the comments of the chairs of the political groups.

**President.** – President Barroso, thank you for coming. It has not been easy for any of us to get to Strasbourg. Many Members have not arrived at the European Parliament, so the attendance is not very high. We decided not to vote during this part-session because everybody must have the opportunity to vote, and some Members could not come to Strasbourg at all. So there are some quite new rules for this part-session.

**José Manuel Barroso, President of the Commission.** – (FR) Mr President, ladies and gentlemen, I have the honour and the pleasure of presenting to you today the first work programme of this Commission. It is also the first work programme since the Treaty of Lisbon came into effect. I have the honour and the pleasure of presenting it alongside practically my entire team, the European Commission, as a sign of respect for your Parliament.

This programme is being presented at a decisive moment for Europe, since it is now that we must act. This programme is the direct outcome of our political dialogue. After intensive consultations based on the political guidelines that I presented for the next five years, this Parliament entrusted me, in September, with the responsibility of a second mandate. At the end of in-depth hearings that allowed us to forge a common vision of the actions presented, the College as a whole received your vote of confidence in February. In other words, this work programme is very much in line with the political priorities expressed by your institution. This being so, it provides a solid platform for achieving ambitious results.

Our very first priority must be to emerge from the crisis and to lay the foundations for sustainable, job-creating growth. First, the urgent issues: we recently debated the results of the European Council. Meanwhile, the proposed financial support mechanism for Greece was finally put in place on 11 April. The Commission will play an important role in the implementation of this mechanism when Greece asks for it to be activated. This is the logical consequence of the fact that the Commission is deeply involved, and has been since the beginning, in the search for a solution to the financial problems encountered by Greece and in preserving stability within the euro area. Our involvement has always been in line with the principle of solidarity, but also of responsibility.

However, we must do more and ask ourselves why these problems have occurred and how they can be prevented in future. That is why we are reviewing the Stability and Growth Pact in order to strengthen economic supervision and to extend it beyond the sole issue of deficits. We need a permanent mechanism for resolving crises. In short, we must demonstrate that the European Union, and particularly the euro area, is able to rise to the present-day challenges, and we must make use of all the possibilities offered by the Treaty of Lisbon.

That is why one of the Commission's first major initiatives in the coming month will be to present a communication on the increased coordination of economic policies. We all know that the collective interest of Europe is at stake here. The Union must strengthen the system and take into consideration the whole spectrum of risks and economic imbalances. We need to improve internal mechanisms. By providing itself

with more robust structures and with a more coordinated approach, Europe can help public finances embark on a new and viable path and can create a framework that is conducive to a broader, sustainable recovery.

Ladies and gentlemen, in the last 18 months, we have made enormous progress towards putting in place a financial system that is more ethical, robust and responsible. We must continue along this path, plug the last remaining gaps in the regulations, and make sure that our supervisory structures remain in phase with a sector that is constantly evolving.

I am convinced that our proposal on hedge funds and private equity will soon reach a decisive stage. The Commission believes that the legislative authority will come round to our common objective, which is to ensure that the new European supervisory architecture for the financial sector becomes fully operational from the beginning of next year.

In 2010, the Commission intends to present several proposals in key areas, such as the derivatives markets, deposit-guarantee systems and market abuses. The protection of ordinary consumers of financial services will receive special attention. We shall also be working on other major aspects linked to currency-default swaps (CDS) and bear sales, and we shall shortly be proposing some guidelines on the use of funds for resolving banking failures.

Mr President, distinguished Members of Parliament, this Commission hit the ground running. By presenting the Europe 2020 strategy right after taking office, we have set the scene to help bring Europe back on track – on track for smart, sustainable and inclusive growth. We now need to work together – European Parliament, Member States, Commission – to build and sustain the momentum.

Achieving the vision of a sustainable social market economy by 2020 will require a strong effort from all levels of decision making and all levels of society. At European level, our action must have genuine European added-value. This is the goal of the Europe 2020 flagship initiatives – the Digital Agenda for Europe, a fully-fledged industrial policy, a European Plan for research and innovation, a resource-efficient Europe, new skills for new jobs, 'Youth on the move', fighting social exclusion. This is where Europe can make the difference.

Thus, we will help drive the transition to a resource efficient and climate change resilient economy. Fighting climate change will remain a top priority on our agenda, both internally and globally. The energy and transport sectors will get particular attention this year – both critical to turn the challenge of a sustainable Europe into our competitive advantage.

The Single Market, as a home market of 500 million consumers underpinning jobs, competitiveness, affordable prices and consumer choice, will continue to constitute the backbone of the European economy. Tapping its full potential is particularly important for small and medium-sized enterprises, which are the most important driver for job creation in the European Union.

Bringing the single market into the 21st century is a priority for the Commission, which will make new proposals by 2012. This is also the subject of a report which I have asked Mario Monti to prepare and which we will be presenting very soon.

I want to underline the importance of social inclusion in our vision for Europe 2020. The real strength of a society rests on the opportunities it creates for its weakest citizens. We must seize every opportunity to encourage employment and social cohesion. That means being ready to exploit the emerging sectors which will generate new jobs. It means providing people with the right skills to create and sustain high employment levels and facilitate economic transition. It means working to overcome the impact of the crisis on young people by easing transitions from education and training to work. To this end, a broad-ranged European Platform against Poverty will be built on the current European Year for Combating Poverty and Social Exclusion. This agenda is, of course, a contribution to the fulfilment of our principles of economic, social and territorial cohesion.

The concerns and well-being of European citizens will remain at the heart of Commission action. The implementation of a comprehensive Action Plan of the Stockholm Programme that the Commission will be adopting later today is focused precisely on ensuring that the benefits of European integration in the area of freedom, security and justice become more tangible to the citizens.

This Action Plan represents, on its own, a comprehensive work programme for the Commission in the area of freedom, security and justice. It puts citizens at the core of our policies by facilitating the exercise of their specific rights. It will also aim at developing an open and secure Europe with a particular focus on tackling cross-border crime and on a common immigration and asylum policy.

In the field of freedom, security and justice, the European Union has, in the last 10 years, gone from the application of the free circulation of persons to a common policy. The achievements until now have been impressive but we need, more than ever in this period of exit from the crisis, to promote and defend European values and indeed, above all, to tap all the potential that is now created by the Lisbon Treaty. The Action Plan contains a comprehensive list of measures to implement our already defined priorities in this field, both at European and global level.

The entry into force of the Lisbon Treaty also gives us the tools to demonstrate greater ambition. The increased role of this Parliament, more efficient decision making in the Council, the perspective of more coherence and consistency of Member States in European Council decisions, and the judicial review by the Court of Justice will strengthen European Union determination in responding to the expectations and concerns of our citizens.

When we look to 2020, we must also address a number of long-term trends with a direct impact on the daily lives of citizens. Action now will pay dividends in the future. For example, the Commission will launch a public debate on the future of pensions and analyse options for ensuring the sustainability and adequacy of the pension systems. Of course, in any area like this, many of the levers are national – but that must not hold us back from ensuring that the European Union makes a maximum contribution.

In the external field, the new role of the High Representative/Vice-President and the start of the European External Action Service will offer us the tools to build a stronger and more coherent EU external policy. We will set out strategic trade policy priorities, take forward trade negotiations and work with partners on issues ranging from market access to regulatory framework and global imbalances. We will project our Europe 2020 objectives on the global market place, for example, through the G20.

The Commission will also be tackling the challenges of energy geopolitics, in order to ensure safe, secure, sustainable and affordable energy.

Another key priority for the Commission is to pursue the international development agenda and propose an EU action plan in the run-up to the 2015 Millennium Development Goals summit. This initiative will form the basis for the June European Council to prepare a common EU position in view of the High Level United Nations Review meeting in September on the Millennium Development Goals (MDGs), which aims at the adoption of a Global Action Plan for reaching the MDGs by 2015. We want a Europe that is open and shows in concrete actions its solidarity with the most vulnerable in the world.

Finally, as agreed with this Parliament, we will publish the Budget Review during the third semester of this year. In this, we will set out what we see as the key principles and parameters for using the European Union's financial resources to best effect, taking full account of the Europe 2020 strategy. In parallel, we will be making more detailed assessments of key areas, including agriculture and cohesion. I can assure you that Parliament will be fully associated at all stages of the budget review.

Before finishing, I would like to briefly explain a number of innovations in the work programme. This programme, and future programmes, needs to offer the right framework for the institutions to build a solid consensus on where Europe should concentrate its attention. We therefore need to be more political, and we also need to reflect the multiannual challenge of initiatives of the scale we intend. I think the way we will prepare the work programmes in the future should be a concrete demonstration of the special partnership which I and the Commission want to establish with the European Parliament in this mandate.

This programme identifies 34 strategic initiatives that we are committed to putting on the table before the end of December. I am sure you agree that this is an ambitious agenda for the next eight months.

At the same time, the programme includes many other initiatives for 2010 and beyond. This indicative list comprises initiatives on which the Commission intends to work over the coming years. Not all of these initiatives will necessarily lead to the submission of concrete proposals. In line with the principles of smart regulation, we need to assess thoroughly which items should go forward, and in which form.

The work programme will be reviewed every year to identify new strategic initiatives and adapt the multiannual strand as required. This 'rolling' approach will enhance transparency and predictability for all stakeholders, while preserving the necessary flexibility to react to unforeseen developments. One thing we have learned in recent years is that we should always predict the unpredictable. Recent years have shown that strategic blueprints cannot be cast in stone – they have to adapt to reality on the ground.

Honourable Members, the Commission work programme for 2010 that we are proud to present today is an ambitious, but also necessary and realistic, framework for European policy making in the coming year. It is realistic if all institutions are ready to join forces and cooperate with a view to delivering timely results to Europe's citizens; it is necessary because business as usual is not an option if we want 2010 to mark a turning point; and it is ambitious because, more than ever, a strong Europe is required to deliver to citizens the solutions they are looking for. They expect it from us, and we have a duty to work for their prosperity and well-being.

**President.** – Thank you, Mr Barroso, for a comprehensive presentation of the Commission's most important initiatives for the next eight months.

I would just like to stress that the strategic partnership of which you spoke is very important to us. We distinguish between executive and legislative authority, but our cooperation is of crucial significance for our citizens, so it is with great pleasure that we have listened to your words about the necessity for contact between the Commission and Parliament to be as close as possible. Your presence, and the presence of the Commissioners, during this sitting today is the best evidence that the intentions of the Commission agree with the facts. Thank you very much for this.

**József Szájer**, *on behalf of the PPE Group.* – (HU) Mr President, on behalf of the European People's Party (Christian Democrats), we welcome the fact that the Commission has ambitiously set to work and presented its 2010 work programme. We take this in the spirit in which it was meant, that the Commission is present, and as a sign of respect for Parliament, of taking Parliament seriously, and we are glad that they are all present. At the same time, we regret that much time has already been wasted this year, since the delay in the ratification of the Treaty of Lisbon has already prevented the harmonisation of the legislative programme and the budget from being made this year. We have every confidence that this process can be restored in 2011 after overcoming minor difficulties.

The Treaty of Lisbon came into force, and henceforth we can no longer make any excuses, as Members of the European Parliament, nor does the Commission or the Council, for not taking decisive action and not starting the work, that is, implementing that which the Treaty of Lisbon prescribes and fulfilling what citizens want, placing them at the centre of our policy plans.

The European People's Party prepared two lists with regard to the Commission's plans. We sent the details to you even before acceptance. The two lists, which I would like now to cite briefly, consist simply of a list of what the Commission should not do, and a list that itemises what we would like them to do.

First, we would like to ask that the Commission not do what has been the practice till now, because that would render this debate meaningless, namely, that by October, only 40% of your legislative proposals for the year had been tabled. If this continues to be the case in the future, then these sorts of debates are pointless. Parliament cannot exercise the right by which it wishes to make an impact on what proposals the Commission should put forward. It is for this reason that we consider it important that these legislative proposals or work programmes are not considered on a par with the old Communist five-year plans, in which nothing, from start to finish, was true. And what they eventually achieved had nothing whatsoever to do with the final objectives.

The other things we ask of the Commission is not to tolerate lies and deception. At the moment, several European countries are in crisis because they concealed the correct data, and lied about the size of the budget deficit. They concealed this information from the others, and yet we are all in the same boat, and such things affect many people. This was the case in Hungary, this was the case in Greece. In such cases, we expect the Commission not to shrink back, but to name and shame such countries decisively, or else there will be much more trouble later.

The renowned nineteenth century thinker of the Hungarian age of reform, Count Széchenyi, said that anyone who covers up trouble increases it. So we should not cover it up, but come forward with it, and, on that basis, take the necessary decisive action. The Commission ought to exercise its competence in this regard. Do not misunderstand me. I am not saying that the Commission is to blame for these crises. The governments of these countries are responsible for these crises; however, in the interest of the common good, we should have raised our voices louder and more decisively in order to see results.

Now let us move on to what the Commission should do. First of all, it should at last take action and decisions, and should develop an ambitious job creation programme. It should place citizens at the centre of our work. Jobs, jobs, jobs must be our guiding principle. Let me start here by saying that naturally, when we address

citizens, we need to use a language that they understand. When we say 2020, then I – an MEP from a former Communist country – associate this once again with the five-year plan, or the sort of number they used to assign to prisoners. Why do we not call the 2020 programme the European Union's job creation programme, why do we not call the Stockholm Programme – a name that, by the way, no one besides us understands – the European citizen security programme? What I mean to say is that the words we use are also an important part of the start of this entire process.

We consider it important that small and medium-sized enterprises take an active part in the process of job creation. They would not like it if the 2020 job creation programme was shoved down Parliament's throat. We need a thorough debate here, and not just in this Parliament but in the national parliaments, and the national decision-making authorities must be involved as well. Let us learn from the failure of the Lisbon Programme – yet another name that no one understands! Let us work for the security of our citizens and let us take the steps necessary in this regard. Mr President, just one observation: man does not live by bread alone – strengthening our common values is also important. We expect the Commission to continue those value-based programmes which deal with Communism, with the coexistence of national minorities, and with Europe's common past. The European People's Party will support you, but we will criticise you very severely if you deviate from the original programme.

**Hannes Swoboda**, *on behalf of the S&D Group*. – (DE) Mr President, Mr Barroso, Commissioners, I would like to thank so many of you for attending today. Unfortunately, I cannot say the same thing about my fellow Members. I am ashamed to say that not all of those who are not here are genuinely not here. They are in Strasbourg, but they are not in the Chamber where they should be. I find that very sad.

As we do not have a joint resolution, we will present our individual points to you and you can evaluate them in detail. Mr Barroso, we agree with you that the main issue is competitiveness combined with social security in a sustainable Europe. Of course, our main emphasis must be on continuing to combat poverty and unemployment, which is still rising in some areas or, at the very least, remains unacceptably high. I would like to thank you for mentioning this, as it is something which some Heads of Government seem not to be convinced of. How can we ensure that this happens in an era of budgetary consolidation? It goes without saying that we must consolidate our budgets. However, this must be kept in proportion – I would ask the Commission to take note of this – and it must take place in chronological order, in order to ensure that the other essential objectives, in other words, combating unemployment and poverty, are not left in ruins.

I would like to take this opportunity to say how important this issue is, against the background of the recent Roma summit in Cordoba, at which you were not present, but which two members of the Commission attended, Mrs Reding, the Vice-President of the Commission, and Mr Andor, the Commissioner for Employment, Social Affairs and Inclusion. I have recently visited Roma settlements in Serbia and it is inconceivable that places like this still exist in Europe. I call on the Commission to do everything within its power to combat the problem of poverty and unemployment in this area.

My next point relates to the budgetary consolidation. We need more investment. We discussed this earlier on this morning with Mr Kallas. We have invested too little, for example, in the trans-European networks. Now it is possible to see where the problems have arisen because we still have not implemented what was proposed in the so-called Delors Plan. When you talk about partnership, Mr Barroso, I would ask you to remember that we need this partnership, particularly with regard to the budget issue and future budget planning, because it is clear that the Council is already intending to make cuts in smaller items at a European level. We cannot tolerate this.

Mr Barroso, you referred to the Monti report. This is definitely an important report and it is good that you have asked Mr Monti to prepare it, as he is an expert in this area. However, when we talk about the single market, we must also refer to the social market economy. In this context, public services in particular are very important to us. You have agreed to submit proposals for a framework directive. We do not want to cover all the individual points here and now, but I believe that we will have to rely on these public services for the European identity, in particular, with regard to the transport problems that we have had, which indicate, for example, how important public rail services are. Regardless of whether they are provided by the private or the public sector, they must be regulated and safeguarded by a common European policy for public services.

I would now like to come to my final and decisive point. You spoke about the economic crisis and also about Greece and other countries which are in difficulties. In our previous discussions with Mr Van Rompuy, we established that the actions taken by the European Council in this case did not represent the best that Europe can offer. If all of this had been done two or three months ago, Greece would not have had to make high

interest payments. You referred to this, but I believe that we need more than references. We need the Commission to call for these things with a powerful voice.

I agree with you that this is not about intervening when the crisis has already happened and the deficits are sky-high, because this fact is frequently misunderstood. It is about preventing these things from happening as far as possible by monitoring economic and budgetary changes. Once again, I can hear governments saying that we cannot investigate their statistics or their budgetary procedure. This is not acceptable. If we want to prevent what has happened in recent months and years from occurring again, then we must do this. Why do governments have to keep their statistics and their budget procedures secret? Of course, governments must have a certain freedom. They must have this freedom and, in the euro area in particular, it must correspond with the European objectives and targets.

Mr Barroso, we are ready to enter into the special partnership that you referred to. However, this partnership must be based on a strong position for Parliament and for the Commission. In the days to come, we will be negotiating on the framework agreement. It specifies some of the details, but the decisive factor is the spirit behind it. This also involves you stating clearly, when some Heads of Government want to misuse the Treaty of Lisbon in order to strengthen their own position, that the Treaty of Lisbon is intended to strengthen Europe. This is why the Commission must have a powerful voice. In this case, we will go along with you and support you, even if our opinions on individual details differ. However, we must both fight for a strong Europe. This is very important, particularly in the light of the recent behaviour of some Heads of Government.

**Marielle De Sarnez**, *on behalf of the ALDE Group*. – (FR) Mr President, President of the Commission, I find this programme perhaps overly tentative in view of today's upheavals and challenges, and I believe that we are entitled to expect greater ambition from the Commission, all the more so given that you committed yourself to this.

On financial regulation first of all, I fully understand what Mr Barnier is trying to do. It is along the right lines, but I believe that we could have gone further and considered other avenues, such as the separation of banking activities, the taxation of financial movements or a pure and simple ban on derivative products, as is being contemplated today in the United States.

However – and, for me, this is more important still – I believe that we absolutely must do everything we can to promote the real economy and sustainable investment which, unlike the current, extremely financial services-driven economy, actually creates employment. I would very much like it if we worked on concrete projects along those lines. I cannot see any such projects in this programme today.

I also believe that we need far-reaching projects. If ever there was a time to revive the idea of a Europe of the railways, it is today, with the crisis that we have gone through. At present, we have 28 000 flights each day in the European Union. This really is the time to revive this Europe of the railways that has been spoken about for decades.

However, I believe that nothing will be achieved without genuine economic coordination and economic governance. From this point of view, I regret that the Council is in charge of a working group on this issue; I would have preferred it to have been your Commission.

We urgently need budgetary, economic and industrial coordination. We need to create a European monetary fund and, alongside it, to implement measures for stabilising the Member States' public finances. Although it is a word that is no longer used, we need to work towards fiscal convergence. I am thinking in particular of the issue of corporate taxation. Moreover, we will need to work on an own resource for the EU budget. I believe that these would be powerful acts that might well put us back on the path to growth.

I would like to say one more thing about the future economic strategy of the Union for 2020: please, do not give up quantified objectives in relation to poverty and education. I believe that, from this point of view, you will have the support of the entire European Parliament. We are talking here about the European social model that we want and that we love.

**Rebecca Harms**, *on behalf of the Verts/ALE Group*. – (DE) Mr President, Mr Barroso, Commissioners, I would also have liked Parliament to respond to the respect that you have shown it with a higher level of attendance. We will have to work on this.

The work programme that you have presented is very wide-ranging and contains headings that sound very ambitious. Even the introduction has the title 'A new era'. However, I am not sure that the details underneath these major headings do justice to this positive-sounding approach. This is still all about the climate crisis

and the financial and economic crisis. The case of Greece has once again demonstrated that we not only have a growing divide in economic terms, but also in social terms, because the conditions in which European citizens live in the south, the east and the north-west are very different. This means that we are facing major challenges.

I have to agree with Mr Swoboda in particular when it comes to a social Europe and more justice. It is essential that there is a review of this area. We are not at all convinced that what is currently on the table is enough to combat the growing poverty within the European Union.

Have we drawn the right conclusions from the financial crisis and the subsequent economic crisis? We believe that the right approach to financial and economic integration is to make new proposals for modifying corporation tax. We in the Group of the Greens/European Free Alliance have long since been in favour of taking this further. We also support energy taxation. You will be able to rely on us if you finally put this into practice. However, on the basis of our experience of the financial crisis, we believe that a clear objective for the tax on financial transactions is still lacking. Of course, we can say that we are waiting for the Member States, but I believe that sometimes you must present more specific and more precise demands and then fight for them, and this is also what Mr Szájer has said. It is clear that our response to the Greek situation has been inadequate. We do not think it is acceptable that no proposal is now being made on Eurobonds.

Mr Barroso, you put a very great emphasis on services of general interest during your campaign for a second period of office. The groups in Parliament have also asked you about this. I think that what you have said about public services and how they should be regulated under the heading 'Putting people at the heart of European action' is completely inadequate. This means that you are already breaking one of your major promises.

As far as protecting the climate is concerned, the various Directorates-General which are currently involved with climate protection are working on scenarios with different objectives for 2050. In the case of transport, there is a long-term goal of a 70% reduction, but for energy it is 75%. Mrs Hedegaard's people have not yet decided. I hope that they will set more ambitious objectives. However, it is clear that Bali and the two-degree goal do not play a role for any of the Directorates-General. What use is all the talk about a major new European climate diplomacy initiative if we have obviously given up on Bali and on the agreements made by the G8? The contents of the programme will not be enough to allow us to make a successful European appearance in Bonn, in Cancún or in South Africa. There is still a lot to do.

**Timothy Kirkhope**, *on behalf of the ECR Group*. – Mr President, talking of programmes, let me remind you of the lesson of the 1992 programme: for the Commission to achieve results, it needs to set one priority and focus on one policy at a time. The effort to establish the single market was a worthwhile objective which could be easily understood by all those involved – and, crucially, by the public – but since then, all too frequently, we have seen the Commission launching initiative after initiative, regardless of whether Europe was the appropriate forum or whether it could really deliver tangible benefits, in the futile hope that they would make it popular. That approach was wrong and it failed. We therefore welcome the new direction which has been developed by President Barroso.

The European economy is still in deep crisis, and only consistent action will change that situation. I do not simply refer to the immediate crisis triggered by the failure of the banking system, or the extra pressures now provided by transport emergencies. I mean the underlying crisis which has seen the European economy left behind by more competitive and innovative economies across the Atlantic and in Asia. We therefore strongly support the centre-piece initiative of this Commission: the 2020 strategy. Whilst we believe there are details to be added and changes which should be made, the broad thrust of the policy is correct. Europe needs strategy for smart, sustainable and inclusive growth which can deliver high levels of employment, productivity and social inclusion – hear, hear! This must be the overriding priority defining the Commission.

Our future economic prosperity and all the benefits it can generate depend on successful businesses and entrepreneurs; they are the ones who create wealth and sustainable productive jobs, and that is the best anti-poverty policy yet invented. The Commission must be their ally, not their adversary. We therefore welcome the commitments to relaunch the single market, extending it further, to emphasise smart regulation, to ensure that the implementation of rules is consistent and fair throughout the Union, to reduce substantially the administrative burden and cut down on red tape and address bottlenecks, to share best practice in training, to modernise the labour market and to reduce barriers to trade.

In taking a lead in developing a vibrant, dynamic European economy, President Barroso will have our support. We do not, of course, like everything. We are concerned that some measures might result in infringements

of the rights and responsibilities of Member States, such as the concept of a Citizens' Europe or some aspects of the Stockholm Programme. We are encouraged by the prospect of reform in the common agricultural and fisheries policies, but concerned this may result in more bureaucracy rather than a fair solution for our farmers and fishermen. Finally, we do not agree that common initiatives undertaken by Member States in the field of foreign affairs should be totally taken over by the Commission rather than left to the Council.

The ECR was founded to uphold the principle of subsidiarity; we want a Europe which focuses on its proper key tasks and delivers real benefits, and we are hopeful that President Barroso and his Commission – all of whom are here, one for each of us, today – seize the opportunity evident in much of the work programme presented to nurture a Europe playing its part in shaping an economic recovery and can offer a foundation for our long-term prosperity in the difficult and challenging years ahead.

**Miguel Portas**, *on behalf of the GUE/NGL Group.* – (PT) Mr President, the title of the programme that we are discussing here today is: 'Time to Act'. When it took five days to organise a videoconference among Union ministers, I can only congratulate you on your sense of humour, Mr Barroso. Why, though, is it time to act? Is it because no one has acted yet and the title is a piece of self-criticism? Or is it because this title, like all the other titles of our bureaucratic communications, is just an empty promise hiding behind piles of words?

I will give you an example. We are in the European Year for Combating Poverty and Social Exclusion, although the poor do not know about it. Your paper talks about an initiative – and I quote – 'to ensure that the benefits of growth and jobs are widely shared'. Is that another joke? What initiative is that, and how can it make up for the social support that Member States are withdrawing for the sake of their stability programmes?

How does the Commission intend to share the benefits of something that does not exist: economic growth? How does it intend to reduce the number of poor people without touching the income of the rich and the very rich? Our disagreement with you is about policy. A return to the dictatorship of the deficit traps economies, cuts wages, cuts benefits and forces public investment into retreat. That is a recipe for more unemployment.

Although it is time to act, the Commission thinks that the Union has, in the end, been able to join forces to confront the crisis. Ask the Greeks whether that is what they think, whether we have been quick and whether we have been fair. When will we have the European credit rating agency? Ask the Portuguese, whose debt interest goes up every time a Commissioner decides to talk about economics. Ask the European public. Ask the European public why things are as they are and they will look at the messenger and end up smiling, because in the end, there is no tax on a sense of humour.

**Fiorello Provera**, *on behalf of the EFD Group.* – (IT) Mr President, ladies and gentlemen, enterprises, in particular, small and medium-sized enterprises, which make up 99% of Europe's productive fabric, need four fundamental elements: easier access to credit, greater labour market flexibility, less bureaucracy when it comes to opening up and managing businesses, and, lastly, protection from unfair competition.

We value the work done by the Commission to streamline European legislation with the annulment of 1 600 legislative acts during the last term of office, and we support the proposals made by the high-level group led by Edmund Stoiber.

Another important element for the competitiveness of businesses is the international trade situation. At this time of crisis, it is important to strengthen the European Union's trade defence system. Businesses cannot compete with social and environmental dumping strategies implemented by some emerging economies such as China, where the cost of labour is extremely low and where there are no social safeguards and their associated costs or high standards of environmental protection.

Another issue on which the Commission should intervene more aggressively is the fight against counterfeiting and the protection of intellectual property rights.

In short, I cannot see any initiatives in the Commission's work programme aimed at implementing the cohesion policy guidelines laid down in the Treaty of Lisbon.

For the first time, Article 174 of the treaty recognises the specific role of mountain regions, which represent 40% of our territory and over 90 million European citizens. I therefore call on you to include in the Commission's next legislative programme a proposal for a framework programme to support the development of and to protect mountain regions, and to capitalise on all the possible uses for renewable energies that mountains offer.



**Andrew Henry William Brons (NI).** – Mr President, in the Commission work programme for 2010, it was said that the European Union must face up to long-term challenges such as globalisation and must regain competitiveness. The problem is that the EU has not faced up to globalisation: it has embraced it. It is allowing a flood of imports from developing economies with wage rates a fraction of those in Europe. The only way in which we can possibly regain competitiveness would be to drive wage rates down to their levels.

I am not, of course, even in favour of membership of the European Union. However, even if I were in favour of it, I would accuse its masters of betraying the economic interests of its peoples. I would say that the EU is not so much a European Union, as it is a global union trying to achieve the global mobility of all goods and services.

I believe that sovereign nation states should rebuild their manufacturing bases and then protect their markets and the jobs of their nationals. However, my message is also for europhiles. Europe, either as a whole or separately, will fail to protect its manufacturing and its agriculture from Third World competition at its peril. Globalisation must be resisted, individually or collectively, or it will destroy us all.

The Commission's document refers to the alleged need to develop further legal immigration policies to alleviate the perils of demographic ageing. There is no doubt that ageing populations are a concern in many countries. However, we must examine why the problems occurred. Many women pursue uninterrupted careers and refrain from having children out of choice – and that is their perfect right – but many others pursue careers because it is economically necessary for them. They work in order to pay the bills, not because they have a disdain for motherhood.

There is no doubt that this development has had an impact on birth rates, which have been depressed artificially at the behest of economic forces. However, we do not have to take a laissez-faire approach to economic forces. Economic intervention can change those economic forces and a change in those forces will bring about a corresponding change in family demographics. The idea that we can import large families from the Third World as a substitute for unborn European children is based on a particularly pernicious and wrong-headed assumption, which is that we are the products of nurture and that Third World cultures are like overcoats that can be taken off at the port of entry and replaced with a European cultural overcoat that can be issued with residence and citizenship papers.

The children of such immigrants are allegedly as European as the indigenous population; they are not. Distinctive cultures are made by distinctive peoples and not the other way round. We are not the product of our cultures: our cultures are the products of our peoples. Replacing Europeans with people from the Third World will mean that Europe will be replaced by the Third World. Europe is slowly but steadily being ethnically cleansed of Europeans.

**José Manuel Barroso, President of the Commission.** – (FR) Mr President, in general – we are not talking about those who have said clearly and honestly that they are against the Union and against membership of the European Union – I feel able to say that there is, nonetheless, in this House, broad agreement on the programme that we have just presented.

If there is one common factor that I have detected in the speeches of the most representative political groups, it is the idea of ambition. We need greater ambition in Europe. In this regard, I wish to take up a few ideas that have been voiced, ideas with which, I might add, I am in particular agreement.

Our friend, Mr Szájer, spoke of the need to avoid, in fact, the model of the five-year plan of the communist regimes. That is precisely why we want to maintain this flexibility, which is important if we are to adapt to a changing environment.

At the same time, I would like to confirm once again, in response to Mr Szájer, but also to Mr Swoboda, that they are right when they call for greater action from the EU in economic and financial terms, and when they point out how the Member States have resisted, for example, the Commission playing a greater role in the supervision of national public accounts.

The first Commission of which I had the honour of being President presented a specific regulation aimed at giving greater audit powers to Eurostat, and that was rejected by certain Member States, which did not want the Commission to be able to play that role.

I therefore hope that the lesson to be learnt from this crisis is that we are increasingly interdependent, that economic policy in Europe is not just a national matter. It is a national matter, of course, but it is also a matter of common European interests, since we need a greater degree of coordination. In this respect, I believe that

Mr Szájer, Mr Swoboda, Mrs De Sarnez and all the others are agreed on the need for such increasingly coordinated economic policy.

This is how we make progress, and in this respect, I wish to highlight in particular the ambition expressed by Mr Swoboda – and I thank him – for an enhanced partnership between the Commission and the European Parliament when we talk about the financial perspective, about the need to resist certain rather intergovernmental interpretations that one hears nowadays. Such interpretations are surprising, because the Treaty of Lisbon is, in fact, the exact opposite of intergovernmentalism: it strengthens the European dimension.

I hope that we will be able to learn lessons from this crisis by moving in the direction of more, not less, Europe. One example – to which Mrs De Sarnez referred – is the issue of financial regulation. It is, all the same, odd, not to say ironic, that after so many requests from certain Member States for measures in the field of financial regulation, the Member States unanimously agreed to reduce the ambition of the proposals that the Commission presented following the de Larosière report.

This shows, therefore, that there is, at times, a gap between what is said and what is decided. I hope that we, the European Parliament and the Commission, will together be able to fill that gap in order to try to achieve a little more consistency at European level, because we do, in fact, need that ambition.

The important thing now, I would stress, is to understand the principle of subsidiarity properly. I am in favour of subsidiarity. In this respect, I am also keen to voice my agreement, Mr Kirkhope, with this idea of subsidiarity, but it is important to have a proper understanding of what it means. Subsidiarity means deciding which level of decision making is best.

On the subject of this air traffic crisis, the events taking place are, all the same, odd. I have seen today in the press – and not only in the Eurosceptic or Europhobe press, not only in the tabloids, but also in the quality press – that the European Union now admits that it was mistaken in deciding to suspend flights. That is unbelievable!

If there is one area that comes under national jurisdiction, it is European air traffic control. The decision was taken by each European national regulator. Yet the very people who are against European-level powers are now protesting against Europe. Soon, the talk will be that it was the European Commission and Brussels that created the volcano in Iceland. It is all really rather extraordinary.

*(Applause)*

Let us be clear. There are different levels of responsibility: national levels and European levels. In each case, we have to see which is the most appropriate level. I can tell you that the Commission is ready to assume its responsibilities, but I believe that we must build an alliance with the European Parliament in order to state clearly what is, and what is not, our responsibility.

Without this alliance, we will always have this instinctive need – and, in times of crisis, we know that it is easier to resort to nationalist, populist rhetoric – to place under the responsibility of Brussels, as is sometimes said, or perhaps of Strasbourg too, what is frankly a national responsibility.

Let us show some common sense! Let us concentrate on what we can do at European level, in areas where we can add value to our action, while respecting, of course, our Member States, which are democratic Member States. The 2020 agenda, I believe, focuses Europe on what is most important.

What we need now is growth, but not just any old growth; we need fairer, more open, more sustainable and more intelligent growth that is focused on the future.

We need to create new sources of growth in order to successfully tackle our biggest problem, which we shall be discussing this afternoon, namely, unemployment and, more specifically, youth unemployment. It is in this area, in fact, that we need to build this alliance between the European institutions, by also working honestly and loyally with our Member States to produce concrete results for our fellow citizens.

I believe that in this regard, we have a good foundation for our work in the coming years and, after this debate, I feel encouraged – and I believe that my colleagues do too – by your words of support and, in certain cases, by your demands. We shall try to prove equal to the task with which you are entrusting us.

*(Applause)*

**President.** – Thank you very much, Mr Barroso, for your statement. I would like to say that when it comes to the European Commission's efforts on behalf of our European Community, the Commission has a huge ally in the European Parliament. Most Members support these efforts and the view of the Commission that it should take on more responsibility, especially in the crisis situation which we spoke about earlier – it is then that we understand how much we need the European Union and action from the Commission. The responsibility of the European Parliament has also risen markedly with the entry into force of the Treaty of Lisbon, and we are pleased about this. We think that this is good for Europeans – that it is good for our citizens. Now, we have to accept more responsibility and use the opportunities presented by the treaty. I would like to assure you once again, Mr Barroso, that you and the European Commission have allies, here, and I speak for the majority of the European Parliament.

**Diego López Garrido, President-in-Office of the Council.** – (ES) Mr President, I just wanted to congratulate the Commission and its President, José Manuel Durão Barroso, on the ambitious, very pro-European programme that he has presented here today, which is clearly in line with the objectives of the Spanish Presidency of the European Union and with the programme of the trio of presidencies made up of Spain, Belgium and Hungary.

I can say that the Council is working with the Commission and also with the European Parliament, which I also congratulate on the constructive speeches made in support of the Commission's legislative programme.

The Commission has worked very hard. Everyone knows that the new Commission – known as the Barroso II Commission – should have been in office since 1 November, but, for various reasons, it arrived a few months later, and is working hard to make up for lost time in a constructive, positive way, which the Spanish Presidency is grateful for. Mr Barroso and all the members of the Commission – vice-presidents and commissioners – are also aware that we are working with the Commission, I think in a very positive way, and we recognise its efforts in this respect.

It is also grateful to the European Parliament. Whenever there has been a debate here on these issues, the European Parliament has always had a very constructive attitude. I would like to take this opportunity to ask the European Parliament once again for these legislative initiatives to be adopted – today we are talking primarily about legislative initiatives – and for this to happen as soon as possible so that we can make up for the lost time that I was referring to. I am sure that we are going to have Parliament's cooperation as well.

**President.** – Thank you for your statement on behalf of the Council and your support for the Commission's programme. I would like, once again, to thank Mr Barroso, all the Vice-Presidents of the Commission and the Commissioners for their presence. This testifies to the fact that the Commission places great importance on cooperation with Parliament, which was also as we had hoped.

The debate is closed.

#### **Written statements (Rule 149)**

**Elena Oana Antonescu (PPE), in writing.** – (RO) The European Commission's work programme for 2010 is an ambitious and flexible multiannual programme setting out the following main objectives: tackling the crisis and supporting Europe's social market economy, drawing up a citizens' agenda which puts people at the heart of Europe's activities, developing an ambitious and consistent foreign policy agenda with a global dimension and, last but not least, revamping the instruments and working methods used by the European Union. One key element of the citizens' agenda is the Stockholm Programme for 'an open and secure Europe serving and protecting the citizens', which was adopted by the European Council during its meeting in December 2009. I would like to welcome the Commission's initiative in presenting an action plan for implementing the Stockholm Programme so that we can ensure that European citizens will actually enjoy the benefits of an area of freedom, security and justice. The programme will mainly focus on the fight against cross-border crime and will consolidate the enforcement of the common policy on immigration and asylum, covering, in particular, areas such as combating organised crime, terrorism and other threats through improving police and judicial cooperation.

**Vilija Blinkevičiūtė (S&D), in writing.** – (LT) Currently, Europe is facing increasing unemployment and almost 17% of Europe's inhabitants are living below the poverty line. Each day, many Europeans, even those in employment, are struggling with poverty and do not have opportunities to enjoy life to the full, as the recession is even pushing many people on middle incomes towards poverty. Therefore, we must firstly focus particular attention on the problem of poverty facing those in work. To increase employment, we must create new jobs, not just any jobs, but try to ensure high quality employment, taking into account the demands

of the labour market. Most attention should be paid to increasing youth unemployment, one of society's most acute problems. If young people are not given opportunities to enter the labour market, then the danger is that Europe will lose a whole generation of young people. For some time, Europe's demographic situation has also been forcing us to consider the employment of older people. We must provide for labour relations that promote employment and ensure the possibility of life-long learning. I would like to underline that we should also discuss the employment of disabled people. It is important to give them the conditions to join the labour market, not just because of demographic changes, but for themselves, to ensure their own sense of dignity and self-worth. Therefore, I would like to ask the Commission how Europe will create new jobs? What are the real chances for people to enter the labour market? How can we ensure quality employment so that we can reduce the poverty of those in work?

**Andreas Mölzer (NI), in writing. – (DE)** The Commission work programme for 2010 consists of 14 pages of the usual commonplaces and platitudes. It is right that Europe must respond jointly to the crisis. However, this is a crisis which was only able to have such a negative effect on Europe because of Commission policy and unrestricted liberalisation in all areas. Nevertheless, no one wants to change anything. On the contrary, the further removal of trade restrictions which the Commission wants to push through will encourage globalisation, benefit large companies and cause damage to the Member States and their citizens.

The Europe 2020 strategy is intended to be the response to the current crisis. As far as the specific measures are concerned, the approach to economic and financial policy seems sensible, as does the development of a new European supervision architecture for monitoring the financial markets. Stricter controls on public finances and budgetary discipline within the Member States will hopefully allow us to avoid problems in future, such as those which we are currently experiencing in Greece. The Commission's new tax plans, together with the review of the energy taxation directive, which involves taxing energy products on the basis of their energy content, should be rejected because climate change, which is primarily a natural phenomenon, cannot be resolved simply by focusing on CO<sub>2</sub>. In addition, this will put the European economy under even further pressure compared with its competitors in America and Asia, where no initiatives of this kind are planned.

**Richard Seeber (PPE), in writing. – (DE)** The Commission work programme for 2010 has established the right priorities. As well as modernising ways of working, which will be a decisive factor in stimulating the economy, and increasing the involvement of European citizens, the Commission is focusing primarily on combating the financial crisis. It is important that, in particular, those EU citizens who have lost their jobs during the current crisis are given new prospects for the future as quickly as possible.

As the spokesperson on the environment for the Group of the European People's Party (Christian Democrats), I am concerned that we should create as many sustainable jobs as possible and provide added value on the labour market as a result of the leading role played by Europe in protecting the environment. In order to make the changeover to a new and sustainable industrial age, we should no longer regard job creation and comprehensive protection for the environment as mutually contradictory. In my view, the Commission has been somewhat cautious in taking up this approach. We need to be laying the foundations for this now. We will be able to achieve a great deal if we can improve the way in which existing regulations are applied.

**Joanna Senyszyn (S&D), in writing. – (PL)** I congratulate Mr Barroso on the ambitious Commission legislative and work programme for 2010. Unfortunately, time is running out – there are already only eight months left. In spite of this, I hope the priorities will not be only empty promises. The strength of the programme is its measures for combating the crisis. Unfortunately, these concern mainly the economic situation. In the section on the citizens' agenda, there are no anti-discrimination initiatives, such as combating violence against women, greater determination and engagement in achieving social objectives and a long-term strategy for improving communication with the Union's citizens. We have been working on the phenomenon of violence against women for years. It is high time there were effective, European legal regulations in this area. I would like to see a proposal in the Commission's programme for a directive on combating violence against women. As for social objectives, the initiative to create a European Platform against Poverty before the end of this year is important. Unfortunately, there are no specific details of any kind about this. They have to be given at the meeting of the Council in June. On the matter of modernisation of the Union and the instruments of its operation, I would like to call attention to communication with the citizens. This must be a process, and not electioneering. There is a communication gap between the EU and its citizens, which we must strive to reduce, and, in the future, to eliminate. We must give EU citizens the feeling that they are 'at the heart' of the Union's activities. Only then will the results of referendums not be a surprise.

**Nuno Teixeira (PPE)**, *in writing*. – (PT) The debate on the Commission's programme is particularly important because it coincides with the beginning of a new era in the European Union. The need to adopt measures at this time of crisis that can address the challenges in the long term makes it imperative to prioritise job creation, regulation of the financial markets and stabilisation of the euro, which should restore the confidence of the public, as well as of the economic and social players.

I would like to stress the importance of the cohesion policy in the implementation of the various European policies. Europe's regions will only be able to achieve sustainable, integrated growth through a cohesion policy that has visible results and which respects the principle of subsidiarity, and through governance at various levels: national, regional and local. The objective of economic, social and territorial cohesion must guide the Union's actions and must be achieved through adequate Community financing, with greater transparency, simplicity and efficiency in the use of the Structural Funds.

It is vital to define the guidelines for cohesion policy and the financial perspective for the post-2013 period. I would like to draw attention to the situation in the outermost regions, which, because of their permanent structural characteristics, face obstacles that have a serious effect on their economic development and therefore require special measures.

**Silvia-Adriana Țicău (S&D)**, *in writing*. – (RO) The EU's primary concern is to combat the economic crisis and support its social market economy. The EU unemployment rate hit 10% at the start of the year, with the rate of youth unemployment even reaching 20%. The increase in the employment rate is closely linked to the EU's industrial policy. What legislative initiatives is the Commission considering regarding the European Union's future industrial policy and for generating new jobs?

The European Council, which met on 25 and 26 March 2010, set for the first time as one of the EU's targets a 20% increase in energy efficiency by 2020. We did not find this target in the Commission's programme of work, even though initiatives are required in this area which can be targeted at both European households and businesses.

Furthermore, the Community budget for the transport infrastructure is almost non-existent for the 2010-2013 period, even though the challenges and development needs are enormous: ensuring intermodality between different forms of transport, the development of high-speed railway lines to serve not only all the Member States' capitals but other large European cities as well, the development of rail freight corridors and the single European sky, along with the modernisation of ports and the development of maritime transport. When will the Commission table a proposal concerning the necessary funding for the development of the trans-European transport infrastructure?

#### IN THE CHAIR: MR ROUČEK

*Vice-President*

### 5. Coordination of humanitarian aid and reconstruction in Haiti (debate)

**President.** – The next item is the Commission statement on coordination of humanitarian aid and reconstruction in Haiti.

**Kristalina Georgieva**, *Member of the Commission*. – Mr President, I would like to express to all the honourable Members in this Chamber great appreciation for the attention this Parliament continues to pay to Haiti.

Before passing the floor to Andris Piebalgs, who will inform you about the reconstruction and development of Haiti, let me outline the four main humanitarian challenges for the months to come and how the European Commission is addressing them.

The first is the continuation of humanitarian assistance and, in particular, shelter, sanitation and health services. The relocation of the 1.3 million homeless in Port-au-Prince in temporary housing is a very complex undertaking because of practical issues such as land ownership, rubble removal, urban planning and security. Today, the priority concern are some 10 000 to 30 000 people living in makeshift camps in flood-prone areas. With the approach of the hurricane season, they have to be urgently relocated. This is a priority in our programme, as is strengthening camp management skills. We are paying very close attention to the pre-positioning of relief stocks. Most of them were completely depleted after the earthquake. We are now replenishing them and building the capacity of the Haitian civil protection service, which has actually become stronger as a result of the crisis, so that they can make use of them.

Secondly, we have adopted a 'follow the needs' approach and are providing assistance where people are, in order to prevent further mass movements. We have made sure that our help reaches the whole of the country and not just Port-au-Prince. In this way, we have contributed to reducing the pressures in the capital. Following the same logic, we are also applying a 'whole-of-island' approach, whether it relates to the issue of Haitian refugees or to the logistics of the delivery of aid, or pre-positioning of relief stocks for the hurricane season. The Dominican Republic matters also and is not forgotten in our recovery programme.

Thirdly, we are making sure that donor coordination results in building on each other's comparative advantage. With many actors in Haiti, this is no trivial challenge, but we have consistently been a very strong voice for UN-led humanitarian coordination. When I was in Haiti, my impression was that we have actually done quite well – in terms both of the civil protection teams from individual countries and in our own work.

Fourthly, we must ensure the transition from humanitarian relief to recovery and reconstruction. We are working very closely with Andris Piebalgs to facilitate this transition whenever possible. I will give you two specific examples. Firstly, in the food sector, we are encouraging local purchasing of food. We are asking our partners – even if it is a bit more expensive – to reach out to local farmers to create demand and help them to recover. That, of course, leads to work on reconstruction. Secondly, we are also supporting cash-for-work programmes so, again, we can build a transition from relief to recovery.

Last but not least, we are very focused on results. Europe is number one in terms of volume of aid and it has to be number one in terms of results.

**Andris Piebalgs**, *Member of the Commission*. – Mr President, at the New York International donors' conference, the European Union pledged EUR 1.235 billion. We are the largest donor to Haiti's reconstruction so, in this way, we will also be the largest contributor to the government of Haiti's action plan for reconstruction. I am also proud about the manner in which we did it because it was an EU common pledge, which consisted of support from many EU countries, like Spain, France and the wider Community. But I am also proud that even my country, which has not had too many relations with Haiti, pledged additional funding, not just the funding channelled through the Community budget.

The New York conference took place in a very good spirit. There was a very strong financial outcome, there was very clear ownership of Haiti's Government and there were many stakeholders. Some Members of the European Parliament could see that NGOs, including European NGOs, had a voice there. EU businesses have also been involved and also interim mechanisms for coordination, proposed under the leadership of Prime Minister Bellerive and Bill Clinton. As all the stakeholders are included in this mechanism, it gives a guarantee that money will not be wasted or used for other purposes.

It is very important now that we concentrate our aid as quickly as possible. The Commission and Member States are already preparing a new country strategy paper and a national indicative programme for Haiti. To support our joint efforts, we will speed up our efforts to set up an EU House in Haiti, which would give greater visibility but will also help involve non-resident donors.

I shall be going to Haiti this week to deliver first-hand concrete support to long-term reconstruction in the areas of infrastructure and governance. This week, I will sign five financial agreements for a total amount of more than EUR 200 million and I will also inaugurate some of the work we have already done like the rehabilitation of the road between Port-au-Prince and Cape Haitian, which is fully in line with the plan of action of the government and which also supports the 'whole-of-the-island' approach.

To reinforce the government capacities, I will also inaugurate the reconstruction of the Ministry of the Interior, financed with EU contributions. I will also inaugurate a school in Mirabelais. Our particular focus is on education, as President Préval has requested, and we will also announce more budget support delivery. Delivering budget support is not blind support. We have taken many precautionary measures and undertaken many visits, so I can guarantee that your money will be used for its purpose.

I will also commit to regulatory monitors for the construction process through regular visits and to speed up aid delivery. I will keep the European Parliament constantly informed of the progress made on Haiti reconstruction.

I would also like to emphasise that it is not only me but the whole college: Kristalina Georgieva, the High Representative, Baroness Ashton, and also some of my other colleagues who will help oversee the reconstruction, such as Michel Barnier, who will go to Haiti in a couple of months. It is the ownership not only of the responsible commissioner, but of the whole College.

We also need to discuss with the authorities a couple of issues on how to better deliver our assistance. Long-term commitment from the international community will not prevail if Haiti quickly slips back to a 'business as usual' approach. To prevent this scenario, we must strive to be effective and we have already mentioned some of the ways in which we can achieve this. But equally, there is great responsibility resting with the authorities and the people of Haiti to build in a better way.

Two aspects stand out, in particular. On the social front, the government should be encouraged to enter into very close contact with the opposition and also with the whole civil society. That will build genuine national consensus around the development plan and promote the stability necessary for its implementation. On the economic side, the macro-economic framework presented in New York must be more rigorous and combined with a clear path towards employment and growth, which will break the cycle of poverty and inequality.

**Gay Mitchell**, *on behalf of the PPE Group*. – Mr President, I would like to thank both Commissioners. There are three points I want to raise. The first is the method and measures to be used for measuring the reconstruction needs of Haiti. The second is to ensure that the commitments we are making will be met, and the third is to talk about property rights and the vulnerability of people living, for example, in shacks built on property they do not own.

First of all, in relation to the reconstruction works, let me say that I recently conducted the launch for the World Bank of a document explaining, in a very well-designed handbook, exactly how reconstruction should take place. Are we going to use this handbook, or are we going to use similar measures, to ensure that the reconstruction effort in Haiti is professionally carried out? The World Bank has done excellent work on this. The Haitian Ambassador attended when I launched that particular book.

Secondly, in relation to commitments we are making, I am very glad to hear what the Commissioner had to say about the EUR 200 million which he is forwarding almost immediately. But will we be back here in a year, or in five years, or are we last going to deliver on donor commitments to a poor country that simply cannot be left on its knees any longer?

The third point I want to make is this. The extent of the destruction in Haiti was such that we really have to look not just at the damage done, but at why that damage was so extensive. People who did not own property were living in ravines and on the sides of mountains, in shacks and in any thing they could put together, because they did not own the property in which they were living. If people have property rights, they will invest in building and constructing properties that have some chance of resisting future damage of this kind. So I ask that this point be given active consideration as part of the approach to dealing with this problem.

Again, I thank both Commissioners for their presentation.

**Corina Crețu**, *on behalf of the S&D Group*. – (RO) The situation in Haiti is far from being stabilised, as both commissioners, Mrs Georgieva, who was in Haiti at the end of March, and Mr Piebalgs have emphasised. The same statement is also made by the humanitarian workers who are in situ distributing aid and helping with the reconstruction process. Although the situation in the capital seems to be returning to normal, at least in terms of people's everyday lives, I believe that efforts now need to be focused on rural areas, which are continuing to experience major problems.

These matters are all the more urgent and even more of a cause of concern as the rainy season is approaching and the state of the transport infrastructures may result in the interruption of the flow of aid intended to meet the population's daily needs. The reconstruction efforts are only just getting under way, as you told us. It is obvious that other problems are going to continue to crop up as well, linked to infrastructures, providing decent living conditions for the population and ensuring that a minimum level of public services, education and health care is operating. Problems will also crop up associated with having the necessary workforce and the extent of their training.

Another major problem is dealing with children who have been orphaned or separated temporarily from their families, and who are in one of the most vulnerable and dangerous situations for their future. I believe that we must focus greater attention on this aspect of the humanitarian crisis in Haiti because of the ongoing problems involving the trafficking of children and illegal adoptions. Last but not least, I would like to say that I am pleased that the task of managing Haiti's problems remains a priority for the Commission. I can assure you that the same thing also applies to all the members of the Committee on Development.

**Charles Goerens, on behalf of the ALDE Group.** – (FR) Mr President, the approach of the hurricane season in Haiti means that it is vital to maintain the humanitarian efforts and that other emergency measures are likely to be required.

First things first, it is important to provide for sufficiently robust shelters, in sufficient quantities. This measure is relevant given, first, that rebuilding the destroyed homes takes time and, second, that Haiti's direct exposure to hurricanes makes one fear the worst, as the recent experience has shown.

Seeking to pull out of the humanitarian effort now would be quite simply irresponsible. Delaying the reconstruction effort would be equally irresponsible. In other words, everything must coincide: the humanitarian effort, so that there are no more needless deaths; the reconstruction effort, to restore as quickly as possible something resembling a normal life; the recovery of the economy, which is essential in order to generate resources in the long term; the strengthening of Haiti's budget capacity in the very short term; and the firm commitment to decentralisation.

The donors' conference, which was held at the United Nations on 31 March, was a success. What will remain of that conference when everything has been forgotten? Humanitarian interventions aside, let us first remember the need for a swift revival of the economy, something for which the Managing Director of the International Monetary Fund is hoping and praying, since he is counting on an 8% annual growth capacity over the next five years.

Second, in a similar vein, the revival of the agricultural sector becomes the economic priority. Today, Haiti needs 80% of its export earnings to pay for its imported agricultural produce. Let us remember that, in the past, there were times when Haiti met its own food needs.

Third, Haiti's development will have to be assessed on the basis of criteria of relevance, effectiveness, efficiency and sustainability.

Fourth, if development is to continue over time, it is absolutely essential for the people of Haiti to take responsibility for it themselves.

Fifth, the earthquake in Haiti once again demonstrates – if proof were needed – the importance of implementing without delay a rapid humanitarian aid system aimed at pooling both the material and the human capabilities of all the Member States of the European Union.

What is stopping the proposals in Mr Barnier's report from being turned into a reality?

Lastly, Europe's significant efforts to help solve the Haitian problem will have been decisive. My thanks to the High Representative, to Commissioners Piebalgs and Georgieva, and to their Directorates-General, who deserve our gratitude.

**Ryszard Czarnecki (ECR).** – (PL) Mr President, I am speaking on behalf of my political group, and also on behalf of our group's coordinator, Mr Deva. I would like to stress the extremely important fact that international aid to Haiti at the moment is actually almost three times higher than the Haitian Government and the UN had hoped. This aid is to total EUR 11.5 billion, and it is worth underlining that the Haitian Government had been hoping for a sum of just under EUR 4 billion over the next two years. An absolutely fundamental matter is to concentrate on building infrastructure, which, by the way, my colleague Mr Deva emphasised during the last debate.

I would also like to stress an important matter – supervision of this aid. The government in Haiti is very weak, and distribution of aid is largely in the hands of a diversified and very strange elite, and it is very important that international organisations and the European Union know to whom the money is really going.

**Patrick Le Hyaric, on behalf of the GUE/NGL Group.** – (FR) Mr President, Commissioners, we must ensure that the promises of donations made at the donors' conference henceforth materialise as actual funds, and also actually reach their intended recipients. Of course, I do not believe that this is enough to rebuild Haiti in a lasting way, even though we owe the people of Haiti so much.

The people of Europe themselves have been very generous when it comes to showing solidarity but, unfortunately, there is a great risk of people forgetting or being made to forget the tragedy that our Haitian brothers are suffering. Yet, as you said, there is a sense of urgency: urgency, because other cyclones may occur and would make people's living conditions even worse; urgency, in terms of rebuilding houses and



buildings, such as schools and hospitals, at a time when the Haitian Government is beginning to evacuate certain camps; urgency, in terms of coordinating and distributing food aid and care more effectively; and urgency, too, in terms of developing a new sustainable agricultural and rural project to ensure Haiti's food security.

All aid, and the coordination of international aid, must be aimed at ensuring that the people of Haiti have access to fundamental rights. For example, why not stipulate that all public reconstruction contracts should be dependent on these rights and should contain clauses on employment, housing, education and health? One cannot coordinate aid and reconstruction properly without relying on the population itself and on its trade union organisations, non-governmental organisations and farmers' organisations.

We should encourage the creation of a new project for Haiti aimed at eradicating exclusion, poverty, dependence, and economic and political domination.

Let us never forget that the terrible destitution of the Haitians is not due solely to a terrible earthquake. It is also the result of the domination and pillaging of Haiti by many countries. We owe the country a duty of effective solidarity at the same time as respect for its economic and political sovereignty: the economic and political sovereignty of the people of Haiti.

**Bastiaan Belder**, *on behalf of the EFD Group*. – (NL) Mr President, shortly after the disaster, an assessment was carried out in order to establish aid priorities. However, I hear from a reliable source, namely a Dutch NGO, that very little, if any, local expertise was drawn upon. To me, that seems to be the first prerequisite if we are to gain the support of the local population. It is therefore imperative that Haitian organisations and authorities are involved in the reconstruction effort. European NGOs could be of particular service here, thanks to their good local contacts, and I was pleased to hear from both members of the Commission that they are also thinking along these lines. In other words, we need to mobilise support in Haiti itself.

Another point that I would like to make is that, while the provision of food aid by the US and other countries might seem like a welcome initiative, it has decimated Haiti's agriculture and food security. This situation has resulted in Haiti becoming more than 50% dependent on food imports and in there being no demand for 35% of the local harvest. We need to make a significant investment in local agriculture if we are to guarantee food security. Here, too, from the positions of both members of the Commission, I infer that the Commission is thinking along similar lines and that makes me very optimistic. Only today I read a whole-page article in *Frankfurter Allgemeine* about the current situation in Haiti. It was truly heartbreaking. I understand that housing and education are the priorities of the European Commission. Keep working towards that goal. I wish you every success and, above all, God's help.

**Mario Mauro (PPE)**. – (IT) Mr President, ladies and gentlemen, thank you also to the Commissioners for the common sense they have shown. A great deal has certainly already been done, but I think I can say, also, that we cannot leave it at that: a very long-term programme – almost a permanent programme, I would say – is more necessary than ever given the apocalyptic conditions in which the country finds itself.

The critical period is probably still not over. Just as on the first day, people are dying of hunger, thirst and poverty, and more than a million people on the island are still homeless and will shortly have to cope with the rainy and hurricane season.

What should be done, then? As the Commissioner has already said, coordination should be increased between the institutions and it should be linked to a more productive relationship with non-governmental organisations, especially those which, by operating on the ground, can get the best out of Haiti's citizens, can empower them.

We must all be aware that being the point of reference for Haiti and its people in a way means making them understand that we want to see the value and the dignity of every single person restored and, for them, this means seeing their hopes of happiness restored amid the huge suffering caused by the earthquake.

**Enrique Guerrero Salom (S&D)**. – (ES) Mr President, commissioners, I would first like to express my condolences and thanks to the families and colleagues of the four Spanish soldiers who died last week in Haiti.

They were specialist officers from the Spanish army, but they went there as simple soldiers as part of the international aid effort and were doing aid work when their helicopter crashed.

Their example shows that in the majority of cases, there is no contradiction between security and humanitarian action. Moreover, without security, it is difficult to maintain independence and neutrality in humanitarian work. This is an acknowledgement we have to give to the armed forces of many European countries, including Spain.

Mr President, commissioners, Haiti has demonstrated that poverty severely aggravates the damage done by natural disasters, and also that a lack of governability hinders the possibility of an effective response.

Normally, poverty and a lack of governability go hand in hand, and this was and is the case in Haiti, which means that, as well as supporting the reconstruction process, we need to support governability in Haiti, because it is the only way that we will be able to achieve the objective that we set ourselves in New York: that Haiti itself should lead its reconstruction and that its civil society should participate in this.

**Louis Michel (ALDE).** – (FR) Mr President, I should first of all like to congratulate the two Commissioners responsible for these matters on their speeches and on their constant concern to be extremely responsive. So, congratulations!

The earthquake in Haiti has resulted in a surge of solidarity and fraternity on an exceptional and very justified scale. I also applaud the courage and the efforts of the Haitian people, of the Haitian authorities, of civil society, of NGOs, of the Haitian diaspora and, of course, of the donors throughout the world.

The structural and institutional weaknesses in Haiti are well known, and this disaster has obviously revealed the tragic extent of those weaknesses. In New York, on 31 March, the donors made it clear that their financial aid would contribute to the Haitian reconstruction and development plan. The principle of appropriation is thus established so that the people of Haiti can once again have confidence in their institutions, which is an urgent requirement.

The donors' assistance must clearly be well coordinated and of a high quality. As President Préval says, reconstruction must be carried out more effectively. This must be done, it seems, by creating, among other things, an interim commission for the reconstruction of Haiti and by establishing a multi-donor trust fund to oversee the donors' generous contributions.

More effective reconstruction also means stronger governance and institutions based on the rule of law, and decentralisation, which are key elements of the redevelopment and reconstruction plan. I hope, Commissioners, that you will, of course, take account of this approach, and needless to say, I am sure that you will.

**Michèle Striffler (PPE).** – (FR) Mr President, Commissioners, at this very moment, hundreds of thousands of people are still living in emergency camps and, with the rainy season and the hurricane season approaching, the situation really is urgent.

Faced with the countless humanitarian actors on the ground and in the absence of state capacity, every possible resource must be employed to improve the coordination of aid under the auspices of the United Nations, and to deliver aid consistently and effectively.

I travelled to New York for the international donors' conference on 31 March, and I welcome the European Union's contribution of EUR 1.3 billion towards Haiti's reconstruction over the next three years. For the first time, the European Union spoke with one voice through Baroness Ashton.

True, a substantial aid package has been pledged by the international community, but the difficulties now relate to the proper use of these funds and to decisions in relation to the methods of implementing the aid and the bodies involved, given that the main actors in this reconstruction process must be the people of Haiti.

The agricultural sector has to be a priority, and we must strengthen the country's agricultural production capacities. The European Parliament will monitor the reconstruction process and the use of these funds very closely, and I would point out how important it is to consider, at last, the creation of the civil protection force, for which we have been waiting so long.

**Kriton Arsenis (S&D).** – (EL) Mr President, Commissioners, the humanitarian crisis in Haiti highlighted and, unfortunately, continues to highlight the problems with the European mechanisms for responding to international humanitarian crises. We need to create fixed funding mechanisms. In essence, we still do not have fixed headings in the European budget for financial assistance to third countries and the aid for Haiti

was mainly given by European countries at bilateral level. Aid needs to arrive immediately and, in the case of the people hit by the earthquake in Haiti, the aid had still not arrived a week later. European resources need to be used efficiently. We need to have specialist staff who can design and implement humanitarian aid programmes quickly and efficiently.

Obviously, an earthquake caused the disaster in Haiti. However, similar humanitarian crises may well be caused by other weather phenomena, such as typhoons, tropical storms, floods and droughts, phenomena which will increase considerably in frequency and intensity in the wake of climate change.

We all know that climate change is a phenomenon which we, the developed countries, have caused; unfortunately, however, it is often the poor countries that feel the impact. We have a climate debt towards vulnerable countries and we must learn from our mistakes in dealing with the crisis in Haiti so that we can respond to our increasing global obligations in future.

**Ria Oomen-Ruijten (PPE).** – (NL) Mr President, Commissioners Georgieva and Piebalgs, after the enormous tragedy in Haiti, we need to look to the future, as you have both noted. The donor conference in New York a fortnight ago raised EUR 7 billion or, at least, that was the amount which was pledged. On the basis of the Haitian Government's action plan, the EU has pledged EUR 1.6 billion. My question to you both now is: how will this now translate into lasting and stable reconstruction of the island? This will be a long process, in my view.

My second question to you both is: what is your assessment of the Haitian Government's action plan and can you ensure that the significant funds that have been pledged will be used effectively? After all, the Haitians do not just have short-term needs, but long-term needs as well. How can we further intensify support efforts for the 1.3 billion homeless and ensure that the infrastructure can be rebuilt in the medium term? This is important, not just for the population that has been affected, but also for the political stability of this island, whose government is incredibly fragile at the moment. You have confirmed that yourselves. It is the people's perception that the aid is not reaching the places where it is needed. How can we ensure that the political situation in this country and the approach of its government improve?

I would like to ask you how you see the input, in terms of both human beings and financial means, to this Interim Haiti Recovery Commission chaired by Bill Clinton?

**Filip Kaczmarek (PPE).** – (PL) Mr President, I would like to thank Mrs Striffler for raising this matter at today's sitting, and Mrs Georgieva and Mr Piebalgs for their statements. I think many of the measures proposed in the resolution on Haiti which we adopted in February are a step in the right direction and can be the basis for rebuilding a country struck by disaster. These measures have two basic stages, and we are talking about these two stages today. The first phase is about short- and medium-term crisis relief to help people with the most urgent needs, and Mrs Georgieva spoke about this. The second phase concerns permanent reconstruction, which needs to be coordinated, and assessment of the needs of this reconstruction, while, at the same time, never losing sight of the fact that the owner of the process must be the people and the government of Haiti. Thank you very much, Mr Piebalgs, for seeing that responsibility must also be borne by the Haitians.

The third stage is something only for us. I mean the conclusions which should be drawn so that our aid is better coordinated, and I am glad that the Commission is working on this.

**Philippe Juvin (PPE).** – (FR) Mr President, Europe has contributed millions of euro, tents, food, soldiers and doctors. That is all well and good, but actually I would like to quote Jean-Yves Jason, mayor of Port-au-Prince, who, in February, used the word 'disaster', not to refer to the consequences of the earthquake, but to describe the complete and utter disorganisation of the humanitarian work that followed.

We should be asking ourselves the following question: how can we prevent a repeat of this disorganisation, which has cost Haiti dear? There is one answer to that question, Mr President, Commissioners, and it is one that we all know, that has been said here: by creating a European civil protection force.

I shall ask you again: when will the Commission finally decide to propose to Parliament the creation, specifically, of a force of this kind, one single force having the same rules of engagement, and identical command, transport and communication systems? It is possible. It can be set up quickly before the next disaster. I call on you now to stop talking about coordination and to act.

**Sergio Paolo Francesco Silvestris (PPE).** – (IT) Mr President, ladies and gentlemen, I am satisfied with the outcome of the meeting of the donor countries because the large sums made available are an excellent result.

Even more important, however, was the guiding principle behind the use of the funds, namely not just to build back, but to build back better.

Haiti must emerge from this crisis stronger and with public buildings and private dwellings that are more advanced than the ones that existed before the earthquake wiped them out. We must not think that the reconstruction will spell the return of the shantytowns or of socio-economic conditions such as those that existed before.

As such, money is certainly needed, but the substantial resources made available by the national and European institutions being only a first step, there is also a need for a long-term plan and for strong, authoritative coordination.

To this end, having also criticised in this House certain initial delays whereby Europe, in the context of its foreign policy representation, displayed neither exceptional efficiency nor exceptional spontaneity, today, we welcome instead the excellent work that our institutions are doing in the area of coordination, and hope that, on the basis of this position and of this commitment, the efforts will continue with a long-term plan that can be brought to fruition through the authoritative presence of our institutions.

**Anna Záborská (PPE).** – (SK) The earthquake in Haiti was immediately followed by international humanitarian assistance. In addition to the American and Canadian military, I must also applaud the rapid and efficient deployment of groups from Slovakia and the international Military Order of Malta. Not many countries provided rapid and effective aid.

Today, following the initial assessments of Professor MUDr. Krčmér, an expert and a doctor who understands humanitarian assistance, it must be stated that many people and significant financial resources arrived from Europe but without the necessary equipment, machinery, food, water and fuel needed for effective intervention when rescuing victims from beneath fallen trees. Not even the experience of several rescue groups was sufficient. Good intentions also require a practical side in order to be effective.

I therefore call on the competent national and European institutions to put in place as quickly as possible a joint humanitarian assistance service, as we requested in the resolution on Haiti. In addition to this, I consider it very important to support training in humanitarian assistance, and to have the necessary materials and equipment prepared in the eventuality of a natural disaster.

**Franziska Keller (Verts/ALE).** – Mr President, I thank the Commissioners for their presentation and for all the effort they are putting into the Haiti case. I also agree that it will be good to focus on the whole island. Even if I am very critical about the whole of the Union approach, I might very well agree with your 'whole-of-the-island' approach.

I also urge you not to forget the future commitments that we need to make. We need to stick to the pledges we are making now. If we see that the Member States are not so strict in keeping their 0.7% pledges, you really have to be strong on this and make sure they come forward with their plans. We also have to make sure that we do not make obsolete the progress that we are now making in Haiti by having other EU policies in place which will actually prevent progress from happening in Haiti and elsewhere. We really have to stick to policy coherence so that we do not have success in Haiti only to have all our progress ruined because of other harmful policies.

**Anneli Jäätteenmäki (ALDE).** – (FI) Mr President, the EU has helped Haiti, which is a good thing, but this disaster has clearly shown, in my opinion, that the EU must have rapid reaction groups for humanitarian action, and that we must develop civilian crisis management.

It is not enough to give money; the EU should also be able to take rapid action in this kind of catastrophic situation, to provide assistance and send people over there. People must receive concrete help, and not just after a long period of time. While this help is certainly important, the EU is currently lacking the capacity for local help and rapid help.

I hope that people will focus their attention on this matter and that rapid action groups will be established.

**Kristalina Georgieva, Member of the Commission.** – Mr President, with your permission, I shall leave a bit of time for Mr Piebalgs to take on some of the long-term reconstruction questions.

This has been very useful and very encouraging for us. Before I turn to the questions, let me join Mr Guerrero Salom in expressing sympathy to the families of the four Spanish soldiers who died, and also all those who lost their lives during the disaster and now in the recovery efforts in Haiti.

I would like to start with the bigger policy issue, on the EU improving its response capabilities. I was very pleased to see my colleague, Commissioner Barnier, in the room because of the effort he has put into this topic. On 26 April, we will have a chance in the Development Committee to discuss in more detail the work programme, which includes, for 2010, strengthening the response capacity and a communication on this topic.

I can assure you that this is a very high priority for our team. We will work very closely with Member States and with Parliament to come up with a solution that improves our capacity to respond to disasters, and there is a very simple logic behind it. At a time when the intensity and frequency of disasters are increasing and the budgets of our countries are going to be tight for years to come, there is no other way but to strengthen European coordination and to build an asset base that can be deployed effectively in terms of impact, cost and results. I can tell you that tomorrow, we are going to our first country visit on this topic. This is going to be a very high priority for our team in the coming months.

Let me turn to four questions that have been posed.

The first is on the question of combining a response to immediate priorities with long-term reconstruction and our staying power. This is really important because if we move too quickly to reconstruction, away from support for people in need, we risk a very serious tragedy. We had to deal with this in the issue of food delivery where the government of Haiti suggested that we shift away from food provision to only cash-for-work and food-for-work, which is highly desirable but cannot be done everywhere at the same time. This is something we are watching very closely.

Broadly, on the issue of food security, our new policy in the European Union is very progressive because it emphasises all other things equally, encouraging local purchase of food for humanitarian aid whenever it is possible to get it locally. We have made this topic subject to a discussion in a morning session in New York where we invited NGOs, Haitian as well as international NGOs, and I was very proud that it was the European NGOs that put these issues of agricultural security for Haiti and high agricultural return in productivity for the discussion in Haiti.

I want to address the issue of shelter. It is not at all a trivial issue because people actually do not want to move from where they are now. They do not want to move for a variety of reasons. One, even if their houses are safe, they are afraid to go back because of the trauma they experienced. Two, because they moved as whole neighbourhoods and they are scared of losing the social fabric that keeps them together, so it is not just bad policy or lack of desire; it is also the social phenomenon that follows a disaster of this nature that makes it not so easy to get people to move from flood-prone areas to safer ground. But we are addressing this as a priority.

Let me finish with the question of long-term sustainability. It is governance sustainability, it is also ecological sustainability. I had the dubious privilege to fly over Haiti and Chile, within a couple of weeks of each other. In Haiti, an ecologically destroyed island, of course it had implications for the scale of this destruction. In Chile, the government has implemented for decades a reforestation programme stabilising the soil and, as a result, creating a better environment, which is obviously very helpful for people. We are thinking in the long term when we think of Chile.

This is not in my area but I have to pick it up as a former World Bank employee. I certainly agree with you that what the World Bank is proposing about this coordination in the multi-donor trust fund, but also as an institutional project management approach, is something that we need to take to heart and follow.

**Andris Piebalgs, Member of the Commission.** – Mr President, as usual, if I had just one wish in my political life, it would be to have more time in Parliament to answer the questions I am asked. I will not be able to answer all the questions put today, but I will go through some of them.

The support of Parliament is very important for the Commission, because Haiti is not a case to which only the Commission is devoting attention. It felt that the whole of European society wished that the European Community make reconstruction a major effort.

It is like a textbook: an assessment was made at international level, the governments made plans, these were discussed with NGOs, there were various endorsements and there is an interim commission coordinating

the whole process. We are definitely not creating anything parallel. We are working on the same bases and on well-prepared ground.

Regarding the commitment on the EU side, we have made a political commitment and we will deliver. I believe that the same is also very true for other participants. We are working on property rights. That is one of the risk elements. We have a land cadastre and we will work on it, but there could be risks.

The risks could definitely come from ownership of the political process. The reconstruction effort can be sustained if there is a political process supporting the long-term development of Haiti and if people believe in it. This is where the big challenge comes, and all we can do is to support the Haitian people and Haiti's political society in this. I believe that this can be put in place and could be successful.

Regarding the transparency of the process, the whole international donor structure has been established in a very clear and streamlined way with a lot of transparency. All the EU processes are definitely transparent and will give a full assurance that money will be spent not only for the purpose, but also well and efficiently.

Lastly, I believe that we should not underestimate the people working on the ground – from the Member States, the Community, and also the broader international community. I would also like to express my condolences to the families of those people who have died helping Haiti reconstruct. There are many more people still working and trying to do their best. They are the guarantee that, if the process is well organised, it will be successful.

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

*(The sitting was suspended at 13.10 and resumed at 15.05)*

#### **Written statements (Rule 149)**

**Franz Obermayr (NI)**, *in writing.* – (DE) It is now time for us to carry out an interim review of the aid effort in Haiti. The main questions that we need to ask ourselves are as follows: How quickly and effectively was and is the aid being provided? Does the aid support sustainable development in Haiti? How was the entire aid effort coordinated? How was the EU represented in foreign policy terms? I am particularly interested in the last two questions, because the devastating earthquake was the first test faced by the High Representative Baroness Ashton. The purpose of the office of High Representative is to strengthen the EU's role as a global player. However, Baroness Ashton did not think it was worth travelling to Haiti shortly after the earthquake to provide symbolic support, nor was she able to ensure that the aid provided to Haiti was coordinated effectively. Some Member States launched individual aid campaigns and others acted jointly. Baroness Ashton should have been responsible for ensuring better coordination. In addition, the government of Haiti has not been sufficiently involved. The High Representative should now at last be realising what her job is all about. She should be making constructive proposals for structuring humanitarian and financial aid following major disasters. There is a great deal of development work to be done over the next few months and this also applies to Baroness Ashton.

**Jarosław Leszek Wałęsa (PPE)**, *in writing.* – (PL) Ladies and gentlemen, we have gathered here today to discuss European coordination of aid for Haiti. Meanwhile, international commentators are criticising our uncoordinated action. Three months have already passed since the tragic earthquake, and it would appear we are still unable to work out a common position on support for Haiti. In January, we listened to many speeches about the role of the Union in the international scene, but it is a disgrace to see how weakly and indecisively the Union has acted up till now. The allocation by the European Union of EUR 1.2 billion for aid to Haiti is worthy of praise. World donors have declared that they will give USD 5.3 billion for the reconstruction of Haiti over two years. In the longer term, the value of their aid is to rise to USD 9.9 billion. These are very optimistic sums. The cataclysm in Haiti has, however, made me stop and think about a country which, actually, collapsed a long time ago. The earthquake was a natural disaster, but the present extent of poverty in Haiti is the result of economic, political and social collapse. The collapse and violence in Haiti in recent years are the result of brutal relations with the outside world – with certain states and international concerns – which go back for hundreds of years. International society has let Haiti down. Let us do more to make up for this now.

**IN THE CHAIR: MR BUZEK***President***6. Approval of the minutes of the previous sitting: see Minutes****7. Question Hour with the President of the Commission**

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

Questions on any subject on behalf of political groups.

Then the second part of the sitting – questions on the employment situation in the European Union.

**Othmar Karas, on behalf of the PPE Group.** – (DE) Mr President, Mr Barroso, the Centre for European Studies, the problems suffered by Greece, the Europe 2020 strategy and the search for answers to the financial and economic crisis all clearly indicate to us that in taking the necessary measures, we will soon reach the limits of what is possible under the existing treaties. On the other hand, many Member States are taking refuge in a new form of intergovernmentalism, nationalism and protectionism, instead of looking towards Europe.

What do you plan to do to overcome these problems, to establish the necessary common objectives and to create credible European instruments, so that we are able to act effectively and provide the right answers?

**José Manuel Barroso, President of the Commission.** – It is true that, quite surprisingly, some national politicians are making an intergovernmental reading of the Lisbon Treaty. The Lisbon Treaty was agreed precisely to increase the European dimension; to reinforce the powers of the European Parliament; to make it easier to take decisions by qualified majority voting; and to reinforce the role of the Commission in economic surveillance and external affairs. This reading is therefore quite surprising, but it is indeed happening.

The role of the Commission is, of course, to be the guardian of the treaties, in accordance with Article 117 of the Lisbon Treaty, to protect European law and to be firm about the respect of European law, because the day the European Union is no longer a Community of law, it will no longer be a real Union.

Secondly, its role is to promote initiatives and to take the lead in initiatives. To that end, it will do its job in trying to come forward with proposals which I hope will have the backing of this Parliament. In my political guidelines, I mentioned the special relationship with Parliament, and I really intend to make that a reality.

**Othmar Karas, on behalf of the PPE Group.** – (DE) Mr Rehn proposed a package in Madrid which has not yet been adopted, but which involved a discussion of sanctions right at the beginning of the debate. In my opinion, we should not start our discussions with sanctions on the Member States, because that would be putting the cart before the horse. Instead we should establish the common objectives, common projects and common instruments that we need in addition to what is already in place and only then should we consider sanctions for behaviour that shows a lack of solidarity. What is your view on this approach?

**José Manuel Barroso, President of the Commission.** – As you said, Mr Karas, there is no decision yet. There was a first debate with the Finance Ministers and, in fact, the Commission will present a communication next month on reinforced economic governance. We aim to reinforce the preventive and corrective arm of the Stability and Growth Pact. We will make proposals for a more effective and broader surveillance of intra-euro area macro-economic imbalances and we will explore the options for the creation of a crisis resolution mechanism, but we will concentrate on substance.

We believe it is possible, with the current treaties, to do much more in terms of surveillance of the euro area and of the economic and monetary union if there is indeed a willingness on the part of the Member States to cooperate and respect the treaties.

**Martin Schulz, on behalf of the S&D Group.** – (DE) Article 125 of the Treaty on the Functioning of the European Union is the so-called no bail out clause, in other words, the ban on Member States of the EU taking on the debts of other Member States. What is your view of the fact that the aid package put together for Greece will now result in countries such as the Federal Republic of Germany, for example, lending money to the Greek state for three years at an interest rate of 5% while borrowing it themselves on a three-year commitment at 1.5%? Given an estimated total of EUR 8.4 billion, that makes a profit of EUR 620 million. Does the no bail out clause not also include the requirement that, if one Member State cannot take over the debts of another

Member State, it also cannot earn any money from the debts of another Member State? Are you prepared to discuss with the German Government or with other governments what seems to me to be a completely unacceptable mechanism?

**José Manuel Barroso**, *President of the Commission*. – It is true, Mr Schulz, that the Lisbon Treaty does not allow the so-called ‘bail out’ of Member States. The solution found so far – which has not yet been activated because it has not yet been requested – is, according to the Commission, fully in line with the treaty. I want to underline this. I know a debate is going on in some circles in Germany – and indeed in some other Member States, but in particular in Germany – and I want to say that it is simply wrong that what we have been contemplating is some kind of bail out. It is not. It is a coordination of loans. The Commission will have this responsibility. The IMF will also be in the scheme which, I have to say, is a creative one. It is a solution that was possible only after extensive discussions with our Member States, but it is fully in line with the treaties and, of course, it respects the provisions of the Lisbon Treaty.

Let me conclude on a political note to say that I find it quite extraordinary that it was so difficult to find a solution of solidarity for Greece when one could be found for Latvia, Hungary and Romania. If we can find those solutions of solidarity and responsibility outside the euro area, I think it is quite obvious that we should also find them in the euro area.

**Martin Schulz**, *on behalf of the S&D Group*. – (DE) Mr Barroso, I understand that you are attempting to avoid answering my question, because it is an unpleasant one. Therefore, I will repeat it.

There is at least a possibility that Member States which can borrow money on better terms than those on which they are lending it will be able to profit from the debts of another country. As the no bail out clause states that Member States cannot take on the debts of others, they should not be allowed to profit from those debts either. Are you prepared to say openly to Mrs Merkel or Mr Sarkozy, for example, or to anyone else that you are opposed to this course of action?

**José Manuel Barroso**, *President of the Commission*. – I have been speaking about this matter with those leaders and others for many weeks, so I can tell you very frankly, Mr Schulz, that unfortunately, the only solution possible was this one. The Commission had asked from the beginning for a more concrete signal of solidarity with Greece, of course, always respecting the principle of responsibility. But what we have to do now is to ensure that Greece can be encouraged to return to market financing as soon as possible and, in fact, the solution found was one where the euro area Member States’ loans will be granted at non-concessional interest rates. The pricing for loans by the IMF was considered an appropriate benchmark for setting euro area Member States’ bilateral loan conditions, albeit with some adjustments which were agreed on 11 April.

**Guy Verhofstadt**, *on behalf of the ALDE Group*. – (FR) Mr President, President of the Commission, first of all, as far as the no bail out clause is concerned, the treaty does not say that. The treaty says that a Member State cannot be forced to take on debts. The treaty does not say that it is forbidden to take on debts. This must be made clear, or else it just becomes a cacophony about the treaty. I repeat: the treaty clearly states that a Member State cannot be forced to take on debts. Therefore, everything concocted with regard to Greece involves things that are possible under the treaty and that can be enforced.

My question is slightly different. Interest rates on Greek loans have risen again to 7.6%, in other words 450 base points above the German rate. Other measures are therefore needed, and I am thinking about very significant fundamental reforms: a European Monetary Fund, a European bond market, a more ambitious 2020 strategy.

Commission President, my question is this: at what point are you considering placing a package with reforms of this kind, including the reforms that Mr Rehn has already embarked on, on the Council’s table? For this is what is needed now, to present an ambitious package of reforms alongside the specific measure for Greece.

**José Manuel Barroso**, *President of the Commission*. – (FR) Firstly, Mr Verhofstadt, and also in response to Mr Schulz, let us be absolutely clear and honest with ourselves: if there are questions that you want to ask Mrs Merkel, you must ask them. I am not here to reply on behalf of Mrs Merkel. I am here to reply on behalf of the Commission. Let us be clear about that.

Let us also be clear from the point of view of the Commission. The solution that has been found scrupulously respects what is known as the no bail out clause. Naturally, we have been very cautious on that point. As far as the measures that we are going to take are concerned, the communication and the proposals on which we are going to work will be presented next month. I want to talk about the communication regarding



strengthened governance of the euro area. A policy debate has already taken place and Mr Rehn has received a mandate from the Commission with a view to an initial discussion with the finance ministers. I can therefore tell you that, some time in May, you will know the thrust of the measures we shall be presenting for the future to help strengthen governance in the euro area, and in the European Union generally.

**Guy Verhofstadt**, *on behalf of the ALDE Group*. – (FR) Mr President, may I ask the Commission President whether the European Monetary Fund idea will form part of this proposal?

**José Manuel Barroso**, *President of the Commission*. – (FR) Mr President, to give a concrete answer on that point, I can tell you that our position tends to go against the idea of creating a new institution within the context of economic and monetary union.

From my own perspective at least, I am not sure that this is a good idea, but I can tell you – personally speaking, since the College has not yet decided – that the idea of a facility for ensuring financial stability in the euro area seems a good one to me. I might add that we are in the process of exploring different ways of providing for and strengthening insurance mechanisms such as those responding to the concerns that gave rise to the European Monetary Fund idea.

**Daniel Cohn-Bendit**, *on behalf of the Verts/ALE Group*. – (FR) Mr President, Mr Barroso, I would have liked a Commission President who simply says to ask Germany to lend at the rate at which it has to borrow, which is 3%. You could at least say so publicly. That would form part of the debate in Germany, but you are incapable of saying these simple things.

I would like to ask another question about ACTA. You have been negotiating the ACTA Agreement against piracy and counterfeiting since 2008. In March, a European Parliament resolution told you to scale down the ACTA negotiations on counterfeiting. Tomorrow, you are going to publish for us – thank you, we have been waiting a year for it – the assessment of the debates and a text adopted at the end of the New Zealand Summit.

You know that Parliament will have to say ‘yes’ or ‘no’ at the end of these negotiations. Would it not make more sense to have Parliament participate more visibly, thereby ensuring some transparency with regard to the negotiations? Otherwise, you are going to find yourself in the same situation with Parliament as you experienced with SWIFT. I would therefore ask you from now on to demonstrate greater transparency and to let us have the texts of the negotiations, just as you let large companies have them. Parliament is every bit as important as a large company.

**José Manuel Barroso**, *President of the Commission*. – (FR) Mr President, Mr Cohn-Bendit, there is no doubt about that, and I have the greatest respect for Parliament. I might add that is why the Commission, and more specifically, Mr De Gucht, obtained permission, from our partners in these negotiations, to make public all the texts from the negotiations. As you know, they are going to be made public tomorrow, 21 April.

You are no doubt also aware that these negotiations began before the entry into force of the Treaty of Lisbon, and we also wish to involve Parliament closely in these negotiations. New powers exist for Parliament in the area of international negotiations, and the Commission is in favour of Parliament playing a greater role in such negotiations.

**Daniel Cohn-Bendit**, *on behalf of the Verts/ALE Group*. – (FR) Mr President, Mr Barroso, let us avoid playing with words: whether or not you asked for it, unless you make transparency public, you cannot continue with the negotiations, given that you have the Treaty of Lisbon.

The issue is therefore not that you asked your partners to publish the reports for Parliament; you have to do so, because otherwise, Parliament will never say ‘yes’ to you, because you are now bound by the Treaty of Lisbon.

Under the Treaty of Lisbon, therefore, you are now obliged to be transparent with Parliament, because in the end, you have to have a ‘yes’ from Parliament, and that is not a certainty, given the state of the negotiations and of the text with which we are dealing.

**José Manuel Barroso**, *President of the Commission*. – (FR) You spoke about the coming into force of the Treaty of Lisbon. I am very much in favour of the European Parliament’s role being strengthened in this area as well, and the text to be made public tomorrow, for which we had to obtain permission from our negotiating partners, is the text of the negotiations, the draft negotiation text. We shall do it. You are no doubt aware that some international negotiations are more sensitive and require a cautious approach for certain areas,

but we want as far as possible to involve Parliament, to which the Treaty of Lisbon has rightly granted powers in the area of international negotiations.

**Timothy Kirkhope**, *on behalf of the ECR Group*. – In March, the European Commission announced it would conduct another review of the Working Time Directive, after the previous review fell. It was Parliament's insistence on scrapping the national opt-outs from the directive which led to the stalemate. As we will all recall, UK Labour MEPs in the pockets of their trade unions voted to scrap the UK's opt-out, despite instructions to the contrary from their own government.

Now that we have a further review and considering that many EU countries want their workers to have the choice to work more flexible hours, can President Barroso confirm that this Commission will propose a directive that respects national opt-outs from the 48-hour working week?

**José Manuel Barroso**, *President of the Commission*. – Mr President, I do not yet have a draft legislative proposal in my pocket. It is too early, at this stage, to have fixed ideas about the substance of any changes. As you know, there is a consultation paper that is deliberately open in tone. I also want to hear the social partners' views.

The new rules should protect workers from the health and safety risks of excessively long working hours and insufficient rest. They should also be flexible enough to allow for the conciliation of work and family life and to promote the competitiveness of companies, especially small and medium-sized enterprises.

I think we have to have a solution for that, Mr Kirkhope, quite frankly because, as you know, there are cases before the Court of Justice that oblige us to find a solution.

So we will try to find a broad-based support for a new proposal and avoid the long discussions that marked the last attempt to revise the directive.

**Timothy Kirkhope**, *on behalf of the ECR Group*. – I understand that President Barroso does not want to prejudge the outcome of the Commission's consultation. However, there are a number of people in the EU – not least the three million people in the UK who currently take advantage of the opt-out – who will be looking for a commitment from him that, during an economic downturn, his Commission does not want to make it harder for people to work. I am afraid that Commissioner Andor did not give us that assurance at the time of his confirmation hearing, but I trust that President Barroso will now.

**José Manuel Barroso**, *President of the Commission*. – You are very kind, Mr Kirkhope, but apart from Britain, there are, in fact, also 26 other Member States in the European Union, so you will understand that while we are very receptive to the concerns you have expressed, I also have to listen to other legitimate concerns.

This is a very difficult issue and an extremely sensitive one. We have to find the right balance between the flexibility you are highlighting for small and medium-sized companies and the protection of workers which I am sure you are also in favour of. That is what we are going to do. That is why we are appealing to the social partners also to come forward with a constructive proposal.

**Lothar Bisky**, *on behalf of the GUE/NGL Group*. – (DE) Mr Barroso, you have spoken about your work programme and it has been discussed in Parliament. You have said that you want to follow up on the critical remarks. I have one question. Recently, we have spoken a great deal about the crisis and how to overcome it. However, I have the impression that very little has changed in the way the banks do business.

I would also be interested to hear the answer to another question. Do you think that we and the Commission have done enough? If not, what do you believe it is still necessary to do in order to combat the causes of the financial crisis in the longer term, so that the banks cannot go on doing business in the way they currently are?

**José Manuel Barroso**, *President of the Commission*. – Just today, in the work programme, we have presented our action in the financial sector. We have done a big part of it, but another important part remains to be done.

I think the Commission proposals were the right ones. In fact, I regret that, in some cases, the level of ambition has been reduced by Member States, for instance, regarding the supervisory framework that is now being considered by you in Parliament, and we will come forward with some proposals – there is a complete list that I have presented today to Parliament – in the near future.

But I think there are some specific things, to be more concrete, that we can do. For instance, I am supporting the idea of a bank levy. I think that should be a matter for the G20. I think it is fair that the banking industry, after all the problems it has created to the overall economic situation, also gives a contribution for the future of our economies.

So, as always, it is a question of balance. We do not want to undermine what is a very important sector in our economies – the financial sector – but we believe that some more measures are important to restore confidence in the financial sector.

**Lothar Bisky**, *on behalf of the GUE/NGL Group*. – (DE) Mr Barroso, I have another brief question. The chair of Deutsche Bank, Dr Ackermann, is a difficult man to make an impression on. He has recently said outright that he wants to make returns of 25%. Do you not think that this flies in the face of the measures taken by the Commission and the individual governments? He is not changing anything. He has said that he wants to make returns of 25% once again. This is what Dr Ackermann, the chair of Deutsche Bank, which is an extremely important bank, is saying.

**José Manuel Barroso**, *President of the Commission*. – I am sorry, I did not follow the statements by the Chairman of Deutsche Bank, and I cannot comment on something I am not aware of.

**William (The Earl of) Dartmouth**, *on behalf of the EFD Group*. – Because the financial crisis was a credit crisis and a banking crisis that took place and emanated from the large commercial banks – the Royal Bank of Scotland, IKB, Fortis and the like – do you accept that the Alternative Investment Fund Managers Directive, as well as being highly damaging to the UK, is a misdirected and misguided regulatory initiative on the part of the Commission that aims entirely at the wrong target?

**José Manuel Barroso**, *President of the Commission*. – Absolutely not. I think it is a very good initiative that aims precisely to restore some confidence in what is a very important sector of our financial markets. I think it is in the interests of the financial sector to have credibility. Let us be honest and open about it. There is now a problem of credibility in the financial sector and it had its origin in, let us say, irresponsible behaviour of some major players in that sector, not only in Britain, as you said, but in other countries in Europe, apart from the situation that originated in the United States. We need a proper level of regulation. We believe that the regulation we have put forward is the appropriate balance and it does not aim at creating difficulties for the financial sector. On the contrary: it aims at building trust. The financial sector needs this kind of credibility to finance the economy.

**William (The Earl of) Dartmouth**, *on behalf of the EFD Group*. – How will the AIFM Directive, aimed at alternative investment fund managers, restore confidence in the financial sector when the problem is with the big commercial banks? That is my question.

**José Manuel Barroso**, *President of the Commission*. – I am sorry but I do not agree the problem is only with the big banks.

In fact, the problem created in the United States was not created by big banks only. It was also created by non-commercial banks, by investment societies, by hedge funds as well. So we do not agree with that analysis that it was created by big banks. In fact, some of the big traditional commercial banks were not responsible for the crisis.

There were many kinds of players that have some kind of responsibility for the mess, let us state it very clearly, that was created in the financial sector. We believe that an appropriate level of regulation is the best way to address the issue both for banks and for other kinds of instruments or operators in the market.

**Andrew Henry William Brons (NI)**. – Mr President, the European External Action Service will be responsible to the High Representative. The role of the High Representative, according to Article 18, is to conduct the European Union's common foreign and security policy, as mandated by the Council. The Council, for all its faults, at least contains representatives of Member States.

However, influential voices among the political groups in this Parliament are arguing for the Commission to play a much more decisive part in the service. In particular, it is argued that the Commission should provide at least 50% of the staff of the External Action Service and that the service should not be subject to influence from intergovernmentalism. I apologise for that word. It is not mine but I see it as a code for the Council and the European Council. Furthermore, of course, the High Representative is an ex officio Vice-President of the Commission.

All this seems to point to the likelihood that, in reality, the EU's foreign policy will be run by the Commission and the idea that it is run by the High Representative, with a mandate from the Council, would be legal fiction. Would you agree?

**José Manuel Barroso**, *President of the Commission*. – I do not agree. We are not there. In fact, as you know, the creation of the institutional position of High Representative/Vice-President of the Commission is one of the most important innovations of the Lisbon Treaty and the idea is to put together what typically we call intergovernmental competences and Community competences.

For the common foreign and security policy, it will remain basically intergovernmental: it is the prerogative of the Member States. But there are other Community competences that should not go now to the intergovernmental arm. It should be kept, of course, in the Community method.

So the High Representative/Vice-President of the Commission is, as we say, usually double-hatted. She will have to put together, using the best of the synergies, those two competences. So there will be, of course, competences that she will be able to develop inside the Commission, as Vice-President of the Commission, but working also hand-in-hand with the Member States and with the Council. I think that is the contribution to have more coherent and consistent external relations of the European Union, to reinforce the defence of our interests and promote our values in the world.

**Andrew Henry William Brons (NI)**. – I can see the internal consistency of what you are saying as a Euro-integrationalist, which I am not.

But, in fact, what you are suggesting is that we should actually go beyond the Lisbon Treaty, which is bad enough, and almost cut out the Council which, as I say, for all its faults, at least contains representatives of nation states.

**José Manuel Barroso**, *President of the Commission*. – I could never suggest that the Commission go against the treaties, because it is its duty to ensure that the treaties are respected. What I am really asking Member States to do is to respect the treaty, and all the institutions have to respect the treaty.

The treaty strikes a balance and that balance has to be respected. It represents progress compared to the past, where we had completely different institutions to deal with what is, in fact, a very important common interest – namely the defence of European values in the world. I consider it possible, in full respect of the treaty, to achieve exactly what the treaty aims to achieve. That can be done in a spirit of good cooperation between all institutions and in full respect, of course, of our Member States.

**Sergio Paolo Francesco Silvestris (PPE)**. – (IT) Mr President, ladies and gentlemen, I come from the south of Italy and in our region, the economy is based on small and medium-sized enterprises, on the textile, clothing and footwear manufacturing industries, and on agriculture.

Today, this type of industry is in serious difficulty because of the influx of goods from China and the Asian markets. To produce a shoe in our region, in southern Italy, costs EUR 13. The cost of the finished product from China is EUR 5.50. A baby grow produced by us costs EUR 4-5, whereas one from China costs EUR 1.

Entrepreneurs are relocating in order to survive or are closing down, and when they close down, thousands of jobs are lost, and this also causes a consumption crisis and an impoverishment of the region.

Whenever I meet entrepreneurs, they ask me: 'What is stopping you from imposing customs duties, from imposing taxes?' For in China, there is low-cost production because children from the age of 12 work 10 hours a day with no social security benefits, no insurance and no health care rights.

I know that protectionist measures are undesirable, but what is the answer? Mr Barroso, when I meet entrepreneurs, what do I tell them that Europe is doing to combat an irreversible crisis in which so many businesses are failing, so many jobs are going up in smoke and entire regions of Europe, including the poorest regions, the south of Italy, are going through a serious and irreversible crisis? I would like to be able to offer some answers, Mr Barroso, and I would like to hear them from you.

**José Manuel Barroso**, *President of the Commission*. – I understand your concern and it is a very legitimate concern, and I would like to say a word about the small and medium-sized companies, which in fact are, as you know, the most important driver for job creation in Europe.

Now, how can you respond to this problem of competition coming from other parts of the world which have lower standards, both in labour and in environment? I think the solution is certainly not to close our

borders, because the European Union is by far the biggest exporter in the world. So the solution is to promote decent work and upgrading of social standards all over the world. That is a matter which we have been pushing inside the G20; that is a matter that we have been pushing with the International Labour Organisation, and that is a part of our dialogue with other partners. But I really think it is not a solution – unless there is dumping – to act via anti-dumping instruments, nor is it a solution to close our borders to other very important trade partners of Europe. That will be self-defeating for us.

**Georgios Papanikolaou (PPE).** – (EL) Mr President, to pick up on the references made earlier to the handling of the Greek problem, all of us who are closely following developments in and the handling of these problems realise, and many of us have the feeling, that the Council has elbowed the Commission aside.

The Commission was, from the beginning I think, a balancing factor for the medium-sized and smaller Member States of the Union towards the Council. Today, I think that its role in the issues faced by Greece, but not just Greece, is confined to action and statements of a technocratic nature.

My specific question is this: we are talking about the economy, about monetary union with more acute supranational elements. We are also talking about the ambitious Europe 2020 strategy being prepared by the Commission and we are talking about combating unemployment and poverty. How, when the Commission does not have the role that befits it, will it be possible to implement these ambitious strategies?

**José Manuel Barroso, President of the Commission.** – The issue of employment, as you know, is dependent on the overall economic situation. Let us be completely clear about it. We cannot restore the levels of employment that we had before the crisis before we come back to more growth in Europe.

That is why we are concentrating our efforts on the new sources of growth and, in fact, trying to restore this growth that is critically important for the European Union.

That is our priority now. That said, there were some measures that were taken specifically for employment. We have some proposals in our EU 2020 strategy for new skills, for new jobs, for programmes for youth, but the basic thing is to restore the conditions for growth, including confidence in our economy.

When it comes to the Greek situation, as you know, a lot has to do with the confidence also in the future of the Greek economy. That is why it is so much dependent on the correction of some fiscal imbalances.

**Frédéric Daerden (S&D).** – (FR) Mr President, President of the Commission, the employment situation in Europe is very worrying, as my fellow Members have just pointed out. In 2009, 2.7 million people in the euro area lost their jobs. Furthermore, the poverty risk rate for the population with a job has risen to 8% of workers in Europe, not to mention the fact that nearly 17% of the population live below the poverty threshold.

Faced with this situation, do you not think that a two-pronged strategy ought to be implemented? On the one hand, by reinforcing decent work – it would have been worth including this issue, rather than employment strictly for growth's sake, in the 2020 strategy; moreover, are you counting on promoting the creation of green, intelligent jobs to develop a sustainable, united society? – and, on the other, by increasing the overall employment rate in Europe, with particular emphasis on jobs for young people – you talked about this – but also for the over-fifties.

In this regard, the increase in requests made to the European Globalisation Adjustment Fund and the restructuring in various sectors highlight the need to develop a global industrial policy.

**José Manuel Barroso, President of the Commission.** – (FR) All the issues you have raised are dealt with in the 2020 strategy, Mr Daerden. I already talked about decent work in my political guidelines, just as I talked about the existence of a genuine industrial policy for Europe – not the old industrial policy, but a policy aimed at providing Europe with sustainable industry, a more modern, sustainability-focused policy.

As far as young people are concerned, at least two of the flagship initiatives are devoted to them, that is to say, the 'Youth on the move' and the 'New skills for new jobs' initiatives. We have highlighted a number of objectives, for example, in relation to education, the fight against poverty and the campaign for social inclusion. This aspect appears in the 2020 strategy, precisely because we consider that the fight against unemployment is now the main priority. I believe that the development of this strategy will enable us to achieve significant results in the fight against unemployment.

**Sergio Gaetano Cofferati (S&D).** – (IT) Mr President, ladies and gentlemen, as you know, over the last few years, unemployment has increased throughout all the countries of Europe – albeit in different forms from one country to the next – and is destined to increase further.

Economists all agree that it will take at least two years for the tentative signs of recovery that are evident here and there to become the norm and that, in any case, for at least 10 years, the recovery will be so limited that it will not create any additional employment. This means that we will have a rise in unemployment, with job losses among those who are today in employment, and, at the same time, we will have generations of young people who are not and will not be able to enter the labour market.

I ask you whether you do not think it is necessary, faced with such a situation, to promote a measure aimed at guaranteeing a standard income in Europe for all those who lose their jobs, and to regard the issue of young people as a kind of emergency and, hence, to come up with a specific training-related measure that will benefit them, for the entire time in which they remain outside the labour market.

**José Manuel Barroso, President of the Commission.** – You are basically right in your analysis regarding the situation in the labour market. In fact, the situation is continuing to deteriorate, even if it is at a more moderate pace than in the past. We are also starting to see more consistent signs of stabilisation in some Member States.

But it has been nine months since the economy started to recover from deep recession and it may take some time this year before the fragile pick-up in economic activity has an impact on reversing the trend in the labour market. That is why our priority is now employment. For young people, unemployment is particularly worrying, as you said. We have more than 20% of young people unemployed in Europe. That is why we have launched three initiatives for this year. Two of them I have already mentioned. There is also the Youth Employment Initiative. Among the specific initiatives that we are going to develop is precisely the step-up of vocational training through more apprenticeship schemes, financed by the European Social Fund and also fostering high-quality learning experience in the workplace after graduation, the so-called traineeships, including the possibility of traineeships in other Member States.

**Graham Watson (ALDE).** – Last week, the European Climate Foundation launched its 'Roadmap 2050'. This plan shows three pathways by which the European Union could cut its CO<sub>2</sub> emissions by 80 per cent by 2050, in line with our Kyoto aspirations. We could do it at little more than the cost of business as usual. We could become almost entirely self-sufficient in energy resources and we would see a significant net job creation through the decarbonisation of our economy.

But it can only be done at European level. Will the Commission embrace this roadmap? Will it endeavour to give the European Union a new élan in proposing the necessary policy measures? Given the opportunities for job creation, will you, President Barroso, use the idea to galvanise the Member States into the necessary action?

**José Manuel Barroso, President of the Commission.** – I am aware of that report of the European Climate Foundation and, indeed, under the 2020 strategy, we have proposed a resource-efficient Europe flagship initiative whose aim is precisely to decouple growth from resources, giving Europe a competitive advantage compared to other international partners.

This objective was also fully translated in the Commission's working programme for 2010 and beyond. It is the Commission's intention to develop a path for Europe's transition to a low-carbon, resource-efficient and climate-change resilient economy by 2050, particularly through the decarbonisation of the energy and transport sectors, thus providing a long-term framework for policy and investment. I underline the word investment.

We believe that the climate agenda can also be, as the renewable energy sector is showing, a way of creating more jobs in Europe, what we usually call 'green jobs'.

**Helga Trüpel (Verts/ALE).** – Several recent announcements of new IT tools, like Google Books or iPad, would facilitate access to cultural content in digital format, notably the so-called 'e-books'. However, most of these initiatives come from the US. What is the Commission doing to promote digitisation of our cultural heritage on the European continent?

**José Manuel Barroso, President of the Commission.** – The European Digital Library, addressing the challenge of putting online the collections of our national libraries, museums and their archives, this is a major task

of our times digitising, making available, preserving the wealth of our culture. Yet we have to do it without jeopardising the rights of authors and publishers, including out-of-print works and for so-called 'orphan' works. We also have to assess whether our financial efforts and the public-private partnerships that are being experienced here and there are up to this very important societal challenge.

In this perspective, I have asked Vice-President Kroes and Commissioner Vassiliou to set up a *comité des sages*. I am happy to announce today to you that Mr Maurice Lavie, Mrs Elizabeth Nigerman and Mr Jacques Decare will be entrusted with this task. As a *comité des sages*, they will promote this idea of keeping our very important heritage through digitisation, in full respect of course of the property rights. I look forward to receiving their recommendations on these important issues by the end of this year.

**Ryszard Czarnecki (ECR).** – (PL) Mr Barroso, I would like to know what, in your opinion, will be the effect on employment in the aviation sector of the airspace closures which have lasted for several days now? Today, on the front page of the influential newspaper, the *Financial Times*, it says the closures, which have affected nearly 7 million passengers and have caused the cancellation of 80 000 flights, have brought losses to the aviation industry of USD 200 million a day. In your opinion, how will this affect employment in this sector? – because I understand this was the main reason for your absence, and the absence of Mr Van Rompuy, during the funeral of the President of Poland in Krakow.

**José Manuel Barroso, President of the Commission.** – First of all, regarding the issue of the funeral, I want to keep it completely separate from the rest.

I had a great respect for President Kaczyński. I worked in a very loyal manner with him. I did everything to be present at his funeral.

I was present at all the ceremonies that I could attend marking the deaths of President Kaczyński, his wife and all those that were killed in that tragic accident. I really do not understand how it is possible to make this kind of criticism against the European institutions, by using the death of so many people.

I was trying to go to the funeral of President Kaczyński until the very last moment. The problem is that only on Saturday, very late in the evening, I received the information that the flight that was organised by the Belgian authorities was cancelled. It was no longer possible for me to go.

So I want to make it absolutely clear that I have done everything I could to pay tribute, not only to the people who died in the tragic accident, but to Poland as a nation.

Regarding the issue, if I may now use the other minute to answer the question on the aviation sector, we are aware of the very important impact on industry of this volcanic problem and that is why we are already doing our work to see how we can in fact help, if needed, the European aviation industry.

They are suffering severe economic losses, which are caused by not being allowed to carry out their commercial activities for several days. It is necessary to look for a global solution to help the industry out of the crisis and, in fact, we have a precedent, which was the crisis after 11 September. So we are looking at possible ways in terms of alleviation of the State aid rules, as we have done in the past. We discussed this in the college meeting today.

**Nikolaos Chountis (GUE/NGL).** – (EL) Mr President, Mr Barroso, according to official statistics, unemployment in the European Union fluctuated between 8 and 9% between 2000 and 2006, to the glory of the Lisbon Strategy, which talked of full employment.

The Commission states in a recent report that unemployment will reach and go beyond 10% in 2010, a 'social volcano', to use the language of the moment.

In addition, in a series of countries applying austerity programmes, such as Ireland and Greece, as well as in countries such as Romania, Hungary and Latvia, where the International Monetary Fund has become involved, unemployment has soared to record levels.

In light of this, I ask you: has the Commission studied the repercussions of these austerity policies, which you push for and pressure countries into following in order to get out of the crisis? Have you studied the repercussions on employment and on the economy of a country in which the International Monetary Fund is involved? Do you believe that unemployment will fall in Europe as a result of these policies?

**José Manuel Barroso, President of the Commission.** – We are not forcing anyone to take any measures. Regarding Greece, decisions were taken by the Greek authorities, but you will certainly understand that this

situation of macro-economic imbalances in the Greek economy is very negative for growth and also for employment.

It is clear that without a restoration of confidence in Greece's public finances, there will be no investment or growth in Greece. Without growth, we cannot generate employment. That is why we should not set macro-economic stability and rigour in contradiction or opposition to growth. The problem is to see how we can manage a transition, how we can keep stimulus in the economies that have the margin to do it, and, at the same time, respect the necessary balances of macro-economic stability. That is why it is in the interests of the Greek economy and of Greek workers for Greece's public finances to have credibility as soon as possible.

**Paul Rübzig (PPE).** – (DE) My question refers to the volcanic eruption which will, of course, have an impact on particulate matter and CO<sub>2</sub> emissions. Do you believe that it is possible to evaluate what levels of particulate matter should be taken into account in future in order to prevent jobs being put at risk? Our air quality directives provide for significant restrictions in this respect.

**José Manuel Barroso, President of the Commission.** – This volcano problem is certainly beyond the control of the European institutions or the national governments. It happened and now we have to react to its consequences.

Regarding the aviation industry, we have already said that we are looking at what we can do, also based on the precedent that was already there after 11 September.

Regarding the economic situation, I think it is too soon to make an overall assessment of the damage caused, and it is probably better to avoid very dramatic – or let us say, panic – scenarios. What we believe is important now is to address the damage and to try to see what we can do at European level, bearing in mind one important thing – at European level we are responsible for one per cent of the public budget. The other 99% is in the hands of the Member States. So I think it is unfair to look to the European Union to try to solve all the problems, where we do not have the means to do so.

**Piotr Borys (PPE).** – (PL) Mr Barroso, in the 2020 strategy, you have presented very ambitious rates of increase of employment, from 63% to 76%, and a reduction in unemployment among early school leavers to 10%, but also an emphasis on education, which is the key to development, so that in the future, 40% of European citizens will have completed tertiary education.

In relation to this, I would like to ask the following question: will the European Social Fund, as well as funds designated for research and development, be maintained in the future European Union budget? For this is, in fact, the key to an emphasis on modern methods, innovation and increasing employment. Do you not think that we should also emphasise the development of micro-entities? For this is the best way to encourage self-employment, and rates of self-employment are still too low today. Hence, in this context, these questions would appear to be justified.

**José Manuel Barroso, President of the Commission.** – Yes, you know we have proposed education as one of the targets in the EU2020, including fighting against early school leaving and having more tertiary education. We believe it is impossible to discuss European competitiveness without addressing the issue of education.

That is why we are trying to convince all Member States to accept that target and, certainly, afterwards there has to be a mobilisation of resources, some from Member States and some from the European Union. We have to discuss afterwards the Financial Perspective. We are not yet there but, certainly, I think some actions should also be taken at European level, complementing the efforts made by the national governments. Indeed, in the Social Fund, we already have some actions for young people for apprenticeships and for traineeships. This is our intention. We cannot anticipate what funds will be available for the Social Fund but, certainly, we believe that we should have adequate ambition at the European instruments' level.

**Jutta Steinruck (S&D).** – (DE) Yesterday, the media told us that the Opel plant in Antwerp will close. This is just one of many examples of jobs being lost in Europe. Next Thursday, the European industrial trade unions will be holding a day of demonstrations throughout Europe. They are calling for jobs and the future of Europe as an industrial base to be safeguarded. The trade union members want full employment, but they also want effective European policies and definitive answers today, not in five years' time.

Your work programme does not provide very definitive information in this respect. You have just referred to the guidelines and the Europe 2020 position paper. In my view, this is not specific enough. You should



provide examples. What do you plan to do to re-establish our strategically important industrial sectors in Europe and what role is the Commission playing in making the automotive industry future-proof and in safeguarding jobs?

**José Manuel Barroso, President of the Commission.** – The employment guidelines are very much dependent on the overall economic growth, but we intend to reinforce the employment aspect in our EU 2020 strategy. In fact, we have four guidelines: increasing labour market participation and reducing structural unemployment, developing a skilled workforce, promoting job quality and lifelong learning, improving the performance of the education systems and increasing the participation in socio-education, as well as combating poverty and social exclusion.

These are general guidelines that now have to be pursued by the European institutions with all the instruments they have at their disposal, and by national governments. It is true that there is no silver bullet, there is no magical solution or panacea for unemployment in Europe. It has to come also from the overall measures taken for growth in terms of respect for financial stability, in terms of confidence in our markets, in terms of tapping the potential of the internal market. That is the only way to do it.

When it comes to the automobile industry, of course we know that there was over-capacity not only in Europe but in the world, and we are following this very closely with the industry itself, including with the trade unions in the sector.

**Hannu Takkula (ALDE).** – (FI) Mr President, Commissioner, unemployment and exclusion among young people are a big problem. As you have said, 20% of young people are unemployed.

The problem is also that while many people are now being laid off, a large proportion of those laid off are over 50. At the same time, however, people in some Member States are saying that we must lengthen the period of time spent working, that we must raise the retirement age, and people are also saying that we need more workers from overseas. This would therefore require a large amount of labour migration. In my opinion, there is something of a contradiction here.

I would like to ask: if people want to lengthen the period of time spent working, then why are over-50s not being offered the opportunity to continue working; why are they instead being laid off? Why are we not creating opportunities for our young people, but instead telling them that we need labour migration from overseas?

What is the European strategy on this issue? Can we not bring about such a strategy? I believe that we are all of the opinion that talented young people should be found work, and that they should not be excluded. Our society will always pay a big price for exclusion.

**José Manuel Barroso, President of the Commission.** – I want to win this competitiveness battle globally. One thing is sure: we need more people, working more and longer – and I would add, better, in a more competitive way.

There is no contradiction between having longer working lives and having some immigration to Europe. In fact, it is quite extraordinary, but today, there are almost one million job vacancies in Germany and almost half a million in the UK. This shows that there is a problem of mismatch between the supply and demand for labour.

There is a lot to do in this area. I believe that pension reforms are also a way of contributing to that. I want to underline that, during this crisis, Member States did not resort to the traditional policy of having people leave the workforce earlier. They have not done so. In fact, it has been possible to keep people in work for longer. This is important because, for Europe to remain competitive, we need to raise the employment rate in Europe.

**Joanna Katarzyna Skrzydlewska (PPE).** – (PL) Mr Barroso, you said in your speech, today, that a priority for the Commission in its employment policy is, among other things, to help graduates and young people be effective in entering the labour market.

We know the unemployment rate in this social group is currently very high. In Spain, it is currently almost 40%, while in Poland it is 20% and is, unfortunately, rising all the time. I think one problem is that the subjects taught do not match the needs of the labour market, and also there is poor access to initial work experience.

In your opinion, can we speak of the low effectiveness of the Leonardo da Vinci programme in the area of education and vocational training? How do you assess the programme? Is the European Commission preparing new measures and, if so, what are they, in order to tackle the rising unemployment among young people? What can you offer and propose today, Mr Barroso, to the young people of Europe?

**José Manuel Barroso**, *President of the Commission*. – Youth unemployment is the most dramatic problem now in terms of unemployment in Europe because it is more than 20%.

That is why we have announced three concrete initiatives: 'Youth on the move', 'Youth employment' and 'New skills for new jobs'. 'Youth on the move' to improve efficiency and equity of European education and training systems; 'Youth employment' to look at ways to overcome the impact of the crisis on young people and 'New skills for new jobs' to better match skills and labour supply with demand.

I have just highlighted the situation in two of the largest Member States in Europe because, by 2020, 16 million more jobs will require high qualifications and, for example, the European Social Fund will spend EUR 13.5 million, between 2007 and 2013, in promoting adaptability measures for workers and enterprises.

So there are some measures that we can take at European level, Community level, to complement the action of our Member States regarding the problem of youth unemployment.

**Elisabeth Schroedter (Verts/ALE)**. – (DE) Mr Barroso, I have to disagree with you. You said that Europe 2020 included measures to exploit the potential for the creation of green jobs in the European Union. That is not true. You have simply failed to include this in the strategy and I am wondering why. It is obvious that if you want to generate employment, the greening of the economy is a significant opportunity for job creation. Why does this not form part of Europe 2020? What is the Commission planning to do to exploit the job creation potential of a sustainable economy in Europe to the full, in particular, given that the European Council President has included this as an important point in his concept, because he believes that it offers a major opportunity? What is the Commission intending to do?

**José Manuel Barroso**, *President of the Commission*. – I have to remind you that it was the Commission that launched the climate change and energy package and that we have highlighted the great potential for the creation of jobs in some sectors of the so-called greening of the economy and that, certainly, the priority for the future is such, one of the most important targets of the EU 2020.

We have put at the centre of the EU 2020 our climate and energy targets, from 20% reduction of greenhouse gases, to 20% renewables and to 20% gains in energy efficiency.

For instance, to have this target of 20% renewables, we are going to create jobs throughout the renewables sector. So it is certainly the central piece of our economic strategy for the future and, in fact, we have put that as one of the core objectives. Growth, not only smart growth and equitable growth, but also sustainable growth.

**Liisa Jaakonsaari (S&D)**. – (FI) Mr President, a lot has been said here about young people, which is only right. There is another group of people that are being affected very severely by this employment crisis, and that is women. That is, at the moment, when national economies are going into debt and the Member States are cutting their budgets, these budget cuts are often aimed at areas such as health care and education in which women work.

I would also ask, Mr Barroso, what will you say and what do you intend to do to those Member States which are cutting human resources, education and health care, despite the fact that the 2020 strategy says we must invest in these areas? Given that, at the moment, the mood music in the Member States is 'cut, cut, cut', and not 'invest, invest, invest in people', what do you intend to do to these Member States?

**José Manuel Barroso**, *President of the Commission*. – For women, it had risen to 9.3% by February 2010, compared with 9.8% for men, so lower than for men. It is true though, as you said, that in the future, female employment may give cause for more concern, as some of the sectors which will be most affected by the upcoming fiscal tightening are precisely those more dependent on women's jobs.

What we have to do is to ask Member States to reflect this in their policies and not to accept that women be disadvantaged in this transition. We believe that the target rate for employment – and we have also discussed this with the Member States in the European Council – should be aimed at promoting the employment both of men and of women. In fact, in some Member States, there is great potential for this. There are some Member States where the employment rate for women is still very much lower than for men.

**President.** – President Barroso, thank you for your answers and for being present during Question Hour here at the European Parliament. I think it was interesting.

Thank you, colleagues, for being active during the last hour.

We will also meet next month during Question Hour with President Barroso.

#### IN THE CHAIR: MRS ROTH-BEHRENDT

*Vice-President*

### 8. The EU strategy for relations with Latin America (debate)

**President.** – The next item is the report (A7-0111/2010) by Mr Salafranca Sánchez-Neyra, on behalf of the Committee on Foreign Affairs, on the EU strategy for relations with Latin America (2009/2213(INI)).

**José Ignacio Salafranca Sánchez-Neyra, rapporteur.** – (ES) Madam President, High Representative, I would like to say that the report, as adopted by the committee, on the one hand, acknowledges the efforts made by the Spanish Presidency of the European Union – which I do not see in this Chamber, which surprises me given that we are talking about a Latin American matter – and, on the other hand, welcomes the Commission communication entitled ‘The European Union and Latin America: Global Players in Partnership’. I think it is difficult to find two regions that have more in common in terms of values and interests than Europe and Latin America.

The figures, Madam President, are very well known: together, they have more than a billion citizens, account for more than 25% of global gross domestic product and, along with the Caribbean countries, include almost one third of the countries that make up the United Nations.

It is also well known, although the figures show a slight decline, that the European Union is the main donor of development aid, the main investor in the region and the second largest trading partner in Latin America, and the largest in Mercosur and Chile.

However, more importantly than the figures, we consider Latin America to be more than a market for Europe, and we therefore share a whole series of principles and values, which are pluralist and representative democracy, respect for human rights and fundamental freedoms, freedom of expression, the constitutional state, the rule of law, respect for due process and the rejection of all forms of dictatorship and authoritarian rule.

This summit, Mrs Ashton, comes at a very remarkable time in the calendar for the European Union and Latin America. It is a remarkable time for the European Union, because having gone through the reform process, with the entry into force of the Treaty of Lisbon, we are a little engrossed in overcoming and contemplating our own problems, with the economic and monetary crisis. We have seen that, for the first time, the International Monetary Fund is not having to rescue a Latin American country, but a European Member State that is part of the Monetary Union.

When we look at the European Union's growth rates for last year, we see that, on average, we had a negative growth of 5%, while Latin America had a negative growth of 1.8%. When we look at the forecasts for growth for next year, we see that the European Union is expected to have an average growth of 0.7%, and Latin America of 5%. This means that the next summit is not going to be a North-South summit, like the previous summits, but a summit between equals. In that respect, I think that we should look back, if only briefly, and feel satisfied at what has been achieved in the last few years.

It is clear, however, that a great deal still remains to be done. In that respect, Mrs Ashton, between 2000 and 2010, the European Union concluded association agreements with Mexico and Chile, but the United States concluded agreements with the whole of Central America, with Colombia and Peru, and also with various Mercosur countries. We therefore need to make up for lost time quickly, and in some way seek strategic partnerships with Mexico and Chile, apply the future developments clause in these agreements, and conclude the agreements with Central America, where we need to introduce greater measures of generosity. At the same time, Parliament welcomes the initiatives that you have put forward to establish the Europe-Latin America Foundation and also the financial investment facility.

This summit is not, however, just another summit, Mrs Ashton. At this one, a very clear issue is going to be at stake. If we continue to lose our share of trade with the region, which has declined from 25% to just over

15% because of countries such as China, we are going to become irrelevant. Therefore, in line with the Spanish Presidency, I ask you, as High Representative and a Vice-President of the Commission, to send out a clear and very definite message regarding the commitment of this new Europe that we are building towards our old friends in Latin America.

**Catherine Ashton**, *Vice-President of the Commission and High Representative of the Union for Foreign Affairs and Security Policy*. – Madam President, Honourable Members, I am pleased to be back at the European Parliament and I am looking forward very much to this debate on relations with Latin America.

I would like to begin by thanking Mr Salafranca for his excellent report. I think it illustrates very well the convergence of views between our two institutions on the importance of – and, as he has rightly said, the prospects for – the European Union's partnership in this region. I welcome very much the commitment of Parliament to strengthen relations with Latin America, including through the interparliamentary dialogues. Our joint efforts are central to developing a consistent policy and a strong presence in the region. I agree that the upcoming summit is a good opportunity to reiterate our commitment to the region and our determination to deepen the partnership.

As the report rightly points out, the partnership has been a success. Today, the EU is Latin America's second-largest trading partner and the biggest investor in the region. We are expanding our cooperation beyond economic issues to cover key strategic issues – climate change, non-proliferation, tackling drugs, the promotion of peace and security worldwide.

With this in mind, the Commission last year set out its strategy for Latin America in the communication called 'The European Union and Latin America: Global Players in Partnership'. Our main conclusions were to step up the regional dialogue and support regional integration, to strengthen bilateral relationships – taking into account the diversity of the region – and to adapt cooperation programmes to make them focused and results-oriented.

I am pleased we have taken a number of initiatives since then. We have worked very closely with Brazil and Mexico on Strategic Partnerships and with Chile on the Association for Development and Innovation. With Peru and Colombia, we have completed negotiations on a multi-party trade agreement and we expect to complete negotiations for an association agreement with Central America in the near future and are working to resume negotiations with Mercosur. We have intensified our policy dialogues on a range of issues – sustainable development, migration and the fight against illicit drugs. These are important negotiations and dialogues. They strengthen our relationship.

There is also much that we can do in practice on regional integration. It is very important that the combined weight of the EU and Latin America is able to focus on priority areas. With regard to the summit, I agree very much that this is an important occasion. We want to have an action plan that covers cooperation on key issues – science, technology and innovation, environment, climate change and so on. Secondly, we want to acknowledge the progress that has been made with the various subregions and strengthen bilateral partnerships. Thirdly, as Mr Salafranca said, we want to launch the Investment Fund and to establish the EU-Latin America and Caribbean Foundation. We are working hard to strengthen those relationships between the European Union and Latin America in what is, of course, a fast-changing world and where we can maximise the potential that we have.

I am very keen to hear views from Members of this House and to respond to any questions.

**Catherine Grèze**, *rapporteur for the opinion of the Committee on Development*. – (FR) Madam President, ladies and gentlemen, against a backdrop of financial, social and environmental crisis, the European Union has a role to play, a role of cooperation for development, ahead of the Madrid Summit.

As the official champion of human rights and development aid, it must take up its many challenges in Latin America. Let us remember that the EU is the biggest donor, having pledged nearly EUR 3 billion in 10 years. The Committee on Development is delighted by the Commission's pledge to ensure that the Millennium Development Goals are respected, especially with regard to education.

I am also delighted to find in the Committee on Foreign Affairs' report recognition of femicide and the prioritising of the fight against climate change.

All the same, I regret the absence of concrete measures and of a genuine development strategy. After Copenhagen, the Committee on Development had called on the EU to take notice of innovative projects in

Latin America, such as those presented at the Cochabamba Summit this week or the Yasuni ITT project in Ecuador.

Respect for the political, social, environmental and cultural rights of indigenous populations must be at the heart of our transatlantic relations. We have also emphasised observance of the ILO conventions that are flouted in Colombia. The minimum environmental and social standards must be respected.

Finally, we regret the absence of any reference to public services, water and health in the Committee on Foreign Affairs' report. Personally, I do not believe in the proliferation of study organisations with a ridiculous budget that do not allow for genuine dialogue with civil society. I do not believe in the usefulness of creating more budget headings that cut into the development aid lines for the sake of unclear objectives. I do not believe in any agreement of which the priority might not be respect for human rights and the environment.

The aim of the EU-Latin American partnership is not just to protect commercial profits. The free trade agreements with Peru and Colombia are a very poor counterexample. Our duty is to encourage regional integration and to oppose any signed agreement that would weaken such integration.

It is our responsibility to defend, above all, human rights and respect for the environment in all our external relations.

**Pablo Zalba Bidegain**, *on behalf of the PPE Group*. – (ES) Madam President, High Representative, ladies and gentlemen, I firmly believe that we must see Latin America as a hugely important trade partner.

We believe that negotiations should be reopened for the agreement between the European Union and Mercosur, which affects 700 million people and will be the most ambitious bi-regional agreement in the world.

We also believe that negotiations concerning the agreement between the European Union and Central America should be concluded before the Madrid Summit, which is to be held in May.

We also need to develop the association agreements with Mexico and Chile, which have been a real success. We must therefore express our satisfaction at the conclusion of the free trade agreement with Colombia, which is going to be very beneficial both to Europe and to the Latin American country.

We believe that Parliament's job now is to ratify these agreements in due time and to ensure that no country in the Andean Community that wishes to conclude an agreement is excluded.

We, of course, also believe that free trade agreements can and should also be a useful tool for promoting the development of citizens' rights and freedoms.

Lastly, we believe that the path to follow in the future is, on the one hand, to develop the European Union's agreements with the various countries and regional groups and, on the other, to promote inter-regional integration agreements within Latin America itself.

**Emilio Menéndez del Valle**, *on behalf of the S&D Group*. – (ES) Madam President, Mrs Ashton, first of all, allow me to congratulate Mr Salafranca Sánchez-Neyra on the very successful outcome of his report.

You are aware that the May summit is an excellent opportunity for driving forward relations between the two parties. The Spanish Presidency is to be congratulated on the work it has done in this regard. Nevertheless, I think that what is important is for the relationship to continue to be promoted and strengthened after that Presidency has ended. You have a great deal to do in this respect, Mrs Ashton, because there is no other region in the world that has a greater historical, cultural and institutional affinity with Europe than Latin America. There is all the more reason to promote the relationship if we consider that, due to the desire of the Latin American people themselves, but also due to Europe's consistent support of democratic institutions, those institutions have achieved a high level of consolidation.

This report, to which I think I can say my group made a satisfactory contribution, is a good message to send to the May summit in Madrid, and I hope that it will contribute to the results of that summit, and help highlight the fact that it is essential to move forward in the strategic relationship between the European Union and Latin America and the Caribbean.

We, of course, support the adoption of the Latin America Investment Facility and the creation of the Europe-Latin America and Caribbean Foundation with a view to the summit.

In addition, although we are aware of the difficulties experienced in recent years, we hope that the Madrid Summit can give a definitive boost to the negotiations with Mercosur.

We also welcome the significant step forward of concluding the negotiations on the multi-party agreement with Peru and Colombia, and we trust that, when the time comes, a good, intelligent formula can be shaped that will allow for the desired incorporation of Ecuador, and that we will also leave the doors open, always open, to Bolivia.

Finally, how can we not celebrate the more than probable and welcome conclusion of the agreement with Central America, and the now accepted incorporation of Panama into that agreement and into those negotiations?

I will conclude, Madam President, by saying that of course, all of this must be considered within the framework of what the Group of the Progressive Alliance of Socialists and Democrats in the European Parliament considers to be the basic socio-political philosophy in this area. That means supporting the various integration processes in Latin America, demanding respect for human rights and taking an inclusive, development approach, while always committing to keeping dialogue channels open despite any difficulties that might arise and to deepening our links with our strategic partners in order to achieve progress on these objectives.

**Vladko Todorov Panayotov**, *on behalf of the ALDE Group*. – (BG) Madam President, Mrs Ashton, ladies and gentlemen, I first of all wish to express my delight at the huge contribution made by Mr Salafranca to the development of relations between the European Union and Latin America and at the exceptional role he has played in compiling this report. The strategic partnership between the European Union and Latin America for the period up to 2015 will develop against the backdrop of 'Agenda 2020', the global agreement drafted to combat climate change and promote our aspirations for creating a green, environmentally friendly economy. This is why I want to stress that Latin America is a strategic partner with which Europe must extend its economic and cultural influence even further. Particularly during the current global financial crisis, this partnership can be of paramount importance and open up greater opportunities for commercial, scientific and technological exchanges, enabling us to emerge from this crisis in stronger, more stable positions.

**Ulrike Lunacek**, *on behalf of the Verts/ALE Group*. – (ES) Madam President, I would like to speak in Spanish, at least for the first part of my speech.

I would also like to acknowledge the process that has taken place in the negotiations since Mr Salafranca Sánchez-Neyra's report was first tabled and what we have achieved now. I think it has been a good process, as you have accepted several of our positions, although I must say that obviously, if the report were written by the Group of the Greens/European Free Alliance, it would be different, but that is the way things go in Parliament.

You said, Mr Salafranca, that you wanted to see the relationship between the European Union and Latin America as a relationship between equals, and I must say that I like this idea, but the problem is establishing who these equals are: are they the governments, which are also different, or are they the people, who are asking for more information, or for more rights – as in the case of women – or for poverty to be tackled?

That is something that needs to be defined, and which I think is still somewhat missing from this report. I do, however, admit that we have succeeded in some aspects. I am also happy that the Verts/ALE Group has succeeded in including the cultural rights of indigenous peoples, a proposal that came from the Committee on Development. The issue of feminicides, a very serious aspect of violence against women, has also been included, as has the ruling of the Inter-American Court of Human Rights. I think that these are major steps forward. There is also climate change, which does affect the populations on both continents equally, for example, with what is happening with the glaciers.

On one aspect, there is a difference between what the Verts/ALE Group wanted and what other groups wanted, which is that we are not in favour of continuing with the association agreements as we have done so far. We would prefer to have an agreement with the whole of the Andean Community, a broad agreement, and not only an agreement with Colombia and Peru.

I would like to end with a specific question to Mrs Ashton:

I will continue in English. This is a concrete question to you, High Representative, and one that unfortunately we were not able to include in the report. Will you speak out against mega-projects like the dam at Del Monte on the River Shingu in Brazil, which is being planned at the moment, and which will destroy swathes of living space for the indigenous peoples and is also not the best solution in terms of energy consumption?

There is a protest under way in Brazil, in which hundreds of civil society organisations are participating. There are also legal proceedings under way in Brazil. I would like to know from you what the Commission, and what you as High Representative, are doing in order to preserve the environment in the Amazon area for the peoples living there, and for all of us on this planet.

**Charles Tannock**, *on behalf of the ECR Group*. – Madam President, High Representative, I congratulate Mr Salafranca Sánchez-Neyra on an excellent report on the EU's strategic relationship and partnership with Latin America.

After the 2004 enlargement to central and eastern European countries, the EU has understandably refocused the CFSP towards the east, i.e. Russia, Central Asia and China, but nevertheless, trade between Latin America and the EU continues to grow rapidly. So this largely democratic region with whom we have much in common must not be forgotten.

Later this year, Brazil will mark another stage in its emergence as a world economic and political giant when the country holds a presidential election and President da Silva steps down after his maximum two terms. Brazil, along with Mexico, is now designated as an EU strategic partner. Colombia is also a promising example of how democracy can truly flourish in Latin America and it is now negotiating an FTA with the EU. It, too, will hold a presidential election and its people will undoubtedly miss the visionary leadership of Álvaro Uribe.

In contrast, Venezuela is led by a populist demagogue, Hugo Chávez, who has shown scant regard for democracy and freedom of expression. Bolivia and Ecuador have also shown worrying signs of following the disreputable example of Chávez and Castro's Cuba.

Finally, it is deeply regrettable that President Kirchner in Argentina has chosen to divert attention away from domestic politics and her poor performance as president by employing bellicose language over the Falkland Islands, whose inhabitants wish to remain British.

**Bastiaan Belder**, *on behalf of the EFD Group*. – (NL) With regard to Mr Salafranca's valuable report on the EU strategy for relations with Latin America, I would like to request that the Council and the Commission, who are both now represented in the person of Baroness Ashton, take urgent action on three issues.

My first point is that we need to demand the full cooperation of the Latin American countries, in particular, of Brazil, as rotating members of the Security Council, in all international attempts to bring the conflict with Iran over nuclear arms to a peaceful resolution. So, we need genuine cooperation and support in that.

My second point is that we need to demand the full cooperation of the Latin American countries in the continued fight against Islamic terrorist networks. This applies, in particular, to Venezuela, because Hezbollah is not exactly just sitting there minding its own business, and neither is Iran.

My third point is that we need to demand the full cooperation of the Latin American countries in the fight against the global evil of anti-Semitism. Again, one person causing great concern in this respect is President Chávez of Venezuela, but unfortunately, he is not the only one. Recently, the Stephen Roth Institute published a report which highlights several somewhat unpleasant aspects of this issue.

Finally, last week, the European press maintained a voluble silence as regards China's growing influence in Latin America. Does this mean the European Union will, on occasions, be caught in the middle between these two strategic partners of Brussels?

**Bruno Gollnisch (NI)**. – (FR) Madam President, Mr Salafranca Sánchez-Neyra's report contains many interesting things. It is very comprehensive. Europe cannot turn away from relations with a unit which, as Recital J of the report recalls, consists of 600 million people, accounts for 10% of world GDP and to which we are connected by special historical ties, especially with regard to the Latin countries of Spain, Portugal and Italy, many of whose citizens went to live in Argentina, and even France, which still has a presence in Guyana.

However, I regret that the report does not tackle two essential issues more directly.

Firstly, there is the issue of globalisation, free trade imposed across the world, and the international division of labour, which is wrongly presented as a panacea and which poses extremely serious economic and social problems, not only in Europe, but also in Latin America.

Secondly, the other problem is that of independence from Big Brother, in other words, the US big brother. We are not its enemy but even so, we must remember, after all, that the Monroe doctrine, the professed aim of which at the time was to prevent any recolonisation of Latin America by Europe, was turned into a de facto protectorate, the effects of which we saw a few years ago, above all, in terms of the brutality of the intervention in Panama.

Therefore, I agree that we should deal with issues such as drug production, but it is not our job to dictate the law, reason, justice or equality between men and women to the peoples of Latin America.

We believe that we should devote ourselves to those issues that are strictly essential.

**Elena Băsescu (PPE).** – (ES) I would first of all like to congratulate Mr Salafranca Sánchez-Neyra on his excellent work on this report.

(RO) The European Parliament is currently sending out a clear message about strengthening relations between the European Union and Latin America, all the more so as the EU-Latin America Summit is going to take place in one month. At the same time, these relations between the EU and Latin America are one of the priorities of the Spanish Presidency. However, I believe that there is a great deal of untapped potential for boosting trade between both regions.

This is why the European Union must provide resources for promoting European products on the Latin American market. In this regard, some Romanian products already have a market outlet in Latin America. Our national car, the Dacia, is one example I can give of this. Romania has a long tradition of good cooperation with Latin America, as our Latin heritage is a valuable asset we have in common.

I would like to emphasise that I welcome the new tri-partite approach mentioned by the rapporteur, involving the participation of the European Union, Latin America and the US. At the same time, we must take into account cooperation projects which will consolidate the IMF's legal status and equal access to education and the workforce.

Finally, Mr Salafranca's report and the Madrid Summit must lay the foundations for the long-term development of the strategic partnership between the EU and Latin America.

**Ramón Jáuregui Atondo (S&D).** – (ES) Madam President, I, too, would like to congratulate Mr Salafranca Sánchez-Neyra. I think that this is a very important report.

I would like to say, ladies and gentlemen, that there are millions of reasons why we should consider Latin America to be a very important continent for Europe: there are millions of Europeans living in Latin America, and there are millions of Latin Americans who have come to our countries, to Europe, and have found refuge and asylum in France, Germany, Sweden and Spain from the suffering of their people.

Ladies and gentlemen, Latin America is very important for the European Union, which is why I am very pleased that in the next few months, perhaps largely as a result of the work done by Mrs Ashton and also the Spanish Presidency, it might be possible to conclude four major and very important agreements, with Colombia, Peru, Mercosur and Central America. This is going to be extremely important for the European Union and, above all, for Latin America.

However, ladies and gentlemen, we need to help Latin America. Its countries have weak state machinery, with public services that are still very weak because they have very low tax ratios, they have democracies that are still very flawed, and there are problems with human rights. We need to help the Latin American people. We always need to keep this vision in mind.

I would like to give you two messages, Mrs Ashton, or two recommendations, which I think are very important. In order to work in Latin America, we also need to have the support of European enterprises. Our external policy needs to be conducted with a very strong economic presence of our major companies in Latin America, which can do a great deal for the development of those countries with a culture of social responsibility and with a commitment to their development.

Finally, we need to form a global alliance with Latin America in order to work together in the world, on world governance. Let us join together with them so that we can be stronger.

**Gesine Meissner (ALDE).** – (DE) Madam President, Baroness Ashton, Mr Salafranca, as a member of the Euro-Latin American Parliamentary Assembly, I am very pleased about your report, because it is really important for us to continue to strengthen the relationship between the European Union and Latin America.



We have made a great deal of progress since 1999. Latin America has a population of 600 million and almost 600 million people also live here in the European Union. We have similar values and human rights and we are also linked by the desire for democracy and peace. However, the actual conditions in the two continents are very different. In a partnership, it is important to ensure wherever possible that both partners are equally powerful and that is not yet the case.

There are many problems in Latin America, including illiteracy, but also a lack of infrastructure, a general lack of education, democratic deficits and violations of human rights. Fortunately, we do not have as many problems. Many people there make a living from the drugs trade and this, of course, is something that must change. As a major trading partner with an active involvement in development aid, it is our job to ensure that Latin America receives further help with its democratisation processes. I would like to see the partnership leading to people in Latin America living in peace in the same way that we do in the European Union and allowing them to also learn and benefit from one another as we do.

This is why I very much like the idea of a Euro-Latin American Charter for Peace and Security and a Europe-Latin America Foundation. I believe that this would deepen the partnership even further and really help us to make more progress.

**Edvard Kožušník (ECR).** – (CS) My fellow Member, Mr Salafranca Sánchez-Neyra, mentioned at the outset here that Europe and Latin America share very similar values. There is nevertheless one exception.

In March, we discussed here the situation in Cuba. When negotiating EU strategy concerning relations with Latin America, Cuba, as a significant player in this region, must not be overlooked. Cuba's Stalinist regime, with its totalitarian ways, is attempting to damage relations between the EU and this region as a whole. However, the region does not deserve this. Latin America is a significant partner for the EU, even without the Cuban regime. The EU's partner on the Cuban side should not be the current Castro regime, but the movers of change and the democratic opposition. I have the greatest respect for all the opponents of Cuba's communist dictatorship, and I would like to thank Cardinal Jaime Ortega for the brave words he delivered – yesterday, I believe – to the regime.

I am of the opinion that democracy, the observance of human rights and freedoms, freedom of expression, the rule of law, the legal state and the rejection of any form of dictatorship or authoritarianism not only form the foundation of the bi-regional strategic partnership, but are also an essential prerequisite for it.

**John Bufton (EFD).** – Madam President, at the beginning of the debate, Baroness Ashton kindly said that she would respond to any question. Baroness, I would urge you please to answer my following question.

Proposals documented by the Committee on Foreign Affairs include negotiations for the establishment of a Euro-Latin American Charter for Peace and Security, based upon the UN Charter.

Whose interest do you support in relation to Argentina formally asking the United Nations Secretary, Ban Ki-moon, to question British sovereignty over the Falkland Islands?

The Argentine Foreign Minister, Jorge Taiana, has asked the UN to help stop further unilateral acts by the UK in relation to oil drilling in the area.

A recent summit of Latin American and Caribbean leaders saw unanimous support from all 32 countries for Argentine claims to the Falkland Islands.

Do you agree that, underpinned by the principle of self-determination in the UN Charter, Britain should maintain sovereignty of the islands, and will you be supporting her interests in accordance with international law? I would like an answer please.

**Angelika Werthmann (NI).** – (DE) Madam President, ladies and gentlemen, a biregional strategic partnership has been in place between the European Union and Latin America since 1999. The basic principles of this partnership include respect for human rights and fundamental freedoms, together with the right to education. However, it is a fact that these principles are often violated. In addition, around 42 million people in Latin America are illiterate. The European Union is both the main investor in Latin America and an important trading partner.

Finally, I would like to say that the fact that women are socially disadvantaged and that discrimination against the indigenous peoples continues, to highlight just two of the problem areas, is in violation of universal human rights. There is still work to be done in this area and improvements still need to be made.

**Marietta Giannakou (PPE).** – (EL) Madam President, I wish to congratulate Mr Salafranca on his highly integrated and substantiated report. I also agree with the Vice-President of the European Commission and High Representative on the importance which she attaches to these efforts to forge a closer partnership.

It is a fact that there have been developments in Latin America over the last twenty years and it is true that what worried us during the 1980s, namely the numerous dictatorships, has been wiped out. However, the drug trade, money laundering, terrorism and the huge problems caused by poverty, insecurity and unemployment in the region have not been wiped out.

We therefore call, with the help of the European Parliament and Lady Ashton, for particular importance to be attached to sectors relating to education and culture. The countries of Latin America are the only countries which we can say are so closely linked – more than other third countries – to Europe on matters relating to history, education and culture, and I think that particular emphasis should be placed on these sectors.

Mr Salafranca's report includes an integrated programme and proposes the creation of a foundation, which is also hugely important to the European Parliament, and, of course, it calls for a new and stronger role for the European Parliament in relations with these countries. I think that this is what we should retain from today's report.

**Emine Bozkurt (S&D).** – (NL) Madam President, in recent months, Latin America has increasingly been taking on a more clear and concrete importance in the eyes of the European Union, after years of receiving too little attention from the EU. The European Commission brought out a communication positing both regions of Latin America as global players and partners, and negotiations on association agreements are now well under way. I cannot help but stress the strategic importance of good relations with Latin America. What I particularly have in mind here is the ongoing negotiations for an association agreement with Central America, the latest round of which kicked off yesterday. The objective is to dot the final i's and to wrap up the negotiations.

Although, in essence, I would welcome an association agreement with Latin America, I cannot stress enough that respect for human rights is of the greatest importance here. This agreement should contribute to the improvement of the human rights situation in Central America and it must be a constant incentive to these countries to respect human rights. This agreement should contribute to the improvement of the human rights situation in Central America and it must be a constant incentive to these countries to respect human rights. We are not just entering a trade agreement here, but also forging a connection with each other through the medium of political dialogues and cooperation.

The association agreement is important for Central America. The region is characterised by a high level of poverty and this agreement must contribute to the economic progress of the people there. During the negotiations, the EU must not therefore shut its eyes to the fact that Europe and Central America are not equal partners in the agreement. The agreement must take sufficient account of the unequal starting points of the two regions and the asymmetry in the agreement is therefore very important. In brief, this must be a balanced agreement and one that does not just bring benefits to Europe and major companies established in Central America. No, above all, it must improve the situation of ordinary citizens and small businesses.

To conclude, we have chosen a region-by-region approach and I would stress that we must bring things to a conclusion in that fashion, so that no single country falls behind its neighbours.

**Liam Aylward (ALDE).** – (GA) Madam President, I welcome this report and I commend the rapporteur on his excellent work. I would like to draw attention to trade affairs between the European Union and Latin America.

It must be ensured that trade affairs are discussed on a level playing field. European farmers and producers must adhere to many rules and they produce high quality food and goods. These high standards result in higher production costs for European farmers and producers and these can be disadvantageous in the market due to the importation of products of lower quality and at lower cost.

It is not just for the benefit of European producers that we should look at this issue. The European Union has done excellent work as regards protecting and strengthening consumer rights and health. We are obliged to ensure that goods and products that are imported into Europe do not compromise these rights and do not endanger the health of European consumers.

*(The President cut off the speaker)*

**Marek Henryk Migalski (ECR).** – (PL) Madam President, I will try actually to keep to one minute. Perhaps Francis Fukuyama was wrong when he said that liberal democracy is the end of history, but he was surely right in his assertion that liberal democracy is the best thing which can happen to people. If only everyone really did live in such conditions.

Unfortunately, democracy has been substituted in Latin America by populism, and capitalism by socialism, or economic populism. In view of this I would like to address Mrs Ashton – Commissioner, I have an enormous request, that our experience, the money of European taxpayers and our know-how be directed, above all, to those countries which are on the road of democracy and are building a free-market economy, and not to those countries which are building populist dictatorships.

**Corina Crețu (S&D).** – (RO) The strategy for promoting relations with Latin America has proved to be invaluable between the time of its launch and now. This strategic partnership has added further consistency to relations between our regions and facilitated the funding of projects and programmes in excess of EUR 3 billion during the last 10 years.

Fortunately, countries in the Latin American region have been more successful so far in weathering the economic and financial crisis than certain developed countries. However, the poverty level continues to remain extremely high or is even increasing among the disadvantaged section of the population due to the chronic nature of social polarisation and the political and institutional dysfunction in the region. In Bolivia, for example, approximately 60% of the population live below the poverty line. The figures reported for the proportion of the population living below the poverty line in Brazil and Argentina are 26% and 13.9% respectively. This is why I strongly support the need for development aid to be focused on creating the institutional facilities in these countries, with the aim of levelling out the social disparities.

It is important for Mr Salafranca's report to promote the increase in dialogue in order to identify the methods for achieving the Millennium Development Goals. However, I believe that it is vital for us to ensure that this strategy considers including civil society and non-governmental organisations in this dialogue and in the actions involved in implementing the strategy's objectives.

**Emma McClarkin (ECR).** – Madam President, as a member of EuroLat, I commend the Spanish Presidency and Mr Salafranca for emphasising the importance of our relations with Latin America.

Climate change and global warming should remain a priority on the political agenda between the EU and the countries of Latin America and the Caribbean and a commitment to Copenhagen targets should be reinforced.

Furthermore, energy and energy-supply dialogue should be boosted to combat climate change and to aid sustainable energy consumption.

But we have much to exchange, not only in trade but in culture and education, and the ultimate aim is that our trade relationship with Latin America is boosted by increased innovation on both sides and improved education and I would like to emphasise the need to further enhance and promote Erasmus to Latin American participants and the fantastic opportunities that it can offer personally, professionally and for future contacts and improved trade relationships between the EU and Latin America.

**Miroslav Mikolášik (PPE).** – (SK) I welcome the strengthening of relations between the EU and Latin America, which is one of the priorities of the Spanish Presidency, since it benefits both sides and can bring advantages for the Member States of the EU and the countries of Latin America.

Latin America has enormous human potential, with more than 600 million people, as well as natural resources and a 10% share of global GDP.

The EU, as the main provider of development aid, the main investor and the second largest trading partner for Latin America, should systematically consolidate its position in the region.

Fully functional regional cooperation based on common values, such as democracy, the rule of law and the defence of human rights, for example, will require targeted improvement of the current mechanisms of the bi-regional partnership. I will also be promoting such an approach during the forthcoming plenary of the EuroLat assembly in Seville in May.

**Raül Romeva i Rueda (Verts/ALE).** – (ES) Madam President, I would also like to take the opportunity of this debate to highlight a subject of great concern, a situation that we became aware of just a few days ago that relates to Colombia.

It has been discovered that the Colombian state security services are directly implicated in persecution, creating false witness statements and criminalising members of the opposition.

We learned this first hand from Senator Piedad Córdoba. It is part of the dossier that the Colombian security services are preparing in her case. We were informed that the Colombian Government or, in any event, that body, is seeking to artificially create links between her and guerrilla groups, namely the FARC. Moreover, even more seriously – and this is a direct question to Mrs Ashton – the operation called ‘Operation Europe’ refers to the explicit intention to pursue, clearly attack and discredit the human rights authorities in Europe, including the European Parliament Subcommittee on Human Rights.

I think this is serious, very serious, and demands an explanation by the Colombian Government. I believe it is highly relevant in the context of this report for us to discover exactly what is correct and to find out whether the Colombian authorities are actually planning to do anything about it.

#### IN THE CHAIR: MR PITTELLA

*Vice-President*

**Andreas Mölzer (NI).** – (DE) Mr President, after more than 300 years of colonial rule and after the continent became an arena for the cold war, Latin America has now become one of the world’s emerging regions. The fact that the Russian president Mr Medvedev has visited Central and South America is a clear indication of the fact that he is attempting to strengthen Russia’s economic relationship with South America. It also shows that the EU is on the right track in improving its relationships with this continent, which has a larger population than the EU-27.

However, this is not just about starting negotiations with the Mercosur trading bloc. It also involves all the smaller countries which do not belong to this economic region or to the Andean Community. The EU is not only the main investor or the most important or second most important trading partner; it is also the biggest donor of development aid. From a financial perspective, we already play a major role and, in my opinion, we must make use of this pole position to develop the relationship between Europe and Latin America.

**Sergio Paolo Francesco Silvestris (PPE).** – (IT) Mr President, ladies and gentlemen, the European Union and Latin America developed a strategic partnership some time ago with the aim of achieving an effective partnership between the two regions.

I would remind you that bilateral summits have been held regularly since 1999, and this year will be no exception. In fact, another EU-Latin America meeting is scheduled for next May in Madrid.

It is thus with pleasure and a strong spirit of supportiveness that I speak today in the Chamber in favour of the report by Mr Salafranca Sánchez-Neyra. I agree with the compliments and the congratulations that all, or most, of the speakers have expressed; congratulations that are absolutely shared and justified. The report, in fact, aims to consolidate the already strong political, historical, cultural and economic links that exist between the two regions, and I therefore see the foundation initiative as appropriate and completely relevant to the present.

As a member of the Committee on Agriculture and Rural Development, I am keen to emphasise this specific aspect of the economy, and to quote some figures that show that this is a rapidly expanding area of primary interest, accounting for 600 million consumers, and producing essential raw materials.

The prices of raw agricultural materials in Latin America have recently benefited from slight atmospheric disturbances, which have led to a constant and plentiful supply in many of the producing countries of the area, and to the general return of many investors. Moreover, I would remind you that the European Union is the primary investor in Latin America and the primary donor of development aid, with an expected investment of EUR 3 billion for the period 2007-2013.

As my final and closing remark, Mr President, I would like to mention the topic of climate change – which was also recently addressed in the relevant committees, with the approval of important reports – to look again at a part of this resolution that has my full support.

I therefore call for discussions and cooperation with Latin America on the fight against climate change, so that the Copenhagen objectives can be achieved more quickly. Cooperation with the largest developing countries is essential if Europe is to achieve the climate goals it has set itself.

**Peter Skinner (S&D).** – Mr President, may I just say that I would like to add my compliments on the work that has been done and the comments that have already been made.

However, there still remain, as some people perhaps point out, some difficult questions on the issue of Colombia and its human rights record. In the absence of one or two of my colleagues, including Richard Howitt, who cannot be here because of the volcanoes, I must refer to what he has pointed out: that there have been particular problems affecting trade unionists in Colombia. I would like to ask the Commissioner and others to reflect on this in any strategy and involvement we have across this continent.

**Catherine Ashton, High Representative of the Union for Foreign Affairs and Security Policy and Vice-President of the Commission.** – Mr President, I would like to begin – as honourable Members have done – by again congratulating Mr Salafranca for the excellent report and also – as he has done and as others have done – to thank the Spanish Presidency for the work that they, too, have undertaken in not only pulling together the work for the summit but all of the work that they have done to support the initiatives that have been undertaken.

The forthcoming summit is an important one. It enables us to reinforce that relationship that honourable Members have talked about. We will also be holding a Foreign Ministers' meeting alongside the summit, which is particularly important to me. I hope we will be able to use that occasion to deepen the relationship with a number of states who will be present at the time.

A number of honourable Members also talked about the importance of trade and the role of European businesses, with which I am in complete agreement. We are the biggest investor in that region. I was particularly pleased that colleagues talked about the role of innovation, which I think is especially important too. Of course, a huge emphasis, as I would expect, was placed on human rights – the importance of making sure that is clearly part of all the dynamic relationships that we have and encompasses our work.

Honourable Members talked about the particular point made in the report about femicide and, of course, indigenous people. The Commission has always defended the rights of indigenous people and will continue to monitor the projects that were being described.

On Colombia in particular, I am very well aware of the views, not only within this House but, of course, with the European TUC and the international TUC, with which I have had links in my previous role. We are continuing to follow the situation very closely. We have taken note of the significant progress that has been made. Within the trade agreement, colleagues will see the importance of the robust human rights clause and the commitments that are made within that agreement, which I hope – as we monitor those – will actually go some way to alleviating the concerns, but certainly will be part of our continuing relationship with Colombia.

I also agree about the importance of the role that we play with these countries in broader international questions. Brazil and Iran were specific examples given. I have been in discussion with Celso Amorim, the Foreign Minister of Brazil, precisely on that question and we continue to stay in touch about its importance.

The Falklands Islands were raised. Member States have ratified the UN Convention on the Law of the Sea. The Falkland Islands is an associated territory to the Union and the rule of law would apply.

Climate change is also a very important issue. We should remember that we have a key dialogue with this region. Finally, I was also very pleased that Erasmus and the importance of educational programmes in that context were mentioned.

To end – again, my congratulations go to Mr Salafranca.

**José Ignacio Salafranca Sánchez-Neyra, rapporteur.** – (ES) Mr President, I would like to thank all my fellow Members for their speeches.

I would like to say to you, Mrs Ashton, that the fundamental element that will ensure that these relations move forward in the coming years will be the mobilisation of political will. Political reasons were behind the ministerial dialogue in San José in 1985; political reasons were behind the institutionalisation of the

dialogue with the Rio Group in 1990; and political reasons were behind going over and above this in the summits mechanism.

I would like to respond to Mr Kožušník by saying that we are indeed a community of values, and I would like to point out that in the last part-session, we adopted an important resolution on Cuba in which we called for the immediate and unconditional release of political prisoners. I would like to take this opportunity to ask Mrs Ashton to intercede on behalf of a dissident, Marta Beatriz Roque, who is on conditional release and is ill. She has just obtained Spanish nationality in a case promoted by a former MEP, Fernando Fernández Martín, so that she can come to Spain to be treated.

However, we need to move from words to actions, and this is shown in the association agreements. I think, Mrs Ashton, that you have negotiated the agreements with Colombia and Peru very well. I think that although the human rights situation in Colombia still gives cause for concern, it has improved substantially. The Colombian people are clamouring for peace, and this agreement is definitely deserved. I also sincerely believe that a majority in Parliament is in favour of this agreement.

Mrs Ashton, we need to give the Central Americans some room to breathe in the negotiations. We represent 25% of their exports, and they represent 2% of ours. We need to be generous and, as you said, we need to re-launch the agreement with Mercosur.

To conclude, Mr President, I think that on the one hand, the European Union is in decline, in economic terms, and on the other, it is strengthened by the presence of the High Representative.

Therefore, we need her to make a significant effort to demonstrate our political will at the Madrid Summit and to continue keeping relations with Latin America high on the European Union's agenda.

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

The vote will take place during the first part-session in May.

#### **Written statements (Rule 149)**

**George Sabin Cutaş (S&D), in writing.** – (RO) The European Union is Latin America's number one trading partner and the second largest trading partner in the case of Mercosur and Chile. European Union Member States also provide the largest source of direct investment in Latin America. However, relations between the European Union and Latin America go further than the commercial aspect as they include historical, institutional and cultural elements as well.

In this context, I believe that a trade agreement involving closer cooperation with Latin America needs to be drawn up. In fact, the continuing efforts to sign an association agreement with Mercosur mark the first step in this direction.

The association agreement provides an instrument which would help promote both regions' common economic, social and geopolitical interests. This would also be the first intercontinental association agreement between North and South which would offer an alternative to other less equitable attempts at integration, such as the Free Trade Area of the Americas.

Closer trade cooperation between Latin America and the European Union would facilitate the implementation of economic and social cohesion policies aimed at promoting economic development and prosperity in both regions. I hope that we will see a number of satisfactory conclusions pointing in this direction, presented at the summit to be held between the European Union and Mercosur on 17 May.

### **9. Agenda (continuation): see Minutes**

#### **10. Kyrgyzstan (debate)**

**President.** – The next item is the statement by the Vice-President of the Commission/High Representative of the Union for Foreign Affairs and Security Policy on Kyrgyzstan.

**Catherine Ashton, High Representative of the Union for Foreign Affairs and Security Policy and Vice-President of the Commission.** – Mr President, I am pleased to have this opportunity to make a statement on Kyrgyzstan. As this House knows very well, the situation on the ground remains somewhat fluid and tense. Kyrgyzstan

has attracted quite some media and political attention, and I have followed developments closely from the beginning, making two statements, one on 7 April and the other on 8 April.

I sent a delegation almost immediately, headed by the EU Special Representative, Pierre Morel, to the country and we stayed in close contact throughout his visit.

The coordinated EU-UN-OSCE effort that started last week in Bishkek continues at the moment and will continue until the crisis and its consequences are overcome. Yesterday, I spoke with the Kazakh Foreign Minister Saudabayev, who today is visiting Bishkek as Chair-in-Office of the OSCE, and who has literally just sent me a message to say that he has completed his tasks.

The resignation of the President, on the basis of Article 50 of the present Kyrgyz Constitution, and his departure from the country is expected to reduce political tension. However, that is not the end of the crisis, and we have important work to do.

Most importantly, we have to ensure stability and public order, and while the situation has generally calmed down, violence continues. Reports told us yesterday that as many as five people were killed in riots in the suburbs of Bishkek. All sides need to be careful and avoid provocation. The restoration of law and order must be a priority. Citizens and businesses in Kyrgyzstan need to be able to go about their daily life without fear for their lives or for their physical integrity.

The second issue concerns the legitimacy of the provisional government. Although President Bakiyev has officially resigned, the provisional government needs to commit to a clear plan for how to return to constitutional and democratic order and the rule of law.

Elements of such a 'roadmap' have been announced – a new constitution is being drawn up and submitted to referendum and presidential and parliamentary elections are to be held.

We will be happy to look at such a plan. What is important for us in this context is that the constitutional process is inclusive and participatory. Representatives of all parties and ethnic groups should be able to contribute to a new draft constitution before it is submitted to a referendum.

The early indications – I can tell honourable Members – are encouraging. I hope these will be confirmed over the coming days, and I will discuss this with Ministers in Luxembourg on Monday.

If we are satisfied the provisional government is committed to a quick return to legitimacy and genuinely wants to join the democratic family, we will be ready to provide the necessary political, financial and technical support.

With the Venice Commission of the Council of Europe, we could contribute to the work on constitutional reform and the updating of electoral legislation. We know from the presidential elections last year that there is considerable room for progress.

With the OSCE, we are willing to work on the preparations and modalities for monitoring the elections and, with the people of Kyrgyzstan, we are ready to do what we can to help turn their aspirations for a democratic and open society into reality.

Thirdly, it is clear that Kyrgyzstan needs material assistance. In the very short term, we are willing to address any humanitarian needs that recent events might have created.

On the basis of the information that we have had from our partners in the field – the Red Cross and the UN Development Programme – there do not seem to be major unmet humanitarian needs at this stage. However, there may be specific medical needs. The Commission, through DG ECHO, will, of course, keep monitoring the humanitarian situation in the country and adjust as necessary.

We will continue the assistance that is already ongoing, notably in the fields of human rights, education and poverty eradication.

Fourthly, after the dramatic events of the last two weeks, there is a need for accountability and justice. More than 80 persons died and many hundreds were wounded from gunfire opened against demonstrators in Bishkek. These events cannot simply be put on one side. We need clarity brought on what actually happened, on who was responsible, and on what needs to be done to avoid this ever being repeated in the future.

Finally, as the recent crisis has shown, there is a need for genuine economic and social reforms. Unfortunately, the example of Kyrgyzstan shows how bad government and the lack of genuine reform can bring political instability and ultimately violence.

The upheaval and the widespread looting that followed, and now the rise in organised, large-scale crime, further aggravates the situation.

I will discuss with Ministers on Monday the political framework in which the European Union will be ready to address the most pressing needs, but of course, today, I am very interested to hear the views of the honourable Members on this matter.

**Elmar Brok**, *on behalf of the PPE Group*. – (DE) Mr President, Baroness Ashton, ladies and gentlemen, I would like to thank you very much for your assessment of the situation. I believe your assessment to be correct that we should first try to restore law and order and safeguard human lives and then begin to build on this foundation.

On the other hand, and you explained this in your last remark, the extent to which economic and social development is needed is clear, because this is also an important yardstick for political stability. Of course, this also includes equality, which often suffers as a result of corruption and other similar factors. Whether justifiably or not, this was obviously one of the causes of the clashes.

We must be aware that these countries are sufficiently unstable that our efforts to bring about stability by contributing to improved state-building, democracy and the rule of law are of crucial importance. The whole region is of major strategic significance to us, not just the individual countries. This relates not only to the available energy sources, but to the area as a whole, in particular, if we consider the religious orientation of the majority of the former republics of the Soviet Union. If this were to take the form of fundamentalism, the results could be catastrophic for us.

For this reason, providing aid to these countries is of extreme importance, not only from the perspective of the aid itself, but also in relation to our interests.

We should remember that the neighbouring countries in the region, some of which are very large, are responsible for ensuring that these weaknesses are not exploited with the aim of rebuilding old power relationships that would not allow for modern development.

**Hannes Swoboda**, *on behalf of the S&D Group*. – (DE) Mr President, Baroness Ashton, I would also like to thank you for your statement. A dictator or a president who behaves like a dictator is removed from power. His successor celebrates and is pleased to be able to introduce democracy for his subjects. After a few months, he is in the same position and it seems as if democracy has only been restored for the purpose of making comfortable, well-paid positions available to his son or other family members.

We hope that this cycle is not beginning again and that Mrs Otunbayeva has a different approach. Her past, and the attitude that she has often demonstrated, are indicators of this. However, indicators are not enough. We need real proof. If she is not to suffer the same fate as her predecessor, she must take a different approach and ensure that she helps the people of her country. I hope that the president who has been thrown out of office will be sensible enough not to spread new discord and will make a genuine attempt to live a peaceful life in exile, which will give the Kyrgyz population the chance to build a democratic state.

Unfortunately, the situation that I have described does not apply only to Kyrgyzstan. Similar conditions can also be found in other countries. We wish the representative for Kazakhstan success with his task on behalf of the Organisation for Security and Cooperation in Europe (OSCE). However, the situation in Kazakhstan is also far from ideal. The same thing also applies to Uzbekistan and to other countries. The question of how we can encourage the development of democracy there – because it is not a product that we can simply deliver, it must emerge in these countries – is one that we must follow up. This is a very sensitive region, as Mr Brok has already said. Mr Morel is doing a good job as the Special Representative, but this is not enough.

I would like to remind everyone that during the German Presidency with Dr Steinmeier, a strategy for Central Asia was drawn up which we have heard very little about recently. Therefore, I would like to ask you to take up this strategy again and to transform it into a stability strategy for the region. This is not only about the energy supply from Turkmenistan through to Kazakhstan. It is also a question of the stability and, in particular, the political stability of a region which is very close to Afghanistan. We know that in some countries, such as Uzbekistan, the situation is very fragile and problematic. Of course, it is ultimately a question of humanity, because there really should not be any victims at all.



Against this background, we need to make a new attempt to put in place a strategy for Central Asia which covers the economy, democracy and humanity. I would ask you to use the case of Kyrgyzstan as the opportunity to renew this strategy for Central Asia and to give it a new stimulus.

**Niccolò Rinaldi**, *on behalf of the ALDE Group*. – (IT) Mr President, Baroness Ashton, ladies and gentlemen, there is a wonderful concluding passage in the Kyrgyz epic Manas – which is no small work of literature, being 20 times longer than the Odyssey and the Iliad put together and also an aid to understanding this country's history – where the wife of the hero who represents the whole population sets out to safeguard his memory against foreign attacks and to protect his tomb. In the end, she decides that the name on his tomb should be that of his wife, instead of the hero Manas, precisely to ensure that it remains intact in the face of enemy attacks.

This type of dedication for the common good, for the people, should be what we expect from the new Kyrgyz ruling class, which is not, in point of fact, all that new. Of course, I advise the High Representative to adopt a constructive and I would say positive, yet cautious attitude towards the interim government, but also to call for a series of reforms, a set of measures, which must be clear.

Not only an international board of enquiry into what has taken place, not only a clear schedule for restoring democratic rules – because this interim government, by its very definition, is not sanctioned as a legitimate government by the popular vote – but also reforms to oppose corruption firmly and effectively, and ultimately to make Kyrgyzstan independent from the judiciary, which is very far removed from the current situation.

Also – and this is linked to both the issue of the judiciary and to corruption – to streamline what is an extremely oppressive bureaucratic nomenclature and public administration. In fact, this is the first real test of the European Union's new Central Asia strategy in a critical, emergency situation of the type currently existing in Kyrgyzstan.

We must not let this country, where the influence of the United States is now very limited, end up in the rather suffocating grip of present-day Russia, and so I believe that this is an opportunity for us all to make a commitment.

**Ulrike Lunacek**, *on behalf of the Verts/ALE Group*. – (DE) Mr President, Baroness Ashton, we know how much people hoped in 2005 at the time of the Tulip Revolution that everything would change when a new president came into office who genuinely took seriously the needs and interests of the people with regard to democracy and codetermination. Unfortunately, that was not the case and now he has suffered the same fate as his predecessor.

The European Union must exert significant influence in this case. Baroness Ashton, I welcomed the fact that you said that you have sent the Special Representative, Mr Morel, to the region. I think that was both sensible and useful. However, it is equally necessary for the EU now to revise its strategy for Central Asia to make it really effective. I hope the Council will begin work on this next Monday.

My question is: How do you intend to tackle this? How do you plan to ensure that a genuinely comprehensive process is put in place for developing a constitution which involves everyone, as you have proposed? We need to help this region and Kyrgyzstan to move towards cooperation and away from confrontation. I believe that this is important for the future of the entire region and beyond.

**Marie-Christine Vergiat (GUE/NGL)**. – (FR) Mr President, Madam Vice-President, ladies and gentlemen, the situation in Kyrgyzstan is, in fact, particularly unstable. Nevertheless, this country has been, and perhaps still is, one of those that seemed most open to the setting up of democratic institutions.

The Tulip revolution in 2005 once again raised immense hope. Mr Bakiyev has failed; he has been incapable of responding to the population's needs and demands; he has allowed corruption to develop, and played his own part in it with a certain clannishness; he has emptied the coffers, if some statements are to be believed; and he has installed an increasingly authoritarian regime, for which political opponents, human rights defenders and journalists have paid a heavy price.

After the riots of 7 April, a provisional government was put in place, but for all that, Mr Bakiyev does not seem to have given up, even though he has left the country, and yesterday new riots actually took place, as you said, in the south of the country and around the capital.

Commissioner, this country is actually of considerable strategic importance, and not only in military terms. It must not be the playing field of certain major powers. Despite some discussions, the European Union still

does not have a great enough presence in this region of the world. Its support and its diplomatic presence remain half-hearted. One only has to read the stories that are breaking at present on the situation in that country to be persuaded of this. This is not just about the United States, Russia and Kazakhstan, the country that currently holds the presidency of the OECD. However, the EU's support is essential to ensure that country's independence. You are right, Baroness Ashton; priority must go to re-establishing the rule of law, but we must very quickly go beyond that and, as some of my fellow Members have already said, implement a proper strategy for this region of the world.

Yes, we must help this country to combat poverty; 40% of the population there lives below the poverty threshold. Yes, we must facilitate economic development and, as you said, especially with regard to education, health but also water, which is an essential priority in this region of the world. Yes, of course, we must support democracy and the defence of human rights. This is now a matter of the utmost urgency.

Our undertaking, Commissioner, can and must be to prevent this country from swinging towards fundamentalism and a new authoritarian regime. It is not a case of our interfering in the internal affairs of that country but, on the contrary, of helping the Kyrgyz people to once again trust in democracy. This is the key to ensuring that the country plays a major role in this region of the world.

**Fiorello Provera**, *on behalf of the EFD Group*. – (IT) Mr President, ladies and gentlemen, the situation in Kyrgyzstan is very important for the stability of Central Asia, a region in which Europe has particular interests relating to the supply of raw materials and energy.

Following the unrest of 7 April, it is necessary to re-establish conditions that will lead to the free, legal and rapid election of a democratic regime, if this is compatible with the local situation. It is worrying that a considerable haul of weapons has been stolen by criminal gangs, with all the risks of increased lawlessness, armed conflicts and terrorism in the area that this entails.

Europe and others, including the OSCE, could contribute to helping the country develop institutions that are stable, operational, less corrupt and more democratic. One such show of support could be an observation mission for the coming elections.

We cannot pretend, however, that a new constitution or parliamentary regime will be enough to bring about true democracy; this inevitably depends on the political growth of citizens and a widespread awareness of the law and the rights of individuals. We must provide long-term assistance in this area.

**Inese Vaidere (PPE)**. – Mr President, last week's riots have led Kyrgyzstan into a political, judicial and economic crisis. Its constitutional court was practically disbanded and the interim government's actions appear uncoordinated. Meanwhile, the brother of Kurmanbek Bakiyev has announced that the hand-written resignation statement is a fake and that Bakiyev did not himself resign.

According to eye-witnesses, new local groups trying to take over regional governments have emerged. Similarly, ethnic-based groupings appear, creating fear of more ethnic violence. Criminal groups operate freely in the country. Large numbers of weapons are being circulated and robberies are taking place. Safety, security and the interests of the EU citizens in this country are still endangered.

The present interim government is unable to counter any of these threats. The situation is completely unclear for the local people. High Representative Ashton has issued two statements expressing her concern, but more active and practical actions are urgently needed instead. It is important that the EU take a decisive position on the situation in Kyrgyzstan in this strategically important country. We need to be more present there, cooperating with the UN, USA and OSCE to defend the interests of Kyrgyzstani and EU citizens who are currently unable to protect their lives and defend their property. It is clear that the EU should pursue an independent investigation into the causes and effects of the riots.

About the material resources of the Kyrgyz Bank and the agency for investment and development: they need to be evaluated before assigning any further financial assistance. Inactivity and hesitancy on the EU's part and an absence of real strategy and tactics may lead to very dangerous developments and undermine the EU's own economic and political interests and credibility in the region and in the rest of the world.

**Eleni Theocharous (PPE)**. – (EL) Mr President, Lady Ashton, in the twenty years that it has been independent, Kyrgyzstan has been governed by a corrupt regime and little progress has been made in improving its democratic institutions. As regards the last fifteen years, I can give you my own assurance, having been personally involved in my capacity as a member of the OSCE and otherwise.

The people who were governing up to yesterday and the people who overturned them are all cogs in the same corrupt system. The army is in the capital, carrying out searches and making arrests as we speak. Despite this, we need to give the present regime a chance, because we are in the final stage before civil war and the break up of the country.

The people of Kyrgyzstan are a peace-loving people and I imagine that many of you will have got to know them through the book by the famous author Chingiz Aitmatov, who was ambassador in Brussels up to 4 years ago. However, financial distress and social inequalities, as well as the interventions of foreign countries, have caused explosions which may, on occasion, reach the limits of civil war, and here I would disagree slightly as to whether the people of Kyrgyzstan can ward off terrorism.

As I said, the danger of Kyrgyzstan splitting into North and South is real and is being cultivated by foreign agents, while its membership of the OSCE and the constant presence of the OSCE in Kyrgyzstan does not appear to be bearing fruit in terms of democratisation. Of course, there is a permanent humanitarian crisis which may not be acute, but there has been no modernisation and no improvement in democratic institutions over all these years. People are living well below the poverty line.

That is why the European Parliament needs to intervene, in liaison with the other institutions of the European Union, with the Commission and the Council, and review the strategy followed to date in the area.

A strong European Parliament delegation must monitor progress in democratisation and grant money in a controlled manner, with a view to developing institutions and education, because the destabilisation of Kyrgyzstan is a major danger for the destabilisation of the whole of Central and Western Asia, and of Europe. If the European Union wants to play an effective peacekeeping role, it needs to act now.

**Elena Băsescu (PPE).** – (RO) The situation in Kyrgyzstan is giving particular cause for concern. This country has a strategic position in Central Asia. It hosts on its territory a US military base making a major contribution to the operations in Afghanistan, as well as Russian troops.

It is unfortunate that the protests of the last few weeks have degenerated into violence and have resulted in the loss of human life. The authorities must take measures aimed at protecting civilian lives. Just yesterday, new clashes took place among ethnic Kyrgyz, Russians and Turks. Given that large Russian and Uzbek communities live in this country, if interethnic clashes continue, the stability of the whole region will be affected.

Mrs Ashton, the European Union must focus particular attention on the conflict in Kyrgyzstan, provide humanitarian aid and get involved in stabilising the situation.

**Ivo Vajgl (ALDE).** – (SL) Madam Ashton, we are here to discuss the alarming events in Kyrgyzstan and to help as much as we can to stabilise the situation in this country. A proactive approach by the European Union towards Kyrgyzstan is particularly important, but it is equally important that we also maintain a high level of commitment in principle with regard to another issue, which has been removed from this sitting's agenda. However, because it is topical and because human lives are at stake, I feel obliged to call your attention to it. I am talking about the plight of Sahrawi activists, peacekeepers from Western Sahara being detained in Moroccan prisons, who are on hunger strike and are risking their lives. Amnesty International has also called our attention to their plight. I would therefore ask, Madam Ashton, that you and your colleagues pay immediate attention to this problem because, otherwise, it might be too late.

**Charles Tannock (ECR).** – Mr President, recent events in Bishkek are alarming and a sad end to the 2005 Tulip Revolution, or Colour Revolution, when President Bakiyev had promised democracy and human rights and instead delivered corruption, nepotism and increasing autocracy.

Kyrgyzstan remains the smallest and poorest country in Central Asia and has undergone a worrying infiltration of radical Islamists in the Fergana Valley in recent years, so stability must be the EU's priority for the region.

It is right and proper now to recognise the new Otunbayeva government, an unusual example where we have a common interest with that of Russia, which actually supported the revolution and overthrow of the Bakiyev regime. President Roza Otunbayeva served briefly as Ambassador to the United Kingdom, so she knows the workings of the European Union well.

Lastly, Central Asia is a strategic region for reasons of energy and global security and the operational capability of the US air base in Kyrgyzstan is vitally important to support ISAF in Afghanistan as well.

**Piotr Borys (PPE).** – (PL) Mr President, five years after the Tulip Revolution, when President Akayev stood down, a bloody revolution has taken place. Two reasons can, of course, be given. Firstly, the problem of nepotism and corruption and hence, the absence of the foundations of a democratic state, and secondly, the country's financial and economic problems.

Mrs Ashton's initiative, which has meant that Mr Morel can, today, give us a full report on what is really happening in Kyrgyzstan, seems fairly important. I would like to make a fervent appeal in relation to the situation in Kyrgyzstan. The country is, we know, an area of Russian influence, and also has an American military base. The European Union's active participation should be based, principally, on building the foundations of a democratic country, and also on ensuring internal security. Over 80 fatalities is a bad signal for the building of Kyrgyzstan. So I repeat my fervent appeal and have my fingers crossed for Mrs Ashton's mission.

**Cristian Dan Preda (PPE).** – (RO) Kurmanbek Bakiyev is neither the first, nor will he definitely be the last, political leader to cause disappointment and disillusionment and be treated like a dictator, after the glimmer of hope there was at the very start and after his name was initially associated with democratic optimism.

There is a simple explanation for this situation. Due to the lack of stable institutions, politicians are likely to cause disappointment and get involved in this cycle of conflict, corruption and blackmail. None of us should forget that President Bakiyev has exploited the fact that there is a Russian and a US military base on the territory of Kyrgyzstan to continually blackmail the West.

Therefore, the solution lies in setting up institutions created by consent, based on a broad consultation process and a wide consensus and degree of compromise among the political forces. However, the main priority is to urgently put an end to the violence, as mentioned by the High Representative. The violence is serious and a solution must be found as quickly as possible to put an end to it because, otherwise, it will prevent a process of political construction from getting under way.

**Sergio Paolo Francesco Silvestris (PPE).** – (IT) Mr President, Baroness Ashton, ladies and gentlemen, the situation in Kyrgyzstan is alarming to say the least, especially if we consider the statements made by the former Minister for Foreign Affairs, in whose opinion Kyrgyzstan's fate seems to lean ever closer to the Russian economic and border space.

One week after the fall of the government of former President Bakiyev, who fled his country by plane on 15 April, no one has any idea about the country's final political destination or future political intentions. What is clear, however, is the role of the Russian Ministry of Defence in facilitating the flight of former President Bakiyev after people took to the streets calling for his resignation.

Many weapons are in circulation in Kyrgyzstan, a small country with just 5.3 million inhabitants, and the only country in the world to house both a US and a Russian military base. The tension is now spreading to neighbouring countries, and the European Union must take note of the priority and the opportunity arising at this time, which is, above all, to put paid to a possible civil war and help the country move towards a democratic parliamentary republic with a stable presidency within the next six months.

All this, as you said Baroness Ashton, can happen if we are able to make proactive contributions of two kinds: firstly, a diplomatic contribution, but also – as you stated, High Representative – a substantial and material contribution. Our timeliness in providing aid to reduce and weaken all social tension will be decisive.

Baroness Ashton, let us act quickly and for the best, because this will be another important test for Europe. We are not in Haiti, but in Kyrgyzstan. Let us at least try to get there in time on this occasion.

**Franz Obermayr (NI).** – (DE) Mr President, when the Soviet Union broke up at the beginning of the 1990s, many people believed that the young democracies would develop almost of their own accord. Now we know that these new states have inherited huge problems from the Soviet Union. During the Soviet era, differences between the ethnic groups were largely suppressed, which is why there is so much religious and cultural conflict in these countries today. Democracy does not just develop overnight and it will not emerge at all while corrupt clans are growing rich at the expense of the country and its citizens.

Rumour has it that the snipers who shot into the crowd in Bishkek were Uzbek and Tajik mercenaries. It seems that this was an attempt to provoke an international conflict which could put the whole of Central Asia at risk. European foreign policy should help to defuse the situation. However, military intervention is the wrong approach, as is clearly shown by the German presence in Afghanistan. It is essential to provide intelligent, targeted economic and development aid. We must give priority to combating corruption and to

depriving the local clans of their power. It is really only then that democracy will have a genuine chance in Central Asia.

**Malika Benarab-Attou (Verts/ALE).** – (FR) Mr President, ladies and gentlemen, the Europeana project is taking on a new, ambitious dimension. With this EU digital library, the diversity and the wealth of our culture will be made accessible. It is essential that our different countries be heavily involved in this project. A crucial aspect of this initiative concerns a fundamental value: respect for cultural and linguistic diversity.

One of our continent's horizons is Africa, but we have blackened that horizon with slavery and colonialism. We have a duty of recognition and reparation towards its peoples. Financial compensation could not meet this need alone, but thanks to the Europeana project, we can help to return to the African peoples part of their culture in terms of its oral literature.

Amadou Hampâté Bâ, a Malian intellectual, said: 'In Africa, when an old person dies, it is a library that burns'. Working to digitise works of oral literature, which are often collected by teams of ethnologists and anthropologists, and encouraging free access to them through the Europeana project, thereby making them universal in scale, would be a way of protecting and giving life to humanity's cultural diversity, to which we are all attached.

**Catherine Ashton, Vice-President of the Commission and High Representative of the Union for Foreign Affairs and Security Policy.** – Mr President, today I sit in the Commission's space as well. The honourable Members have made a number of important points and I will try in the short time I have to capture and address as many of them as possible.

Mr Brok, with Mr Tannock and others, talked about the importance of this being one of the poorest countries in Central Asia and, of course, one of the main recipients of EU assistance per capita. I could not agree more that social and economic development is essential as part of the strategy that we need to put forward. Mrs Swoboda talked too about the importance of making sure that what we have before us is a genuine political reform. We are working very closely with the UN and with the OSCE. Together, the people who have been in the region in the last few days have made this point consistently that we need to see the importance of reform as central to what happens next and I agree completely about the political stability of the region. It is very important.

We need to look again very carefully. There is a strategy for this part of Central Asia, it will be reviewed, but I am looking at it in the context of the External Action Service and what we should be doing within this region to pull together the different elements of Commission and Council support. Mr Rinaldi and others too I think rightly described that we need to be cautious, positive and constructive in our attitude and I would agree too with a number of honourable Members who talked about the value and importance of the rule of law. It is core to everything that we will do in the country to make sure that there is indeed the rule of law in operation and that applies in the legal system of course, but also in the political and constitutional reform that is so essential.

Mr Lunacek talked about the elections falling – I think that the actual words were used in the briefing I had – significantly short of the standards that we would wish to have internationally. And I think the elements which I would put into the mix of things would include financial support, of course, and I have mentioned the rule of law, political and constitutional reform and the elections and the link that we want to make economically too. One small example of that, of course, is that it is one of the great water-rich countries in that region, and it provides water to the regions, as honourable Members will know. We have been assisting them with their water management for more than five years, and I hope that we will be able to return to that work which is so essential as soon as the crisis is overcome and we have a legitimate government firmly in place.

Those are just some of the elements that I would include. I think that we are probably right in the level of presence in the region. Pierre Morel has been there for several days. He has just come back. He will be briefing Mr Borys of the AFET Committee on 27 April to bring the committee up to date with all the events. We are in touch by text every few hours and we have spoken several times and he has been in touch of course with colleagues too. We have had a strong presence in him, I pay tribute to him and to his team for the work that they have done.

The importance of democracy, as Mr Provera said, can never be underestimated, in my view; we have got to get beyond some of the issues that Ms Vaidere talked about: the instability, rumours, insecurities, the issues,

which are clearly of enormous importance and, as I have indicated, we have set out what we wanted to do over these first vital few days which I hope honourable Members will feel has been responsive.

I think that the final thing that I would say is this, that some of the current members of the government in formation are the former human rights defenders on the opposition who were oppressed by the former President and who were supported by the European Union including, of course, Members of this House. So, although I do not have any illusions about the nature of politics in this country and, indeed, in the region, I think that we have to try and give this government a chance to form itself properly, to agree to do the political and constitutional reforms, which are going to be so essential, to hold the elections it says it will have and, if it is willing to do those things, to support it now into the future. And on that basis, I am very grateful for the comments which have been made and we will pursue the strategy as I have outlined.

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

The vote will take place during the first part-session in May.

#### **Written statements (Rule 149)**

**Paolo Bartolozzi (PPE), in writing.** – (IT) Mr President, ladies and gentlemen, the popular unrest that has broken out in recent days in the capital of Kyrgyzstan has halted the progress of the ‘Tulip Revolution’ that kindled hopes of democratic change in the former Soviet republic in 2005.

The European Parliament is following the development of the political crisis in the country with great concern. This is not merely because of the country’s crucial geostrategic position for Russia and the United States, but also because the stability of Central Asia, its political and economic development and interregional cooperation is of interest to the EU, not least, due to the importance of Central Asia for our energy supplies and our economic and trade partnership.

The risk of civil war breaking out and of a ‘second Afghanistan’ must be averted. We put our faith in the diplomatic mediation that the Presidents of the United States, Russia and Kazakhstan – the latter in his capacity as the current president of the OSCE – are deploying in their negotiations with the interim Kyrgyz Government for the establishment of public order and constitutional legality, in order that free elections can be held and the country’s problems resolved.

As Chair of the EU-Central Asia delegation, I hope, even despite the recent ethnic clashes, that we will do everything we can to bring about national peace and the lasting return of democratic life in Kyrgyzstan.

**Krzysztof Lisek (PPE), in writing.** – (PL) Stabilisation of the situation in Central Asia will guarantee good cooperation with the EU. No one is in any doubt that Kyrgyzstan plays a special role here. Kyrgyzstan is important to the European Union for strategic reasons – as a country which has sources of energy and natural resources, and because it is host to an American military base which is supporting NATO forces in Afghanistan. At the same time, the failure to carry out suitable reforms after Kyrgyzstan gained independence has led to the dramatic situation which we are seeing today. At present, let us concentrate on ensuring security to civilians and on giving them humanitarian aid. In addition, we should take every possible measure to prevent radicalisation of the country. We must not allow civil war to break out. In the long-term perspective, it is essential to develop a new strategy for the entire region. We need the rapid development of a specific EU position covering key aspects such as preventing religious fundamentalism, combating poverty and corruption, building civil society, the defence of human rights and democratisation. In particular, we should send a team of observers to the next elections. We have to keep abreast of what is happening and, while avoiding interference in internal affairs, we should do everything to help Kyrgyzstan turn to democracy and, after the situation stabilises, to carry out effective reforms. I think that sending further aid from the EU to Kyrgyzstan must be conditional on the introduction of reforms which will ensure law and order and respect for human rights.

**Kristiina Ojula (ALDE), in writing.** – (ET) Mr President, Baroness Ashton, I welcome the fact that the European Union’s Special Representative has been sent to Kyrgyzstan. We must know what the plans of the interim government there are. It must be guaranteed that there will be an end to violence in Kyrgyzstan, and the development of the rule of law and democracy there must be ensured. During the revolution in Kyrgyzstan, the forces which came to power blamed President Bakiyev for restrictions on the free press, violence against journalists, the arrest of opposition leaders, corruption, a move away from democratic values and the country’s poor economic situation. Our expectation should thus be to see Kyrgyzstan change before long into a democratic state governed by the rule of law. At the same time, our hope will only be justified if we ourselves

are prepared to direct resources into implementing this plan, because Kyrgyzstan's struggling economy cannot afford the necessary support for carrying out the long-awaited social, economic and political reforms. With the aim being to create sustainable development in the Central Asian region, we must, as well as offering economic help, also offer the interim government our know-how in carrying out reforms, just as we have done in Kosovo, Macedonia and elsewhere. In this area, it is worth noting that Estonia has given this type of help to Ukraine as well as to Georgia, which shows that our experience of communicating with the people living in the area of the former Soviet Union cannot be underestimated. With the change of regime which is taking place, we cannot miss any opportunity to facilitate a move towards democratic values in Kyrgyzstan. It would therefore be irresponsible of us to leave Kyrgyzstan without support and make it dependent on some of its large neighbours.

## 11. EU - Canada Summit (debate)

**President.** – The next item is the statement by the Vice-President of the Commission/High Representative of the Union for Foreign Affairs and Security Policy on the EU-Canada Summit.

**Catherine Ashton, Vice-President of the Commission and High Representative of the Union for Foreign Affairs and Security Policy.** – Mr President, Canada is one of the oldest and most like-minded partners of the European Union. We work together on a wide range of issues – both bilaterally and, of course, around the world.

Our relationship is anchored in a shared history that goes back a long way and by common values that are deeply held. It is on that basis that we cooperate to protect our common interests. We do so of course for the benefit of citizens in Europe and in Canada, but also to promote security and prosperity worldwide.

So it is an important relationship. We need to nurture and invest in it, so that we realise its full potential. That is the purpose of the next EU-Canada Summit which will take place in Brussels on 5 May.

The timing is fortunate. Because it means that, as Canada is chairing the G8 and G20 summit at the end of June, our EU-Canada Summit allows us to take stock and align our strategies on global themes that will figure on the G8 and G20 summits, for example, how to promote a sustainable economic recovery, cooperation on financial market reform and regulation, climate change and combating nuclear proliferation.

I attended the G8 foreign ministers meeting recently in Canada where, indeed, many of these issues were discussed.

We will also have the chance to discuss EU-Canada bilateral relations and how we work together on regional crises. Our aim is to have a focused, business-like summit.

With our bilateral relations, the summit will deal with efforts to upgrade and modernise the EU-Canada relationship. It will offer us an excellent opportunity to provide support at the highest political level to reach an ambitious comprehensive economic and trade agreement as soon as possible.

We will take stock of the progress made during the first three rounds of negotiations but also give new impetus to these negotiations, bearing in mind its importance to expand trade and job creation. On trade more generally, the summit should send a clear signal that the EU and Canada reject protectionism, recalling our commitment to reaching an ambitious, comprehensive and balanced conclusion of the Doha Development Round.

The summit should also address the subject of reciprocal visa-free travel. Our goal is clear: we want visa-free travel to Canada for all EU citizens as soon as possible.

We will also have a chance to discuss our crisis management cooperation which, I am pleased to say, is expanding rapidly. We have several crisis management operations ongoing, notably our police mission in Afghanistan, where our cooperation with Canada is exemplary.

Haiti will also be on the agenda of the summit for obvious reasons. Canada plays a very important role in Haiti, and one of the areas where we can and should strengthen our joint efforts is in linking crisis management to longer-term development. This was also the point I stressed during the New York conference on Haiti on 31 March which was co-chaired by both the EU and Canada, along with France, Spain and Brazil.

Along with my fellow Commissioners for Development, Andris Piebalgs, and for International Cooperation, Humanitarian Aid and Crisis Response, Kristalina Georgieva, I was pleased to announce at New York that the EU will contribute over EUR 1.2 billion to Haiti's reconstruction and development.

The EU and Canada both have a long-term commitment to assist Haiti on the path to reconstruction; to rebuild for a better future.

The summit will cover climate change. Taking into account the post-Copenhagen context, adaptation to and mitigation of climate change will continue to top the agenda and will require supportive energy policies. There is wide support for the idea that EU-Canada cooperation should focus on financing mechanisms as well as on support to third countries' clean development.

The consequence of climate change for the Arctic will be another important element of our discussions at the summit. Nowhere are the effects of climate change more keenly felt than in the Arctic region. Environmental changes have a growing impact on the Arctic's people, biodiversity and landscape – both on land and at sea. Protecting the region, including its population, is a key objective of the EU's evolving Arctic Policy, as honourable Members may recall from my presentation during the March Plenary session. With more than 40% of its land mass in the North, Canada shares our interest in protecting the Arctic environment and ensuring the sustainable economic and social development of the region.

Finally, when we talk about upgrading and modernising the EU-Canada relationship, we have the 1976 European Community-Canada framework agreement. This is still in force but outdated. EU-Canada cooperation has extended to other fields such as foreign and security policy and closer cooperation in the field of justice and home affairs.

So we need a modernised framework agreement to act as an umbrella for all our sectoral agreements, including the comprehensive economic and trade agreement and we are holding exploratory talks with Canada to upgrade that agreement at the present time.

In a world of big challenges and where change is constant, we need partners. Canada is among the most important the European Union has. We aim for a productive summit with clear results.

**Elisabeth Jeggle**, *on behalf of the PPE Group*. – (DE) Mr President, Baroness Ashton, ladies and gentlemen, thank you, Baroness Ashton, for your comprehensive statement. As vice-chair of the delegation for relations with Canada in the European Parliament, I am particularly pleased that we are discussing in Parliament the forthcoming EU-Canada Summit. As you know, the vote has unfortunately been postponed until the beginning of May. However, I would like to present briefly the points that are important to the Group of the European People's Party (Christian Democrats).

Since 1959, Canada has been one of the closest and the oldest partners of the European Union. Canada and the European Union share many common values and are firmly in favour of a multilateral approach to tackling global challenges. In 2010, Canada holds the G8 Presidency and will host the next G20 summit. With regard to the current negotiations for a comprehensive economic and trade agreement between the European Union and Canada, it is important for us to deepen and strengthen the good relationship between the two partners at the forthcoming summit.

For this reason, we are calling in our joint resolution for a coordinated and coherent approach to the challenges which face us, in particular, with regard to the economic and financial crisis, foreign and security policy, development cooperation, climate and energy policy and the negotiations in the Doha round. However, we are also calling for the problem of the visa requirement that has been partially reintroduced by the Canadian Government for EU citizens from the Czech Republic, Bulgaria and Romania to be resolved during the forthcoming EU-Canada Summit. Against this background, we very much welcome the opening of a visa office in the Canadian Embassy in Prague and the establishment of an expert working group on this issue.

Finally, I would like to emphasise once again that I am convinced that the EU-Canada Summit will deepen the already close political relationship between the two parties. Thank you for your commitment and your attention.

**Ioan Enciu**, *on behalf of the S&D Group*. – (RO) As Mrs Ashton, the High Representative, has also said, Canada is one of the European Union's oldest partners, and this year's summit is important in order to continue and consolidate this close cooperation in every area: economic, trade, climate change and military. Indeed, I wish to welcome the measures which have been taken so far aimed at signing an EU-Canada trade agreement and I hope that this year's meeting will give the necessary impetus to finalise it.

Bearing in mind the current economic situation and state of the climate, I must emphasise the need for close cooperation in order to identify alternatives to the traditional sources for producing energy, which will respect the particular features of both states, the European Union and Canada, which are involved in developing



and using low carbon technology. At the same time, cooperation should also be promoted in the energy-climate sector and maritime sector in the Arctic region.

There are also sensitive issues which will be touched on at the summit. I am referring here to ecological issues, global warming, ACTA, CETA, the banking sector, bringing stability to financial and economic markets, the CITES conference and the EU-Canada agreement on PNR information. I think that, bearing in mind the experiences from the past, the European Union and Canada will manage to resolve as many of these issues as possible. However, these issues must be approached with tact and understanding, without any recriminations, simply looking ahead to the future and taking into account the interests of citizens on both sides. Guaranteeing reciprocity in bilateral relations is one of the European Union's basic principles. We hope that, in the near future, Canada will waive the visa requirements for Romanian, Czech and Bulgarian nationals, thereby ensuring fair and equal treatment for all European Union citizens.

Finally, bearing in mind that the European Parliament's opinion is required to sign any international treaty, it must be involved and consulted right at the initial phase of any project. I take this opportunity to ask the Commission to establish effective communication with the European Parliament in order to achieve sustainable results.

**Wolf Klinz**, *on behalf of the ALDE Group*. – (DE) Mr President, ladies and gentlemen, the partnership between the EU and Canada works very well, not only in the area of the economy, but also on questions of foreign policy, such as Iran, Afghanistan, Haiti and other similar cases.

Despite this, we are faced with a number of serious challenges. I am sure that we can overcome them, because we have such a close friendship and partnership. I am thinking about five points in particular. Firstly, we must do the job of regulating the financial sector properly. A great deal was promised by the G20 and I believe that it is important for it to be clearly shown at the G20 summit in Toronto, which is hosted by Canada, that the G20 countries are taking concrete measures and not just making promises.

My second point has already been mentioned. We have very similar objectives with regard to climate policy. We in Europe can definitely learn from Canada about carbon capture and storage projects and other developments in this sector. We hope to be able to agree on joint standards for reductions.

My third point concerns the need for a new trade agreement and I believe that our objectives are very similar in this area as well. I would like to highlight two points where action is needed and where we intend to move closer together, but still remain some distance apart. One of these concerns visa-free travel, which you, Baroness Ashton, have already referred to. I hope that it will be possible to treat ethnic minorities from EU Member States in the same way as all other EU citizens.

My last point relates to the passenger data agreement which expired in the autumn of last year. It is de facto still in force, but no longer has a basis in law. We need a new legal basis, so that we can produce a new agreement. This new legal basis must ensure that civil rights are respected. Modern technological opportunities for networking should not be used to make all the information on names, dates of birth, flight details, credit cards, and so on, readily available in such a way that this information can be misused. We hope that we can work together to create a legal basis which corresponds to our European concept of civil rights.

**Reinhard Bütikofer**, *on behalf of the Verts/ALE Group*. – (DE) Mr President, Baroness Ashton, Canada is a good friend and an important partner of the EU. It is also an important international player and has long been a mature democracy which we can learn a lot from. However, because it is a long time since we have adopted a resolution on Canada in this House, we should take the opportunity to look more seriously at the relationship between Europe and Canada than this resolution does.

I find it rather embarrassing that the resolution refers to the many common challenges, but does not include the policy on the Arctic among them. There is no mention of protecting the Arctic using targets and standards. The Arctic is only referred to in passing and the fact that in March, Canada prevented Sweden, Finland, Iceland and the indigenous peoples from taking part in an international meeting on the Arctic in a rather unfriendly way is completely overlooked.

I am embarrassed that the problem of the tar sands, the bluefin tuna and the ban on seal culling are not addressed. This is not all about provoking Canada. However, if we hold a serious discussion with a friend, it is foolish and shameful not to mention the problems that we have. No mention is made of the fact that Canada did not play a particularly positive role in Copenhagen. The problem of the visa policy, specifically with regard to the Czech Republic and its Roma people, should be highlighted more clearly.

We must work together in friendship, but we must not sweep the problems under the carpet, because that does not help anyone. Therefore, my group will seek to ensure when we vote that the problem of the tar sands and of the import of seal products is included in the resolution.

**Philip Bradbourn**, *on behalf of the ECR Group*. – Mr President, as chairman of the Delegation for relations with Canada, I warmly welcome this resolution, which is actually a first part of an EU-Canada Summit. As has been said, Canada is one of Europe's oldest partners, and strengthening our relations across the Atlantic has become a priority for both sides. Again, as the noble lady said in her opening remarks, discussions are progressing with Canada for a comprehensive, economic and trade agreement which hopefully will set the standard for future trade agreements between the EU and third countries.

Parliament will have to approve these agreements, and I hope that the Commission will keep Members, especially the interparliamentary delegation and the International Trade Committee, fully informed and involved at each stage of these discussions.

The resolution before us is one that I can fully support as it is concise and sticks to the issues of the summit and our relations with the Canadian Government. The resolution sets a positive tone for future discussions and illustrates this Parliament's willingness to engage positively with our oldest trading partner. It can be built upon to advance the reputation not only of this House, but also in future negotiations with other third countries.

**Joe Higgins**, *on behalf of the GUE/NGL Group*. – Mr President, there has not been any assessment of the social, environmental and economic effects of an economic agreement between the European Union and Canada.

The Canadian Union of Public Employees, with 600 000 members in areas such as health care, education, local municipalities, public utilities and transport, is seriously concerned about the effects of such an agreement. The National Union of Public and General Employees, with 340 000 members in Canada in the public and private sectors, is equally concerned, as is the Public Service Alliance of Canada, with 165 000 members.

These workers are concerned because they understand that such an agreement will be implemented primarily in the economic interests of big business in both Canada and in the European Union and not primarily in the interests of working people or of social justice.

Now, both the European and Canadian transnational corporations want to break into the provision of public services in Canada – on a maximisation-of-profit basis, of course. They see an EU-Canada agreement as a vehicle to force extensive privatisation in areas like public transport, water provision and electricity. Such a development would be ominous for Canadian workers' pay and conditions. It could be the beginning of a race to the bottom in exactly the same way as we have seen in Europe, where the EU Commission itself endorses the rights of private companies providing services to exploit workers, as proven when the Commission took the Luxembourg state to court for wanting migrant service workers to be given the same protection as Luxembourgish workers.

Now, Canadian water is a particular target of the water multinationals. Some EU-based multinationals previously wreaked havoc in countries such as Bolivia with water privatisation and their baleful influence is already being felt in Canada.

Happily, ordinary people in Canada are prepared to fight to protect their public water provision. They will need to be vigilant.

The European public sector workers' trade unions are also concerned, and I call on both Canadian and EU-based unions to forge a real campaign to protect public ownership in public services with democratic control rather than maximisation of private profit, but not just a coming together at leadership level but a real involvement of the rank and file to protect their public services.

**Anna Rosbach**, *on behalf of the EFD Group*. – (DA) Mr President, Europe and Canada have enjoyed a good partnership for many years, so it is only natural for us to seek to expand free trade. Is the present method the best one, however, in view of the time that the negotiations have taken? Is the EU apparatus too cumbersome and bureaucratic to deal with this task?

Canada would like a free trade agreement with the EU, but at the same time, Canada refuses to ban the terrible method used to slaughter seals that runs absolutely counter to all rules on animal welfare.

Similarly, Canada wants the right to tax shipping through an ice-free Northwest Passage. A route north of America must be freely available to all, however. The Northwest Passage is an ideal way to save time, money and fuel and benefit the environment. It improves the competitiveness of all the countries of the northern hemisphere. I therefore urge Canada to pursue the ideas behind the free trade agreement and drop any ideas of taxing use of the open sea.

**Andreas Mölzer (NI).** – (DE) Mr President, as if it were not embarrassing enough that information has leaked out in the middle of the negotiations on the comprehensive economic and trade agreement (CETA), the accusation has also been made that Canada is being forced to adapt its copyright laws to US and EU standards as part of the CETA and the anti counterfeit trade agreement (ACTA). It seems that the CETA refers to significant privatisation, deregulation and restructuring. This involves local authorities being prevented from applying specific local or ethnic procurement guidelines. Of course, it makes sense to put larger contracts out to tender and, of course, there must be rules in place to ensure that corruption and nepotism do not become rife.

When our local authorities here are already complaining that they are not allowed to use companies that show social commitment, but instead are generally forced to give contracts to the firms that dominate the market, it becomes even more incomprehensible that we are imposing similar regulations on other countries. When free trade agreements allow multinational companies to sue governments for damages because of their decisions on environmental and health policy, it is clear that the European Union has learnt far too little from the financial and economic crisis and is continuing on the wrong, neoliberal course.

If the EU really wants to be there for its citizens, as the soapbox speakers always say, then it must stop going down the wrong road and turn itself into a bulwark against globalisation, while supporting friendly powers such as Canada.

**Cristian Dan Preda (PPE).** – (RO) I would like, first of all, as other fellow Members have also done, to emphasise that the EU-Canada Summit is an important opportunity for deepening our partnership with this important democracy. This relationship is extremely important to the EU as it involves partners who share the same values and have worked together over a long period of time.

At the same time, I would like to remind you of the declaration made at the previous EU-Canada Summit in Prague in May 2009, which reiterated the partners' common objective, and I quote, 'to enhance the free and secure movement of people between the EU and Canada, with a view to extending as soon as possible visa-free travel to Canada for all EU citizens'.

One year on, we are obliged to note that we are far from achieving this objective. Currently, not only are Romanians and Bulgarians still subject to a compulsory visa requirement, but, as you are aware, visas were reintroduced for the Czech Republic last year.

I think that we have here, first and foremost, a problem of reciprocity. Given, as you are well aware, that all EU Member States have waived visas for Canadian citizens, in accordance with our legislation, we have, on the other hand, if I may say so, a problem of consistency as Canada has removed the visa requirement for one of the candidate countries, Croatia, while, I repeat, currently retaining visa requirements for citizens from EU Member States.

I believe therefore that the May summit must make significant, if not decisive progress on the issue of waiving visas for all EU Member State citizens. I think that specific measures are required and this objective must be placed as high as possible on the agenda because we are no longer happy with declarations of principle. This form of discrimination is extremely unfair, especially for citizens in the country where I come from, a Member State of the European Union, which has made significant technical progress in terms of waiving visas.

**Jörg Leichtfried (S&D).** – (DE) Mr President, I am wondering why I always feel that I should suspect the Commission of not wanting to put things before the European Parliament. That is the case with the free trade agreement which is being negotiated with Canada. I would like to join in the criticism voiced by fellow Members who have said that some of the facts are suspicious, in particular, the one mentioned by Mr Higgins, and I fully agree with him.

In my opinion, trade agreements are a good thing if they promote general prosperity on both sides, but not when they serve the interests of a few large multinational companies almost exclusively. When you find out that health, education or public security have suddenly become the subject of trade agreements and that they are to be deregulated and privatised, then you begin to suspect that the agreement is for the benefit of the

few and will cause harm to many others. I would like to send out a warning to the people who are attempting to bypass the European Parliament in introducing agreements of this kind.

The second point that I would like to make is as follows. If you meet and negotiate with a long-term partner, such as Canada, you have to cover some unpleasant subjects. I believe that a discussion and an agreement of this kind should include the issue of the seal cull. This is not intended to annoy anyone, but to clarify the European position and to find a solution which would put an end to the appalling profit making at the expense of small animals.

**Marian-Jean Marinescu (PPE).** – (RO) My fellow Member, Sebastian Bodu, was unable to make it to Strasbourg today and I am going to stand in for him.

At the moment, 39 million European citizens from Romania, the Czech Republic and Bulgaria are unable to travel to Canada without a visa. More than half of this number – 22 million – are Romanians. Retaining the visa scheme for entry into Canada, as in the case of the United States scheme too, creates the situation where some Europeans are second-class citizens.

European citizens' freedom of movement must be treated on a uniform basis. The visa issue affects the relationship between the European Union and Canada. President Barroso called at the previous summits for a resolution of this matter. This issue must continue to be raised.

In the case of Romania, the proportion of rejected visa applications from Romanian citizens has dropped from 16% to 5% between 2004 and 2008. Roughly 200 000 Romanians live in Canada, the large majority of whom have entered there through the Canadian state's official immigration schemes. I do not understand why Canada takes different approaches. In 2009, visas were waived for a European country which is not a European Union Member State, the reason being given that a large number of citizens originating from that country were already living in Canada.

I also believe that the Czech Republic must benefit again from the visa waiver. The reason given for reintroducing visas must not become a factor for the other states. The topic of visas has been entered on the agenda for the EU-Canada Summit by the European Parliament. The EU must maintain the stance taken in October 2009, which is to enforce the solidarity clause if the problem is not resolved by the end of 2010.

Vice-President Ashton, achieving a visa waiver for Member States would be a major success for you in your job. I wish you every success in this endeavour.

**Kriton Arsenis (S&D).** – (EL) Mr President, Canada is one of the oldest and closest allies of the European Union and has been since 1959. However, our cooperation must always be based on common values and mutual respect.

Canada is one of the ten worst emitters of greenhouse gases in the world and is the only country which, even though it signed and ratified the Kyoto Protocol, then publicly announced that it had no intention of honouring its legal commitments. Instead of reducing emissions by 6% compared with 1990, emissions in Canada have risen by 26%. The production of tar sand is the main cause. Emissions of greenhouse gases from the production of tar sand are 3-5 times greater than from conventional production of oil and natural gas. The production of tar sand also takes two to five barrels of water for every barrel of tar extracted and then creates a series of waste products which threaten both biodiversity and the life of the natives. This production is also destroying the boreal forest, one of the biggest carbon sinks on the planet. By 2020, tar sand will probably have produced more emissions than Austria and Ireland. Canada spends just USD 77 per person on green subsidies, compared with USD 1 200 for Korea, 420 for Australia and 365 for the United States.

Guaranteeing protection for the boreal forest is extremely important and it is important that we ask Canada to comply with the international agreements that we have jointly signed, but which only we are respecting unilaterally, and that should be the basis for any further cooperation.

**Miroslav Mikolášik (PPE).** – (SK) Since 1959, Canada has been one of the closest and most stable partners of the European Union. I am delighted that the economic situation has improved in Canada during the term of the current right-wing administration, which has not happened during previous electoral terms in this country.

The strengthening economic situation and the stronger Canadian dollar, which are leading to greater prosperity for Canadian citizens, have also sent a positive signal to other countries, creating favourable conditions for

the development not only of political but also of economic cooperation. I believe that the EU-Canada Summit in Brussels will bring concrete progress in negotiations over a complex agreement on economic partnership.

Canada is the eleventh largest trading partner of the EU, accounting for up to 1.7% of overall foreign trade of the Union, and the EU is the second largest investor in Canada, while Canada is the fourth largest investor in the EU.

In 2008, the total volume of goods reached almost EUR 50 billion, while services accounted for EUR 20.8 billion. The liberalisation of trade in goods and services between the EU and Canada, along with greater access to markets, will make it possible to invigorate and deepen bilateral trade, which will certainly bring significant benefits to both the EU and the Canadian economies.

**Jan Březina (PPE).** – (CS) Mr President, Baroness Ashton, ladies and gentlemen, the common visa policy of the EU now faces a major challenge in the form of the visa requirement imposed by Canada for the past 10 months on citizens of the Czech Republic. Canada, through its unilateral measure in relation to the Czech Republic, has also quite unacceptably bypassed the EU bodies responsible for the common visa policy. The rights of citizens of a Member State, as well as the prestige of the EU institutions which uphold these rights, have thus come under threat. The unprecedented action of the Canadian Government towards a Member State of the Union confronts the entire EU with a test of solidarity.

Czech citizens are relying on the European Commission resolutely to take on the role of defender and representative of a Member State and its legitimate interests. There will be a unique opportunity for this at the forthcoming EU-Canada Summit, where the visa question should be among the points of discussion. It is high time that all possible steps were taken to achieve a breakthrough in this long drawn-out affair. I applauded the fact that the Commission, in October 2009, adopted a report in which it called on Canada to open a visa office in Prague and to establish a timetable for lifting the visa requirement. Canada has fulfilled the first requirement but not yet the second, and therefore neither the European Commission nor the Council should be satisfied with progress to date. The pressure on Canada should not be relieved, but, on the contrary, should rather be increased. In this context, I would like to call on the Commission to make a clear statement regarding its commitment to propose, in case of insufficient progress, countermeasures involving the introduction of a visa requirement for Canadian officials and diplomats.

I firmly believe that we must stop dragging our feet. Czech citizens do not expect fine promises and sympathetic noises from EU bodies, but concrete, goal-orientated actions. In my opinion, the ball is now in the hands of the Commission and especially President Barroso, who will be the main negotiating partner of the Canadian premier at the summit. If we fail to start acting self-confidently and forcefully towards the Canadian Government, any efforts we make will lose effect and the result will be that the faith of Czech citizens in European institutions will be seriously undermined. Our talk of European solidarity will then be so much hot air to them.

**Othmar Karas (PPE).** – (DE) Mr President, Baroness Ashton, ladies and gentlemen, as a member of the EU delegation for relations with Canada, I would like to emphasise the fact that Canada and the EU share common values. Our common values form the basis for the structure of our society and are of fundamental importance in this respect. We should make increasing use of this common foundation to take joint responsibility for restructuring basic global conditions. Our close historic and cultural links and our respect for multilateralism, including our support for the Charter of the United Nations, form the foundation of our partnership. We must improve and strengthen our relationship on a variety of levels, in particular, of course, on the political level.

The agreement that we are discussing today will be the first based on the new treaty and the Commission should be aware of this. The main requirements for a successful decision-making process for this agreement are transparency, cooperation and the inclusion of Parliament. Two important subjects have been raised in this discussion. The one-sided visa rules for Czech citizens are unacceptable and should be abolished. Canada's criticism of the strict regulations on the sale of seal products is an indication not that we need to change, but that Canada must change.

However, one of the objectives of the EU-Canada agreement is that we should work together to create a stronger trade area than the North American free trade agreement (NAFTA) area. This is not just about economic cooperation, but also about sending out a clear signal that protectionism is not acceptable. It is a lucky coincidence that Joe Biden is speaking in the European Parliament in Brussels on the same day as the EU-Canada Summit is taking place, because effective, professional cooperation with both parts of the North

American continent is important to us and because together, we want to take more responsibility in the world.

**Zuzana Roithová (PPE).** – (CS) Baroness Ashton, I would like to point out to you that the Achilles heel regarding successful ratification of the agreement between the EU and Canada is the unilateral visa requirement for the Czech Republic, Romania and Bulgaria, because it creates an unacceptable form of second class citizenship in the EU. Not just the other countries showing solidarity with us, but also many MEPs will be perfectly entitled to block ratification if Canada fails to fulfil the promise to tighten its lax asylum policy, which is supposed to be the precondition for lifting visa requirements. Baroness Ashton, can you tell me whether you have pointed out to Canada that it is not acceptable for the country to postpone until 2013 the tightening of this generous asylum act which is open to abuse, and that it must amend the act as soon as possible, bearing in mind the shared values and good economic relations it has with the European Union, the terms of which are to be contained in the new trade agreement? Madam Vice-President, do you consider it your priority to raise the question of bringing forward this deadline at the summit with Canada in two weeks' time, and to get the visa requirement lifted before signing the agreement with Canada? If this is not the case, are you aware of the possibility that this important agreement may not be ratified here in the European Parliament, because we do not intend to accept this behaviour on the part of Canada towards the three Member States of the EU?

Ladies and gentlemen, I would like to thank you on behalf of millions of citizens for your solidarity, and to applaud the fact that the draft of your joint resolution, which we will vote on in Brussels, includes a clear call for the amendment of the Canadian asylum system and the quickest possible lifting of the visa requirement for almost 50 million European citizens.

**Sergio Paolo Francesco Silvestris (PPE).** – (IT) Mr President, High Representative, ladies and gentlemen, I think that the discussion and the debate in this Chamber lend great strength to its actions with a view to the May summit.

There is no doubt about the ideas that everyone has expressed: the importance of our relationship with Canada, the importance of the partnership and our shared values with a great democratic country with which we have a strategic need to cooperate.

However, some questions have been raised which, in my opinion, and on the basis of your mandate from this House, are questions which absolutely must be dealt with and, if possible, resolved, because it is the solutions that count at the end of the day, not the battles.

The first of these concerns the need to stress the principle of reciprocity regarding the free movement of Canadian and European citizens. I am neither Czech, nor Romanian, nor Bulgarian, and other Romanian colleagues have spoken before me, but, all the same, as a European citizen, I feel just as cheated of my rights if European citizens cannot move freely around Canada – I am talking quickly, because you understand me, Mr President, but I think you would like me to repeat it for the translation – but, all the same, I feel cheated if other citizens from other European countries cannot move freely around Canada, while Canadian citizens can move freely around all the European countries.

Moving onto the issue of the seal massacre: we are always moved when television programmes or press enquiries show the vicious, terrible actions used in certain hunting pursuits: in this Parliament, we have the chance to voice our opinions, and I believe that we should stop feeling upset and protesting and start taking action.

Our relationship with a great democratic country such as Canada should also allow us to bring up problems and to request moratoriums. I thank Baroness Ashton for the action she will take and report back to this Parliament, beginning with the summit in May.

**Olga Sehnalová (S&D).** – (CS) Madam Vice-President of the Commission, ladies and gentlemen, in connection with the forthcoming EU-Canada Summit, I would like to mention one of the fundamental principles on which the EU is based. This is the principle of solidarity. This value must be respected in all circumstances if the EU wants to retain the trust of its citizens, even in cases which involve a problem for just one Member State. As has already been said, in July 2009, Canada introduced a visa requirement for citizens of the Czech Republic. At the request of the Czech Republic, the question of visa relations with Canada was included as an item at the February meeting of the Council of Justice and Internal Affairs. Solidarity with the Czech Republic was expressed at the meeting by Romania, Bulgaria, Hungary and Slovakia, and also in clear terms by the Spanish Presidency. The Commission also proclaimed solidarity, although there is no concrete solution

in sight, even after negotiations between the groups of experts. Time moves on, and it is decidedly not working in favour of the EU and its citizens. For EU citizens from the Czech Republic, waiting for a new Canadian asylum act to be passed as a condition for lifting the visa requirement, with the closest realistic deadline in 2013, is hard to swallow. In this context, they are therefore expecting real help from the EU. If we often talk of citizens having a crisis of confidence in European institutions, let us also seek reasons for it in an approach, which, unfortunately, has not been one of complete solidarity so far.

**Chris Davies (ALDE).** – Mr President, I hope the High Representative will congratulate the Canadians on their diplomatic skills because they have something to teach us. At the recent conference on the trade in endangered species (CITES), they teamed up with their Japanese allies to comprehensively defeat our attempt to introduce a trade ban on bluefin tuna.

That CITES conference was all too reminiscent of the one on climate change in Copenhagen, where the EU position was unclear. We seemed to have spent a lot of time debating amongst ourselves, rather than debating with others, on a day-by-day basis and we ended up being soundly thrashed.

Japan and its Canadian allies had spent months beforehand doing the rounds, winning friends and buying a bit of influence here and there in order to get the votes they needed to get the result they wanted. We ended up coming out looking incoherent, disorganised and weak.

The Environment Commissioner has said that this must never happen again. He is determined to make a change. However, we have conferences of this kind taking place across the world all the time and we need to ensure that we are harnessing the full diplomatic skills of the European Union to ensure we have a forward-looking strategy, that we use our resources effectively, and that we stop punching below our weight.

**Franz Obermayr (NI).** – (DE) Mr President, I would like to highlight a very serious problem in enforcing intellectual property rights in these negotiations. Critical comments from Canadian professors of law and also from Harvard indicate that the planned agreement could amount to a complete revision of Canadian copyright, patent and trademark law.

On the one hand, the Canadians feel that their sovereignty and their right to make use of their own intellectual property are being restricted. However, on the other hand, strict and precise rules governing copy protection and the extension of this protection to cover films are very, very important.

It seems to me particularly crucial to include the Internet in any discussions on the enforcement of intellectual property rights, because it is impossible to protect intellectual property on the Internet without cross-border agreements. I am in favour of a specific ban on recording with video cameras in cinemas. This should be enforced in Canada. However, it is important for us to find a middle way. We should support the protection of intellectual property, but oppose blanket surveillance and persecution on the Internet.

Of course, it is also important to take into account that Canada has a different legal tradition and a different legal system. This is a very difficult problem to solve, but I hope that we can find an effective solution.

**Paul Rübig (PPE).** – (DE) Mr President, Baroness Ashton, ladies and gentlemen, our most important concern should be to provide support for small and medium-sized businesses, particularly during an economic crisis. These companies employ two-thirds of all workers and generate 80% of tax income. For this reason, it is essential for public tenders to focus on giving small and medium-sized enterprises the opportunity to be awarded public contracts. Of course, the technical regulations, in other words, the trade facilitation measures, must also be adequately taken into consideration in this agreement. What I would like to know is whether there is an agreement with the World Trade Organisation to incorporate the basic principles of the Doha negotiations into this free trade agreement.

**Silvia-Adriana Țicău (S&D).** – (RO) Mr President, Commissioner, air transport is vital for bringing the European Union and Canada closer to each other by facilitating the transportation of goods and persons. The EU-Canada air transport agreement, signed on 18 December 2009, and the agreement on civil aviation safety between the European Union and Canada, signed in Prague on 6 May 2009, are two important elements in the transatlantic dialogue between the European Union and Canada. The first agreement is enforced provisionally until its entry into force after its ratification. The Council has not yet received any notification in this regard.

The second agreement is not enforced provisionally. The Council must send the proposal for a Council decision and the text of the agreement to the European Parliament for its opinion.

Bearing in mind the importance of air transport in the cooperation between the European Union and Canada, I would like to ask you, Vice-President, when the two agreements between the European Union and Canada will be able to enter into force properly.

**Fiona Hall (ALDE).** – Mr President, Canada is a close ally, but the EU must be a critical friend where necessary. Canada's record on climate change is poor and Canada was obstructive during the Copenhagen negotiations. Of particular concern is the tar sands industry, as Mr Arsenis mentioned. Extracting oil from tar sands requires much more energy than oil produced from other sources, as well as being very polluting for the local environment.

Given that the Canadian Government is currently trying hard to get the Commission to weaken its approach to carbon measurement in the implementation of the Fuel Quality Directive, may I ask the High Representative whether she will be raising the issue of tar sands in the summit discussions?

**Catherine Ashton, Vice-President of the Commission and High Representative of the Union for Foreign Affairs and Security Policy.** – Mr President, this has been an extremely useful and valuable debate for the preparations for the summit. Honourable Members have covered a wide range of different topics and I shall not least be making sure that the two presidents – the President of the Commission and the President of the Council – who, of course, will be leading the European Union at the summit, are fully aware of the issues that have been raised.

I am very grateful for the helpful way in which Members of Parliament have given me information, and put questions on areas I have to confess I do not know very much about – for example, on air transport, which I will have to find out about for them.

I would like just to pick up on two or three of the key areas that were discussed. In the context, there seemed to be a general view among honourable Members that this is an important relationship. Perhaps some of the frustrations I felt in the Chamber were because we recognise the importance of Canada and the importance of the shared values that we hold. The frustration of those honourable Members from the countries particularly affected by the visa question is therefore completely understandable.

Let me begin with trade, because quite a lot of the different contributions focused on that. We are right to go for an ambitious trade agreement. This will not be easy and from the very beginning – and I actually launched the trade negotiations – we recognised that, because of the particular interests of the EU and Canada, this was never going to be an easy negotiation. However, we should be very ambitious on both sides.

One example is intellectual property rights, where I am very concerned that Canada needs to make sure it has a proper regime in place. I know that it is looking at that and that the discussions and the rounds so far have been extremely positive and constructive and things are moving at a good pace.

I agree that we need to keep the Committee on International Trade fully informed and, as Mr Bradbourn said, those with a particular interest in Canada also need to be clearly in the loop on that. There will be an impact assessment, which is already being worked on at the present time, and, of course, Parliament will play its role in giving assent or not to the agreement when it is finally put forward. There is a very clear and key role for Parliament there.

All I would add to that are two things. One is that a good trade agreement actually benefits our citizens. That is what it is for. It is to make sure that for consumers, there are greater choices and for workers, there are greater opportunities. We need to ensure that all our trade agreements provide genuine opportunities across the European Union.

On the point on small and medium-sized enterprises, which I agree is very significant, I am reminded that one of the statistics that always struck me as being very interesting is that only 8% of our small and medium-sized enterprises actually trade, and only 3% trade outside of the European Union.

I have always felt, and continue to do so, that if we were able to increase those figures and provide opportunities – and government procurement may indeed be one of the areas where that is a possibility – then that is an opportunity in both directions for our small and medium-sized enterprises to benefit.

A number of honourable Members talked about the Arctic, and we have had discussions about that in recent times in Parliament. I accept that this is a very important issue, not least because it links to the other important issue I wanted to raise before I mention visas, which is climate change.



As far as we are concerned, Canada did belong to the group of countries that, in the Copenhagen negotiations, did not, in our view, take us anywhere near far enough. We can debate Copenhagen further – and no doubt in other conversations with the Commissioner responsible, there will be opportunities to do so. We were interested that, in the Speech from the Throne on 3 March, the Canadian Government stated that it fully supports the Copenhagen climate change accord. That is significant, and what we want to do in the context of the summit is to encourage and urge Canada to be ambitious, notably in increasing its mitigation target for 2020.

The international carbon market is key in shifting investment towards a low-carbon economy, and part of what we are able to do in our bilateral relationship is to push forward on those strategic questions of investment, of green technology and of collaboration, in trying to support all the measures we need to take to mitigate the problems of climate change.

The final issue – and there were many, but I just want to pick on three – and one which I, of course, wanted to raise, is the whole question of visas. This is extremely important and, as Member States represented here through their MEPs have mentioned, there are three Member States who are actually affected.

There is a lot of work going on to try and resolve this matter. We have had a lot of dialogue with Canada, a lot of the issues are well known and there are issues for Canada to resolve in terms of the legislation that it needs to put in place for the future. Honourable Members were quite right to raise this question and it will be part of the discussions.

The second expert working group meeting took place in Prague to look at the issues particularly relevant to the Czech Republic, and that has been facilitated by the Commission, so the Commission is fully involved.

I did pick up on, and will take away from this debate, the frustration of honourable Members who have raised the need to work quicker and further to address this problem and to recognise what is absolutely the most significant point of this, which is that this is not a bilateral issue, but a European Union-Canada issue, and we need to address it as such.

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

The vote will take place during the first part-session in May.

#### **Written statements (Rule 149)**

**Sebastian Valentin Bodu (PPE), in writing.** – (RO) At the moment, 39 million European citizens from Romania, the Czech Republic and Bulgaria are unable to travel to Canada without a visa. More than half of this number, 22 million, are Romanians. Retaining the visa scheme for entry into Canada for some of us is an untenable situation as it creates two classes of European citizens. European citizens' freedom of movement must be treated on a common, uniform basis, while the visa issue concerns the relationship between the EU and Canada and not bilateral relations between Canada and the respective states.

In the case of Romania, the proportion of rejected visa applications from Romanian citizens has dropped from 16% to 5% between 2004 and 2008. Roughly 200 000 Romanians live in Canada, some of whom have entered there through official Canadian immigration schemes. This is one of the reasons for a large number of visa applications. The topic of visas was entered on the agenda for the EU-Canada Summit by the European Parliament.

The EU's stance must be to apply the solidarity clause if the issue is not resolved by the end of 2010. The waiver of visas for Member States would be a first achievement for the High Representative for Foreign Affairs and Security Policy.

**Corina Crețu (S&D), in writing.** – (RO) I think that one of the priority issues on the agenda for the EU-Canada Summit, scheduled to take place in Brussels on 5 May, must be to waive visas for all European Union citizens, on the basis of reciprocity and in order to eliminate the current discrimination preventing Romanian, Bulgarian and Czech citizens from visiting Canada without a visa.

This situation is all the stranger considering that, last year, the Canadian authorities removed the compulsory requirement to apply for short-stay visas for citizens of Croatia, a country still negotiating its accession to the EU. Romania has made significant progress in the last few years, including with regard to certain important criteria for removing the visa scheme. The rate of rejection of visa applications, the rate of exceeding the legal residence period and the number of asylum applications are in steady decline.

This is why the visa waiver would reflect this development, not to mention that equal treatment given to European and Canadian citizens would help strengthen mutual trust.

*(The sitting was suspended for a few moments)*

## IN THE CHAIR: MR LAMBRINIDIS

*Vice-President*

### 12. Question Time (Commission)

**President.** – The next item is Question Time (B7-0207/2010/rev. 1). The following questions are addressed to the Commission.

*Part one:*

Question No 25 by Mr **Georgios Papastamkos** (H-0124/10)

Subject: Creation of a European credit rating authority

Does the Commission intend to propose the creation of a European credit rating authority for the Member States of the eurozone and/or their credit institutions?

**Michel Barnier**, *Member of the Commission.* – (FR) Mr President, I would like to thank Mr Papastamkos for this question on a subject which, in my current capacity, I consider absolutely essential to the proper functioning of the economy and the financial markets.

Credit rating agencies play a crucial role in assessing the risks associated with the situation of companies and also, for that matter, of the Member States, and the crisis has shown – and this is putting it mildly – that their method of operating has posed and continues to pose problems, with very serious consequences at times. That is why the G20 quite rightly took tough decisions to put in place supervision and new rules of governance.

I wish to remind you, ladies and gentlemen, that at the time of the crisis, the Commission very quickly assumed its responsibilities in this regard, prioritising the regulation of the activities of credit rating agencies over the last two years. In September 2009 – in other words, one year after the collapse of Lehman Brothers – the regulation on credit rating agencies was adopted with Parliament's support; I would like to pay particular tribute to the work of your rapporteur, Mr Gauzès, to address the problems caused by these agencies' operating methods, which contributed significantly to the financial crisis.

The regulation of which I speak introduced a system of compulsory registration for all credit rating agencies established on European Union territory. It imposed a set of stringent requirements: firstly, to ensure that possible conflicts of interest are brought to an end; secondly, to review and improve the quality of ratings and the methodology used; and, finally, to ensure that these rating agencies operate in a transparent way.

Ladies and gentlemen, I am confident that the new rules on credit rating agencies about which I have just been speaking will definitely improve the independence and integrity of the rating process, will make credit-rating activities more transparent, and will improve the quality of such ratings, including those relating to the sovereign debt of the Member States – the countries of the European Union – and of the EU's financial institutions. That is the stage we are at.

Mr Papastamkos, as regards the creation of a European public credit rating agency such as the one for which you are calling, it is an idea that is becoming part of the debate on possible alternatives to the credit rating agencies' current economic model, which is known as an 'issuer pays' model. The effects of such an idea must be carefully evaluated, particularly in terms of responsibility.

Clearly, Mr Papastamkos, my first priority today is to ensure that the 2009 regulation is properly implemented and to make the current, reformed system work. However, I am not ruling out this idea that you support of creating a European agency. It must be considered in the light of the evaluation of the 2009 regulation and of its effects on credit rating agencies. Moreover, this evaluation is provided for in the regulation, and the Commission must submit it to Parliament and the Council between now and December 2012.

What I can confirm is that the Commission will soon be proposing an amendment to the regulation on credit rating agencies in order to entrust the new European Securities and Markets Authority (ESMA) with overall responsibility for supervising these agencies. You in Parliament requested this when the regulation was being

negotiated, and the Heads of State or Government have reached agreement on this principle. We will, therefore, make this amendment. I am convinced that the transfer to the new authority for the supervision of credit rating agencies will strengthen and improve the regulatory framework that we in the European Union have at our disposal.

**Georgios Papastamkos (PPE).** – (EL) Mr President, I should like to thank Commissioner Barnier for his reply and to say, Commissioner, that this is a subject on which I have repeatedly exercised parliamentary scrutiny since back in 2006, in other words, before the international economic crisis broke.

In my opinion, there are two paradoxes: there are international rating firms, but they are not subject to international supervision. The second paradox is that private schemes and interests outside Europe are acting high-handedly against European institutions and Member States.

I should like – and I call, Commissioner – for Europe to move at a faster rate and with a quicker pace and, finally, I should like to know where the geographical seat is and how the turnover of these credit firms will be divided?

**Michel Barnier, Member of the Commission.** – (FR) Mr President, Mr Papastamkos, I am aware of your long-standing commitment, and that is why I welcome this dialogue that you are opening between us for the first time today, because I personally have only been in post for a few weeks.

I am taking account of this new regulation, which was proposed by the previous Commission, under Mr Barroso's authority, and which improves matters. I have mentioned the new requirements that will be imposed on credit rating agencies and I have spoken about the latest progress that will be made on the proposal that I shall put to you, in accordance with your wishes, for supervision by the European Securities and Markets Authority (ESMA).

You are right in what you say: this is not the only area in which, in a now highly integrated common and single market, we see that there are businesses, particularly financial businesses, that are no longer nationally owned. I would remind you, Mr Papastamkos, that in half the countries of our European Union, 50% of the banking industry belongs to groups from other countries.

We are therefore in an integrated market with businesses that are largely transnational, but supervision has remained at national level. Our task, therefore, is to ensure integration, and that is what we are committed to doing. With the new powers being granted to ESMA, the international – European, let us say – supervision that you are calling for will be very much a reality.

Now, as regards your country, which has suffered this shock, we must be very vigilant. I am not going to jump to conclusions about what happened. We must be vigilant in all cases in which credit rating agencies reach decisions on the Member States, and evaluate their economic situation and that of their public role. Why? Because at stake here is, in fact, a sovereign state, the cost of its debt and, in the final analysis, the situation of its taxpayers, who I believe are too often made to bear the brunt of things. This, incidentally, was the subject of the proposals that I made to the Ecofin in Madrid on Saturday on foreseeing, preventing and managing future crises, so that taxpayers do not always have to bear the brunt of things.

I am very aware of the effects of the decisions taken by credit rating agencies and of the effect that these decisions have on the behaviour of investors. That is why we need tough, demanding legislation, and these agencies must weigh up all their responsibilities and must be supervised in order to do so. They will be supervised by the European authorities under the proposals that I will be making at the end of this year.

**Franz Obermayr (NI).** – (DE) Mr President, thank you for the excellent report. It makes me feel quite optimistic that establishing the European credit rating authority will finally make us independent of private US agencies. However, what interests me in this context is not only the location, but also the functional and structural composition of this European credit rating authority. Ultimately, it is important for an organisation of this kind to have teeth. I am, of course, also interested in the expected consequences of the proceedings and in the consequences of a member of the euro area having a bad creditworthiness rating.

**Michel Barnier, Member of the Commission.** – (FR) Mr Obermayr, Mr Papastamkos asked me about the opportunity, which he supports, of creating a European credit rating agency. This agency, if I have understood his idea properly, should be public.

I have not taken up a position on this subject. This is not, I might add, the direction in which the Commission was heading, since its proposal focused – through the regulation that this House adopted – on the reform

of the current system of agencies, which are private, and on the very rigorous consolidation of the transparency requirements to avoid conflicts of interest, of honesty in their credit rating work. This is the stage we are at. This regulation is now on the table, it will enter into force as soon as possible, without delay – I mention this in passing – and we will then complete this plan by entrusting a supervisory role to the European Securities and Markets Authority.

As regards this new agency that Mr Papastamkos so very much wants, I am not ruling it out. Nevertheless, we really need time to evaluate the change in business model which the idea of a European credit rating agency entails. It is an idea that I find interesting, but it must be carefully evaluated. I am not, therefore, going to say who would be part of it or how it would work, because I do not know. There would also be the question of the public authorities interfering in the work of such an agency. The strict conditions applied to private credit rating agencies should also apply to a European public agency, in particular, the rules on conflicts of interest.

These issues would arise if we moved towards the creation of a new European public agency. Frankly, in order to work on this matter seriously, without improvising, we would need, firstly, to take the time and the decisions necessary to implement the reformed system that you have adopted through this regulation, and, secondly, to take the time to seriously address every issue and, in particular, those that I have just mentioned.

**President.** – The rule is that, if the author is absent, the question lapses. However, given the exceptional circumstances of this plenary, what we shall do is I shall read out the names of the Members who are not present and they will receive a written reply to their questions. However, there will be no related debate in plenary.

So, the members who are absent but will receive a written reply, in the order in which the questions were submitted, are Mr Balčytis and Mrs Morkūnaitė-Mikulėnienė.

*Part two:*

Question No 28 by Mr **Liam Aylward** (H-0155/10)

Subject: Consumer choice and smart phone technology

The increasing popularity of smart phones has created a new market in terms of technology, software and applications. Certain smart phone and device service providers trap consumers and have organised the market in such a way that they completely control users' experience in terms of their access to software, navigating programmes and applications. It would appear that, under these circumstances, consumer choice is limited. Does the Commission intend to safeguard consumer rights and choice in this growing digital market and can it tell us if open operating systems will offer a way out for smart phone consumers?

**Joaquín Almunia, Vice-President of the Commission.** – The Commission is closely monitoring the developments regarding smart phones and related markets. As the honourable Member recognises in his question, in some instances, new markets are being created.

The Commission is fully committed to ensuring that general EU rules and principles relating to competition are respected, while taking account of the dynamic and fast-changing circumstances in the market. As recent cases such as Microsoft and Intel have shown, the Commission will take enforcement action to ensure that competition on the merits allows, where necessary, consumers to choose between different alternatives and therefore benefit from technical developments and innovations. In that respect, while acknowledging that proprietary technology is at the heart of Europe's success in second- and third-generation mobile technologies, the Commission is, at the same time, aware of the excellent technical development driven by non-profit technologies.

While we have to leave it up to the industry to decide the specific business model it wants to use and up to the market to choose the winner, the Commission emphasises the importance of interoperability in encouraging competition on the merits between technologies from different companies and helping prevent lock-in. In this context the Commission welcomes the use of openness specifications that may prevent the unfair transmission of dominant positions between neighbouring markets. Open platforms serve that purpose, allowing the creation of competitive markets on top of software systems.

**Liam Aylward (ALDE).** – Can I thank the Commissioner for the reply. Just changing, slightly, there have been a number of news stories recently regarding the concept of content-based censorship which is occurring

with this technology. Some applications have been refused by operators and software manufacturers due to their political content.

What can the Commission do to ensure that there is increased competition in accessing information via new technologies and that the right to freedom of speech is not infringed upon?

**Joaquín Almunia**, *Vice-President of the Commission*. – I know that the points you refer to in your second question can create problems for competition on the market.

We are closely monitoring this issue all the time but I cannot comment on particular investigations that are now ongoing or are being developed. However, I am fully aware that the questions that you raised and the concerns that you have presented to Parliament are real, and my role and that of the competition authority is to monitor the situation and to avoid a kind of dominant position with closure of the market, barriers for new entrants and, ultimately, problems for the consumers and users of these new technologies, who should benefit and not suffer from the development and improvement of technologies.

**Paul Rübig (PPE)**. – (DE) Mr Barnier, in the first Roaming Regulation for data exchange and telephony, we established a must-carry obligation, which means that every operator in Europe must be able to reach every customer. Conflicts are now suddenly arising from the fact that operators are removing these services from the networks and are not prepared to provide the necessary support. Do you think it is necessary for the national regulatory bodies to take action in this case?

**Franz Obermayr (NI)**. – (DE) I welcome the fact that the Commission is dealing with this subject from a competition perspective. My question is: Has the Court of Justice of the European Union ruled on similar cases and could these cases be cited in the context of this type of access restriction? Are there any users of smart phones who have already attempted to take legal proceedings against their service providers?

**Joaquín Almunia**, *Vice-President of the Commission*. – In relation to the question, I think we should combine, where appropriate, regulation and competition instruments.

In terms of some of the aspects that were raised in the questions and in your intervention, competition instruments have been useful and shall continue to be useful, but I am not excluding that at any moment, the Commission, where appropriate, will use the regulatory powers that we have. We did this in the past and we can do it again in the future.

I think the best solution is an adequate mix of competition and regulation, not as alternative instruments, but as complementary ones. And, regarding your question, excuse me, honourable Member, I am not a lawyer; I do not know the least thing about the complaints of individual citizens before the courts. In any case, we receive some information and sometimes complaints, and every time that we need to react where we consider that the information we have received or the complaints that have been sent to the Commission deserve a reaction on our part – and you have seen our instrument – we do just that.

As I said in my previous answer, in this area, in this question, with these problems, we are now dealing with some investigations but I cannot publicly confess because by nature, I have to be discreet.

**President**. – The next author, Mr Toussas, who is absent, and Mr Ziobro, will receive written replies, as explained earlier.

Question No 32 by Mr **Nikolaos Chountis** (H-0125/10)

Subject: Activity of credit rating agencies

The day after the harsh measures taken by the Greek Government were announced, the credit rating agency Moody's is threatening to downgrade the five biggest banks in Greece.

According to the international credit rating agency, the rise in unemployment and the fall in disposable income may cause additional pressure on the Greek banking system, which is already facing lower profits and further depreciation of its assets.

As announcements of this sort and the time at which they are made feed speculation, what comments does the Commission have on the situation in the Greek banking system?

What measures does it intend to take on the 'activity' of credit rating agencies?

**Karel De Gucht**, *Member of the Commission*. – The financial crisis in Greece did not originate in the banking sector but in the public sector. Banking sector vulnerability has increased, however, due to the exposure of the banks to Greek government bonds and, more importantly, due to low economic growth prospects.

The Commission, in making its own analysis of the Greek economy and financial system, takes into consideration multiple sources of information, including the credit agencies. In this context, the Commission is carefully monitoring implementation of the additional fiscal measures announced by the Greek authorities on 3 March 2010 and adopted by the Greek Parliament on 5 March 2010, with a view to achieving the 2010 budgetary targets.

The Commission is closely monitoring developments in the Greek banking sector. Some 8% of the banks' assets are in the form of government bonds or loans, although the government and non-performing loans arising are not expected to top eight per cent in 2010 due to the weak economy.

Furthermore, Greek banks are heavily dependent on the ECB refinancing operations for short-term funding being shut off from the international money markets. The Commission takes its responsibility to ensure macro-financial stability in the euro area and the EU as a whole. Indeed, banks in other EU countries are exposed to the Greek crisis mainly through their holdings of government debt, with France and Germany the most concerned.

While these exposures are not very large in terms of GDP, they are likely to be more significant in terms of the balance sheets of individual banks. Meanwhile, about 10% of Greek banks' balance sheets is invested in southern and eastern Europe, implying another transmission channel.

**Nikolaos Chountis (GUE/NGL)**. – (EL) Mr President, I thank the Commissioner for his reply. Obviously, there are problems with the banks in Greece. There is the liquidity that has been produced by the Greek public sector which, unfortunately, is not moving towards the real economy; but what I should like to point out to you is that every time that Greece announces certain measures, certain forms of borrowing, these famous credit rating agencies come along and downgrade the credit rating of Greece and the Greek banks.

This is a sad role. A debate was held earlier, and I have no wish to recycle it. These credit rating agencies, which are private US firms, are truly unreliable and I consider it unacceptable for the European Central Bank and the European institutions to consider them – even today – to be important. The question which arises, and the answers which were heard earlier, are this: alright, the issue may be regulated in 2013. Right now, can the European Union and the institutions stop taking account of these agencies' ratings?

**Karel De Gucht**, *Member of the Commission*. – As I have just said, in its own analysis, the Commission is taking into account not only the credit rating agencies but also its own analyses. The European Commission is following events very closely in the public and in the banking sector in Greece, so we come to our own conclusions and make proposals to the Council on the basis of those conclusions. There is something else, of course, and that is the activity of the credit rating agencies. These are private companies, which are very influential with respect to the financial markets, but that, of course, is not the responsibility of the European Commission.

**Morten Messerschmidt (EFD)**. – (DA) Mr President, we are all very concerned about what we can do to relieve the problems arising from the financial crisis. Commissioner, I saw that in the media the other day, you suggested that, in future, the Member States should submit their draft budgets to the Commission before they are debated and adopted by the national parliaments. I would like you to give us more details as to how the Commission will, in future, be given opportunity to comment on the Member States' draft budgets before the national parliaments do so. It sounds extremely interesting. I would like to hear more about it.

**Georgios Papanikolaou (PPE)**. – (EL) Mr President, Commissioner, thank you very much for your reply. I listened with a great deal of attention to the information which you gave us and how you explained the Commission's position.

I am trying to reach a conclusion. If, at some point in the immediate future, another country in the euro area faces similar problems with credit rating agencies and market pressures, will we proceed along the same well-trodden path? Will we adopt a 'wait and see' approach? Will we assume that, with the approach that we have applied to date to the problem of Greece, we are dealing overall with structural problems in the euro area which may, at some point, be of concern to other Member States?

**Karel De Gucht**, *Member of the Commission*. – Let me first of all recall that I am answering these questions in place of Commissioner Rehn, who is ill, so this is not my particular portfolio, but I can say, on the questions

that have been raised with respect to the national budget that we discussed for the first time last week in the college, what measures should be taken for the future monitoring. That is, of course, one of the topics that will be addressed, but it is clear that at this moment, there is no decision on that yet. There has only been a debate to make sure that the matter is duly discussed in the college and the competent Commissioner will come with proposals shortly. Then you can, of course, discuss it with him directly.

On the second question, there is no reason for the Commission to take a different stance vis-à-vis Greece and vis-à-vis whatever other Member State, so I hope these questions are not put to us any more; if they were put to us again, we would have exactly the same stance.

**President.** – Question No 30 by Mr **Brian Crowley** (H-0172/10)

Subject: EU broadband strategy

Can the Commission clarify what measures it intends to take in order to promote high-speed Internet access throughout the territory of the European Union, especially in rural areas?

**Neelie Kroes**, *Vice-President of the Commission.* – In a world that is moving fast into a new digital age, Europe needs to be prepared with the state of the art broadband infrastructure that will indeed drive the growth of tomorrow. The Council of March 2009 fixed an indicative target of achieving 100% coverage by 2013. The Europe 2020 strategy has taken the challenge one step further by setting the 2020 high-speed broadband targets as 30 megabits per second for all Europeans, including people living in rural regions, and as 100 megabits per second for 50% of households subscribing to the Internet.

The Digital Agenda for Europe, which is one of the seven flagship initiatives under EU 2020, sets out a strategy to promote high-speed Internet in Europe and is scheduled for adoption not that long from now. The agenda will be followed by three documents on broadband: firstly, broadband communication, which details the implementation of the agenda with respect to broadband; secondly, the recommendation on new generation access (NGA), which aims to clarify the basis to encourage investment in high-speed Internet; and thirdly, the first radio spectrum policy programme, which will form the basis of the Commission's strategy to generate enough spectrum for wireless broadband.

The actions to promote high-speed broadband in the Digital Agenda comprise not only the Commission commitment but also suggestions to the Member States. Those suggestions will bring into focus the development of national broadband strategies covering the promotion of private investment using town-planning rules, mapping of infrastructure and clearing of rights of way; and by doing that, the Member States can substantially cut investment costs and make them more viable. They will also focus on bridging the financial gap by fully using the available Structural Funds to fund high-speed broadband and, where there are no incentives for private funding, direct public financing.

The Commission, for its part, is looking at the options available to increase private and public investment in NGA to reach the agreed targets. Financial engineering will be among the considered options to reduce the gap between what is required and what the market is prepared to invest.

**Liam Aylward**, *deputising for the author.* – Given the fact that we live in an increasingly digital world, as you have acknowledged, where so much of our daily business is carried out online, one group that, in my view, has been left behind are older citizens, who have limited or no access to the Internet. What can we do to ensure that they are not excluded from society, and what can we do to help them?

**Neelie Kroes**, *Vice-President of the Commission.* – It is not only the Commission but also the Council which took the wise decision, so to speak, to have an indicative target of achieving 100% coverage by 2013. 100% is 100%, so whoever you are thinking of should be covered by the 100%.

**Malcolm Harbour (ECR).** – I very much welcome this question by Mr Crowley, and I am interested indeed that in Ireland, there is a new wireless broadband roll-out to provide first-generation access to rural communities, which I think is an exciting initiative.

I wanted to ask you specifically about an issue that has come up in work I have done, which is on the State aid criteria for supporting local broadband initiatives. Some local authorities that I know have been trying to work with public authorities to consolidate demand together to give a viable package for an investor.

But apparently, in some cases, this is considered to infringe State aid criteria. So could I ask if her services could support some of these community projects by giving some clear guidelines about State aid criteria to help those public/private partnerships which would, I agree, be crucial to achieving universal broadband.

**Silvia-Adriana Țicău (S&D).** – (RO) Commissioner, the Economic Recovery Plan provides a sum of EUR 1 billion to cover up to 100% of the broadband infrastructure. I would like to ask you what stage this project is at, bearing in mind the importance of establishing this infrastructure.

**Neelie Kroes, Vice-President of the Commission.** – I am grateful for the first question because, indeed, when talking about broadband, it is not only about cable fibre, but also wireless, via satellite and so on. So, when I answer the honourable Member by saying that it is 100% coverage, I do not mention in which way the problem will be dealt with or solved.

But I am quite positive about Ireland and their investment level. When there was the opportunity to spend structural funds, especially focusing on and investing in this type of issue, Ireland made the most of that opportunity. It was a bit under 50%. Compared with other Member States, I felt dismayed as sometimes it was a third, or even this opportunity was not taken. Investing in this type of infrastructure is really working for the future and the recovery of the economy and creating jobs.

But, sometimes, I count my blessings and also my past experience. In my former portfolio, I had the privilege to review State aid rules. One of those reviewed State aid rules was connected with, for example, broadband. What we did with the review was to give more guidance as to how, when and in what way it could be dealt with.

By the way, it is also investigating, with the European Investment Bank, possible ways to take advantage of their funds and support the funding of civil engineering. I think that, at the moment, with the recent review of the State aid rules, it is quite clear what is possible and what is not acceptable. You can always ask the staff of Joaquín Almunia to give you guidance, so do not hesitate when there is any uncertainty.

All in all, we need to be aware that this is really public-private partnership that is making a big difference in this type of issue. Of course, it depends on the Member State and what is at stake, but all in all, I think that with the 100% coverage – and I am repeating myself – we are serving an excellent goal by talking about the 50%. I know what 100 megabytes are, but what can I imagine? Well, a blink of an eye is less than 100 megabytes so we are talking about a tremendous step forward. So broadband measures and what concerns us in this debate is really scheduled to take place earlier than 2011.

**President.** – Question No 33 by Mr **Bernd Posselt** (H-0128/10)

Subject: Great Britain, Sweden and the euro

How does the Commission evaluate the dangers to the EU as a single economic area from the fact that Member States such as Great Britain and Sweden have still not introduced the euro as their currency and what measures and initiatives are being planned for the new term of office of the Commission in this sector?

**Karel De Gucht, Member of the Commission.** – The economic benefits of adopting the euro accrue to both the Member States that join the euro area and to the euro area as a whole. Detailed analysis and argumentation on this matter can be found, for example, in the Commission's EMU@10 report of 2008.

Under the treaties, all EU Member States are obliged to join the euro area once they fulfil the necessary conditions. However, Denmark and the United Kingdom have negotiated an opt-out clause that allows them to remain outside the euro area.

If Denmark and the United Kingdom decide to apply for membership of the euro area, they will be subject to the same convergence assessment as any other candidate, as happened with other Member States that have already joined the euro area. The Commission would support their preparations fully, including preparations for the actual cash changeover.

Sweden does not have an opt-out clause. For the time being, Sweden does not fulfil all the criteria for introducing the euro. In particular, it is not a member of the exchange rate mechanism tool, and some elements of its central bank legislation would have to be made compatible with euro area membership. Nevertheless, the Commission considers that those Member States not currently in a position to fulfil all convergence criteria for joining the euro should strive to meet these conditions.



**Bernd Posselt (PPE).** – (DE) Mr De Gucht, I just have two supplementary points to make. Firstly, will the Commission attempt to encourage Sweden to fulfil its obligations? Sweden has an obligation under the treaties and this cannot just be interpreted arbitrarily.

Secondly, what is happening about Estonia? Do you think that Estonia will become a member in the foreseeable future, perhaps even this year?

**Karel De Gucht, Member of the Commission.** – As I rightly mentioned, Sweden does not fulfil certain criteria. I mentioned the two criteria: it is not a member of the exchange rate mechanism, and some elements of its central bank legislation would have to be made compatible with euro area membership. It seems to me that these are, let us say, criteria which are possible to fulfil. They are not economic criteria with respect to debt or with respect to deficits. Whether or not the Commission will take action in that respect is a matter for you to put to the Commissioner who is competent for this, Mr Rehn, who unfortunately is ill at the moment.

With respect to Estonia, as far as I know, this is still under reporting with respect to the convergence criteria and there is no definite stance of the Commission on this.

**President.** – Question No 34 by Mr **Georgios Papanikolaou** (H-01 30/10)

Subject: Extending cuts to the private sector

On 4 March, your representative, Amadeu Altafaj, stated that cuts in the Greek public sector might well be followed by cuts in the private sector.

From an economic point of view, any such development would exacerbate the recession by cutting domestic demand and internal consumption. The immediate impact of this cyclicality is a reduction in state revenue. I should like to ask the Commission where the optimism that disarming consumer power will guarantee Greece a way out of the recession comes from. I think that no one needs any particular knowledge of economics to say with certainty that limiting consumer power leads to even deeper recession.

**Karel De Gucht, Member of the Commission.** – Indicators reveal that over the last decade, there has been a disconnection between wage and productivity developments in Greece. This has generated competitiveness losses, reflected in persistent current account deficits and a fall in export market shares. Labour market rigidities and wage setting have been identified as an important factor behind the excessive wage growth in Greece and the resulting gap in unit labour costs with its main trading partners.

In recent years, domestic demand has been the main contributor to economic growth, fuelled by buoyant growth in general government expenditure and household incomes. Private final consumption expenditure per capita increased by more than 80% over the last decade. This model has clearly been unsustainable, resulting in the build-up of significant fiscal, which means a high general government deficit and growth debt stock, increasing interest payments and macro-economic, which implies a high current account deficit and external debt outflow of income imbalances.

The increased financing needs of the government have resulted in the public sector absorbing a large part of the available financing, thus ruling out the private sector and adversely affecting the economy's growth prospects. Economy-wide wage moderation, with public sector wage cuts playing an important signalling role to the private sector, and fiscal austerity measures are thus indispensable to put the Greek economy on a stronger footing by restoring competitiveness and achieving fiscal consolidation.

The Commission is aware that fiscal austerity measures and wage moderation may have a negative short-term impact on demand. Nonetheless, given the current situation that Greece is facing, these measures are necessary to restore market confidence and to lay down the foundations for a more sustainable growth model for the Greek economy in the long term.

Greece has adopted an ambitious programme to correct its deficit and to reform its public administration and the economy. The consolidation measures taken by Greece are important for enhancing fiscal sustainability and market confidence and have been strongly welcomed by the Commission, the Eurogroup, the European Central Bank and the International Monetary Fund.

The courageous measures included in the stability programme and the packages announced in February and March 2010 include not only the envisaged wage cuts through a reduction in allowances paid to civil servants and Easter, summer and Christmas bonuses, but also measures to improve the tax collection mechanism, widen the tax base and increase tax compliance.

In the communication adopted on 9 March 2010, the Commission concluded that Greece is implementing the Council Decision of 16 February 2010 and that, based on available information, the fiscal measures announced by the Greek authorities on 3 March appear sufficient to safeguard the 2010 budgetary targets.

**Georgios Papanikolaou (PPE).** – (EL) Mr President, Commissioner, the National Statistical Service of Greece announced in its most recent – I think it was today's – announcement that unemployment in Greece has risen to 11.3%, of which nearly half (45%) are young people up to the age of 34. At the most productive ages, from 25-34, unemployment is 14.6%. I would also point out that this generation of young people in Greece receives extremely low wages, well below the European average. They are the EUR 700 generation, as they are called in Greece, and we are worried that wages will go even lower.

So I think that we must be very careful when we make these generalisations, especially at such a difficult time for unemployment because, as you will understand, Greek society is worried. Do you think that, while there is such high unemployment and all these problems in Greece, we can get back to growth with new cuts and new redundancies?

**Karel De Gucht, Member of the Commission.** – Of course, we are very much concerned by the unemployment in Greece, and not only in Greece but also in the rest of the European Union. On the other hand, it is also quite important that economic fundamentals are respected and when, over a certain period of time, wages go up faster than productivity, then you have a problem, and that is essentially what has happened in Greece. I realise that this is a massive problem, especially for young people, and we are actively monitoring the situation, but we are also of the opinion that long-term financial sustainability of a Member State of the European monetary union is essential.

**Nikolaos Chountis (GUE/NGL).** – (EL) Mr President, my question is about the principle behind and reason for my fellow member's question.

He said that Mr Rehn's representative suggested that cuts should be made in the private sector in Greece. The question, Commissioner, is this: with what right do Commission surveillance officials, Commission spokespersons and possibly Commissioners talk, suggest, forecast and exert pressure as to what Greece should do in sectors unrelated to Community policy, such as wages, pensions, public administration and health? Who accredits these statements and where does the competence and jurisdiction come from to question, to pursue or to suggest such provision for the Greek economy?

**Karel De Gucht, Member of the Commission.** – We are certainly not asking for employment in the private sector to be reduced, but we are seeing unemployment rise, not only in Greece but also in a larger part of the European Union as a result of the financial economic crisis.

What we are saying is that we have to redress the Greek economy if we want the Greek economy to be sustainable over the longer term. We should also preserve the economic monetary union, which is of invaluable importance for the whole of the European economy: that is what we are saying; we are certainly not saying that unemployment should rise. Unfortunately, this is the result of policies that have been conducted over a certain period of time.

**President.** – Question No 35 by Mr **Ádám Kósa** (H-0133/10)

Subject: Conflict of responsibilities of Member States and the EU in connection with IMF agreement(s)

In order to prevent a broader crisis, the Commission has provisionally amended the rules on State aid, by considerably simplifying the terms of eligibility of SMEs (European Economic Recovery Programme). Hungary recently went through a very difficult financial crisis, as a result of its economic policy. On the basis of the EUR 20 billion agreed with the IMF, Hungary is obliged to come into conflict with values such as high levels of employment and protection for minority groups, values enshrined in the treaties which Hungary, as a Member State of the EU, considers to be of paramount importance. Can such an agreement be legal? Who is responsible if, in a Member State of the EU, further to an agreement with an international organisation which has nothing to do with the European Union, the employment situation deteriorates drastically, including in respect of aid for the employment of people with disabilities?

**Karel De Gucht, Member of the Commission.** – When the global financial crisis hit Hungary particularly hard in autumn 2008, the Commission and the Council decided very quickly to support Hungary with a major EU support package of up to EUR 6.5 billion, which exceeded half of the available funding for non-euro area Member States at the time and, together with the loans from the IMF and the World Bank, made a total of EUR 20 billion.

I would like to stress that without this assistance, Hungary would have faced much larger disruptions to its economy than the 6% decline observed last year and the expected stabilisation this year. Moreover, given that the government had lost access to financial markets, no support would have meant that fiscal policy would have been even more restrictive than has been the case under the programme, and expenditure restraint would have been more severe. Thus, by limiting the magnitude of the recession, avoiding a sharper increase in unemployment and supporting the financing of the deficit, that international assistance has directly contributed to limiting the social consequences of the crisis, including among the vulnerable sections of society.

Of course, in order for the economic programme to be credible, and to reassure investors that over time, Hungary would be back to sound public finances and sustainable growth, it was important that the government implemented an economic strategy that included financial consolidation measures. Under the principle of subsidiarity, Member States are responsible for the design and implementation of social policy measures. That being said, the assistance supported the actions of the government aimed at making budgetary savings and at better targeting expenditure and, in particular, at assisting poor and low income earners.

**Kinga Gál**, *deputising for the author.* – (HU) Thank you for the answer. On behalf of Mr Kósa, I would like to add a remark. After all, the reason why Hungary could not take advantage of the multi-billion euro stimulus offered by the European Economic Recovery Plan was precisely because rules such as these did not make possible a larger scale economic stimulus, and this went hand in hand with the further deterioration of employment. In particular, support for the employment of people with disabilities could not be realised, and so a strange contradiction arises here. I would ask for your opinion on this.

**Karel De Gucht**, *Member of the Commission.* – I am not responsible for this Commission file, but it would seem to me that the honourable Member is hinting at a EUR 100 billion package, but that it is a package that was financed by the Member States themselves, and which the Member States got the authorisation to put into practice. It was not money that was put at the disposal of the Member States. You will find the EUR 100 billion on the debit side of their national budgets.

What has happened with Hungary, because it was necessary, is that additional aid of EUR 20 billion was put at the country's disposal, which is something that has not happened with the other economies. They have only been authorised to take measures so that they could overcome the crisis, but no actual disbursement has been made to those Member States.

**Nikolaos Chountis (GUE/NGL).** – (EL) Mr President, Commissioner, the reply which you gave does not, in my opinion, reflect the problem and speculation behind the question and, given the situation in Greece, I should like to ask you this: have you any concerns about the entry of the International Monetary Fund, an external organisation, into the internal affairs of the European Union? Wherever the International Monetary Fund has been, it has – one might say – sown destruction. So the question is this: has the Commission any concerns as to why the International Monetary Fund has entered the European Union and in which treaty and in which article is provision made for the participation of the International Monetary Fund in the procedures of the European Union? Why does it not opt for a European solution in the case of Greece, as provided for in Article 122(2) of the treaties?

**Karel De Gucht**, *Member of the Commission.* – Very briefly, if the IMF were to intervene in Greece, that, of course, would be at the request of Greece. They do not intervene unilaterally and, as the honourable Member knows, there has been a European agreement among the Member States and the members of the economic and monetary union to have a joint effort of the Member States of the European Union and the IMF. But it is only at the request of a Member State, in this case Greece, that this will actually happen, and that is what I understand is presently being discussed.

**President.** – Question No 36 by Mrs **Eleni Theocharous** (H-0139/10).

Subject: Budget deficit in Cyprus

The economic crisis has hit the entire world, including the countries in the eurozone.

Does the Commission have any information on the budget deficit and other indicators of the Cypriot economy?

Are developments in the Cypriot economy and its indicators a cause for concern? Do you consider that measures need to be taken in respect of the budget situation in Cyprus and, if so, what measures and for how long?

Has there been an exchange of views and have the positions and recommendations of the EU, by which I mean the Commission, been conveyed to the government of Cyprus?

**Karel De Gucht**, *Member of the Commission*. – Mr President, let me kindly ask you whether this debate could come to an end. I am replacing Mr Rehn, and normally Question Time stops at 8 o'clock. I have other engagements so I cannot stay. That is a real problem for me. I have no time and cannot stay.

**Gay Mitchell (PPE)**. – I travelled here with great difficulty from part of the European Union and I do not accept the response from the Commissioner that he has no time. If you have no time, walk out that door now. I am a Member of Parliament, I have a question down for answer here. I have a lot of engagements as well. I have sat here for a very long time waiting for my question while all sorts of supplementaries were answered. I should have the courtesy of a reply in this House. I think it is very arrogant of you to say you have no time.

**Karel De Gucht**, *Member of the Commission*. – It is up to the President to decide on this. Let it also be very clear that I am not at present answering questions that are put to me but am replacing Mr Rehn, who cannot be here because he is ill. You have to say that to the President. I respect the authority of the President in Parliament. It is not up to me.

**President**. – You are right to point out the problem. You are replacing Commissioner Rehn, which is unfortunate, of course, given the importance of the questions. Nevertheless, Question Time is scheduled until 8.30 on our agenda. Given the circumstances, whereas I cannot tie you down on that chair, I can tell you that what is expected is for you, having received the unfortunate role of replacing Commissioner Rehn, to do so in the full range of his questions.

**Karel De Gucht**, *Member of the Commission*. – I had understood it was until 8 p.m., but, as I have already said, you have the chair and it is up to you to decide what I should do, so I shall continue.

The financial crisis which has also evolved into a macro-economic crisis has been the worst in post-Second World War history in terms of both magnitude and global coverage. The crisis took a heavy toll on the global economy, including the EU and the euro area countries. As such, it unavoidably affected Cyprus, a very small, open economy.

According to provisional estimates released by the Cypriot Statistical Service, the gross domestic product of Cyprus appears to have contracted by 1.7% in real terms in 2009. This is the first time economic activity in Cyprus recorded a negative growth rate over the last 35 years.

These unfavourable economic conditions, coupled with the fading-out of the asset boom and an expansionary fiscal policy partly due to measures adopted within the framework of the European Economic Recovery Plan, led to a deterioration of the public finances. According to the latest notification of GDP-related data from the Cypriot authorities transmitted in March 2010 and currently under validation by Eurostat, the general government balance reached a deficit of 6.1% of GDP and the general government gross debt attained 56.25% of GDP in 2009.

The Stability and Growth Pact requires the Commission to prepare a report whenever an actual or planned deficit of a Member State exceeds 3% of GDP reference value. Currently, the Commission is in the process of preparing such a report for Cyprus. Once the report is ready, it will be presented to the Council, which should decide whether the deficit is excessive. If the Council concludes this is the case, it would make recommendations to Cyprus and would establish deadlines for effective corrective action to be taken.

In the meantime, the Cypriot Government has also sent its updated stability programme. The programme spells out the medium-term budgetary strategy until 2013. Currently, the Commission is in the process of assessing the update and preparing its recommendation for a Council opinion on the programme.

**Eleni Theocharous (PPE)**. – (EL) Mr President, Commissioner, it would be extremely embarrassing if you did not give an answer right now to the question asked. Be that as it may, I should like you to tell me if Cyprus is in danger of being put under supervision and if you are satisfied with the convergence programme. Of course, you said something about estimates, but I should like to know if you are satisfied with the convergence programme tabled by the government.

**Karel De Gucht**, *Member of the Commission*. – Well, I can only repeat what I said, that there will be an assessment and this is the normal procedure that we apply to all Member States including Cyprus.

If the Commission comes to the conclusion that this is an excessive deficit, then it will make recommendations to Cyprus.

**President.** – Question No 37 by Mr **Morten Messerschmidt** (H-0142/10)

Subject: Greece and the current crisis in euro cooperation

Greece is revealing the other side of euro cooperation at the moment. In the good old days, the impression was that everything in the EU was peachy. However, as soon as the consequences of the financial crisis hit Europe, the situation deteriorated drastically. The Greek public deficit was 12.7% of GDP in 2009, well above the 3% ceiling permitted under the Stability Pact for countries in the eurozone. Athens is now forced to impose an austerity package which makes provision for cuts of EUR 4.8 billion to the national budget. The Greeks are being forced to tighten their belts and the austerity measures are hitting everyone indiscriminately, from civil servants to pensioners.

Generally speaking, fluctuating exchange rates are not a good thing. They are of no benefit to anyone, nor do they resolve fundamental, structural problems. However, we are obliged to acknowledge that money, like everything else, has a price. The price of money in Greece is being felt in the form of massive interest rates which are freezing all forms of economic activity. When the situation becomes that drastic, a country needs to be able to apply the emergency brake and 'slash' the price of money. Does the Commission not agree with this and does it not therefore accept, by extension, the inherent weakness of the euro?

**Karel De Gucht**, *Member of the Commission.* – The honourable Member seems to suggest that having an independent monetary policy in Greece would be a way of alleviating the crisis affecting the country. This is not correct; the high interest rates from the Greek Government are not due to monetary policy factors but rather to high risk premiums related to market concerns about debt sustainability.

ECB interest rates are at a historical low and the Central European Bank has been providing very ample liquidity to the euro area financial system, including the Greek institutions. Of course, participation in the euro requires that economic adjustment of course via channels other than the exchange rate, as shown in many Commission documents, for example, the comprehensive 2008 report on EMU@10.

Adjustment in the euro area has not been sufficiently smooth in the past. This is why the Commission has highlighted the need to reinforce EU multilateral surveillance procedures based on intensified peer pressure to identify and tackle vulnerabilities in Member States at an early stage. The Commission is currently preparing proposals to this end, as I already mentioned in reply to a previous question.

**Morten Messerschmidt (EFD).** – (DA) A wealth of possibilities exist for regulating a country's currency – provided that country has its independence. However, that is precisely what members of the euro area do not have, because they dumped a great many of the instruments they used to have in Frankfurt. Moreover, it is not correct that interest rates do not differ within the euro area, for there is great variation in private interest rates for both medium- and long-term borrowing, and the Greek bond rate is much higher than the Danish bond rate, for example – despite the fact that we have our own currency.

What I would like the Commission to give an answer to or concede here is whether it will face up to the fact that were Greece not bound by the position set out by Frankfurt, then Greece would have devalued, and this devaluation would have remedied a large part of the problems that Greece is facing.

**Karel De Gucht**, *Member of the Commission.* – Certainly not. The whole idea of a monetary union is of course – and everybody is perfectly aware when they become a member of the European monetary union – that you can no longer devalue your currency because you do not, in fact, have a currency any more. There is only the common currency.

There is no longer such a thing as a Greek currency. The Greeks have the euro as their currency. So an individual devaluation is completely contradictory to the whole idea of a European monetary union, and it is not by accident that Greece is a member of the European monetary union. It is a member because they did everything – really everything – to get in.

**President.** – Question No 38 by Mr **Gay Mitchell** (H-0145/10)

Subject: European Monetary Fund

The idea of a European Monetary fund was refloated over recent weeks as a mechanism for addressing crises like the crisis that hit Greece at the start of the year.

What is the status of this proposal? How could such a fund operate in practical terms? What are the main obstacles to the creation of an EMF? For example, is it feasible to create it on the basis of the provisions of the current treaty?

**Karel De Gucht**, *Member of the Commission*. – The crisis has demonstrated the need for establishing a crisis resolution framework for the euro area.

Due to the need to consider all economic, legal and institutional implications, this is an issue for the medium term rather than the immediate view.

The Heads of State or Government of the euro area gave a strong signal on 25 March by calling for the establishment of a task force to work on measures for the euro area framework for crisis resolution before the end of the year.

The public discussion regarding a European Monetary Fund has touched a number of elements that are relevant in this respect. In particular, the Commission agrees that there is a case for establishing a framework for emergency financial support under strict conditionality and subject to incentive-compatible interest rates.

However, no new body is needed to provide it or to define and monitor conditionality. Consistency with the stability-oriented governance framework of the EMU needs to be ensured. The Commission is considering the scope of proposals to this effect. More generally, a firm commitment to sound policies by all euro area Member States remains the cornerstone of the successful functioning of the EMU.

In this context, the Commission is in the process of preparing for the proposals on reinforced economic policy coordination and country surveillance building on the proposals presented in the recent Commission communication on Europe 2020 strategy.

**Gay Mitchell (PPE)**. – First of all, can I apologise to the Commissioner. We are all suffering a little bit of cabin fever because some of us have not been able to get home and are trying to help some of our families to move around the place. I realise that the Commissioner has other appointments and is substituting for a colleague.

Could I ask the Commissioner, in relation to his reply, what would constitute the medium term? Are we talking half-way through the lifetime of this Commission? Are we talking a year, 18 months? What sort of period does he see for some more definitive response in this issue to materialise?

**Karel De Gucht**, *Member of the Commission*. – You should put the question on a specific timeframe to Commission Rehn, but when you look at the recommendations that we have been making and the agreement that has been made to support Greece, in particular, by a combination of bilateral loans and International Monetary Fund support, it is clear that the Commission is of the opinion that what happened now in any case could not be resolved by the putting into place of a European Monetary Fund because this would certainly take much more time than we have with respect to Greece.

So this is a medium-term project that we are sympathetic with, but with respect to a specific timeframe, I really suggest you put the question to Mr Rehn.

**President**. – Question No 39 by Mrs **Rodi Kratsa-Tsagaropoulou** (H-01 50/10)

Subject: Financial monitoring procedures for the Member States

The Commissioner for Economic and Monetary Policy, Mr Olli Rehn, said that the key lesson of the crisis is that we urgently need broader and deeper monitoring of economic policies, including action to promptly identify and address imbalances, with a view to safeguarding macro-economic stability in the eurozone. Given that the Commission has the tools, under Articles 121 and 126 of the treaty, to monitor the Member States' financial policies and given that the majority of them have a deficit which well exceeds 3%, does the Commission intend to strengthen the preventive character of monitoring and, if so, using what means and procedures? Does it intend to table proposals to strengthen economic convergence in the eurozone? Does it intend to promote the necessary structural changes in the Member States so that they are already applied at a time when their public finances so permit?

**Karel De Gucht**, *Member of the Commission*. – The Commission has long argued in favour of deepening and broadening euro area economic surveillance. The importance of this issue was recognised by the European Parliament in its report on the 2009 annual statement from the euro area and public finances.

The Commission intends to make full use of the new treaty instruments to achieve stronger policy coordination and governance. A forthcoming communication will outline new proposals in order to frame the development of a comprehensive framework for crisis prevention and correction in the euro area through recourse to the new Article 136 of the Treaty on the Functioning of the European Union. The communication may include proposals to reinforce the preventive and corrective arms of the Stability and Growth Pact – proposals for more effective and broader surveillance of intra-euro area macro-economic imbalances – and explore the options for the creation of a crisis resolution mechanism for euro area countries.

Regarding fiscal policy, a reinforced emphasis on fiscal sustainability is warranted because of the impact of the crisis on debt and growth potential, as well as the demographic factors kicking in. The incentives for compliance with the preventive and corrective dimensions of the Stability and Growth Pact need to be made stronger. The commitment to consolidation needs to become stronger in good times. Underlying vulnerabilities of public finances should be taken properly into account when designing the optimal consolidation part. New focus should be given to debt dynamics and sustainability and quality of public finances, including national fiscal roots. There is also a need to address cases where the rules are continuously broken; penalties could be made more deterrent and incentives strengthened.

Competitiveness developments and macro-economic imbalances, on top of fiscal imbalances, are a matter of concern for all EU Member States. However, surveillance of macro-economic imbalances and competitiveness divergences are particularly warranted for EU Member States that linked to the euro because of the higher degree of economic and financial spillovers across euro area Member States; less market discipline; the absence of exchange rate risks and more challenging adjustment with potentially high cost for the euro area as a whole.

Competitiveness divergences are a cause of serious concern for the functioning of the European Monetary Union. During the decade preceding the crisis, divergence has been underpinned by a worrying build-up of a range of domestic economic imbalances in some Member States including, *inter alia*, high debt and housing bubbles in some current account deficit countries, as well as entrenched weakness in domestic demand in some surplus countries. Diverging wage and cost trends, the accumulation of a sustainable external debt position and the protracted mythical allocation of resources raised the stake for adjustment and increased vulnerability of public finances. At the same time, countries heavily relying on trade surpluses have fallen victim to the sharp contraction in world trade in the early stages of the global crisis. Therefore, complementing fiscal surveillance, the Commission intends coming forward with proposals for the broadening of economic surveillance in the euro area, addressing macro-economic imbalances and competitive developments. The aim is to set up a framework for early detection, prevention and effective correction of intra-euro area imbalances.

The third main element in the Commission's proposal will explore the options for setting up a crisis resolution mechanism. The ad hoc mechanism for possible financial assistance for Greece serves the immediate need. However, it is necessary to set up a permanent crisis resolution mechanism with strong built-in disincentives for activation. Establishing *ex ante* clear, credible and consistent rules and procedures for the provision of exceptional and conditional support for a euro area country in serious distress will bolster the fundamentals of the EMU.

The proposals for enhanced economic surveillance and coordination in the euro area are an important complement to the EU's comprehensive 2020 strategy for growth and jobs. The Commission will ensure the efficient articulation between the two frameworks.

**Rodi Kratsa-Tsagaropoulou (PPE).** – (EL) Mr President, Commissioner, thank you for your reply; allow me to come back to the subject of surveillance and imbalances. What I was hoping to learn from my question is whether divergence will now become a serious item on the agenda; not only financial imbalances, but economic divergence, and not only the surveillance mechanisms, but also action to address divergences. International crises, the Greek crisis, have brought all the weaknesses in the euro area to the surface.

**Karel De Gucht, Member of the Commission.** – First of all, I would also like to apologise to the interpreters but I am in a somewhat exceptional situation. You could also interpret that I tried to answer all the questions within the timeframe of 20.30.

With respect to the additional question, I think you should go back to the origin of the crisis in your country, which is, in fact, that these imbalances have been created over time. There is a very big imbalance with respect to competitiveness. Wages went up much higher than did competitiveness and this is, of course, in the first instance, also a matter of national policies.

Regarding whether it is better to have closer monitoring, the answer is yes. That is why we are proposing a new scheme for that. You should not forget that in 2002, the European Commission made a proposal that auditors could be sent to a Member State to check the numbers, for example, but it was not accepted by the Member States. So the Commission has always been aware that monitoring was a very important part of the national budgets being compatible with the European Monetary Union, especially in the case of Greece.

**President.** – All I can tell you is that Olli Rehn owes you a big one, apparently! So you have something to negotiate with him next time there is a Question Time, perhaps when it is your turn to stand here.

Question time is closed.

*(Questions which have not been answered for lack of time will receive written answers (see Annex)).*

*(The sitting was suspended at 20.25 and resumed at 21.00)*

### IN THE CHAIR: MR MARTÍNEZ MARTÍNEZ

*Vice-President*

## 13. Establishment of a European Asylum Support Office (debate)

**President.** – The next item is the recommendation for second reading (A7-0118/2010) by Jean Lambert, on behalf of the Committee on Civil Liberties, Justice and Home Affairs, on the Council position at first reading (16626/2/2009 – C7-0049/2010 – 2009/0027(COD)) for adopting a regulation of the European Parliament and of the Council establishing a European Asylum Support Office.

**Jean Lambert, rapporteur.** – Mr President, I am not sure that inspiration is going to be what is on offer but this is obviously a very controversial topic that many Members in this House were terrified to come and speak about, so those of us who are brave enough to be here must seize the moment.

I want to start firstly by thanking very much all the shadows who worked on this report for their very active involvement and our ability to find a common negotiating position and act as something of a team. I also want to thank the two Presidencies involved – the Czech and particularly the Swedish Presidency – for their more open attitude on this than we have seen in some negotiations, as we were able to negotiate rather than feel we were there to do what Council wanted – well, sometimes anyway.

So, what did we achieve? The aim of the common European asylum support system is to deliver consistent high-quality decision making for those in need of protection, and it really can be a matter of life or death for those in need. It is well known that the system is not delivered in a consistent way across Member States. Differences at times are so great between the best and the worst that there is a lack of confidence which can lead to those who try to deliver objective decisions feeling undermined by those who do not. And those who suffer at the end of the day are those in need of protection.

There is also a very strong feeling from some Member States under particular pressure that there is a lack of solidarity from others, that their need for support is not given a real practical response. Under the refugee fund, there has been a funding strand for cooperation between Member States which has led to some positive developments, but it has also become clear that there are limits to this more piecemeal approach.

The Asylum Support Office is therefore being set up to provide ongoing support to enhance a consistent approach and to provide active support for countries under particular pressure. Specific tasks are already being assigned to it via other legislation.

The key points for the European Parliament during the negotiations have been the role of the European Parliament itself in relation to the Asylum Support Office, how to achieve greater solidarity between the Member States, and the role of civil society and UNHCR with the Office.

The issues about the role of Parliament have centred around our relationship with the Director in terms of his or her appointment and ongoing links. We have eventually settled on the European Parliament hearing the recommended candidate, offering a confidential opinion and receiving feedback on how that is being taken into account.

The Director will also present the annual report to the relevant committee – I cannot quite believe we had to fight for that, but still – and we can also invite the Director to report on the performance of certain tasks.



The role of Parliament in relation to agencies is now a topic for discussion in the interinstitutional working group, and I am now a member of the European Parliament team on that – partly due to my experiences and a certain sense of frustration with the negotiations on the Asylum Support Office.

As regards solidarity between the Member States, Parliament wanted binding mechanisms, Council wanted to entrench the voluntary nature of cooperation, and the final language is more neutral, but we do have an external evaluation of the Asylum Support Office to look forward to, which will cover the Support Office's impact on practical cooperation on asylum.

On the role of the consultative forum, there is a lot of real expertise available to Member States, and it seemed obvious to us that such expertise could be valuable. We know that some Member States have active relationships with NGOs, and we wanted as well to make sure that local authorities, which often deliver much of what is required under the common system, also had an opportunity to be included. So we are pleased to have been able to breathe a little more life into this body.

In conclusion, we feel that the Asylum Support Office could play a very valuable role in developing a common system. We hope it will be of high quality – even if we could not quite get that into the final text – and help engender a sense of mutual confidence and support. I would also ask the Member States involved to be more open to what other institutions, elected authorities and civil society can contribute, because, while this is about cooperation between Member States, it is not entirely intergovernmental. It is a European institution we are creating.

**Cecilia Malmström**, *Member of the Commission*. – Mr President, I am really happy that we are now very close to a final adoption of the regulation establishing the European Asylum Support Office. The Commission proposed this back in February 2009, and the Council and Parliament have been extremely committed to this.

The establishment of a common asylum system has been an objective of the European Union for many years and the Commission and myself remain very committed to this objective.

We must establish a system which is fair and efficient, based on common standards and common principles. This system should also be based on solidarity, and that means solidarity with the migrants, with the countries of origin and transit, and it also means solidarity between the Member States. In order to strengthen the solidarity between the Member States, practical cooperation between the different authorities in the area of asylum is important as a part of forming the European asylum system. To enhance this practical cooperation, the establishment of the Asylum Support Office was requested by the European Pact on Asylum and Migration of 2008 and agreed in the Stockholm Programme in 2009. The Support Office will therefore be a cornerstone in the building of a common asylum system.

The Support Office will, as you all know, be located in Valletta. It will provide concrete and operational support to Member States' authorities, and will facilitate the development of the necessary cooperation between the Member States and the development of common practices. This will be achieved through training of individual persons dealing with asylum applications and through exchange of information and best practices. The Support Office will also provide assistance to Member States under particular pressure by sending expert teams which can help with the registration of asylum applications.

I would very much like to thank the European Parliament and all the rapporteurs responsible for this – Mrs Jean Lambert, of course, for her work, as well as Mr Moraes for the necessary amendments to the European Refugee Fund, and all the co-rapporteurs and shadow rapporteurs. Your full and constant support has been extremely valuable and I am looking forward to working with you on the final steps before this Office opens – hopefully very soon.

**Simon Busuttil**, *on behalf of the PPE Group*. – (MT) Mr President, I would also like to begin by congratulating Jean Lambert for her report and for the success of this dossier, as well as for the loyal manner in which she cooperated with us, the shadow rapporteurs, on the subject. The European Popular Party has a positive outlook on the establishment of the Asylum Support Agency because it considers it to be an important step forward in the establishment and implementation of a common asylum policy within the European Union. On a personal level, as a Maltese MEP, I am obviously not just satisfied but also proud that this Office is to be established in my country's capital city, Valletta. I would like to point out that this Office must recognise that a common asylum policy needs to be built upon one word, as has already been mentioned, and that is solidarity: solidarity towards asylum seekers travelling to Europe who are entitled to protection, which the said office must ensure, and, as rightly stated by the Commission, solidarity towards those countries who

have been shouldering the burden alone, without any assistance. Therefore, this concept of solidarity must be understood in its entirety; indeed it is as though we are looking at two sides of the same coin, in showing solidarity to those who deserve protection and solidarity with those Member States carrying a disproportionate weight. I would like to say that, so far, it seems as though the message on the importance of solidarity has been understood. However, we have not yet taken it a step further. I would now like to see words being translated into facts, and to see this principle being activated on a practical level. This is where the Support Office will have a major role – to flesh out this principle, to implement it and to ensure that the specific initiatives it undertakes will indeed succeed in extending solidarity to all those who require it. Therefore, I hope that this Office will be up and running as soon as possible and I would like to assure others that we, as Members of Parliament, will be closely monitoring its operation method in the months and years to come.

**Sylvie Guillaume**, *on behalf of the S&D Group*. – (FR) Mr President, ladies and gentlemen, I, too, would like to start by congratulating both Mrs Lambert and Mr Moraes on their excellent work, which will allow us in the next few days – as soon as the airspace situation has returned to normal – to formally adopt the regulation on the creation of the European Asylum Support Office. I imagine, therefore, that we will all agree on one point: that we welcome the imminent creation of this Office.

Resolutely aimed at practical cooperation, the Office will help reduce the significant gaps that still exist between the asylum practices of the various Member States, and this despite a first, so-called harmonisation phase that began at the Tampere European Council. This body will allow us to ensure the consistency that is lacking in current practice.

I also wish to stress the important role that civil society will play in this Office, through its participation in consultative forums. Civil society's grassroots involvement will provide a clearer insight into the difficulties encountered by asylum seekers, and into the failures of the national systems.

However, we must recognise that this matter leaves a slightly bitter taste in the mouth. For Parliament, it is regret at not being able to play a full role in the appointment of the Director of the Office, for example, and for the Office itself, it is the impossibility of contributing to the introduction of a system of compulsory solidarity between Member States to provide relief for the countries located at the gates of the European Union.

In practical terms, this voluntary solidarity is empty talk. The fact is, if we refuse to even mention a more binding system, how will we ever achieve it? This remains a topical issue in our debates and we will continue to remind our partners, the Council and the Commission, of it.

The creation of this Office perfectly illustrates the need to put in place a common European asylum system. All the Member States are very much in favour of this when it is a case of declarations such as the 2008 European Pact on Immigration and Asylum. Strangely, however, these same Member States seem to suffer memory lapses when it is a case of shifting from words to actions and translating their commitments to common rules into texts.

It is, for example, most regrettable to see how willingly the Council adopts a whole series of measures to combat illegal immigration, as it did during the February Justice and Home Affairs Council. However, it proves more cautious during the negotiations on the asylum package, which has been at a standstill for several months now. Rather than putting on a purely and opportunely political display achieved through repressive measures, I call on the Member States to build a real Europe of solidarity.

On the one hand, we know that these repressive measures are a significant threat to the right of asylum in Europe for individuals who, because of the increase in screening and other barriers, are undertaking increasingly dangerous journeys. On the other hand, Europe could finally boast genuinely harmonised asylum procedures based on the granting of proper guarantees to asylum seekers.

We can see that the Member States are very resistant to the asylum package and that the tendency is towards keeping national practices. This resistance is echoed resoundingly in arguments over the budgetary costs of such a common policy, which would seem to be unsustainable in a crisis context. Nevertheless, Europe has a huge responsibility where asylum is concerned.

We should emphasise the fact that, to date, it is more often than not third countries that are less well-off than us that have played their part in accommodating refugees. Let us hope, therefore, that this asylum package is as successful as the Office was, and that its success comes quickly, because there is an urgent need to act.

**Marie-Christine Vergiat**, *on behalf of the GUE/NGL Group*. – (FR) Mr President, Commissioner, ladies and gentlemen, the right to asylum is one of the European Union's fundamental values and nobody dares question it publicly, in their speeches. Nevertheless, the reality of European policies and those of its Member States in this area raises questions.

It was in 1999 that the European Union started to harmonise its policies on the subject, and there seems today to be a sense of satisfaction at the spectacular fall in the number of asylum seekers. We in the Confederal Group of the European United Left – Nordic Green Left could also be pleased about this if that figure reflected an improvement in the human rights situation across the world. We all know that it does nothing of the sort. Our debates will prove it, if necessary, when they take place on Thursday afternoon.

Since 2004, in particular, we have been seeing the downwards harmonisation of reception procedures and conditions. There are significant differences between countries' practices, and we know that some of the applications have been outsourced and that, today, some asylum seekers no longer even have the opportunity to register their applications. Once again, the prize for the biggest reduction in the number of asylum applications goes to France. As a human rights activist in France, I am well placed to know what has caused these results. To have accompanied an asylum seeker just once to the services of the French Office for the Protection of Refugees and Stateless Persons is enough to know what the cause is. It is unbearable to watch the way in which these men and women are summoned to submit evidence of the acts of torture that they have suffered.

The proposal that we are examining today therefore seems to be a breath of fresh air. It helps improve the implementation of a European system on the right to asylum. It aims to promote practical cooperation between Member States, in particular, by improving access to accurate information on countries of origin, which is a good thing. The majority of the proposals made by Parliament at first reading have been adopted by the Council. We know that we owe this result mainly to the Swedish Presidency, and we are grateful to it. I would add that, in my opinion, Sweden is, as it were, a model, and I would very much like other states to align themselves with it in this area.

We have supported our rapporteur at both first and second readings in committee, and I too am keen to congratulate and thank her. We will do the same in plenary and we express our sincere hope that this small step forward will constitute a new turning point in European policy on this matter. We hope that, instead of Europe withdrawing into itself in what we in this House dare to call fortress Europe, we can instead welcome these men and women who have a right to asylum, as is proclaimed in the international treaties and in the European Convention on Human Rights, which we will soon be ratifying.

**Mario Borghesio**, *on behalf of the EFD Group*. – (IT) Mr President, ladies and gentlemen, I have heard it suggested that this measure relies on solidarity. In my humble opinion, something else is lacking – and that something is security.

And yet, you only have to talk to those involved with these issues, for example, the police – on this occasion, I was lucky enough to be travelling with members of the law enforcement agencies, *Carabinieri* officers from the supply office in Turin, whom I would like to mention by name, Romanini and Tavano. They confirmed to me that in many cases, these asylum seekers show false cards and documents; cases of this have been reported by various police forces and other bodies.

Would it not be a good idea to look at this question from a security angle as well? I do not think that the question of security is very pronounced in this document and yet it is very important, because we must avoid contaminating an important principle, an important institution of such great humanitarian value, in other words, the entitlement to asylum, with the grubby interests of those who traffic in illegal immigrants and who often use asylum as a way of infiltrating people who have no rights and no relationship to those actually being persecuted.

Secondly, Article 2 of the regulation states that the Office shall facilitate, coordinate and strengthen practical cooperation among Member States on the many aspects of asylum and help to improve the implementation of the Common European Asylum System, including its external dimensions. Article 7 should specify this, but it only does so very vaguely, saying that the Office can establish methods of cooperation with third countries on technical aspects.

I believe that we must go much further, and I wonder why – despite many people, including us, proposing it – no one talks about or examines the suggestion of setting up these offices in third countries as well? What is preventing it? I think it is very important to filter, partly in order to lighten the workload and the situation

of countries that have to deal more directly with this. Someone spoke of these countries' needs, but these countries must be supported, and I believe that offices should be established in third countries, for instance, in North Africa, in the sub-Saharan area, where there is a concentration of asylum applications and asylum seekers.

Here, we need to filter, perhaps using the European Union's External Action Service, carrying out operations that would involve certain developing countries taking some responsibility; we need to give them a sense of responsibility where the asylum issue is concerned.

I believe that these issues are very important and that we should not neglect them, nor should we ignore the needs of European Mediterranean countries affected by these issues, not merely by talking about them or by sending along a few officials; we already have our own bureaucrats in Italy. What we need in order to deal with this situation is money, resources, and real support.

It has been said that in Sweden, things are going very well. That may be so, but Sweden is very far removed from the needs of Malta, Italy, France and the Mediterranean: this is where the problem is, and it needs to be addressed – and we must make the countries of the European Union responsible for this. Privileges and burdens go hand in hand, and since we have the burden, we should also have the means of dealing with it.

**Franz Obermayr (NI).** – (DE) Mr President, it is definitely not a bad idea to apply the regulations on asylum uniformly in order to reduce secondary immigration within the EU and to support those Member States with a very heavy influx of asylum seekers. However, there are serious doubts as to whether it is necessary to establish this support office to bring about improvements and whether the office will interfere too much in the powers of the Member States.

Establishing this agency is another step towards centralising EU asylum policy. The aim is to achieve a high level of protection based on the actions of the most generous Member States, such as Austria. Existing differences are to be removed, with the more generous countries staying on the same course and the others making the necessary changes. That is all very well, but establishing large numbers of new EU agencies (the figure has tripled since 2000) and expanding their remit clearly goes against the attempts of the Lisbon Strategy to introduce more deregulation and subsidiarity.

I believe that the widely discussed objective of circular migration – a bit here, a bit there, occasionally somewhere else – is totally wrong. It does not work in practice and circular migration often turns into permanent migration. There are, of course, other criticisms that can be made. Unrealistic conditions for detention pending deportation are put in place at the expense of security and at the expense of our executive. Extending the concept of the family to cover everyone including grandmothers will result in a further influx and improving access to the labour market in a period of high unemployment is unsustainable.

It will not be possible to finance the extension of basic welfare provision to the same level as countries such as Austria and Germany. The new asylum support office is therefore not fit for purpose and should not be established. We must develop a common asylum strategy from scratch, because what you are recommending will not work in the countries that are affected.

**Georgios Papanikolaou (PPE).** – (EL) Mr President, the establishment of a European Asylum Support Office is indeed extremely important and thus, symbolically, I consider it to be important that it is being set up in Malta, a country in the south of Europe which is under a great deal of pressure from asylum seekers and also within the framework of illegal immigration issues.

It is very important that we strengthen and coordinate cooperation between the Member States on asylum issues still further and, ultimately, that we try and arrive at a uniform approach from among the various national practices, especially as we all recognise the huge differences which exist. For example – this information is at the Commission's disposal, but I believe that it already knows that an Iraqi asylum seeker may have a 71% chance of his application being accepted in one Member State, but just a 2% chance in another Member State, and, of course, there are also different problems between the Member States.

The Dublin II Regulation will, inevitably, put a heavier burden on some Member States compared with others, and, of course, this Asylum Office will also support the solidarity mechanisms available through the European Refugee Fund. I refer to the transportation and reallocation of refugees both from third countries in Europe and to the so-called internal 'reallocation' of refugees.

As far as reallocation from third countries is concerned, we are making small steps, but we are progressing. However, as regards the internal reallocation of refugees, I wish to stress that, despite the fact that we all

acknowledge that there is a greater burden on some Member States, especially in the south of Europe, compared with others, we have not made any specific proposal; we have not taken any initiative on these issues. We await the Commission's proposals; we have also sent a letter on the matter within the framework of the Committee on Civil Liberties, Justice and Home Affairs and, if nothing else, we must be bolder on these issues, because the pressures are great.

To close, I have this to say: it is very important that we develop mechanisms in the European Union for receiving refugees, for accepting asylum seekers, not just for humanitarian reasons and for the reasons already referred to by numerous members, but also so that we can combat illegal immigration. We must give everyone seeking a better homeland, a better future, the message that, in Europe, anyone taking the legal route ultimately has a better chance than if they take the route of illegal immigration from which, unfortunately, there is a great deal of pressure.

**John Bufton (EFD).** – Mr President, the establishment of a European Asylum Support Office goes totally against the British opt-out on immigration and is at odds with the UK rejection of the Schengen *acquis*. The proposal that EUR 40 million will be spent establishing and staffing an entire office in Malta to deal with asylum seekers across the EU suggests that this Commission wants to make the decisions that should be left to national governments.

Any common European asylum policy threatens British sovereignty over border control. Repeated appeals to let the UK decide who comes in and out of the country, and who can be accommodated, arise from the fact that we have a huge population problem that is quite unlike the situation anywhere else in Europe.

The Commission does not offer help and support when the UK is struggling. Instead, it will take the money of the British taxpayer to cover the cost of making our decisions on our behalf. EUR 40 million would be better directed towards building new schools, hospitals and houses in the UK as well as affording critical services such as clean water, desperately needed if we are to continue providing a decent First World quality of life for everyone.

One in four births are to mothers who themselves were not born in the UK, that is 170 000 births a year. Where is the money to help the British taxpayer afford all this? In your pocket or spent on setting up a new asylum office which will no doubt pile more pressure on to the UK?

In our election campaigns, all the parties in the UK are promising to do something about immigration because the people back home are demanding something should be done. But what can Westminster do as long as we are in the EU, because at exactly the same time, the European Commission wants all the powers over asylum seekers passed to them?

Time and again, this Commission has shown only disregard for the wants and needs of the UK people. Is it the Commission's intention to repeal the UK opt-out in this area too? The people back home deserve your honesty because this issue is extremely important to them. You are supposed to represent them and they deserve to know what you have planned.

**Sergio Paolo Francesco Silvestris (PPE).** – (IT) Mr President, Commissioner, ladies and gentlemen, we must not shroud in solidarity an office that must support a procedure for establishing the true conditions of asylum seekers.

We believe that this is important and useful, but that it must ensure, on the one hand, that those who actually have the right to asylum are granted it more quickly, and, on the other hand, that those who do not have the necessary rights and try to abuse this system are firmly dealt with, because it is clear that not all those who have the right to asylum are granted it.

I would like, very briefly, to echo the statements of Mr Borghezio: certain countries, such as Italy, and particularly southern Italy, where I come from, provide natural entry routes for immigration and are particularly affected by asylum applications due to their historical traditions of welcoming immigrants.

Europe must take charge of this, and the European Union must focus its attention and efforts, including its economic efforts, in those areas that receive the most immigrants.

**Cecilia Malmström, Member of the Commission.** – Mr President, I am grateful for the strong support for creating this agency by a majority of this plenary. As you know, there has been a unanimous demand from Member States to create this agency, even those under opt-out, who know that the Commission has no intention of forcing any changes in the UK opt-out. That is the decision of the UK people.

But there has also been a strong support in this plenary for an agency, and I am very glad that it is going to be created now. We know that, especially in certain seasons, there is a great pressure on the countries in the Mediterranean, and this agency can help and support. There are also migrants coming to northern, eastern, western and central Europe, so this is an agency for the whole of Europe, even if it is no coincidence that it is located in Valetta.

It is not just another agency. It is, in fact, a cornerstone in building a common asylum system and it will be an important instrument in supporting Member States, in helping develop practices and common standards, and in supporting Member States under particular pressure. It would gather information, it would put up a portal, it would have experts, etc. Ultimately, it is always up to the Member States as to who can stay, but there are certain procedures which need to be harmonised.

As some of you have said, this is part of developing a common asylum system in Europe. This is just one part: as I think the rapporteur said, we are stuck when it comes to the rest of the asylum package. The Commission counts on the help and support of the European Parliament in moving on with these issues so that, within the not too distant future, we can indeed establish a common asylum policy in the European Union.

**Jean Lambert, rapporteur.** – Mr President, I would like to just take an opportunity to clear up one or two questions which have arisen, although it is a pity that some of those asking the questions are not around for the answers.

Asylum obligations are clearly set out under international conventions which all Member States have individually signed up to. That is not the same as an immigration policy, and people really should recognise the difference.

For those who are concerned about the money – if I may make a party political and national political point here – if certain of our Member States stopped creating asylum seekers from Iraq and Afghanistan, I am sure we could save a lot more money and indeed save people a lot more misery.

As regards some of the other points which were raised, it is hoped that improving the quality of the system in certain Member States will be able to increase confidence between Member States and deblock some of the other parts of the asylum system, as well as helping Member States feel that there is support when they are facing particular burdens. As others have pointed out, while some of our Member States do have considerable geographical pressures on them from the flows which arrive, many of the over-burdened countries are actually not in the European Union at all but are elsewhere.

I was very interested to hear a colleague arguing for additional support out there, in terms of the Asylum Support Office, but I am afraid I missed the amendments which he tabled on that topic.

I also want to be clear that the Asylum Support Office is not there to determine status; it is not taking over the role of Member States in that field.

All in all, I welcome the kind comments made by colleagues, I welcome the active involvement of those who have helped me very much on this report, and I am sure that we are all looking forward – or most of us anyway – to being there in Valetta when the ribbon is cut on the Asylum Support Office and we can begin work.

**President.** – I am going to close the debate. I will not do so, however, without saying with great feeling that I am not unmoved by the fact that the person who chaired this debate enjoyed the right of asylum because of the generosity and hospitality of the governments and people of France, Austria and Belgium, to whom I would like to pay a tribute of thanks here today, because there is no time limitation on gratitude, even though this happened more than 40 years ago.

The debate is closed.

The vote will take place during the part-session in the first week of May

#### **Written statements (Rule 149)**

**Ioan Enciu (S&D), in writing.** – (RO) Setting up the European Asylum Support Office is an extremely important step in establishing a European Common Asylum System, as provided for in the European Immigration and Asylum Pact and the Stockholm Programme.

The Office will help increase cooperation between European institutions, local authorities and civil society, and will identify common practices in asylum matters. I am confident that this will bring Member States' positions closer together with regard to asylum-related policies. This matter is an absolute necessity, given that some Member States are facing large influxes of asylum seekers. Cooperation and solidarity are also needed between Member States not only to help these countries cope with the problems they are facing, but also to improve the European Common Asylum System.

I must mention that this system will be based, from a legal and practical perspective, on the full, overall application of the European Convention for the Protection of Human Rights and Fundamental Freedoms.

#### **14. General provisions on the European Regional Development Fund, the European Social Fund and the Cohesion Fund as regards simplification of certain requirements and as regards certain provisions relating to financial management (debate)**

**President.** – The next item is the report (A7-0055/2010) by Evgeni Kirilov, on behalf of the Committee on Regional Development, on the proposal for a regulation of the European Parliament and of the Council amending Regulation (EC) No 1083/2006 concerning general provisions on the European Regional Development Fund, the European Social Fund and the Cohesion Fund as regards simplification of certain requirements and as regards certain provisions relating to financial management (COM(2009)0384 – C7-0003/2010 – 2009/0107(COD)).

Mr Kirilov, the rapporteur for the report, has not been able to come as a result of the air transport situation. Mrs Krehl, who is replacing Mr Kirilov, has the floor.

**Constanze Angela Krehl, deputising for the rapporteur.** – (DE) Mr President, I am very sorry that Mr Kirilov cannot present the report himself. He has worked very hard to draw up a report for Parliament on a subject which is very important for the regions and the citizens of the European Union. Therefore, I would like to read out his notes. They are in English, which is very surprising for a Bulgarian Member. However, it is a good thing that I do not have to speak Bulgarian. I am very pleased that I can represent him here in Parliament, even though he was unable to get a flight in Sofia.

Mr President, I am glad that this evening we have the opportunity to discuss important amendments to the Structural Funds general regulation. These modifications are a substantial element of the common efforts at European and national level to overcome the consequences of the economic crisis. They are a logical continuation of the documents which we adopted last year.

Then, as the rapporteur on the role of the cohesion policy for investment in the real economy, I called on the Council and Commission to work for simplification of the Structural Funds rules and thus facilitating access to these funds when they are more needed by the Member States.

I am happy that Parliament's main recommendations for further simplification have been taken on board. I am convinced that the new changes to the general regulations, simplifying some of the existing procedures, deserve our support. Reducing unnecessary administrative burden, red tape and unclear rules will contribute to more transparency, better control and fewer irregularities.

This also means improved implementation and correct spending on EU money. Here is just one example. Through the amendment of Article 88, the Member States are further stimulated to detect and correct irregularities before they are found by the EU controlling institutions. In this case, the Member States will not lose the affected money but will be able to use them again for other projects within the relevant programme.

The second group of amendments concern financial management rules. Advance payments for countries worst hit by the crisis will be increased for 2010. All Member States will receive more time to spend 2007-committed funds for projects which have not been approved or implemented within the deadlines.

Both groups of measures are important because of their message to the beneficiaries and because of their practical utility. Anti-crisis measures are a clear demonstration of solidarity. They will bring fresh money for the Member States to get out of the crisis.

All measures will commit realisation of more projects, especially now. This is crucial for the creation of jobs, investment and infrastructure and adaptation of workers and firms to the economic change.

Both types of measures are useful and more valuable if they are implemented at the right time, but they are still awaiting final approval. Unfortunately, there was a huge delay in the Council for reaching an agreement when it was the leading body for the adoption of the amended regulation.

I strongly believe that now, when Parliament has the same power as the Council, we will not postpone any more the approval and entry into force of these long-awaited and needed measures.

**Johannes Hahn**, *Member of the Commission*. – (DE) Mr President, ladies and gentlemen, Mrs Krehl, thank you very much for your report. I would also like to ask you to pass on my thanks to Mr Kirilov. He has worked very hard to ensure that we are able to discuss these proposed amendments to the general regulation today, after they have passed so quickly through all the institutional stages, and also, I hope, to enable us adopt them shortly in Parliament with a broad majority, so that the relevant items can be implemented quickly. This is a good indication of the positive dialogue between the Council, Parliament and the Commission and a good example of the fact that the interaction between the institutions is working effectively.

What is the aim of these amendments? In the long term, we want to simplify the regulations, but in the short term, we also want to help those Member States which have been hit hardest by the current economic crisis. We accept the Council's compromise proposal, which has gained broad agreement in Parliament, because it is important for us to provide rapid and targeted help and to get the programme under way.

The common overall objective of this initiative is to accelerate the implementation of the programmes. We have recently presented the first strategy report and have identified those things which did not work particularly well and those areas where there were positive developments during the first few years of the current programme period. We must be self-critical and take a look at the rules which, in some places, are complex. In my opinion, the current third series of amendments to the ongoing programme has succeeded in resolving this problem. In addition, we want to help to overcome the crisis.

What can be done? To give you a few isolated examples: standardising the thresholds for large projects at EUR 50 million, simpler regulations for modifying operational programmes if – and this is a very important point – this is necessary to overcome the crisis, making it possible to subsidise energy efficiency measures in the construction and renovation of housing, which will not only result in energy savings, but will also have a positive impact on the sectors associated with the building industry.

The current regulation is aimed in particular at the existing liquidity problems of the five countries affected – Romania, Hungary and the three Baltic states – and is intended, as has already been said, to speed up the absorption of the funds as a result of increased flexibility. It will be possible to implement many projects more quickly using the promised funding of EUR 775 million which can be made available earlier than planned.

Finally, against this background, I would like to refer to the EUR 6.2 billion that has already been paid out in advance in 2009. It shows that, although the Structural Funds were not originally intended as emergency funding and should not, in future, be regarded as such, if necessary, they can be sufficiently flexible to make a suitable contribution in times of crisis.

I would like to thank everyone and I am looking forward to the discussion.

**Regina Bastos**, *rapporteur for the opinion of the Committee on Employment and Social Affairs*. – (PT) Mr President, Commissioner, ladies and gentlemen, as rapporteur for the opinion of the Committee on Employment and Social Affairs, I should like to begin by congratulating Mr Kirilov, even in his forced absence, and highlighting the way in which he was able to draw up this important report and promote its main objective. I would also like to thank Mrs Krehl for the presentation she has given us.

The main objective, to go straight to the point, is to simplify procedures and to speed up implementation of the programmes financed from the Cohesion Fund, the Structural Funds and the European Regional Development Fund.

In the current financial, economic and social crisis, pressure on national financial resources has been growing. That pressure will be reduced through better use of Community financing and swifter delivery of those resources to the beneficiaries worst affected by the economic downturn.

More than 20 million Europeans are unemployed, or 4 million more than a year ago, and unfortunately, the forecast is for the number to rise further. This situation demands that we ensure that cohesion programmes are properly implemented, since they are an important, powerful lever for helping the real economy,



particularly for small and medium-sized enterprises and for jobs. SMEs are the motor of the European economy and producers of sustainable growth, creating numerous quality jobs.

Further simplification and clarification of the rules governing cohesion policy will undeniably have a positive impact on the pace of programme implementation, particularly by providing national, regional and local authorities with clearer and less bureaucratic rules that will allow more flexibility in order to adapt the programmes to the new challenges.

**Sophie Auconie**, *on behalf of the PPE Group*. – (FR) Mr President, Commissioner, ladies and gentlemen, having cooperated constructively for months with the rapporteur, Mr Kirilov, I am keen to express my heartfelt thanks to him here.

I also wish to highlight the quality of the work carried out by the Council, in particular, since the start of the Spanish Presidency. This is all the more important because this evening, we are debating a regulation whose measures are awaited by thousands of actors on the ground. I am convinced that, for these actors on the ground, it is regional policy that is the most tangible expression of the European Union in their area or region.

Nevertheless, although it is intended to help them, regional policy is too often seen as complex and restrictive. It is therefore time to change its image through an in-depth simplification of the rules on its application. The EUR 350 billion of European funds are for the benefit of our fellow European citizens. Today, we are demonstrating the responsive approach awaited on the ground, in these times of economic and social crisis that we are all experiencing.

If I had to pick out only certain aspects of this important text, I would say that it gives us greater flexibility and solidarity in Europe. Greater flexibility, because the proposed simplification measures allow for a reduction in the amount of information to be provided, for fewer controls, and for greater flexibility on revenue-generating projects.

However, it also increases solidarity, because exceptional measures are being taken to combat the economic crisis, such as financial advances – as the Commissioner and Mrs Krehl were saying – and a new calculation system. The final vote at the start of May will, therefore, allow us to be of great help to the recipients of European funding as well as to planning departments, but let us not forget that there is still much to be done in the field of simplification.

**Karin Kadenbach**, *on behalf of the S&D Group*. – (DE) Mr President, Mr Hahn, ladies and gentlemen, I believe that Mr Hahn has summed up the purpose of our debate this evening, which is to provide rapid and targeted help. We urgently need to speed up the implementation of these programmes. I believe that the third amendment to the general structural funds regulation is a response to the financial crisis and should, as has already been said, allow for rapid and, in particular, easy access to these funds.

We know from past experience that money from the Structural Funds has made a significant contribution to improving quality of life, creating jobs and giving people a future in the regions. I believe that in times such as these, the solidarity of the European Union is needed in order to provide emergency funding. As we have said, both flexibility and solidarity are required.

Measures to combat the crisis are indications of this solidarity and we need the flexible advance payments so that these projects, which improve quality of life and create jobs, can be implemented. As the rapporteur – or in this case, this evening Mrs Krehl – has already mentioned, there was an almost unpardonable delay in adopting this regulation. From this perspective in particular, future cohesion policy should be designed in such a way that it does not put procedural and technical obstacles in the way of quick and efficient implementation of regional policy.

Therefore, I support the rapporteur's call for this amendment to the structural fund regulation to enter into force quickly. We must provide rapid and targeted help.

**Elisabeth Schroedter**, *on behalf of the Verts/ALE Group*. – (DE) Mr President, ladies and gentlemen, Mr Hahn, let us speak plainly. The simplification that everyone here is so much in favour of will mean that large sewage plants and huge waste incinerators will no longer, as is currently the case in the regulation, have to be approved by the Commission when the investment is greater than EUR 25 million, but only when the amount exceeds EUR 50 million. For projects with a value under EUR 50 million, the Commission will no longer evaluate cost-benefit analyses and it may be that these analyses will no longer be carried out. In contrast to the current situation, no checks will be made to determine whether or not these projects comply with EU environmental legislation.

On account of the fact that these projects are partially financed by loans, there will also be no investigations to establish whether it makes sense to burden the citizens of the region with heavy borrowing and to identify whether the credit burden is in proportion to the benefits of the project for the citizens. These are attractive transactions for the banks, because they can charge high fees during the initial years of the project. This is why in the past, ex-ante evaluations of large projects were essential in order to ensure the efficient use of European funds. This is why we in the Group of the Greens/European Free Alliance are of the opinion that checks on large projects must be increased, rather than reduced as specified in this proposal. Therefore, we are against raising the evaluation threshold.

In addition, we want cost-benefit analyses and compliance with EU legislation to be transparent to the public and not to be fudged, as has been the case in the past. The Structural Funds regulation continues to suffer from the fact that large projects which receive finance can only last for five years from the time when the investment is made. Therefore, we Greens have already called for an extension of ten years to ensure the true sustainability of the investments and to create permanent jobs in the regions.

If projects are based in the regions for a longer period, this will prevent those responsible for the projects from pocketing European subsidies and then simply disappearing after five years. The case of Nokia in North Rhine-Westphalia demonstrates the damage that can be caused to regions when subsidy hopping becomes widely accepted. In our opinion, the sustainability clause should therefore remain in place for small and medium-sized businesses for five years and not for three years, as proposed in the amendment.

We Greens are also opposed to this, because a combination of larger investments without checks and a shorter duration for projects is highly likely to result in money being poured down the drain. We believe that it is not possible to justify this to European taxpayers.

If our amendments are not accepted, we cannot vote in favour of the report. We will also request a roll-call vote, so that when citizens complain to us at a later date that money has been wasted, we can show them how the Members voted.

*(The speaker agreed to take a blue card question under Rule 149(8))*

**Lambert van Nistelrooij (PPE).** – (NL) Mr President, I have a question for Mrs Schroedter. In her analysis, she has chosen to take a rather negative approach. My question to her is: is it not the case that, thanks to the cofinancing, the local governments which implement the programmes in the Member States within the strategic frameworks agreed for each country and within the rules are required to fulfil their own responsibilities? Why is she painting such a negative picture today? There is no reason for bringing all that negativity to this proposal today.

**Elisabeth Schroedter (Verts/ALE).** – (DE) Mr President, I will be happy to answer the question. Investment in large projects is being simplified. This applies to investments of up to EUR 50 million which, until now, have been evaluated by the EU, because we are responsible for taxpayers' money. I am of the opinion that the situation should remain unchanged for large projects because, in our experience, these projects often start with excessive investment and end up with the burden being borne by the citizens.

**Oldřich Vlasák, on behalf of the ECR Group.** – (CS) Commissioner, ladies and gentlemen, we are debating here a compromise proposal to amend the regulation, a proposal aimed at simplifying and speeding up access to European funds. We definitely have a common interest in achieving this aim, and we should bear that in mind during debates on the future of the cohesion policy after the year 2014. The proposed arrangement applies, above all, to large projects connected with the environment and infrastructure, projects which generate profits and support for energy projects and renewables in the housing sector. The compromise proposal does not, therefore, involve any radical intervention in the architecture of the European funds. Sweeping changes are not even possible at the moment. We can only manage a gradual modernisation of the existing system. The proposal is a compromise.

At this point, I would like to state that I support the declaration submitted by Hungary relating to the use of financial engineering instruments within the framework of the Cohesion Fund for interventions in the area of energy efficiency and renewable energy sources. On the other hand, I am concerned about the retroactive measure relating to liabilities, because it will not be approved until 2010, while the resources should have been returned to EU coffers at the end of 2009. In this context, it is therefore vital to clarify all of the technical details of this legislation. However, a compromise has been found and the debate should therefore be concluded. I consider it vital that the simplification of the European funds, which we are approving today

in Strasbourg, is reflected on the ground in the Member States. In this context, we still have much work to do in our regions.

I must applaud the efforts of the current Ministry of Local Development in the Czech Republic which, in the middle of this year, approved a legislative amendment on the drawing of individual sums from the Structural Funds and the Cohesion Fund. This administrative simplification mainly involves approval procedures and financial planning and management, including control activities and the resolution of discrepancies.

**Cornelia Ernst**, *on behalf of the GUE/NGL Group*. – (DE) Mr President, I am speaking on behalf of my colleague who is unable to be here and I would like to make a few remarks. The first is that we very much welcome the simplification of the Structural Funds. There are certainly some things which we would criticise and Mrs Schroedter has mentioned these, but I believe that we should not hold back for this reason alone. We welcome the simplification and are also of the opinion that the regulation must be implemented urgently. Too much time has already been wasted.

However, I must speak openly. The compromise is not exactly how we had envisaged it. As everyone is aware, the Commission submitted another proposal relating to the one-off 100% payment of interim payment claims for a limited period and for the purpose of labour market policy measures. This was not accepted for a variety of reasons which were discussed in detail in the Committee on Regional Development. However, we must ask ourselves whether we have done enough to put in place what the Commission referred to in its communication of 3 June 2009 as a common commitment to employment which can be used to counteract the crisis.

The objective was to make it easier to use the Structural Funds to help overcome the crisis and this is what we are discussing now. The European Structural Funds in particular are, as everyone knows, one of the main tools for investing in citizens and for combating the crisis and creating jobs. If we take a look at Europe, it becomes clear that the crisis has had a huge impact on the labour markets in the Member States and that action really is needed. There have been massive increases in unemployment, not only in the five countries, but in all the Member States, if we look at the situation in detail. In addition, unemployment also plays a major role independently of the crisis. In Europe, we have a very high level of unemployment which is still rising and is unrelated to the crisis.

The alternative proposal submitted by the Commission certainly represents a step forward, which we welcome, because at least five Member States with a GDP that has fallen by 10% since 2008 will receive a relatively large subsidy. These Member States will benefit from this and from additional advance payments from the Cohesion and European Structural Funds. All of this is good, but we would like to see more being done. You know what our position is from what we have said in the committee. On the one hand, we are happy and, on the other hand, not so happy, but every step forward takes us forward too and this is where we should be going.

*(The speaker agreed to take a blue card question under Rule 149(8))*

**Elisabeth Schroedter (Verts/ALE)**. – (DE) Mr President, the only question is why your group, Mrs Ernst, has not tabled an amendment in plenary? There was an opportunity to table amendments so that the Commission's original draft could be reused. It may also have been possible to renegotiate the 100% financing of the European Structural Funds with the Council.

**Cornelia Ernst (GUE/NGL)**. – (DE) Mr President, Mrs Schroedter, I think we believed that we had only a limited chance and therefore decided against it. I assume that my colleague thought the same thing. When I looked at the Commission's overall initiative, I was thrilled. However, after long discussions on these subjects in the last few days, I have learnt a few things. I would have liked to see more. It is true that we could have submitted an amendment, you are right. However, if we are honest with one another, we know what will happen and this is why my group decided against an amendment. I must take note of that myself.

**Lambert van Nistelrooij (PPE)**. – (NL) Mr President, exceptional times call for exceptional measures. Today, this House's long-cherished dream of a simplified procedure and more rapid results has come true. What we ultimately want is to retain and create jobs and this week, as Mr Hahn has pointed out, some figures have emerged revealing what that cohesion policy has been able to achieve: 1.4 million more jobs in the previous period. European funds can now be provided in a faster and more simple way across the board, not just for major projects but for smaller ones, too, so that we can continue to promote innovation, environmental improvements, urban development, etc.

There is one point which Parliament opposed and that was the proposal to scrap cofinancing. Now, that would be threatening one of the cornerstones of our system, whereby national administrations, local authorities and, where possible, individuals, contribute to the joint project of regional and urban development. So we now have to concentrate on maintaining funding for a slightly longer period, for three, rather than two, years, which is another point to which you *have* agreed. That will leave money on the table, cofinancing will be possible and the good thing about it is that, in the case of any delay, we will still be able to allow those valuable projects to go ahead. That does not mean money leaving the region: oh no, it means money being spent. That is the scheme we have operated for 2007. I have a question for Mr Hahn: does he not want to follow this good example with another? Why can we not repeat this scheme in 2008 and 2009? That would be a very positive step. Can you answer that?

To conclude, we could also show some solidarity. There are some countries which do not use all of the ESF funds granted to them and leave some 30 or 40% unspent. Why have they not shown any solidarity and transferred those resources to other countries? That is entirely permissible and would allow those countries to get back on their feet. That would be showing real solidarity, but unfortunately it has not happened. I therefore feel reasonably positive, at least towards the rapporteur. This procedure has now taken nine months and I wonder, as indeed did Mrs Krehl, whether it would be possible to complete it during the next joint round of negotiations between Parliament, the Council and the Commission?

**Pat the Cope Gallagher (ALDE).** – (GA) Mr President, since 1973, my country has received roughly EUR 18 billion from the European Union Structural and Cohesion Fund. Over the years, the cohesion policy has played a significant role in developing and revitalising the Irish economy. The European Social Fund is particularly important as we attempt to combat unemployment in Ireland and, of course, throughout Europe.

Since Ireland joined the European Union in 1973, the country has received more than EUR 7 billion in financial support under the European Social Fund.

These monies have primarily been used to help combat youth and long-term unemployment. Under the EU Human Resources Operational Programme for Ireland for the period 2007 to 2013, the European Union is providing EUR 375 million to Ireland under the European Social Fund. The overall budget of this programme is EUR 1.36 billion.

These monies are being used to provide training courses for those who are unemployed, for people with disabilities, for early school leavers and for the marginalised in our society. We live in the age of globalisation. To respond to the challenges and opportunities that globalisation creates for the Irish workforce, the European Social Fund in Ireland is also supporting lifelong training courses, which can be adapted to the realities of a globalised jobs market. So the present economic and financial crisis has proven the relevance and the value of this important fund – the European Social Fund.

**Kay Swinburne (ECR).** – Mr Chairman, fundamentally, this report seems to have some very good objectives helping the Member States of the EU, who have been hard hit by the economic and financial crisis, via European funding. It has the laudable goal of wanting to reduce strains on Member States' budgets when demands upon them are coming from all directions. Reducing the project thresholds and simplifying the process will all help, as well as the pre-financing of agreed projects to jump start economies quickly.

When Europe is facing unemployment figures in excess of 10%, in many Member States much worse, and the economy looks only now to be slowly reviving, there are many things Member States should be doing to rebuild their state finances. However, this report is fairly limited and does not seem to address many of them.

However, a note of caution: the idea that Member States should no longer have to cofinance projects with any of their own money seems a high-risk policy. Already, much of European money is not properly accounted for in spending projects due to improper oversight procedures. Removing a Member State's vested interest in ensuring its own money is well-spent should not be an invitation to their misuse.

We need to ensure that relaxing the cofinance criteria does not reduce accountability. However, this problem in itself is unlikely to have much effect on my constituents in Wales as, if the European Union has its own way, we will not, post 2013, have any more money to spend on any ongoing projects, which are so generously cofunded by the European funding at this moment in time. While it is all very well to say that some of the new Member States are poorer than the old and so need special help, the colossal amount of debt in the UK and the very low GDP per capita in my region of Wales, which was recently compared, unhelpfully, to the economic performance of Rwanda, hopefully mean it will not be forgotten. I have discovered by word of

mouth that plans may be under way to disqualify regions like Wales, and I do hope that in the future, we will qualify for transitional funding.

**Andrey Kovatchev (PPE).** – (BG) Commissioner, I first of all want to congratulate Mr Kirilov on his report. I welcome and support any step which guarantees and facilitates the lawful use of European solidarity funds. The European Union cannot allow itself to be compared by EU citizens to a volcano ejecting bureaucratic ash, raining down on the desire to reduce the disparities between Europe's regions. It is difficult, even impossible to use the Structural Funds with which we want to achieve our economic, social and political objectives. I believe that changes towards simplifying the procedures must not only be viewed in the light of the current crisis, but must also, in the long term, facilitate access to the European Union's solidarity instruments.

I think that, in spite of the delay, the proposal tabled by the European Commission, along with the changes featuring in this report, will offer a better opportunity for Member States and the ultimate beneficiaries to improve their situation in the context of the current crisis. I want to emphasise the significance of the change concerning deferred expenditure of the resources envisaged for 2007. This change will offer a second opportunity to all Member States, including Bulgaria, where the level of use of these resources is still very low, to implement projects using resources which would have otherwise been lost. We must appeal to regional and local authorities, as well as to all other stakeholders, and urge them to take advantage of this second chance. I believe that the flexibility highlighted in the report, bearing in mind the implementation of programmes promoting the use of funds, is the right approach when drawing up privatisation policy in future.

With regard to simplifying administrative regulations for using the Structural Funds, the report is a step in the right direction towards finding a balance between facilitating the coordination of projects as much as possible by the European funds and controlling the use of these resources. Reforming the regulations must be instrumental in guaranteeing greater transparency in the eyes of European citizens and taxpayers, as well as in helping set out feasible conditions for Member States. During the whole process, we must not forget the ultimate goal, which is to achieve comparable social and economic conditions throughout the European Union.

**Csaba Sándor Tabajdi (S&D).** – (HU) Since the outbreak of the economic crisis, the European Union has been criticised on several occasions as being incapable of responding in an appropriate way to the crisis situation. My view on this is that the current debate and Mr Kirilov's excellent report are an outstanding refutation of that, showing that the European Union was able to respond to these processes. I do not understand colleagues who worry that the current simplifications will mean that the processes will not be monitored, since the great value of the cohesion policy is precisely that it has a very accurate supervisory mechanism. Therefore, no one should worry, and if my fellow Members worry about this, I hope that this is not a deficit of solidarity on their part with those Member States – for instance, with my country, Hungary – which, in their opinion, will not use these funds appropriately. We will indeed use them very properly. This debate is also very important in order to confirm that the cohesion policy is needed. I am pleased that Mr Hahn and Mr Ciolos are here. I am very worried that Mr Barroso's first document does not even mention the common agricultural policy, and even the cohesion policy is mentioned only very superficially, even though these are extremely important cohesion and Community policies which are indispensable for green growth, innovation and job creation, in other words, in order to realise the EU 2020 strategy's new objectives. Therefore, cohesion policy should not be weakened, but strengthened instead.

**Iosif Matula (PPE).** – (RO) Mr President, Commissioner, ladies and gentlemen, as a result of all the amendments made to legislative frameworks at Community and national level aimed at tackling the effects of the crisis, its impact on the real economy and labour market is being felt strongly at the moment on a wide scale. High unemployment is having a severe impact on Member States' economies, but there are still great difficulties in providing finances.

The effective implementation of the cohesion policy programmes is essential as it provides a significant boost in granting aid to the real economy in the form of the EUR 347 billion allocated for the 2007-2013 period. Additional efforts must be targeted at the beneficiaries who have been hardest hit in order to speed up the flow of finances for funding the investments in the Member States' regions. I think that one important change which has been made is the opportunity to fund a single major project from various programmes in the case of projects which cover several regions.

I wish to congratulate the rapporteur on the job he has done. However, I need to make one remark that, although the report was much awaited, progress on it was slow. I suggest that we need to find solutions and give a much higher priority to the objectives in order to avoid situations where excellent measures are delayed too long. Simplifying administrative procedures in general will help boost the ability to absorb these funds, including in countries faced with this problem, in other words, my own country, Romania. The eruption of a volcano has turned the world upside down in five days and may trigger another crisis. How long will it take us to have the capability to respond? One thing which is very clear to me is that from now on, we need to make decisions much more quickly.

*(Applause)*

**Monika Smolková (S&D).** – (SK) I would like to begin by applauding the work of the rapporteur, Mr Kirilov. It is a very good thing that, with the aim of responding to the economic crisis, European institutions have decided to speed up the process of financing regional development projects, and also to simplify rules regulating the use of structural funds. There is also to be an extension of the time period for using EU funds approved in 2007 in order to give Member States more time to make use of them.

In Slovakia, we have a saying that help given quickly is twice as effective. The Member States most affected by the economic crisis are looking forward to the regulation which we are discussing today. The Commission presented the first draft as long ago as July last year. We will not decide until May. The whole legislative process has taken nine months up to today. Perhaps it is time to start thinking about a simpler and shorter legislative process in concrete, specified cases.

The crisis, unemployment, poverty and deepening regional divides are precisely the kind of cases where it is necessary to act more quickly and more flexibly. We will find it difficult to explain to the unemployed that it took us more than three quarters of a year to pass the legislation which is supposed to help them now, in their time of need.

**Pascale Gruny (PPE).** – (FR) Mr President, Commissioner, ladies and gentlemen, we are all in agreement today in welcoming the measures to simplify the awarding of the Structural Funds proposed in Mr Kirilov's report.

Nevertheless, as Chair of Parliament's Work Group on the European Social Fund, I am indignant at how long the review procedure that is currently in progress has taken. The Commission's initial proposal dates from June 2009. Even though the purpose of this review was to help Member States combat the economic and social crisis, it took the Council six months to reach an agreement. That is unacceptable. It is true that the legislative procedure has been modified along the way to give Parliament the same amount of power as the Council. However, as the elected representatives of the European Union, we cannot today justify these delays to the public.

I will now make a brief digression to welcome the responsibility shown by Parliament in agreeing as far as possible on the Council's position in order not to delay the procedure any further. However, I would like to express my disappointment once again. We need a European Union that can take swift decisions that have a real impact on the ground.

Now let us turn to the future for a moment. The simplification measures proposed today to combat the economic crisis are positive, but I would like to add that they could have been even more ambitious if the measures being applied to the current programming period, 2007-2013, had not been so clumsy and complicated.

Therefore, looking ahead to the negotiations for the multiannual legislative framework for 2014-2020, I call on the European Parliament to demonstrate boldness in its proposals for the simplification of the administration and application of the Structural and Cohesion Funds.

**Sergio Paolo Francesco Silvestris (PPE).** – (IT) Mr President, ladies and gentlemen, I also voice my appreciation for the report by Mr Kirilov, and I am sorry that he cannot be here today.

Further simplification of the mechanisms relating to the Regional Development Fund, the European Social Fund and the Cohesion Fund is a good idea, and will be good for expenditure. At a time when these funds are also being used to combat the crisis, we must put the paying agencies in a position where they can spend all their money; but this measure of ours also means that there is one less excuse.

One less excuse for whom? For the regions which, for example, spend the Cohesion Fund and which often cannot spend all their money because they are unable to do so but still hold the chaotic nature and the excessive bureaucracy of European procedures responsible for their lack of expenditure.

Today, this excuse is no longer valid; today, all the bodies in charge of distributing European funds are put in a position where ...

*(The President cut off the speaker)*

**Ioan Enciu (S&D).** – (RO) The effects of the economic crisis have been felt since 2008. The main problems we are currently facing are unemployment, a decline in living standards and poverty. In terms of the European Union's policies, constant efforts have been made to expand and improve the instruments available for tackling these effects, which also means encouraging economic growth in Europe. Mr Kirilov's report is a good example of this. It has been drafted on the basis of some excellent, welcome proposals from the Commission intended to simplify the application procedure enabling Member States to access the relevant funds.

I welcome and support the report drafted by Mr Kirilov in terms of both pooling the amounts offered for major projects and of adapting specific technical criteria and conditions in order to facilitate the management of the funds available. These amendments are in line with the Europe 2020 strategy, which encourages job creation and supports investment geared towards environmental protection.

**Sidonia Elżbieta Jędrzejewska (PPE).** – (PL) Mr President, Mr Hahn, those who have spoken before me have already mentioned the benefits of cohesion policy, and I do not want to repeat this here. I just want to stress that my country of Poland and my region of Wielkopolska are also benefiting from cohesion policy. I am very glad about this, and this is how I understand the amendments to the regulation. I am glad about the constant effort for better absorption of funds – better absorption of funds as part of cohesion policy. For implementation and absorption to be better, it is essential to have continuous simplification and continuous liberalisation of the legislation which governs implementation of this policy. This is why I understand the regulation as the next step, to simplify implementation. I am pleased about this. I would also like to say that this effort must be continuous. We must fight excessive bureaucracy all the time, and all the time we must try to ensure that legislation is favourable to beneficiaries.

**Othmar Karas (PPE).** – (DE) Mr President, Mr Hahn, cohesion policy is an important political tool. It gives us the opportunity to help to combat the crisis, to stimulate demand in the short term and, at the same time, to invest in long-term growth and competitiveness. It is important to make it very clear that cohesion policy and, in particular, the advance payments and more rapid local implementation in 2009 made a very significant contribution to boosting purchasing power which benefited the economy and helped to limit the fall in private consumption. Cohesion policy also forms a very important part of the Europe 2020 strategy. Therefore, I do not understand why your fellow Commissioner, Mr Rehn, has linked sanction mechanisms for a failure to comply with the regulations of the single financial market to restrictions on regional policy.

*(The President cut off the speaker)*

**Marie-Thérèse Sanchez-Schmid (PPE).** – (FR) Mr President, Commissioner, ladies and gentlemen, the vote will be taken on the Kirilov report in the next few weeks and I welcome this, as the need is urgent.

The public and our elected representatives have been waiting nearly a year now for tangible and permanent measures from the cohesion policy in response to the crisis; national and local actors have spent a year calling for greater flexibility and adaptability in the awarding of European funds.

Today, with Parliament reflecting on new measures aimed at greater transparency in the use of the Cohesion Fund, we need, more than ever, to succeed in our move to simplify these requirements. The Kirilov report is a first step towards this simplification. It must call for others, because the credibility and visibility of European action in day-to-day life are at stake.

This report is also proof of Europe's solidarity, that in these times of doubt about our unity, it can provide those members who need them with measures adapted to their situation. In these dark and overcast times, the Kirilov report may be a breath of fresh air. I hope that this report will be only a first step.

**Johannes Hahn, Member of the Commission.** – (DE) Mr President, ladies and gentlemen, I would first of all like to thank everyone who made their way to the Chamber from nearby or from further away for showing such commitment during the debate. I would like to thank you, because you have given your broad support

to cohesion policy and to the realisation that it allows us to help our regions and the people in the regions. The Czech Member referred to the saying that help given quickly is twice as effective. I would say that this is a European insight. Despite all the difficulties and mistakes, we have adhered to this principle in the initiative.

My brief response to Mrs Schroedter is that you do not need to worry that the control mechanisms will suffer simply because we have standardised the thresholds so that we can evaluate projects, which often cover both areas, in a uniform way. There are also control mechanisms at local and national level. This is the concept behind shared management. We are also governed by other regulations, for example, in public procurement and in the State aid system. These also involve certain deadlines which we, as regional politicians, cannot simply ignore.

As far as the extension of the N+3 regulation is concerned, I believe that we should take a very restrictive approach. We should ensure that the rules are not relaxed and that the regions do not think that they can sit back and do nothing. Instead, they must be committed to using the funds that are available.

Please could you pass on to Mrs Swinburne that there are no indications at all that what she is afraid of will happen, provided that the budget is sufficiently large. We will be providing the available regional funds to Wales and to all the other regions in future. For this reason, I do not approve of using the money from the Structural Funds in difficult times to apply apparent sanctions that have no effect.

Thank you once again for your broad support. I include in my thanks the members of staff of the Directorate-General for Regional Policy who have worked very hard in this area.

**Karin Kadenbach**, *deputising for the rapporteur*. – (DE) Mr President, I will be happy to pass on all the praise and the positive assessments from today's discussion to Mr Kirilov. I would like to highlight two points once again.

We only have European taxpayers' money to spend and therefore we must make the access to the funds as simple and as transparent as possible. That is the aim of this report. However, I also believe – and this request is directed at Mrs Schroedter – that we should not imply that the individual Member States are not doing everything possible to comply with European law. This is what I understand from reading between the lines today and I do not think we should imply this about anyone. I work on the assumption that all the Member States and all the institutions do everything they can to ensure that European funds are used efficiently and correctly.

I would like to make a second remark to Mrs Swinburne, but not just to her. This is not about handing out charity to poor regions. We are subsidising regions to increase purchasing power and create jobs, because the purchasing power in these regions forms part of the overall contribution to ensuring that Europe can begin manufacturing and selling products again. This will strengthen the internal market. In other words, it is not simply an act of general solidarity. Anyone who knows something about the economy and the world of business will understand, not only from a social perspective, but also from a business and economic point of view, why we need regional policy and why we can use it as a rapid and efficient measure, in particular, in times of crisis, for stimulating the European economy in all of Europe's regions.

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

The vote will take place during the part-session in the first week of May

#### **Written statements (Rule 149)**

**Elena Băsescu (PPE)**, *in writing*. – (RO) This report amending the general regulation on the implementation of Structural and Cohesion Funds is of particular importance to the European Union's citizens. A number of Member States, including Romania, have had a low uptake of European funds to date. A large number of citizens, companies and local authorities have criticised the complicated procedures obstructing them whenever they attempt to obtain funding for their projects.

Drafting this report demonstrates the European Parliament's desire to resolve the problems highlighted in this regard. I support the proposals aimed at simplifying the procedures for accessing European funds. Reducing the amount of unnecessary administrative procedures and red tape, along with establishing clearer rules, will help raise the absorption level of European funds.

I welcome these measures, especially at the moment when Member States are being affected by the economic crisis. Five European countries, including Romania, will take part in a process for accelerating the absorption



of European funds. Implementing a new procedure for making advance payments will enable more projects to be completed more quickly. Furthermore, Romania will benefit from the amendment to the rules concerning the reduction in the risk of losing funds not used quickly enough.

**Alain Cadec (PPE), in writing.** – (FR) The economic crisis has demonstrated the need for public action to support private activities that are in difficulty. The European Union's cohesion policy plays an essential role in this regard. By providing financial support for those affected by the economic downturn, the Structural Funds constitute a lever with which to stimulate activity.

Nonetheless, accessing European funding remains difficult for a number of potential beneficiaries. The procedures are complicated and the delays too long, even though the urgency of the crisis requires simple and rapid measures.

As part of this concern for clarification, I welcome the Commission's initiative aimed at simplifying the financial management of the Structural Funds. The various proposals are along the lines of a more effective cohesion policy, but one that does not have too pronounced an impact on the Community budget. I welcome this pragmatic approach.

The Commission must not stop there, however. This reform, necessitated by the crisis situation, must be the first stage of a radical simplification of the way in which European funds are managed. Cohesion policy must become an instrument for more effective public intervention with a view to providing real support for economic activity.

**Ramona Nicole Mănescu (ALDE), in writing.** – (RO) Mr President, ladies and gentlemen, I wish to congratulate the rapporteur for the work he has done. I also welcome the agreement being finally approved within the Council and Committee on Regional Development. I believe that it is of paramount importance for us to adopt this report as soon as possible so that we can offer the Member States which have been hardest hit by the crisis the financial support required for economic recovery. One of the key aspects highlighted in this report is the simplification of the procedures for accessing and implementing European funds. We need measures to facilitate a rapid recovery, especially now during an economic crisis.

Consequently, I think that making advance payments of 2% from the European Social Fund and of 4% from the Cohesion Fund is the ideal solution for Member States which are facing significant liquidity problems, thereby allowing them to benefit from consistent assistance. The finances from the European Social Fund should make an active contribution to the economic recovery of the Member States which have been hardest hit by the crisis, helping their efforts to preserve jobs, improve the level of professional qualifications and, by extension, prevent and combat unemployment.

**Georgios Stavrakakis (S&D), in writing.** – (EL) I should like to start by congratulating the rapporteur, Evgeni Kirilov, and all the members of our Committee because, thanks to their persistence and decisiveness, we have managed to hold a debate today and proceed directly to the adoption of this exceptionally important report without wasting any more valuable time. I wish to emphasise the decisive role of the amendments in increasing the take-up of appropriations, reducing the bureaucracy and complexity of the rules, maximising the impact of financing on the economy as a whole and thus multiplying the benefits to citizens. In his audience, Commissioner Hahn quite rightly pointed out that, despite the fact that it is perhaps the most successful European policy, political cohesion has enemies as well as friends. The adoption of these amendments which we are debating today is an important step, but there is an even more urgent need for the European Commission to immediately take the next step, which is to bring its vision for political cohesion for tomorrow to the table, together with its ideas and proposals for the necessary changes to the framework, operation and competences, new tools and so forth.

It is high time for this next step now before new unattributed documents surface.

## 15. Specific measures for agricultural markets (debate)

**President.** – The next item is the debate on the oral question to the Commission by Paolo De Castro, on behalf of the Committee on Agriculture and Rural Development, on specific measures for agricultural markets (O-0036/2010 - B7-0208/2010).

As Mr De Castro is not present, Mr Le Foll, who is replacing Mr De Castro, has the floor.

**Stéphane Le Foll**, *substitute author*. – (FR) Mr President, it therefore falls to us to close these debates this evening, and it is already late. I would like, first of all, to excuse the Chair of the Committee on Agriculture and Rural Development, Mr De Castro, who is unable to be here with us this evening for reasons that you know. Like other Members of this House, he has been unable to leave his country to come and participate in our debates in Strasbourg.

The issue with which we are concerned results from the general crisis being experienced by the entire agricultural sector. As we know today, we are experiencing a crisis and, above all, seeing a fall in prices and agricultural revenues that is affecting cereal producers, livestock producers, whether pork or beef producers, and also – and I say this on behalf of Mr De Castro – olive oil producers, and which is hitting and has hit dairy producers extremely hard.

Faced with this crisis and this price fall, it goes without saying that Parliament's Committee on Agriculture and Rural Development wishes to find out from the Commission what we can do right now and in the future to escape this crisis and, above all, what measures could be adopted in the coming months to support farmers and to ensure that the agricultural markets are less volatile.

The first question that I would like to ask the Commissioner is more specifically about the dairy crisis: what is the situation with regard to the measures adopted by Parliament and the Council concerning this dairy crisis and, in particular, to the application of the famous EUR 300 million milk fund that had been agreed? That is the first question because I think that, if we are going to take legislative decisions, then we must know how they are being applied.

As I was saying, all types of production are currently being hit by a price fall and a deep crisis in the markets. That brings us to a question and to seek answers on what we might call market regulation and the way in which we can limit this infamous price volatility.

Nobody complains when prices are rising, especially not farmers. It is European consumers who fear agricultural price rises, which limit their purchasing power and impact on their ability to buy agricultural products.

It is when prices are low and when they are falling for long periods that producers are penalised in terms of their incomes and, above all, and most seriously for European agriculture, in terms of their abilities to invest and to prepare for the future. Agriculture is a hard industry; the investments are substantial and it takes a long time to obtain a return on those investments. We need to stabilise prices.

Commissioner, the question from the Committee on Agriculture and Rural Development and its Chair, Mr De Castro, is composed of two points.

Firstly, you have announced a number of dairy-related measures to be implemented before the end of the year. This is important. Can you give us some details of these? Secondly, there are specific measures that need to be taken on all the markets, not just dairy.

Finally, the question that we wished to ask you is how the Commission plans to anticipate and prevent these price falls in the medium term. What market regulation mechanism can be used to limit sudden increases and, above all, sudden price falls? What work is the Commission currently doing and how does it view this issue?

Those are the three elements that I wished to mention: the milk fund, perspectives on the dairy crisis and, more generally, the way in which the Commission intends to deal with this issue of price volatility and price falls.

**Dacian Cioloș**, *Member of the Commission*. – (FR) Mr President, first of all, I would like to thank Mr De Castro and Mr Le Foll, from Parliament's Committee on Agriculture and Rural Development, for having raised these problems for discussion here in this House.

It is true: I, too, must acknowledge that farmers' revenues fell spectacularly in 2009, which was nothing more than a continuation of the trend recorded in 2008. Therefore, this is a situation that we have seldom encountered on the European market. It coincides with this market increasingly opening up on the world market and follows the recent reforms of the common agricultural policy.

This crisis has affected the dairy sector in particular. Last year, we saw the sector's producers endure a difficult situation, particularly those in rural regions in which dairy production is essential not only to the agricultural sector, but also to economic activity and employment in general.

It is in this context that the European Commission took measures last year, firstly by mobilising mechanisms for intervening in the markets to halt the fall in prices. It released significant funds, more than EUR 400 million, to finance these interventions in the markets. However, as Mr Le Foll pointed out, a EUR 300 million fund was also mobilised to enable the Member States to come to the aid of the dairy sector's worst-affected producers.

This decision, then, was taken last year. It gave the Member States the opportunity to set criteria on the basis of which funds would be distributed, channelling them, above all, to those producers who needed them most.

I must also make it clear that these criteria were set by the Member States and did not require the Commission's approval. The Member States were simply obliged to inform, to notify the Commission of which criteria they had chosen.

I can announce to you that, as far as I know, all the Member States informed the Commission of their decision to apply the measures. They have therefore set the criteria on the basis of which they will distribute these funds, and the process of distributing the aid will begin. The Member States have until June to distribute these funds.

So, as I was saying, firstly, there has been a phase of intervening on the markets to put them back on an even keel. I think that the current situation shows us that this intervention has been successful, because prices have stabilised. There are still variations, of course, but they are within reasonable limits, within the normal limits of the market. Secondly, there are support measures that will be reaching producers soon. Those, then, are the measures that have already been taken.

I am keen to restate here what I recently told Parliament's Committee on Agriculture and Rural Development: as Commissioner, I hope to learn lessons from the specific situation that we experienced last year. I do not wish to wait for the common agricultural policy post-2013 reform, when we will certainly come here with more solid answers for the entire agricultural sector. I will not wait for the conclusion of the common agricultural policy 2013 reform to make specific proposals for the dairy sector, on the basis of the conclusions of the high-level group that was created last year in the wake of this crisis and whose work is now under way. This group will present its findings in June.

Immediately afterwards, in July, I will propose a debate to the Council of Ministers of Agriculture and to Parliament's Committee on Agriculture and Rural Development, on the basis of these findings. So between now and autumn or the end of the year, I will come here with proposals that will allow us to foresee and, as far as possible, prevent this sort of crisis – especially in the dairy sector, because it has experienced the most difficult circumstances of all – and thus to propose solutions, not just for the short term, but also for the medium and long terms.

We will, of course, learn lessons from this for other agricultural sectors in which we will have to intervene. Perhaps I could now take the opportunity to give you some information to follow on from the debates that we will have today.

The Commission pays close attention to the development of the markets in other sectors. Using the intervention methods that we currently have at our disposal – mechanisms for intervening in the markets, used in particular as safety nets – we will do our best to prevent a repeat of situations similar to that which has hit the dairy sector.

Thank you very much. I will listen closely to the questions and problems that you are going to raise and I will take the floor again at the end to say a few things.

**Peter Jahr, on behalf of the PPE Group.** – (DE) Mr President, Mr Ciolos, ladies and gentlemen, the fundamental reorientation of agricultural policy to focus more on the market economy is the right approach to take. The decision to increase the links between European agriculture and the world market is also correct. The initial success of this policy was very obvious until 2007 or early 2008. European agricultural policy offered better value for money. There were hardly any market interventions and farmers had stable, rising incomes. However, we are currently seeing the downside of this reorientation which includes large price fluctuations and falling farm incomes. Both farmers and agricultural policy makers must be able to accommodate major producer price fluctuations in all areas in future, not just in the dairy sector.

In order to manage serious falls in the market more effectively, agricultural policy needs tools which allow it to react rapidly, consistently and without a lot of red tape. Therefore, I am calling for measures such as

interventions or export subsidies not to be abolished altogether but to be included in the budget with a figure of zero. These instruments should only be used in exceptional circumstances and not for constant market interventions. However, when we need the instruments, they must be ready for use. We also need to identify measures for the farming profession which will create equality on the market. These include, in particular, strengthening the legal position of producer groups.

I hope that the Commission will keep its promise to consider better basic legal conditions and then take measures quickly when they are needed in order to prevent farmers and consumers from suffering serious harm.

**Marc Tarabella**, *on behalf of the S&D Group*. – (FR) Mr President, Commissioner, I support your first steps as Commissioner for Agriculture and Rural Development because, since your hearing and on several other occasions, we have been pleased to hear you expressing your wishes, as you have understood that the extreme volatility of prices is a serious threat to agriculture and its future. The same is true for farmers, who can no longer plan for the long term because, clearly, investments – particularly for the youngest amongst them – are calculated over periods of 20 or 30 years.

Barely six months ago today I, along with Mr Le Foll and a few other colleagues, signed an amendment on this issue and on serious volatility, which aimed to reduce the 1% increase that had been decided on, in particular, for milk production, since we are, in fact, in a period of overproduction. The amendment was rejected by almost 250 votes to 350.

You said that in the future, we would consider a regulation. The high-level group is meeting and its members are, as I understand it, high-calibre individuals: it is not just producers who are represented, but distributors too.

I would not like the actors who find themselves in between the two, between producers and distributors – namely, processors – to be forgotten. I hope that we do not forget them, because it is also and, above all, through them that the profits are made; more so than through the distributors, in my opinion. I would like reassurance, then, that they will not be forgotten in the discussion.

Beyond the dairy sector, all agricultural sectors are being affected by volatility, and I would also be so bold as to say that prices are high. Let us be careful; this is not necessarily good for agriculture, as processors – users – are turning to alternative products. When prices return to a more normal or lower level, these users will not necessarily return to the original product.

Commissioner, this being so, I would like to know – even if it is a little premature – if you really do intend in the future to implement, in all other areas of production, the regulatory mechanisms that are keenly awaited by producers.

**Martin Häusling**, *on behalf of the Verts/ALE Group*. – (DE) Mr President, Mr Ciolos, things are relatively peaceful at the moment in the countryside, not because farmers are contented, but because many farmers are currently very frustrated. We cannot fob all of them off by saying that we will identify the important solution to the agricultural crisis in 2013. We need to give them answers now. We are in agreement on this. The protests could very quickly move back to Brussels, so we have to provide some answers.

In the dairy sector, a fundamental change in policy is needed. I attended the conference of the high level group and found the responses given to the dairy crisis interesting, but by no means adequate. If a change in policy has to be made, then the recent decision to remove the regulations must be called into question. At the conclusion of this process, we could say that ending quotas resulted in a very hard landing, not a soft one. We now urgently need to consider how we can put a new policy in place, how we can set new benchmarks and how we can bring the state, in other words, the European Union, back into the game, to give us clearer rules for the market. Markets do not function without assistance. That is the answer to the financial crisis and also to the crisis in agriculture. We must provide rules.

We are currently faced by a crazy process of concentration in agriculture. I feel very concerned when I read in the paper that units which will accommodate as many as 8 000 cows are being built in the south of England. On the other hand, many small farms in disadvantaged regions are having to close. These are changes which will not produce a European but an American agricultural model with larger and larger enterprises, which will finally lead to the loss of many small dairy farms in Europe. We have to remember that this also means losing jobs.

Mr Jahr, we agree on one point, even if we do not agree that it is right to focus our agricultural policy on the world market. We need a clear legal position for farmers. They are the weakest link in the business chain. They are the first to be hit by dumping prices, which are becoming increasingly common in many areas. We agree that we urgently need a clear policy statement about how we can regulate markets better in future.

We need to look outside Europe's boundaries to see how other regions are resolving this problem. No one will tell us how and when to regulate our markets. In recent years, we have taken things too far with the removal of many of the market regulations. Let us take a look at other countries – the high level group should do the same – to see what rules are being applied elsewhere. It is clear that Canada has what many farmers and many consumers believe is a tried-and-tested model. We should not exclude this from the discussion right at the outset. Instead, we should also provide some answers.

As part of the change in the direction of our policy, we must make sure that we put policies in place for regional markets. The focus should always be on the regions and not on the 5% of products that are sold on the world market. We must not regard export subsidies and interventions as the normal rules for influencing the market in future. We must finally put an end to this process.

**James Nicholson, on behalf of the ECR Group.** – Mr President, first of all, I welcome the opportunity to have this debate. I think it is very timely, and the recent crisis in the dairy sector, which crippled so many of our farmers across the European Union, certainly demonstrated the serious volatility which can affect our agriculture markets. Significant price fluctuations are occurring from year to year, and indeed from month to month, and are often due to factors beyond our control, such as the global financial crisis and, indeed, the price of oil.

The effects of the dramatic drop in the price of milk in 2009 were compounded by the EU's inability to react swiftly enough to the situation. While we were eventually able to implement a mixture of market management and income support measures, such as intervention in the milk fund and export refunds, which eased the pain to a degree, many dairy farmers ended up going out of business and many are suffering serious financial loss.

In my opinion, we need to adopt a two-fold approach in order to attempt to mitigate the effects of depressed prices on our farmers. Firstly, we need to agree upon a set minimum safety net for all sectors which are vulnerable to price fluctuations. Secondly, we need to ensure that, whatever tools we introduce, we are able to respond rapidly and effectively to whatever crisis presents itself.

There is a lot of discussion at the moment in Parliament and beyond about farmers receiving a fair and stable income for what they produce. The ins and outs of food supply and the food supply chain in general is a topic which is relevant to both farmers and consumers alike. The imminent reform of the CAP gives us a real opportunity to address these issues. Of course, it is important not to undermine the competitiveness of Europe's agri-food industry. However, a reformed CAP must be able to respond to various crises in agriculture in order to stabilise the markets and ensure a fair income for our farmers.

**Georgios Papastamkos (PPE).** – (EL) Mr President, I am starting from the assumption that there is a great deal of instability in the agricultural markets. There has been a significant drop in the prices of basic agricultural products. At the same time, there has been an increase in consumer prices and a substantial reduction in agricultural incomes.

In my opinion, the CAP, following the reforms and the uncoupling of aid, is sufficiently market-oriented. My main proposal – and I wish to make this clear – is that the agricultural sector cannot be left solely to the rules of the market. It produces public goods and it needs public European financial support. I cannot follow the contradiction in the arguments of members who propose a market orientation here, in countries which maintain, cultivate and step up consumer ethnocentricity, consumer patriotism. However, the current market management measures do not provide the necessary safety net, as the previous speaker, Mr Nicholson, said. We need supplementary measures, more flexible and effective measures, measures that guarantee market stability in times of crisis. Also, in my opinion, we need to 'arm' the CAP with a financial mechanism to deal with crisis situations, a sort of crisis management fund. Guaranteeing producers' incomes depends, above all, on safeguarding transparency in the food supply chain.

To close, we cannot confine ourselves to designing future market tools for after 2013. We know that the situation – over and above the milk sector – is also critical in other extremely important sectors, which differ from one geographical area to another within Europe.

**Csaba Sándor Tabajdi (S&D).** – (HU) The debate so far has shown that this is a very complex problem. To a certain extent, Mr Tarabella and Mr Nicholson, and others as well, have mentioned that on the one hand, the problem has to do with the food chain as a whole, which the José Bové report also addresses, namely, that the European Union has been unable so far to resolve how to bring about a fair balance between producers, processors and retailers. As far as Mr Ciolos is concerned, I agree entirely that it would be good to find a medium- and long-term solution. There are four theoretical options.

One, which Mr Jahr has also mentioned, is to examine the neoliberal standpoint which has so far rejected and tried to dismantle interventionist systems. So I agree entirely that we need to think through whether these interventionist systems can be discarded, or whether they can, in fact, be used to regulate the market.

The second option, proposed by the French Government on the American model, is counter-cyclical regulation. The question is whether this is workable in Europe, but we need to examine this, too, since the whole market is so volatile that every option must be considered.

The third is the stock market option. Not long ago, there was a conference on the Borsa Merci Telematica Italiana, an online stock market system, and so we have to examine to what extent the stock exchange systems can be used. I would add right away, for Mr Ciolos' sake, that for Eastern Europe and the Baltic countries, the stock market system is unfortunately not very workable.

The French Presidency also raised the possibility of creating a European Union price monitoring system. We need to think this through as well, and we need to think through – something that, if I am not mistaken, is close to Mr Ciolos' way of thinking – the possibility of setting up some sort of fund, on the model of the fruit and vegetable reform, which could be used in risk management. Unfortunately, in the case of grain, this would require extremely large sums. In other words, I agree fully with the Commissioner that we have to think through every option, because at present, the EU is incapable of properly regulating the markets.

**Michel Dantin (PPE).** – (FR) Mr President, Commissioner, as you well know, agriculture is an economic sector that comprises specific features that mean that public intervention may occasionally be necessary, if not desirable, in the interests of producers, consumers and the public. There are at least three reasons why public intervention in this economic sector is as justifiable in the European Union as it is in other countries of the world.

The characteristics of supply of agricultural goods and the demand for foodstuffs make agricultural markets unstable. Agriculture also produces non-market goods and helps ensure a certain degree of social stability in our countries and our countryside through the jobs that it creates. Above all, agriculture is the basis of an abundant, varied and healthy food supply. Can we be satisfied, then, with the current economic situation of our rural areas and our farmers?

A few days ago, Commissioner, a senior official gave me the following figures for his *département* – as it happens, this is a French *département* that you know well, a livestock farming department. The administrative centre holds 2 500 agricultural accounts. Of those, 800 have a debt ratio in excess of 80%, and 20% have a debt ratio of 100% or more.

Faced with such figures – which, I admit, surprised even me – the issue to be dealt with today is not just one of revenue but of the decapitalisation of European agriculture. Less aid, less public intervention and more restrictions on production: that is a truly explosive combination.

It is true that the general economic crisis is aggravating the situation. However, we must also question certain decisions taken by the Commission, certain decisions taken by your colleagues, Commissioner. Agriculture remains a bargaining chip in trade agreements. Despite the situation in Europe, meat, certain cereals, fruits and vegetables are all affected. The recent agreement between the European Union and the Andean countries, in particular, Peru and Colombia, will sacrifice the producers of the outermost regions. We cannot continue with such a policy.

**Sergio Paolo Francesco Silvestris (PPE).** – (IT) Mr President, Commissioner, ladies and gentlemen, I come from southern Italy. In my region, in our regions, production revolves around Mediterranean crops, oil, arable crops and vegetables. Little has been said about this, as the focus of Europe and of the Commission has always been predominantly on dairy farming and stock rearing; yet we also need to draw attention to Mediterranean crops.

I assure you that we are witnessing a phenomenon of rural abandonment in our areas, in our regions, due to the effects of climate change and desertification. For us, desertification manifests itself in the weeds that

grow where vegetable crops, vegetables and fruits, were once cultivated, where olive groves are no longer nurtured and the soil is no longer ploughed.

I can tell you that in 1995, before the euro came along, olive producers were paid ITL 170 000, which is equivalent to about EUR 90. This year, olive producers have been paid EUR 30 per hundred kilograms. Thirteen or fourteen years have gone by and the price is now a third of what it used to be. Our producers sell oil wholesale for EUR 2 per litre; such takings do not even allow them to cover their costs, and we are putting farms in debt because they are selling at less than cost price.

We are also seeing a strange phenomenon: oil is bought wholesale for EUR 2 and we find that it is retailing in supermarkets for EUR 2 or less. There is clearly a need to introduce more controls. I would be happy to meet you to outline the problem of updating Regulation (EC) No 2568/1991; there are new control systems and we must fight against sophistication and adulteration, for the benefit of consumers and producers too.

We cannot contemplate nationalising aid in the next CAP, nor can we contemplate reducing direct aid, since the absence of direct aid or the reduction of its funds would lead to a farming crisis in southern Italy and the Mediterranean.

Commissioner, I will conclude by telling you that those who own land today own it not because they won it in a lottery, but because it was handed down to them by their father or grandfather, who cultivated that land, who poured their sweat and blood into it, and left it to their son.

Today, those who leave their farm to their children risk leaving them with a handful of debts. Europe must provide an energetic and strong response to help and aid the revival of our agricultural sector.

**Sari Essayah (PPE).** – (FI) Mr President, stabilising the market must be one of the shared central objectives of economic policy. On this matter, we in this Chamber seem to be of the same opinion. In the common agricultural policy, we need the safety net of market measures, both for the protection of farmers and also for the protection of all those who are involved in the food chain.

The period after 2013 seems particularly alarming, for example, because of the withdrawal of export subsidies and milk quotas, as well as the increase in imports from other countries. It therefore seems good that the Commissioner is saying at this stage that he plans to take measures before 2013.

Now we need to examine how we will be able to put the new administrative tools for the market into use: for example, the many different measures for developing an income insurance system, making producers and businesses stronger and improving the transparency of the market.

**Ulrike Rodust (S&D).** – (DE) Mr President, Mr Ciolos, I have in front of me an analysis of the economic situation in the German agricultural sector. The analysis involved the evaluation of 19 100 sets of accounts from full-time and part-time farms. The results have been projected on the basis of the distribution of farms from the Farm Structure Survey of 2007.

In the financial year 2008-2009, the overall situation deteriorated significantly. The figures for the 18 200 full-time dairy and arable farms fell from EUR 45 400 to EUR 34 400. That represents a reduction of 24%. Particularly large losses occurred in 2008-2009. Operating results fell to EUR 29 300 (minus 45%) and to EUR 43 000 (minus 18%).

In contrast, mixed livestock farms ...

*(The President cut off the speaker)*

**Dacian Ciolos, Member of the Commission.** – (FR) Mr President, I think that the debate that we have just heard demonstrates the extent to which we should learn lessons from this dairy crisis. Moreover, as Mr Le Foll said at the start of his speech, we should consider implementing mechanisms for regulating the markets as part of the common agricultural policy post-2013.

I firmly believe that the CAP must be able, at the same time as respecting the diversity of European agriculture, to propose measures relating to our common objectives at European level that will allow us to fulfil the role granted to it under the Treaty of Lisbon. In other words, it must guarantee the stability of farmers' revenues and ensure that the markets are well supplied. The future instruments of the CAP should therefore make it possible for us to achieve, among other things, these objectives. There are other objectives of course, but those are the fundamental ones that we must take into account.

Measures to regulate the markets that will enable us to avoid situations of price or market volatility or to intervene in such situations will be the focus of our concerns and of the proposals that the Commission will make as part of the CAP post-2013. I can assure you that we are currently working on this. I am firmly convinced and conscious of the fact that market management mechanisms must be able to play a role alongside direct aid, which we must keep, albeit by adapting the criteria for awarding them. The market must be able to function, of course. We must leave the market to function when it is able, but I also agree with Mr Dantin when he says that the specific nature of the agricultural sector justifies public intervention. This must, of course, be targeted and must aim to solve problems with the functioning of the market and to ensure that it functions properly. It is in this spirit that we will be making proposals for the CAP post-2013.

I fully understand that sectors other than dairy are also experiencing difficulties at this time. Thus, the fruit and vegetables sector is also often subjected to major market variations: variations in price and amounts marketed or sold. This sector underwent reform a few years ago. We will also learn lessons from how that reform, which gave greater negotiating powers to producers within producer organisations, was applied. I think that, at this level too, we could learn some lessons that could be applied to other sectors.

Indeed, I am of the view that, apart from public intervention, producers must also be given the opportunity to negotiate contracts better and thus to negotiate prices better, whilst ensuring some stability in what products are placed on the market by means of private contracts. I therefore think that, in addition to public intervention, we can find other ways of allowing the market to function well, whilst giving the public authorities the power to intervene when the market is unable to play its role, since agriculture must not only supply the markets, but also continue to produce public goods. We are in agreement on that. Therefore, in order for agriculture to be able to fulfil all of its functions, we will have to help it.

As for issues relating to the food chain, in particular, the powers to negotiate a better distribution of added value, Parliament has carried out some work, the Commission has issued a communication and debates have taken place within the Council. On the basis of all these elements, I think that we will make some proposals in order to find mechanisms that will allow producers to negotiate their margins better.

I think that I have more or less covered all the speeches and all the problems that were raised. I would like to thank you once again for the opportunity that you have given me to explain myself. The debate is only just beginning. I also launched a public debate before making proposals on the CAP post-2013 reform. I think that following that debate and the work under way within Parliament, we shall be able, between now and the autumn, when I shall return with a Commission communication on the future of the CAP, to make proposals that will give farmers greater confidence in their activities. We need these farmers, not only for what they supply on the market, but also for what they do on their land.

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

#### **Written statements (Rule 149)**

**Luís Paulo Alves (S&D), in writing.** – (PT) There has been a fall in prices in various agricultural markets in recent months as a result of the economic and financial crisis that has affected the EU, which, in turn, has affected demand for those products. Lower prices benefit consumers and, in the medium term, will lead to increased demand, but in the meantime, many producers are being badly hit. It is therefore crucial to draw up a European agricultural policy that will respond to the key issue: the need to ensure sustainable food security at reasonable market prices. What is required is an agricultural model that is competitive and economically viable and which responds to the citizens' food, environmental and social needs. Even if the common agricultural policy is market oriented, it has to contain a series of instruments to address the need to compensate for the production of public assets that the market does not remunerate and to control the extreme volatility of the market. It must also have appropriate regulation, a strong safety net and sensible risk management. It also needs to improve the food supply chain, by means of greater transparency and better contractual practices that are not damaging for producers. To conclude, it is essential to ensure equality of treatment for imported agricultural materials and produce.

**Alan Kelly (S&D), in writing.** – Firstly, let me say that I welcome the moves of my colleagues, especially Senor de Castro, who has taken the initiative to start the debate on this issue. It is a fact that today, our farmers are faced with overwhelming obstacles when it comes to achieving a fair price for their produce. The effect on prices during the recent dairy crisis is just one example. Stock intervention had its role to play in stabilising the market, as did the Emergency Dairy Fund. But we are not out of the woods yet, so to speak. Supermarkets present their hurdles when it comes to a fair deal for farmers. We all know how the average supermarket likes to present itself to the consumer as a 'slasher' of prices. We need to be careful however, that the



supermarket does not also continue slashing the prices going to our farmers. If the current system was allowed to continue indefinitely, there would be no incentive to farm and where would our rural society be then. This has to change. I hope the Commission is as concerned about this as Members of Parliament are.

**Czesław Adam Siekierski (PPE), in writing.** – (PL) In 2009, European farmers experienced significant difficulties. Incomes fell by almost a quarter, and the crisis affected the majority of agricultural markets, including milk, cereals, pork, beef, olives, etc. The most difficult situation was definitely that facing the dairy market. As a result of a worldwide price collapse, European milk producers suffered huge losses. Farmers publicised their difficult situation at a variety of meetings, and there were also mass protests of farmers in many countries. Currently, price fluctuations are no longer so large, but this does not mean the problems have disappeared. We are still faced with low demand and price fluctuations in many sectors of agriculture. The present mechanisms of intervention in the dairy sector and the establishment of the Dairy Fund are proving insufficient. We can already imagine what will happen when these instruments expire. We can certainly expect further falls in income and market turbulence. I agree with the statement of Mr Ciolos that the difficult situation in the dairy market should be solved immediately, and that we should not wait for 2013, when a major reform of the CAP is planned. In June, we expect a decision of the High Level Group, which will present its reflections and thoughts on improvement of the situation in the dairy sector. I hope that body will fulfil our expectations and present a balanced programme of stabilising measures. I am pleased that Mr Ciolos shares our fears and has taken account of our suggestions.

## **16. Agenda for next sitting: see Minutes**

## **17. Closure of the sitting**

**President.** – The next sitting will take place tomorrow, 21 April. The debates will be held from 09.00 to 13.00 and from 15.00 to 19.00. I do not know if everyone is aware that tomorrow, the sitting will be closed at 19.00.

*(The sitting was closed at 23.25)*