

WEDNESDAY, 3 DECEMBER 2008

IN THE CHAIR: MR PÖTTERING

President

(The sitting was opened at 3 p.m.)

1. Resumption of the session

President. – I declare resumed the session of the European Parliament suspended on Thursday 20 November 2008.

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

3. Composition of Parliament: see Minutes

4. Corrigenda (Rule 204a): see Minutes

5. Statements by the President

President. – One week ago today, on 26 November, a dramatic series of coordinated terrorist attacks took place in Mumbai in India. According to the Indian Interior Ministry, almost 190 people lost their lives, 22 of them foreigners, as a result of these terrible attacks. 200 people were injured in these attacks and it is still uncertain whether many of them will live.

On behalf of the European Parliament, I should like to voice my outrage at this monstrous attack on innocent people and to express our deepest sympathy with the families of all those who have died.

I should also like to assure those injured in the attacks and their families of our support and our heartfelt sympathy.

The European Parliament utterly condemns these terrorist acts and would like to manifest its solidarity with India, its people and its authorities in this time of mourning. Today we are all Indians at heart.

Terrorism is a direct attack on freedom, human rights and democracy. Terrorism is the attempt to destroy our values by means of indiscriminate violence – values which unite us in the European Union and in our Member States.

Ladies and gentlemen, you know that a delegation of the Committee on International Trade from the European Parliament was in Mumbai at precisely the time of the attacks.

In the midst of all the mourning over the tragic attacks, we would nevertheless like to express our joy and relief that all the participants of this parliamentary delegation trip are with us again safe and sound because some of the members of the delegation of the European Parliament were in the hotels affected at the time of the attacks and were in immediate mortal danger.

Welcome back to Brussels all of you.

Ladies and gentlemen, in particular I should like to greet the following in our midst: Ignasi Guardans, who led the delegation, Daniel Caspary, Béla Glattfelder, Syed Kamall, Sajjad Karim, Erika Mann, Jan Tadeusz Masiel and Mia De Vits. It is wonderful that you are all here again.

(Applause)

I am also delighted that the following Members of the European Parliament are with us again and I greet them just as warmly: Alberto Rodas, Christopher Ford, Levente Csaszi and Vladymyr Dedobbeleer, and members of the political Groups Arielle Rouby and Barbara Melis as well as the interpreters Vincent Capet from the European Parliament and the two freelance interpreters Karen Twidle and Michael Hill.

(Applause)

We are all relieved that all in all you are well, and I hope that you can soon recover from this terrible experience mentally as well.

My special thanks and my acknowledgement go to the people in India, to those who offered you protection and assistance despite the uncertain local situation.

My thanks go also to the consulates of those Member States of the European Union who all according to the letter and spirit of the European Treaty showed solidarity in offering you assistance in an emergency.

I should like to remind everyone that all citizens of the European Union whose country of origin has no local representation – as in this case in Mumbai – can contact the consulate of any other EU Member State. Such situations represent the genuine expression of a concrete solidarity between the people of the European Union.

(Applause)

Fellow Members, today, however, our thoughts go above all to the victims of the attacks in India and to their families. Their death and the circumstances which led to it are crimes which are unacceptable under any circumstances.

Terrorism – wherever and by whoever it is committed – must be met with determined action and solidarity. The European Union is called upon to combat terrorism in any form together with the international community.

In this we are guided by our principles of the rule of law. The fight against terrorism may only be conducted in accordance with those values which we defend.

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I have just heard the terrible news that less than an hour ago a 70-year-old businessman, Mr Ignacio Uría Mendizabal, was murdered – it is said by ETA, it is not yet confirmed – in the Spanish town of Azpeitia, in the Basque Country.

I wish to condemn this terrorist attack and to express my deep sadness and profound sympathy to the family and friends of Mr Uría. I want also to express my solidarity with the Spanish people, their authorities and democratic institutions.

I should like to ask you to rise from your seats in remembrance of the victims in Mumbai and the murdered citizens of the European Union in Spain and to commemorate the dead.

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

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Ladies and gentlemen, many of you are wearing the little red bow at this time. Last Monday, 1 December 2008, marked the 20th World Aids Day.

Aids-HIV is a terrible illness with which approximately 7 000 people are infected worldwide every 24 hours – without knowing it. Africa is the most severely affected, with 33 million already infected with HIV.

But in Europe as well people are infected with the virus daily. According to official figures from the World Health Organisation WHO, between 1999 and 2006 more than 800 000 new infections were confirmed in Europe – just under 270 000 of them in the Member States of the European Union.

At least every tenth newly infected person is under 25 years old. This underlines the urgent necessity for reinforced information and prevention campaigns and the provision of voluntary – as well as anonymous – tests.

We must make a political undertaking to increase the resources for combating this illness and take measures for early detection and thus the earliest possible care and treatment.

On behalf of the European Parliament, I should like to expressly ask the Member States to take measures to prevent any discrimination and stigmatisation of those infected.

(Applause)

6. Documents received: see Minutes

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

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

9. Transfers of appropriations: see Minutes

10. Order of business

President. – The final version of the draft agenda for this part-session as drawn up by the Conference of Presidents at its meeting of Thursday 20 November 2008 pursuant to Rules 130 and 131 of the Rules of Procedure has been distributed. It has been requested that this draft be amended as follows:

Wednesday

The Confederal Group of the European United Left/Nordic Green Left and the Group of the Greens/European Free Alliance propose postponing both the voting on the report by Mrs De Keyser on the participation of the State of Israel in Community programmes and the voting on the motions for a resolution regarding the same topic.

Francis Wurtz, *on behalf of the GUE/NGL Group.* – (FR) Mr President, our request is based on a very clear fact known to everyone. At the end of last May, an official delegation from our Parliament, representing all political groups, went to Israel and visited the Palestinian territories including Gaza.

On the basis of what they observed on the ground, at the end of this visit, they unanimously adopted a statement. This statement includes the following:

‘We strongly feel that without serious signs of good faith translated into tangible improvements on the ground, the time is not yet right to upgrade EU-Israel relations’.

(FR) Since then, no such significant signs have been apparent, quite the contrary. This is why we think that it would be a very bad signal today if we were to vote in favour of the recommendation made by the Council.

My group proposes that we postpone this vote until there is evidence, in Israel’s policy and on the ground, of these famous signs called for unanimously by the delegation representing our Parliament a few months ago.

Daniel Cohn-Bendit, *on behalf of the Verts/ALE Group.* – (DE) Mr President, ladies and gentlemen, sometimes we must take very difficult decisions. I think that the dispute which we in Europe – here in this House – are having about Israel and Palestine is always very difficult.

When we take decisions, we must also actually keep the vision in mind. It would be disastrous if this House were to vote against a motion to strengthen the connections between Israel and the European Parliament. I repeat, it would be disastrous to vote against it. But it would also be disastrous to vote in favour when we all know how difficult and delicate the situation is. I was in Israel 14 days ago and saw for myself that both the Israelis and the Palestinians really are at the end of their tether. It would be disastrous to increase the frustration of the Israelis by saying no. And it would be just as disastrous to increase the frustration of the Palestinians by saying yes. Therefore, if we are intelligent, let us postpone the vote. For we still need to talk, we need to act. Sometimes it is more intelligent to continue the discussion calmly than to take a decision emotionally and too quickly which will frustrate and disappoint either one side or the other.

In Europe we have a mediatory function and we must retain this function. For this reason, we propose postponing this vote. Being intelligent sometimes means waiting.

José Ignacio Salafranca Sánchez-Neyra, *on behalf of the PPE-DE Group.* – (ES) Mr President, I must mention in this regard that Parliament’s Committee on Foreign Affairs, including the rapporteur, Mrs de Keyser, voted overwhelmingly in favour of Mrs de Keyser’s report.

As we said to the Israeli Foreign Minister yesterday when she met with the Committee on Foreign Affairs, we understand the extreme concern felt by this House about the humiliation and frustration that the people of Palestine are suffering.

It is precisely for those reasons, however, that we believe that Parliament has to take a stand, Mr President, in the first instance by means of a resolution. I can announce that my political group will accept the amendments tabled by the Left to establish a relationship. It is not a matter of upgrading relations with Israel, Mr Wurtz, but of voting for a resolution and for the assent that the European Parliament, according to the powers attributed to it by the Treaties, has to give to negotiations undertaken by the European Commission and the 27 Member States.

That, Mr President, is why we believe that the European Parliament has to take a firm stand for peace – peace in the Middle East – and give its assent to the agreement on scientific and technological cooperation with Israel. This item must therefore be kept on the agenda for the present plenary, as the Conference of Presidents of the political groups itself decided.

(Parliament adopted the motion.)

Thursday

- No amendments

(The order of business was adopted.)

11. Welcome

President. – Ladies and gentlemen, it is my great pleasure to inform you that a group of high-ranking religious dignitaries and persons from civil society from Bulgaria, headed by His Eminence Metropolitan Dometian of Vidin, has taken its place on the VIP rostrum. Our guests are taking part in a seminar on Cultural Diversity in Europe which is taking place on 4 December here in the European Parliament. I extend a very warm welcome to you all in the European Parliament in the last month of the European Year of Intercultural Dialogue. Welcome to the European Parliament.

(Applause)

12. Preparation of the European Council (11-12 December 2008) (debate)

President. – The next items are the statements by the Council and the Commission on the preparations for the European Council on 11 and 12 December 2008.

Jean-Pierre Jouyet, *President-in-Office of the Council.* – (FR) Mr President, President of the Commission, honourable Members, first of all Mr President, I should like to add my condolences, feelings and solidarity to yours for the victims of these barbaric acts in Mumbai, for the Indian people, who were also victims of these tragedies.

I should also like to say that, having welcomed Mr Guardans when he arrived at Roissy Airport, at European level, we must all learn lessons from our cooperation between the various consulates, and I echo your words Mr President; we must definitely improve coordination in this area at European level, even before a single diplomatic service is established.

I should finally like to add my words of condolence for the Spanish victim and confirm our solidarity on behalf of the Council, with our Spanish friends and the Spanish authorities.

Mr President, President of the Commission, honourable Members, the forthcoming European Council on 11 and 12 December – my apologies, I did not mention the Vice-President of the European Commission, Mrs Wallström – is extremely important. They have a very full agenda: the future of the Treaty of Lisbon, Europe's response to the international economic and financial situation, the battle against climate change and the energy package are all due to be discussed.

With regard to the Treaty of Lisbon, we are in contact with the Commission, with our Irish friends. Transpartisan work has been carried out in Ireland over the last few days, at which you were present,

Mr President, representing the European Parliament. You were also questioned by the Irish Parliament on this issue. I believe that the work of this group is leading to three outcomes.

The first is that the Irish Members of Parliament believe that Ireland risks being marginalised to a certain extent in the European Union, and will subsequently suffer in the short and medium term.

The second element is that the full and complete participation of Ireland in the European Union still remains, in their opinion, completely desirable.

Finally, the third element, which is that a solution must be proposed by Ireland so that it can remain at the heart of the European project, while providing a response to the concerns expressed at the time of the referendum on 12 June.

As you know, the Irish Government has not yet formally adopted a position to indicate whether or not it approves these recommendations and whether or not it wishes to implement them, or by what method. We have been in contact, and between now and the end of the week there will be further contact with the Presidency of the Council, between Prime Minister Cohen, and President Sarkozy.

You will understand that I cannot speak on behalf of the Irish authorities. However, as far as the Presidency of the Council is concerned, we are very keen to help our Irish friends, to understand their possible requests in the various areas, to see what legal guarantees they need, while of course respecting and considering the fact that twenty five Parliaments have already ratified this treaty, that we are expecting a twenty-sixth ratification at the start of 2009, and that we wish to provide a clear and positive signal with regard to the actual entry into force of the Treaty of Lisbon. This is the entire thrust of the road map that we will propose, and which we will be discussing at this European Council.

With regard to the economic and financial situation, we have already held numerous debates in this Chamber. I would therefore like to reiterate the main issues, since Europe is being severely hit by the economic slowdown. Confronted with an exceptional situation, we have to show that we are able to respond. We have to demonstrate unity, the same decision-making capacity we exhibited last October when a coordinated response had to be found to the risk of the entire financial sector collapsing. It is in this spirit that the Presidency will lead the work of the Council on 11 and 12 December.

The President of the Commission, Mr Barroso, will express this better than I can, the Commission adopted proposals for a European recovery plan on 26 November; these were examined at Monday's 'Competitiveness' Council and at the Council of Economic and Finance Ministers. This constitutes a coordinated European response to the economic crisis which makes use of the Community instruments available and allows Member States to take the measures most suitable for their situations in close coordination with one another and respecting certain principles.

I should like to say that the Commission's proposals are a move in the right direction as far as the Presidency of the Council is concerned. We must try to release marginal funds from the Community budget, wherever they are available, with regard to the European Social Fund, the Globalisation Adjustment Fund, and the Structural Funds. We must also make use, as proposed by the Commission, of more funds from the European Investment Bank and we are counting on your Parliament to fully participate in the mobilisation of the Community institutions in response to the crisis.

It is chiefly the responsibility of Member States to deploy every means possible to support economic activity over the coming year, taking account of the forecasts produced by the Commission as well as by other institutions. The Commission proposes a joint effort between what can be done at Community level and what is done in Member States, of up to EUR 200 billion, that is to say 1.5% of Community GDP. I know that there is some apprehension with regard to these figures. It seems to us, as the Presidency, that the effort proposed by the Commission responds to the problems that we must confront and the necessary stimulus.

We are well aware that the Community authorities cannot guarantee everything since their instruments are limited, particularly in terms of the budget, particularly with regard to allocations and that not everything can be done at Community level. The authorities, however, must guarantee that national recovery actions are consistent and coordinated so that the greatest overall effect for economic recovery to the benefit of the Union is achieved.

Along with the Commission, we believe that we need targeted sectorial and transitional support measures. These measures must be compatible with the Union's long-term priorities and the Lisbon Strategy, and they must be rapidly implemented. We believe that a priority action must target the European industrial base,

particularly the 'backbone' industries such as the automotive sector which, as you know, is very seriously affected by the economic slowdown. In association with the European Investment Bank, Member States ought to be allowed to provide support to their manufacturers in order to support efforts to develop new technologies, particularly clean cars.

We must also, as highlighted at the 'Competitiveness' Council, obtain more room for manoeuvre in order to support small and medium-sized enterprises which are particularly adversely affected by this crisis, and in particular, are currently threatened with credit restrictions, bearing in mind the continuing state of the European financial sector. We are determined to obtain the most ambitious possible overall plan at this Council at its forthcoming meetings on 11 and 12 December.

With regard to the climate and energy package, Mr President, we will be holding a debate tomorrow in this Chamber. On behalf of the Council, I should like to thank Parliament once again for its extremely constructive attitude in the dialogue that we have had on the energy and climate package. Our aim is and will continue to be a first reading agreement between now and the end of the month. This is not a vanity project for the French Presidency, nor is it a question of finding out whether it will be one more feather in the cap of the Presidency. That is not the issue. The issue is that Europe, I repeat, must be ready to meet international timescales, bearing in mind the 2009 timetable, and must be ready to take the desired initiatives in Poznań, at the conference which has just opened, and in Copenhagen next November.

Your rapporteurs are very aware of this. There have been a large number of substantial exchanges between your Chamber and Jean-Louis Borloo in order to successfully complete this negotiation. What we wish, the aim of the Presidency is clear: there are targets and there is consistency in the package proposed by the Commission. These targets and this consistency must be protected. We must not deviate from the initial reasoning proposed by the European Commission.

We must incorporate two components: the first comprises being sufficiently flexible towards those countries that, bearing in mind their geographical situation and economic development, have to make efforts in the area of greenhouse gas emission reductions, and I am thinking in particular about our Central and Eastern European friends; the second component comprises finding, bearing in mind the economic crisis, the necessary flexibility for the industrial sectors that are most severely affected by these energy consumption problems. These are the lines along which we are working very closely with the Commission and with other Member States, and we must all be united so that concrete results can be achieved and this package adopted between now and the end of the year.

So, Mr President, Mr Barroso, honourable Members, this is a crucial Council. Europe is now at a crossroads in several areas, namely, the institutional, economic and energy areas. This will be a difficult Council. It must be able to deal with the situation in the European Union. This is why in the Council, Commission and Parliament, we must do absolutely everything within our power to reach these various goals successfully. We are of course aware, however, of the difficulty of our task.

José Manuel Barroso, *President of the Commission*. – (FR). Mr President, Mr Jouyet, honourable Members, firstly may I concur with you Mr Pöttering in everything that you have said relating to the tragedy in Mumbai, and also say that I share your sentiments relating to the need for the spirit of solidarity in Europe, and the spirit of what must be real European citizenship to be put into practice.

I think that we will all be able to learn lessons from these events and demonstrate the reality of the fine ideas of European citizenship and solidarity.

Over the last few months, Mr President, honourable Members, the European Union has indeed been faced with a series of major challenges: a conflict in Georgia, an unprecedented financial crisis and an unexpected recession.

The European Union has so far correctly assessed these extraordinary events and has, I am absolutely convinced, performed creditably. Thanks to the shared commitment and close cooperation of our three institutions and, I must add, the energy and skill of the French Presidency, the usefulness and relevance of the European dimension has been made clear. We have shown Europeans in particular and the world in general that the European Union was up to the task: able to provide a swift and coordinated response and ready to work hand in hand with its partners on the world stage.

But let us be absolutely clear and honest with each other: the key work still needs to be carried out over the coming weeks. Because we are facing a large number of challenges, in particular, three major challenges, which can only be met if the three major European institutions – Parliament, the Council and the Commission

– continue to collaborate, with each one fulfilling its role in the pursuit of our common aims: first of all to take decisive measures, which must be immediately implemented, to put Europe on the path to economic recovery, to provide a response to the crisis in the real economy; secondly, to demonstrate that Europe is equipping itself with the resources to become the world's leading low-carbon economy and that we can keep our position as world leader in the battle against climate change; and thirdly, to draw up a road map for the implementation of the Treaty of Lisbon.

I am sure there are lots of other areas I could mention, in particular in the field of external relations, where I should like to say that we in the Commission are today proud to have approved a communiqué which sets out the considerably ambitious aims for a real Eastern Partnership policy but, as time is short, I am now going to concentrate on those three challenges which I see as the greatest challenges for the European Council in December.

First of all, let us look at the European plan for economic recovery. During the debates which took place prior to the European Council in October this year; problems were having a knock-on effect and the financial crisis was already spreading to the real economy.

A week later, in a communiqué we approved, the Commission proposed an EU-level policy framework for action. We said that we needed an economic response to the financial crisis and that this must be made in a coordinated fashion. A consensus was broadly reached for this policy framework, being approved at the last informal European Council and by Parliament at its part-session last month. But this policy framework also fed into the global strategy defined at the G20 summit, where it was used as a basis for discussion. Finally, the approach recommended by this reference framework policy was adopted by Member States when defining their own courses of action.

As well as providing detailed implementation methods, the European plan for economic recovery, as presented by myself last week, elevated this coordination to a new level of ambition.

I wish to pay tribute to the boost given by Parliament to the recovery plan, in the form of its parliamentary committee and plenary part-session debates, and in particular, the debate I had with the Conference of Presidents, and I should like to thank the President of Parliament and the chairmen of the various groups for their contributions, which made this debate possible. The implementation of this plan must enjoy the same sustained dialogue as its preparation.

By proposing to inject EUR 200 billion to kick-start our economy, our recovery plan, which comprises ten detailed priorities, shows a degree of common action that is unprecedented at European level. The challenge was enormous, as was the risk of failure, since an ambitious plan on the same scale as the need had to be defined. The plan is not based on the smallest common denominator but nor does it ignore the widely varying budgetary and economic positions of the various Member States, even though all Member States are part of a common market and the majority of them have a common currency. We therefore have to confess that it is no easy task, that it is really quite difficult to find, from an intellectual and also obviously from a political point of view, an economic response for 27 countries with such different starting points.

This is why we have not defined a one-size-fits-all plan, but a coordinated plan, based on the instruments already at our disposal in Europe, the Stability and Growth Pact and the Lisbon Strategy for Growth and Jobs, but by defining the common aims to be pursued in a coordinated fashion for economic recovery.

This plan must now be translated into reality. The concept of coordination must not simply prevail at the time of agreement but also during implementation, since the price of inaction is unacceptable. We ourselves can testify to this: job losses are occurring daily. We cannot wait for the recession to get worse and degenerate into a serious depression.

I think that we can all see a change of attitude even if this change of attitude has not yet fully been translated into concrete decisions. Everybody is very well aware that we are not dealing with an ordinary fall off in economic activity. We are in a completely different situation, which is not an ordinary drop in economic activity; we are, I repeat, experiencing exceptional circumstances and that now is the time to act.

Each institution must fulfil its responsibilities. The Commission has done so by presenting this plan and will continue to do so to ensure its implementation. I am counting on the vigilance of Parliament to remind each institution of its commitment. This recovery plan offers the necessary policy framework for decisive and ambitious action. I believe that it is at the same time both ambitious and realistic; putting forward ambitious proposals that have no chance of being approved is pointless. At the same time, however, we must retain this ambition.

This plan shows that the basic principles established by the Stability and Growth Pact and the Lisbon Strategy have rendered us capable of providing a real European solution.

This is a great opportunity which must be seized by Europe. I believe that this is a real test for Europe. Not merely a test of its economic response, which is demanding enough, but also of the very idea of Europe. What is our idea of Europe? Do we or do we not want to have European responses to European and to global economic problems?

United in action, Europe can demonstrate that it is capable of: providing the necessary coordination so that each can deploy all its forces in the battle; offering, on a customised scale, the required budgetary stimulus to guarantee a real impact, while ensuring the medium- and long-term viability of public expenditure levels; ensuring intelligent use of short-term tools for boosting long-term competitiveness by killing two birds with one stone: the stimulus must limit the impact of the crisis on households, workers and businesses in the short-term, while simultaneously easing the transition towards a less energy-intensive economy, while supporting reforms for European competitiveness, in the medium- and long-term; ensuring all our actions are imbued with the key imperatives of solidarity and social justice, which must primarily be focussed on the most vulnerable in this time of crisis.

We have therefore set out three clear priorities, three foundation stones for the strategy which has the needs of the most vulnerable sectors of society as its underlying across-the-board priority.

This is not the time for restricting actions to the national level. Let us be absolutely clear about this. This is the message that I would like to send to the European Council and I know that I can count on Parliament to echo my message. Only a European-level solution will have the necessary scope to make a difference, to everybody's benefit.

Parliament's support is essential. I would therefore like to ask you to examine new proposals, speed up procedures and adjust the European budgetary framework. Here too, we must be clear. I think that it would be completely contradictory if we now were to ask Member States to make an additional effort as regards their budgets, budget boosts, while we at European level, were unable to use all the appropriations at our disposal in the Community Budget.

The Commission has therefore, I believe, produced a good proposal, saying that all unspent appropriations should be used to support certain programmes and launch certain European actions, whether for interconnections, innovation, climate-friendly energies or for an economic recovery policy that is also full of potential in the medium term. I believe this is the very least that should be done.

But above all, I invite you to explain to our fellow citizens how the European Union is providing protection, not by taking action on behalf of States, but quite the reverse, by increasing the effectiveness of the actions taken by States, combining our efforts to stimulate demand and restore confidence for the benefit of all our citizens.

The second point on the European Council agenda is climate change. I know how much time and attention this Parliament has devoted to the climate change energy package. You have shown how this is truly one of the major political, economic and 'civilisational' projects of our time. When we look back at what will be an historic decision, your support for the objective and your input into how it should be reached will prove to have been invaluable.

It is now almost a year since the Commission made its proposals. In that time we have seen a major economic downturn. We have heard understandable concerns from industry at a time of intense pressure.

But the commitment to the core goal has not wavered: to meet the 20/20/20 targets by 2020; to show the way for a global agreement at Copenhagen next year; and to prove that we are serious and we mean business when discussing these issues.

Of course there is much to be done before the Council and Parliament reach a final agreement. This is how it should be. These are critical decisions impacting on the life of every European. They deserve to be taken seriously. We must get it right.

The European Council next week will be key to reaching agreement between the Heads of State and Government of the 27. But while agreement amongst the 27 is a necessary condition for a deal, it is not in itself sufficient. Believe me, nobody knows better than the Commission the crucial role Parliament plays as

a co-legislator. You have proven time and again that your input is indispensable, not only for the democratic legitimacy of European legislation, but also for its effectiveness.

Your work is critical in building a broad cross-party, cross-national consensus on essential pieces of legislation. We will need you to play this role on the climate and energy package too. A lot has already been achieved in recent trialogues. I am confident we can travel the rest of the way together as well. I really believe we can and should reach a deal at the European Council – and I welcome the efforts of the very hardworking French Presidency of the Council, with which the Commission is actively cooperating. This is why, right after the European Council, I propose to take up its outcome in trialogues with the European Parliament in order to iron out remaining differences and translate political agreement into legal texts.

I am confident that we will be able to conclude work in good time and show that climate action, energy security and economic growth can and must be pursued in a mutually supportive way. This is the best message we can send ahead of the European elections, but also ahead of the coming into office of the next United States President, and in view of Copenhagen. I give my commitment that the European Commission will work tirelessly with you to make this possible.

Finally, there will doubtless be some who would argue that, in the current situation, discussing the Treaty of Lisbon is a distraction. They would be wrong. The European Union today is proving itself more essential than ever in terms of promoting the economic and social well-being of its citizens. Giving it the tools to do this task more efficiently, more democratically, is not a distraction. It is an imperative. The crises we have been experiencing have all underlined this need.

I believe that the European Union has shown a lot of maturity in responding to the 'no' vote in Ireland, by respecting the outcome, and by giving the Irish authorities the time to digest and analyse, time to work out how to address this situation.

Above all, Europe has shown its determination to keep working towards the prize of the new Treaty. Member States have continued to ratify. The Commission, like this Parliament, has continued to put the case for the Treaty. And we have worked together with Ireland – not against it – to find the right way forward.

There remains an urgency to see the Treaty in force. There remains a need to respect the decisions of the 25 national parliaments which have ratified. And the overriding goal of the European Council must be to set out a credible way forward which will allow Ireland to ratify as well. By the end of next week, we need to have a road-map that leads us out of this impasse.

2008 will go down in the history books as a year when the European Union faced some of its most difficult tests. But also, I believe, when it showed itself determined enough, decisive enough, and bold enough to meet the challenge. Let us use the next few weeks to leave a legacy of a stronger, more ambitious European Union for the future.

(Applause)

Joseph Daul, *on behalf of the PPE-DE Group*. – (FR) Mr President, Mr Jouyet, President of the Commission, ladies and gentlemen, the European Council next week will mainly be examining the response to the current economic crisis, and I should first like to pay tribute to the work of the European Commission. Since the start of the financial crisis, it has presented a large number of documents aimed at reforming the global financial architecture. The recovery plan presented last week, which we welcome, is in addition to all these measures and represents a suitable tool for responding to our current difficulties.

Like the Commission, we think that recovery plans must be implemented as quickly as possible, and like the Commission, we think that the coordination of these recovery measures is the key to success. The economy and social cohesion in our countries constitute a fundamental priority. Moreover, in order to solve our problems in the long term, we have to demonstrate both determination and an attitude of responsibility. The Commission's proposals, aimed at bringing together all the political levers available at European and national levels to combat this crisis represents an excellent approach.

Our priority must be to do everything we can to prevent a downward spiral into recession. We must restore consumer confidence because only that can rapidly alter the situation. I am very sad that some political groups do not share this approach and intend to exploit the crisis and try to gain political advantage. The aim of the centre-right, our aim, is not to spout slogans but to restore stability, growth and jobs, full stop.

Our aim is also to show Europeans what must be defended at all costs: our model of the social market economy, which is the envy of the world and for which we must fight, because it alone can ensure and guarantee our social cohesion. If I were a capitalist, everybody would know it!

Faced with a crisis which demands urgent, realistic and pragmatic measures, some people prefer to accuse the opposition in order to hide their own sins. We are very well aware of the seriousness of this crisis but we also are aware of our duty to take action on the basis of our values and our pragmatic ways of doing things, to find the correct balance between the short and long term.

The measures that have become necessary as a result of our current problems must not jeopardise our future. This is why we support the Commission's approach, which places its action within the framework of the Lisbon Strategy for Growth and Jobs. Indeed, this strategy is the best guarantee of preserving our social model; any other strategy would be irresponsible. However, adopting the recovery measures does not mean Member States can renege on the structural reforms essential for the adjustment of their economies.

Ladies and gentlemen, the European Council will also be largely devoted to the climate and energy package, which the French Presidency has quite rightly made one of its key priorities. Negotiations are still continuing on the majority of the documents in the package and I call on all those involved in the negotiations to do everything in their power to reach a satisfactory agreement.

Global warming is a reality that neither the financial crisis nor the current economic crisis has changed. The European Union must show the way to its world partners by adopting a responsible political attitude appropriate for the current situation. Its battle against climate change must continue, however.

The fact that progress has been made on one of the documents in the climate and energy package is a very positive sign, and evidence that there is a real desire to move forward on these texts, which I welcome. I pay tribute to the determination of the French Presidency, which has spared no effort in reaching an agreement. I should also like to express my wish that our Irish friends propose a road map to the European Council that is at once realistic and ambitious and provides a timetable for ending the institutional impasse.

This crisis is showing us once more: Europe must be capable of making decisions more effectively and more democratically. Finally, I should like to thank the Commission for the Eastern Partnership project, which it is going to propose to the Council.

President. – If I were now to say that you are always exemplary, it might be construed as bias.

Poul Nyrup Rasmussen, on behalf of the PSE Group. – Mr President, we now have 17 million unemployed in Europe. Unless we do something, we will have 21 million unemployed in Europe within a year, and 25 million unemployed at the beginning of 2010.

On 14 November, this Group said that we need to have a clear goal, and the Socialist and Social Democrat Party said the same at the weekend. Our goal must be not to allow the employment level to go down. Our financial stimulus will be defined by this clear goal of keeping people in work. We will lose jobs but we will create new ones to keep people in work. What I find missing here in the Commission's programme is not direction, but ambition and true coordination.

I know it is difficult. Please do not say that simply combining efforts – which is what governments always have done – is coordination, because it is not. I share your ambition of coordination, but let us join forces – this Parliament and you and the Council President – to ask the governments for once to understand how much added value you can get by doing things in a coordinated way. You and I know that you will get double the effect in your Member States.

My second point is this. If you do that, please could you, and the President of the Council, put this question to your colleagues, the Heads of State and Government in the Council: if we want to ensure the employment level, how much do we need? I have done the macro-economic calculations, which show that we need to invest – as the Spanish Government did – one percent of GDP, not only next year, but also in 2010 and in 2011. Otherwise we will not keep to this level.

So how do we do this? I would propose the following: that you, Commission President, make a list of priorities defined by our smart green growth strategy and the Lisbon goals, where the 27 Member States say that they agree with you and with the Council on this list. Then show Germany, France, Italy – all of us – how much added value we are gaining by doing things together. Then draw up a time schedule saying, for example: if you make your decisions before Christmas, we will meet again in February, before the spring, to evaluate

what the effects have been. We will then be ready in the spring to make the second package and in the autumn to make the third package as part of a long-term strategy of ensuring our goals.

I am not saying that it will be easy. I am saying that I share your ambition but I am not seeing the goals being put into practice. Let us join forces and do it.

Graham Watson, *on behalf of the ALDE Group*. – Mr President, last time we met we praised the Council's speedy response to the financial crisis. But for this European Council, speed seems no longer to be of the essence. Well, it should be. The challenges facing our Union are real. The recession is smothering businesses and climate change grows ever more stark.

We need the Council and the Commission to acknowledge what Martin Luther King called 'the fierce urgency of now'. Yesterday, our finance ministers failed to grasp the urgency of the recovery plan. The stimulus impulse is changing from sugar to treacle. The Presidency should tell us which Member States were against. We have got to stay within the Stability and Growth Pact, maintain competition and state aid rules and meet the challenge of the Lisbon Agenda, but we have got to act fast.

The Council will, of course, search for a legally binding framework to cut carbon emissions. There has been progress: cap and trade, not regulation and burden, derogations for small-scale emitters, sensitivity to individual states' circumstances and a sliding scale for carbon auctioning – all these are reasonable. What would not be reasonable is any attempt by any Member State to shoot down a long-term plan for short-term self interest. If we do not tackle climate change now, the bill will balloon. Last week's deal on CO₂ from cars shows how easy it is to take the path of least resistance, to let vested interests get ahead of global interests. There will be costs in a climate-change deal, but there are opportunities too. Europe can lead the world in green innovation. The prizes go to the bold and Europe must have the courage of its convictions.

Last week, the Irish published a thoughtful report on options for the Treaty of Lisbon. Now the Taoiseach must come forward with a concrete plan and a clear time frame for moving forward, because Europe's citizens want an effective European Union. You will never convince anyone to have more confidence in our Union if it does not work. And we saw last week an example of the Union not working. Members of this House who escaped last week's bombings in Mumbai were met by an EU consul who told them he would help only citizens from his own country. Nothing shows more the urgent need for coordinated EU consular protection.

Our Union must protect all its citizens in their time of need. The Commission President has said 'we sink or swim together'. Well, some may prefer to tread water, but Europe has done that before and it does not work. We need action now from the European Council.

Rebecca Harms, *on behalf of the Verts/ALE Group*. – (DE) Mr President, ladies and gentlemen, One week before the delegation from the European Parliament leaves for Poznań, it should be assessed whether what the Commission now keeps repeating is really true, namely that the reaction to the crisis of the real economy and to the crisis in the financial markets is linked to an ambitious climate protection strategy. Once again I maintain at this point that everything which the Commission has said to date in this regard is disproved in the current negotiations of the trialogue on the climate package. The signal given by the car deal at the beginning of the week is: Europe has indeed promised ambitious climate protection and to save the world. Europe wants to change everything, but not its cars. I think that we have given an extremely poor signal.

Let us continue with emissions trading. We know that emissions trading is the most important instrument of European climate protection policy, that bidding is the be-all and end-all of operation. Now an exception is even to be negotiated for the energy industry and energy-intensive industry is to be excluded for almost the whole of the next decade. I think that is a very poor announcement, only one week before we go to Poznań. At least half of the ambitious efforts to reduce CO₂ should be made in developing countries, not in Europe itself. However, we do not want to fund these measures in developing countries either.

Mr Barroso, I should like to earnestly request that you at last formulate the new green deal about which Mr Dimas always also speaks so much. I should also like to say to you that I believe that acceptance by the citizens of the European Union would be much greater and would increase if mistakes which were made in the old economic strategies of the European Commission, mistakes with regard to the financial markets as well, were to be assessed, if you were to acknowledge your incorrect estimates of a year ago.

Then perhaps people would believe the new start, then greater approval for the Treaty of Lisbon could be counted on as well. At this point, as I did two weeks ago in Strasbourg, I would really beg you to be honest in the matter. Is there a new green deal or do you indeed wish to pursue the strategies of the last decade?

Brian Crowley, *on behalf of the UEN Group*. – Mr President, I would like to thank the President-in-Office, Mr Jouyet, and the President of the Commission for their presentations here today.

I would like to speak very briefly on the issue of the economic recovery plan because that, in a lot of ways, is what concerns the citizens and the people most with regard to how we are going to react and respond to the unprecedented global issues which have befallen us over the last number of months. I welcome the Commission's recovery plan and proposal. It does dovetail and fit nicely into what the Member States are already doing and, indeed, what the Member States agreed to do under a coordinated plan under the French Presidency.

It is quite unique – and quite ironic in one sense – that it took this crisis to bring the British Government into the club to see how we can cooperate and coordinate together, despite the many years of striving to stay outside and to chart their own individual course.

What this issue brings about more than anything else is a recognition that, yes, we have independence, yes, we can do things individually but, when we act collectively, when we come together and bring the great brains, innovation, talent and energy of the 27 Member States together, then you can truly change the world with that individual collective effort. I congratulate Commission President Barroso and the President of the Council for allowing us to mature in 2008 as a European Union, to respond as adults to what were severe crises and criticisms with regard to Europe's ability to react.

That brings me on to the second point that we will discuss in the Council, the issue of the Treaty of Lisbon. Obviously there are huge concerns amongst many people with regard to how we are going to resolve the issues that are left over because of the failure to ratify Lisbon in every Member State. I am quite confident that the Irish Government will come forward with a plan of how things should happen. That plan will call on other Member States to do certain things as well. It is not just the Irish on their own who have to deal with this problem. Every Member State – again acting collectively – has to deal with this problem.

I would encourage all Members to look at the report that the Special Committee in the *Oireachtas*, the national Parliament in Ireland, brought forward. It is notable that the only people who objected to that report were the same people who objected to the Treaty of Lisbon and every other treaty before that. These are the same shadowy figures who like to hide in the darkness and claim there is a better way, but never say what that better way is; the very same people who never put forward what is best for Irish interests and European interests, but merely something for a small political gain for themselves. The reality is that collectively we can achieve greater and better things but also that this requires compromise, understanding and tolerance of the differing viewpoints that will be coming forward.

IN THE CHAIR: MRS KRATSA-TSAGAROPOULOU

Vice-President

Mary Lou McDonald, *on behalf of the GUE/NGL Group*. – Madam President, EU leaders will meet in Brussels next week and, if the Taoiseach Brian Cowan proposes that Irish support for the Treaty of Lisbon can be secured by agreeing political declarations, or making soothing noises on a selection of issues, he is being deeply misleading. The Taoiseach has sought to distract attention from the profound dissatisfaction which the people, not only in Ireland but much more broadly, feel with the direction the EU is heading. Opinion polls in Ireland, and indeed the government's own research into the 'no' vote, have outlined people's concerns over workers' rights, public services, militarisation and democracy, and these concerns are shared by millions of workers and families across the Union.

The economic crisis which faces us demonstrates that now more than ever public services and workers' rights need to be protected from unfettered and unregulated market forces. As governments grapple with the crisis, it becomes increasingly clear that the Treaty of Lisbon is obsolete. Governments have rediscovered the need for state intervention in the public interest, the need for flexibility and discretion in responding to their people's needs, and they have learnt a costly lesson. They have learned that the market is not king. It cannot provide all of the solutions, and yet Lisbon seeks the coronation of this failed free-market approach that has brought such havoc in its wake.

We need a new direction and the truth is that the Treaty of Lisbon does not provide it. The Irish Government has failed to bring the debate to other governments; it has failed to seek a better deal, not just for Ireland, but for the whole Union. The Irish Government should learn a lesson from its people; it should learn to lead.

And it must lead the way. But all EU leaders bear a responsibility to address, to really address the people's concerns.

Cynical political manoeuvres and empty rhetoric will not win Irish support for Lisbon, will not address the serious flaws in the Treaty of Lisbon, but above all will not provide the new paths that the EU needs. Leaders have a choice. They can lead from the hearts and spirits of their peoples, or they can make decisions that are in the interests of the lobbyists and the bureaucrats. To the EU leaders I say: make the right choice; listen to Ireland and hear in its voice the echo of France and the Netherlands, the demand for reform, for renewal, the demand for change.

Hanne Dahl, *on behalf of the IND/DEM Group*. – (DA) Madam President, a picture is beginning to emerge of how a putrid compromise is to be reached with Ireland to get it to accept the Treaty of Lisbon. I have seen everything here in this House from manipulation to barely concealed threats along the lines of 'Just who do you think will lose a Commissioner, given that we have to implement what it says in the Treaty of Nice about there being fewer Commissioners than Member States? I have heard talk from prominent opinion formers of throwing Ireland out of the Union, including, even, from a newspaper editor in my own country. It was decided at the Conference of the Presidents not to submit the decision about Ireland and the Treaty of Lisbon reached in the Committee on Constitutional Affairs to a debate and a vote in plenary. Nonetheless, the committee concluded in its meeting on Monday that that very decision would form the basis of the President's, and thus Parliament's, official position. Parliament, however, cannot have a common position on this issue.

When the vote about this decision took place, there were 16 in favour and 6 against. This, especially given the failure to hold a debate in the Chamber, is a very slender basis on which to produce a common position. It is outrageous for democracy to be seen to be brushed aside in this House, the same House in which we are so fond of waving our fingers in the air whilst moralising about countries without democracy and in which we honour those who champion democracy with what we dare to call the Sakharov Prize. The way forward for a democratic Europe is not putrid compromises, paltry promises and immoral threats. The way forward is a fair and open debate.

In the few Member States where the establishment has dared to hear what the people think, the answer has been a clear rejection of both the Constitution and the Treaty – a 'no' vote in France, in the Netherlands and in Ireland. What more is needed before Parliament wakes up and sees that we are completely out of touch with our electorates? Where are all the cockerels that puff themselves up and threaten the Irish and the Czechs? Do they not dare meet the voters and allow them to be the judges of this vision for Europe?

Jim Allister (NI). – Madam President, whereas the total focus of this summit should be on the economic crisis afflicting us all, sadly much time will be devoted to how to subjugate the democratically expressed will of the Irish electorate.

The disrespect for the lawfully expressed opinion of a small country on the Treaty of Lisbon is palpable. No one would dare try such a juggernaut, Mugabe approach with a large country. But the voters of the Republic of Ireland are fair game to be pushed around by the European elite, to whom their precious Lisbon project is more important than the democracy of a nation state. It is such arrogance, such intent on browbeating those who thwart their design which has brought the EU to such disconnection with its people. This whole unseemly saga has more of the politics of the bully boy about it than of democracy.

Jean-Pierre Jouyet, *President-in-Office of the Council*. – (FR) Madam President, President of the Commission, Group Chairmen, honourable Members, firstly, I refer to what Mr Daul said and like him I wish to pay tribute to the work which has been done by the Commission, particularly with regard to the strengthening of financial architecture: in fact, there are now four major directives, which were able to be tabled by the Commission and approved by the Council of Economic and Finance Ministers within a very short period of time since September.

Joseph Daul was absolutely right to highlight this work and also quite right to highlight the need to restore confidence and provide a show of confidence by our attitude. This confidence will be found, as several honourable Members have indicated, in unity and coordination.

I should like to reassure Mr Daul, I know him well, and I know that he is much closer to the values of the social market economy and is not in any way an unbridled capitalist. I wish to reassure everybody, the briefest of contact with him would confirm this. Therefore, I should like to thank him on this count and also say that we have indeed initiated the institutional road map and that I have seen the concerns he expressed and the concerns of his group in this area.

I should also like to say to Mr Rasmussen that the aim as regards employment levels of course is at the heart of the French Presidency's concerns, that what he said and which has also been highlighted by other honourable Members, that is to say, that we are aware that with greater coordination we will double or even more than double the added value that we can bring and that with regard to the method, in other words, the launching of specific projects, practical goals and a time frame, we are in agreement with Mr Rasmussen's comments.

I should also like to assure Mr Graham Watson who has an extremely pragmatic and punctilious turn of mind; Mr Watson quite rightly highlighted the fact that we still need to act quickly. I do not think that I need to say it again to the President-in-Office of the Council, but I shall ask him to act even more quickly. I do not really think that he has forgotten the need for this rapid action. I should like to reassure Mr Watson that the urgency has not disappeared, we are fully aware of it, similarly, as you said, we must not, particularly as regards the battle against climate change, and also Mrs Doyle who is in the Chamber, sacrifice what are long-term demands, as also highlighted by Mrs Harms, in favour of short-term interests, nor must we give in to the self-centeredness expressed by some instead of showing our solidarity, namely for our Central and Eastern European friends, in particular, Poland, the Baltic States and other States, and this issue will also be discussed at the European Council on 11 and 12 December.

I have told Mrs Harms that we must not backtrack on these goals. In no way is it the intention of the Presidency to backtrack on its goals. I said that the package from the Commission was consistent, that it contained several goals that had been fixed at the appropriate time, not by the French Presidency, and that these goals will have to be respected. This is a moral imperative in the current crisis; we cannot enter into international negotiations believing that it is developing countries that must make all the running. We likewise owe a duty of solidarity in this area towards developing countries.

Regarding the agreement which was reached as part of the trilogue with the European Parliament, for which I thank your House, I believe that it is a balanced agreement and a very precise long-term goal that has been established for cars, and secondly, a progressive and fully incentivising penalty system is in place, which has also been produced for manufacturers, and thirdly, the promotion of green innovations has been included.

Concerning the financial markets, I refer Mrs Harms to what I said in support of what Mr Daul presently highlighted. I welcome Mr Crowley's reference to necessary coordination. I understand what he said concerning the initiatives taken by the Irish Government. We are in close cooperation and monitoring this very closely, and you can count on the Presidency to demonstrate understanding and tolerance, as you indicated.

I wish to say to Mrs McDonald that we are familiar with the electoral and social context in Ireland, that we can equally understand Ireland, and that no cynical manoeuvring is involved in all this or in the dialogue we have had with the Irish authorities and that each side is trying to be constructive so that, as highlighted by President Barroso, we can stay on course, a course which, as the crisis clearly demonstrates, is still absolutely necessary with regard to the institutional context and the Treaty of Lisbon.

I wish to say to Mrs Dahl that we will act in conjunction with Ireland, to whom we of course must show solidarity, but that each side must show responsibility and indeed reassure Mr Allister of the fact that we can take effective action in these various areas.

To end my speech, as regards what has been said by the various speakers and President Barroso, listening to these debates, I am struck by the overwhelming need to remain unified and demonstrate our solidarity: solidarity and coordination in economic and financial matters; solidarity in the face of the climate threat; solidarity towards the countries experiencing the greatest difficulties in the area of energy security; solidarity also in any defence issues; solidarity also towards developing countries and the South – the direction of the Union for the Mediterranean; solidarity with Ireland but also with a responsibility to find a solution and act so that the Treaty of Lisbon is implemented as soon as possible; solidarity also towards the East and neighbouring Eastern countries, following the Commission's Eastern Partnership initiative, which I am sure will be approved at the next European Council. This is what seems to me to be important in our response to the challenges we currently face.

José Manuel Barroso, President of the Commission. – Madam President, just to focus on the point that was most important regarding my statement – the European economic recovery plan – I would like to say thank you for the very broad support for the plan presented by the Commission, namely the statements made by Mr Daul, Mr Rasmussen, Mr Watson, Mr Crowley – thank you very much for your support. I am sure that with the very active role of the French Presidency – and here I want to underline the commitment of Jean-Pierre Jouyet – I think we can achieve real progress.

Mr Rasmussen spoke about ambition and concluded by saying that you share our ambition. I thank him for his remarks. First of all, I agree that the major point should be employment. This is fully compatible with the objectives of the Lisbon Strategy for Growth and Jobs. I agree that it is by measuring employment that we can some time from now assess how effective our response has been. It is a critical, difficult time, a very challenging task. As for coordination, you may count on the Commission: we want as much coordination as possible and we have some instruments for that. As we have said in our communication, we will ask for a new convergence programme for the Member States in the framework of the Stability and Growth Pact and we also have our exercise in the European strategy, that is the Lisbon Strategy for Growth and Jobs. So with the Lisbon country-specific recommendations – and we are going back to this immediately after the European Council on 18 December – and with the new stability and convergence programmes, we will be sure that Member States will also coordinate the way they implement it.

But now I am going to be, as always, very frank and open with you. You say that you support it. Please also support us, the different political families, as well as your political family, when speaking with some of the finance ministers of our governments. This is very important. It is important to get agreement with our governments in a cross-national, cross-party dimension if we want to succeed.

This is the question because traditionally, as you know, there is great resistance by Member States to the very idea of coordination. When we reviewed the Lisbon Strategy after the Kok report, some Member States completely rejected the very idea of coordination. Some time ago, when this crisis was coming, some very important politicians rejected the very idea of a European plan, still less coordination.

It is fair to say that there is already a consensus about some level of coordination for a recovery plan. But there is not yet, to be honest with you, full agreement on the need, for instance, to mobilise unspent money from the European Community budget. That was discussed yesterday in the Economic and Financial Affairs Council, without agreement yet being reached. There was a very important agreement, but it was on our proposal for an increase in the capital of the European Investment Bank. There were also other very important agreements.

To conclude, I would say that we are in favour of reinforced cooperation, but you know that traditionally there is some resistance. My political point is the following: if it is not now in the face of this crisis that we are able to agree on an increased level of coordination, when will it be? That is why I said in my introductory remarks that this is a test for Europe. Apart from the important, concrete economic terms of the response, it is also a test for Europe to see whether Europe does indeed wish to translate this level of concern into real coordination for the future. This will be the position of the European Commission which I will bring to the European Council.

One final point regarding smart green growth. Yes, that is what we have put in our proposal. I thank you for your comments on it. We have made very concrete proposals on energy efficiency, on the rapid take-up of green products, on developing clean technologies for cars and construction, precisely because we want to highlight one point: what we are proposing to Member States is not spending just for the sake of spending.

Spending for the sake of spending is not a solution. The important thing is that it is smart spending: spending that responds to the immediate, short-term needs to stimulate demand – for reasons that I think do not need to be demonstrated – but also spending that is a real investment for the future, for our green agenda, for our fight against climate change, for energy efficiency, for inter-connections, for innovation. That is what we are proposing: spending that in the short term is not in contradiction with the medium and long term. That is the proposal that we will try to get approved in the European Council. I really think that we are now much closer to that and I am hopeful that we will have historic decisions at the next European Council meeting.

Timothy Kirkhope (PPE-DE). - Madam President, I am delighted to address this Parliament once more as the recently elected leader of the British Conservative delegation. I assure you that in the run-up to the European elections I will strongly argue for the kind of Europe my party wishes to see, as well as being very critical indeed of the socialist Europe which Mr Rasmussen – who has just left us – and his colleagues wish to see in their election manifesto published this week. It certainly makes very depressing reading.

Two of my colleagues were in Mumbai with the trade delegation last week and were in great danger. May I put on record not only our condemnation of those atrocities, but also our thanks to the French Presidency in particular, for the prompt action and protection which they afforded to the Members of the European Parliament on that delegation, including my own British colleagues.

The Council has a full agenda: the economic and financial crisis, the Treaty of Lisbon, climate change and the future of the CAP. I will only concern myself with economic issues now. In the United Kingdom, the government has announced the largest level of borrowing in our history. Our Chancellor will double the national debt to GBP 1 trillion in the next five years. He has also announced giveaways of GBP 20 billion, while taking back GBP 40 billion in higher taxes. His so-called fiscal stimulus will ensure that our recession – as the Commission has rightly said – will be the longest and deepest of any in the EU. Only in countries with healthy public finances can a stimulus of the kind announced be of assistance. In the case of the UK, we are now saddled with massive borrowing for the foreseeable future.

Last week we had details of the Commission's important recovery plan, which I believe contains some very positive items, but I fear that this initiative alone may not deal with the immediate problems. The focus should be to get the banks to lend to each other and to businesses and ordinary people. With unemployment set to soar, we must build confidence, not leave a legacy of debt and higher taxes for our children and grandchildren to contend with.

Jo Leinen (PSE). - (DE) Madam President, unlike Mr Kirkhope, I should like to say that the election manifesto from Madrid is a document of hope and a signal that there are ways out of the crisis, which we must support with all our strength.

Parliament supports the French Presidency at the summit next week in finally obtaining clarity regarding ratification of the Treaty of Lisbon. We cannot go into the European elections with uncertainty about whether this treaty is coming or not. That would be an invitation to all Europe's opponents to take undue advantage of these elections for a show fight, for the For and Against regarding a treaty which has already been ratified by 25 States. For this reason the Committee on Constitutional Affairs has drawn up a resolution in which we are called upon to make every effort to obtain ratification, perhaps even before the elections. We must finally obtain clarity at the summit. This must not be postponed until next year.

Madam Vice-President, there will be a second referendum in Ireland. Our statement, Communication in Partnership, is a test case for whether we can inform the people. We must not leave it to Europe's opponents.

Andrew Duff (ALDE). - Madam President, with respect to the Treaty, I believe we are making some progress at last. The Czech Court and the Irish Parliament have comprehensively and decisively blunted the attack upon the Treaty from the nationalist and reactionary forces. The distinguished representation of Sinn Féin has of course departed, but I speak on this question not as a lobbyist or a bureaucrat but as a democrat.

It is now up to the Czech Parliament and the Irish Government to take the next decisive steps. We need a clear pledge from the Taoiseach that he is to hold a second referendum at a specific time and we need a more professional campaign plan. The Parliament here appeals to the profound generosity of the Irish people and to their sharp intelligence to see the seriousness of the consequences of a second 'no'.

Konrad Szymański (UEN). - (PL) Madam President, Poland has done a lot towards finding a compromise on the climate change package. We suggested changing the base year and including CO₂ absorbed by forests in the balance. Today, we wish to propose a system based on best technology benchmarks and on the exclusion of some vulnerable industries from the auction system.

The next move is up to the Presidency. Since we were able to find a solution for the German motor industry, why can not we find one for Central European countries? Our country cannot agree to an apparent compromise which simply slows down Poland's progress towards the auction system.

We cannot agree to hypothetical climate change objectives being achieved at the cost of increased energy prices, by transferring power generation and cement, metal and glass production to outside the Union, so that the aims would be achieved at the cost of slower economic development and mass redundancies. No one in Poland could agree to that. The government could not and the opposition could not either.

Bernard Wojciechowski (IND/DEM). - Madam President, the modern world economy is based on a gigantic pyramid of debts: the debts of states, banks, corporations and companies. The debts are interrelated with one another. The structural defects of the economic system we have been experiencing and the market economy system that is distorted are basically combined with a money credit system.

The defective functioning of the economy results from linking the system of creating money with credit. Maurice Allais compared it to a cancer which relentlessly eats away the capitalist economy. This system provides for the creation of the purchasing power with no real equivalent. Serious reforms of the banking

and financial systems need therefore to be implemented. The tax system needs to be reformed and the way that stock exchanges work needs to be changed as well.

As regards the plan to patch up gaps in the financial crunch by means of money injections – they are apparently going on in my country too – I think one may put it where the moon does not shine.

Jana Bobošíková (NI). – (CS) Ladies and gentlemen, I hope that the government leaders of the various countries of the Union will next week reject the Commission's proposal for a unified response to the economic crisis. Spending EUR 200 billion of taxpayers' money centrally on green investments and innovations is no cure for 27 different economies. It is also no cure to increase or cut taxes centrally and to regulate the size of budget deficits and government guarantees. I firmly believe that the Member States must cooperate but that they should determine their own specific measures according to the situation they find themselves in, rather than having them dictated by Brussels.

Ladies and gentlemen, the Council should also refuse to pressure the Member States into completing the ratification of the Treaty of Lisbon. It should recognise that the Treaty is not dead because of the Irish. I fear that the Treaty of Lisbon could change the Europe of today into a place of conflict, betrayal and division. This is because it gives the great powers a legal cudgel with which to beat the smaller nations and this can lead only to violence, war and poverty. The Treaty of Lisbon thus threatens the existence of the European Union as an enterprise for freedom, prosperity and peace.

Karl von Wogau (PPE-DE). - (DE) Madam President, ladies and gentlemen, the difficulties in evacuating European citizens from Mumbai have revealed the necessity for closer coordination in matters of security and defence in the European Union. Cooperation with the Council has gone very well in recent months. Cooperation with the French Presidency and the Council was very fruitful.

The central event was undoubtedly the crisis in Georgia. Here the Presidency of the Council acted quickly. It negotiated a ceasefire and ensured that observers arrived in Georgia in good time, and the European Union was at the centre of events. On the same occasion, nonetheless, shortcomings were also revealed. We saw that our Brussels instruments for crisis management had really reached the limit of their capability on this occasion. It is quite clear that we must further improve both the capabilities of the European Union in preventive analysis and the instruments of crisis management.

As we know, the European Union is currently involved in revising the security strategy by the end of this year. This security strategy has proved its worth. The principles must be retained. There are individual items which must be amended and tailored to more recent realities. However, even more important than adapting the security strategy is the implementation of this security strategy. We are therefore requesting the preparation of a White Paper on Security and Defence in the European Parliament. Perhaps the French White Paper which has been drawn up on this topic might serve as a model, for here we need a very broad debate on the preparation of this White Paper – a public debate on these matters of European security. For European security is not a matter that should only be decided behind closed doors – this is a matter which concerns all citizens.

Proinsias De Rossa (PSE). - Madam President, there is an overwhelming desire in Ireland to remain at the heart of European affairs and to ensure that Europe can act effectively and transparently in the interests of the Member States. This is particularly so, and more important than ever, in the current financial and economic crisis.

Irish citizens, however, need assurances that the 'no' camp's misleading claims concerning the Treaty of Lisbon on the Commission, on abortion, on conscription, on military neutrality, on workers' rights and on public services have no basis in fact.

To significantly enhance the possibility of ratification of the Treaty of Lisbon a decision needs to be made by the Heads of State that, once the Treaty of Lisbon is in place, its mechanism will be used to make certain that all Member States will recover the right to nominate a Commissioner without restriction. A simple extension of that right from 2014 to 2019 will not, in my view, be sufficient to ensure ratification in Ireland.

In addition, a commitment to add a social clause on labour rights to the Posting of Workers Directive, similar to the clause added to the Services Directive, would go a long way to address the dangers that arise from the Laval, Viking and Rüffert judgments, which were also a cause of concern in Ireland. I would urge the Council and the Commission to address these matters urgently at the coming summit.

Janusz Onyszkiewicz (ALDE). – (PL) Madam President, the package of anti-crisis measures adopted by the Commission and by the various Member States will destroy the Stability Pact. I was pleased by its proposed review, but it is important to ensure that the new pact does not quickly become yet another fiction and yet another reason for undoubted embarrassment.

At the same time, while amending the Stability Pact, ought we not to review the criteria for eurozone membership? Some states base their hopes for currency stabilisation on this measure, fearing a repetition of the recent speculative attacks on their currencies. Another issue: in a situation where aid to various industries under the pact is being sanctioned, how should we view the European Union's severity towards the problem of the Polish shipyards?

Finally: can it really be that where CO₂ emissions are concerned it will prove impossible to find a solution which will ensure that Poland will not have to import cheap electricity from Ukraine and Russia?

Inese Vaidere (UEN). – (LV) Ladies and gentlemen, firstly I would like to thank the European Commission for the economic recovery plan and to express the hope that it will be used not to support unsuccessful bankers, and their pay, but that there will be real support for business. Our business people are working in perhaps the most difficult of circumstances, since they find themselves hemmed in by a huge amount of bureaucracy. Now, in the same way that we are carrying out a health check on the common agricultural policy, we ought also to carry out a health check on directives and regulations, to see whether there are not too many bureaucratic obstacles for our businesses, and whether the implementation of these regulations and directives in the Member States has not become too bureaucratic. It is only our business people who can get us out of the crisis. So, a health check should be carried out 'line by line'.

In relation to climate change I really support the contention about flexibility in the sphere of emissions policy, since, for example, my country achieved and exceeded the 20% target for the use of renewable energy sources some time ago. I would not like to see my country, which very much needs economic development, having additional hurdles imposed upon it.

Irena Belohorská (NI). – (SK) Despite the fact that time-wise the second half of the year is not the most ideal, during their Presidency of the Union, the French have proven that they are justifiably considered a leader and driving force of the Union. I have been a Member of the European Parliament for four and a half years. I can positively say that France has had the most active approach to resolving the problems of all 27 Member States of the Union.

The historic change brought about by electing the charismatic and very active President Sarkozy is indisputably positive. His abilities were also demonstrated in his immediate response to the problem of Russia and Georgia. The financial crisis also erupted in that period, to which the French promptly responded by proclaiming the need for a systemic solution and revision of the Union's control and financial mechanisms, including from the global standpoint. It was during the French Presidency that the European Union earned the reputation of an active player in world politics, when the G8 and G20 summits were convened upon the initiative of the French President and President Barroso.

I believe that the forthcoming European Council meeting will be successful and that all European institutions will proceed jointly.

Jacek Saryusz-Wolski (PPE-DE). – Madam President, at the request of the Council and responding to the expectations of Parliament, the Commission has prepared and revealed today a document on the Eastern Partnership which will be presented to the summit, as stated by Minister Jouyet, President-in-Office.

I wish to congratulate and praise the Commission for this document. The idea of deepening relations with our eastern neighbours has been pioneered and championed by Parliament for quite some time. We need a strong EU presence in the eastern neighbourhood, in synergy with our Mediterranean neighbourhood. For the sake of stability on our doorstep, we should offer tangible prospects to our closest neighbours. Therefore we should support the idea of establishing an enhanced partnership covering essentially five areas: association agreements, a multilateral framework for cooperation, a comprehensive and deep free-trade area, visa liberalisation leading to visa-free travel and, last but not least, energy security.

I especially welcome the proposal to increase the EU financial assistance earmarked for the ENP East. Two years ago we in Parliament came up with the idea of strengthening the parliamentary dimension of the European Neighbourhood Policy East; our proposal intends to set up a joint parliamentary assembly comprising members of the European Parliament and deputies of the parliaments of the six countries. Such

a forum would provide an excellent platform for us in engaging our partners, but also for our partners to engage with each other.

We, the Union, need friends around us, but also for them to be friends among themselves. Therefore I am especially glad at the idea of convening a Euronest – an assembly – which, if taken up by the Commission, will provide an instrument for democratic and parliamentary scrutiny of eastern partnership projects.

I believe that the eastern partnership project constitutes not only a new enhanced format but also will strengthen the Union both internally and externally. Expanding and upgrading relations, political and economic, with our eastern neighbours will contribute to our economic dynamics and political and international influence.

Jan Andersson (PSE). - (SV) Madam President, the most important task facing European politicians in the years ahead is to safeguard employment and welfare. We have some good years behind us, but we are now seeing unemployment increasing at a rapid rate. I share the Commission's opinion on the need for coordinated efforts and for linking the short-term commitments and efforts with the long-term commitments. I also support Mr Rasmussen's proposal for clear goals in order to maintain employment.

Where short-term efforts are concerned, it is important that consumers have confidence in the economy. Above all, we must protect those who are worst placed and their consumption.

As far as the more long-term solutions are concerned, it is important not only to bring forward investments that would have been made anyway in a more environmentally sound infrastructure and environmentally sound building, but also those which develop the skills of wage-earners, so that we are in a strong position in the future. We must combine our instruments at European level with coordinated efforts in the Member States. We must not do as some suggest – namely do too little – because we then risk having not just higher budget deficits, but also higher unemployment and poorer welfare. We must act quickly and with sufficient force.

Mirosław Mariusz Piotrowski (UEN). - (PL) Madam President, the topics to be discussed at the forthcoming European Council meeting include the climate change package.

Carbon dioxide emission and all issues associated with so-called global warming are becoming more and more like an ideology. All of us care for clean air and the natural environment. However, research has shown that human impact on climate change is negligible.

If it is true that human activity is responsible for as little as 4% of global CO₂ emissions, and that the European Union's share of that amount is 15%, this would mean that we want to spend hundreds of billions of euros to reduce global CO₂ emissions by less than 0.5%, while they are being increased by countries such as India and China.

It is hard to believe that the Union's decision-makers are unable to appreciate these implications. It is probably no accident that some countries, such as for instance France, will sell their CO₂ emission allowances to others. The result of this action is foreseeable: within a short time the sellers will in practice take over *inter alia* Polish power stations.

In this context we need to redefine the meaning of solidarity in Europe.

Avril Doyle (PPE-DE). - Madam President, the forthcoming summit has many serious issues to deal with, not least a coordinated EU-wide response to the global challenge of the serious economic downturn. This comes on the back of a major crisis of confidence in our banking systems, due to their failure to sustain the acceptable level of liquidity required to underpin day-to-day commercial and industrial business operations in all our Member States. So millions of viable jobs and thousands of solid businesses are in danger of going under as we speak. Yes, we must mobilise all European institutions to respond to the crisis and – as the Commission's recovery plan says – this crisis occurs on the eve of a major structural shift towards the low-carbon economy, with major new economic opportunities and, indeed, serious first-mover advantages.

This brings me to the summit discussion on the climate and energy package, on which we will have a long discussion tomorrow, so I will limit myself to just one point. That is to underscore the importance of full respect for the codecision process between Council and Parliament, to emphasise that any political agreement on outstanding issues – issues between square brackets – discussed and decided on by Heads of State and Government at the summit will have to be presented as compromise amendments to subsequent trialogues by the ever hard-working French Presidency and may or may not be agreed by the Parliament. We will sign

off and, while I fully support the objective of first-reading agreement, please be warned that it will not be at any price.

Now to the Treaty of Lisbon item. Yes, we have had time to digest and analyse the 12 June vote, but no, Minister Jouyet, we will not – and should not even attempt to – ratify again at the beginning of next year, or we risk failure again with our deeply unpopular government. Do not hold your breath in expecting our Taoiseach's road map – that is, if you get one – to announce a date for a referendum. I have sat and listened here today to cynical lectures from Sinn Féin on the risk of militarisation lurking in the Treaty of Lisbon's small print and to Mr Allister's *faux* concerns for the Irish electorate – more examples of the level of intellectual dishonesty to which the Irish electorate is subject. Yet there is a constituency of genuine concern. I thank the French Presidency for its offer of all assistance with legal guarantees and any assurances that may be required. I thank all Members and you, Madam President, for your understanding as we continue to trespass on your patience.

Jan Tadeusz Masiel (UEN). – (PL) Madam President, Commissioner, I thank the French Presidency for its successes and wish it luck at the Summit. At the start of its Presidency France did not know that a world financial crisis would erupt and that this crisis would become its greatest challenge. I respect the response by France and the European Union response to the crisis.

As to the other topic to be discussed at the Summit, namely climate change, I am glad that the French Presidency understands, and I hope that it will take into account, the difficulties some states will have with quickly doing away with the use of coal for power generation. The fact that the world climate conference is being held in Poznań demonstrates Poland's willingness to participate in the process of reducing carbon emissions. We do however need time to change our energy management systems and are counting on the solidarity of the entire European Union on this matter.

Othmar Karas (PPE-DE). – (DE) Madam President, ladies and gentlemen, I should like to take a different approach. The summit will take place in a phase of growing confidence among citizens in the European Union. More than two thirds of the Austrian population – although they are not alone – are of the opinion that we can manage the crisis with the assistance of the European Union only – and that means together.

Awareness of the importance of the common currency, the euro, is growing not only in the eurozone, but above all outside. People feel that only as the continent of Europe together do we play a role and have a chance in the world. The reduction in energy dependence, the commitment to combating climate change, the management of the financial crisis, the creation of a trustworthy defence, security and foreign policy require increased European togetherness, resolve and capacity to act.

If we take advantage of this opportunity, we will meet the expectations of citizens responsibly. Let us find the common roadmap for ratification of the Reform Treaty. Let us create coherent, efficient, professional legislation in response to the financial crisis. Let us find European regulators, based on the model of the European Central Bank. Let us show how a social market economy operates responsibly as a European regulatory framework in the field of climate protection.

We not only have a crisis or many building sites, we also have an opportunity. Let us take advantage of it, let us learn from the mistakes of the past. A lot we knew, and acted too little and too late. The time has come to venture a new start with the citizens of Europe.

Umberto Pirilli (UEN). – (IT) Madam President, ladies and gentlemen, the crisis which we are discussing is like a tsunami: severe and devastating. So far, it has caused the collapse of the financial markets and undermined the foundations of the real economy. The provision of a total of EUR 200 billion, finalised at the EU summits, seems, in my humble opinion, to be completely inadequate. This figure amounts to less than the sums lost by Europe's stock markets in a single of those many days when they closed with a sharp deficit. We need to be bolder, more courageous, more European.

I am in favour, with my group's consent, and President Barroso has already been directly authorised to do this, of Member States relying on their own reserves, holding in return a European bond to be traded on the markets. They will be obliged however to invest the same amount in infrastructures and in policies for supporting those experiencing social hardship and the production system. These bonds, which will be pegged to the value of the states' reserves, should generate confidence and help to acquire the required level of liquidity – 2-5 percentage points of GDP – to be able to pursue the policies which we all agree are needed. All of this is carried out outside the Maastricht Treaty, along with an appropriate recovery plan.

IN THE CHAIR: MR MAURO*Vice-President*

Vito Bonsignore (PPE-DE). - *(IT)* Mr President, ladies and gentlemen, this financial crisis is certainly unprecedented; however, in my view, this could have been and ought to have been predicted and avoided. The economic crisis, as previously described by President Barroso, has been 'sudden and unexpected'. Please allow me, President Barroso, to disagree. The economic crisis has been sudden, but all the signs were there to see, starting with the indications from the International Monetary Fund in spring 2007. Now, however, the language being used by the President-in-Office of the Council and by President Barroso is more appropriate and, in my humble opinion, completely mindful of the gravity of the situation.

I agree with Mr Karas. Europe's citizens are looking to us and we need to take action. The European plan which you, Commissioner, have drawn up for EUR 200 billion is, I must say, inadequate. We need to be clear here. Perhaps that was all you could do, but it is inadequate. I believe that the issue you need to deal with is about having additional, separate resources, by borrowing, at this exceptional time, directly from the market.

Let us also mention the European Central Bank for a moment. There is a lot of reticence about discussing this institution, but let us avoid going into the reasons behind this. In my opinion, the European Central Bank should cut the interest rate tomorrow by one percentage point. If it only makes a cut of half a point, it will disappoint the markets yet again. Its job – as you on the Commission have and everyone else has said – is to keep prices stable. But I imagine that this result can also be achieved without making the action taken on interest rates follow the inflation index; sometimes there needs to be more flexibility and anticipation of the action taken.

I agree with President Barroso on keeping spending tight. We need to move in this direction in the European institutions and the Member States, including ourselves in the European Parliament. Perhaps we need to equip ourselves to give more support to the courage which the Commission is currently demonstrating.

Elmar Brok (PPE-DE). – *(DE)* Mr President, Commissioner, ladies and gentlemen, I should like to thank the French Presidency of the Council for having pointed out and solved many problems during difficult times in recent months. However, we know that the ability to act is also heavily dependent on the Treaty of Lisbon. Here we see that there is a report from both the Irish Parliaments. You, Mr President, have stated that it is a very responsible, far-sighted and intelligent report which includes concerns but also shows ways in which we Europeans can solve this problem together.

I should like to invite the French Presidency to undertake the development of a roadmap which makes it possible to include and take seriously the Irish positions and concerns which have nothing to do with the Treaty, such as the question of commissioners, but also ways out of the democratic deficit which they themselves wish to remedy by means of better relations between Parliament and government in Ireland. On this basis we have an opportunity to ratify this Treaty if we follow the path which the Irish Parliament has quite clearly indicated. I think that we should take this path to encourage our Irish friends and that, in doing so, we should have a schedule in mind to avoid the possibility of us falling behind as a result of the British elections being brought forward. The financial crisis clearly shows that more and more citizens are recognising that Europe is indispensable, as the French Presidency of the Council has proved in Georgia and in the financial crisis.

Neena Gill (PSE). - Mr President, earlier Minister Jouyet made a reference to the Mumbai terrorist attack, demonstrating solidarity with India. I sincerely welcome this. However, warm words need to be backed by action. Given the massive increase in loss of life due to terrorist attacks across the world, where innocent people from east, west, north and south are increasingly targets, I believe it is remiss of the Council not to put this issue on the agenda of next week's Council meeting. It is no less important an issue than all the other issues that we are discussing. The US is acting but Europe not.

As we speak, Condoleezza Rice is over there, but where is Javier Solana? Tensions are increasing between two nuclear states. Europe should and could do more, especially by looking at agreements such as its strategic partnership with India and by adequately resourcing the sentiments expressed there, so they can be achieved and realised.

Anneli Jäätteenmäki (ALDE). - *(FI)* Mr President, the summit is to consider how the Treaty of Lisbon should be implemented. One key to the solution would be that each Member State should have its own Commissioner. I hope that this will be something that is taken into serious consideration and is accomplished. During the

French Presidency France could hardly object to the idea on the basis that the Commission would be too big, when we know that 37 ministers currently sit in the French Government. The notion that the Commission will be too big if each Member State has a Commissioner has never been sustainable. In my opinion, it would bring the Member States closer and increase legitimacy, and I would hope that people will see sense on this and reverse earlier decisions, especially since they were not entirely rational.

Ewa Tomaszewska (UEN). – (PL) Mr President, from the date when the Kyoto Protocol was signed, Poland has reduced its carbon emissions by 33%. During the same period, other European Union countries increased their emission levels, in spite of the fact that their power generation industries are not predominantly coal-based. For this reason, the attempt to set the date from which emission levels would be measured later than the date of signing the Kyoto Protocol demonstrates how unfairly the problem is being dealt with.

At the same time, mitigating the impact of the financial crisis by depriving 80 000 Polish shipyard workers of their jobs is a truly extraordinary idea. I still hope that the Commission will reverse this decision, which is so unreasonable in the current conditions.

Mairead McGuinness (PPE-DE). – Mr President, apologies that my voice is not particularly good, although it is maybe just as well. I might have got angry with some of the comments from my colleague from Sinn Féin in relation to the Treaty of Lisbon.

Let me just say that in Ireland we put the cart before the horse. We are actually having a very good debate about the Treaty of Lisbon since the vote. Would it had been the other way around! There is now some logic and sense being talked about it in Ireland.

And can I say to the battered bureaucrats and lobbyists that I have decided that you are some of the best thing we have. Honestly you should bite back, because it is ironic that Sinn Féin should talk about public services, which are run by bureaucrats, and yet condemn the very bureaucrats of these institutions.

We wait to see what the Irish Government says next week. It does not have much public confidence at the moment, so it may not be the best of times to talk about another vote if that is what has to happen. But I believe that there is sense prevailing in Ireland and that people are now reflecting on the situation we find ourselves in and now know that we need to be at the heart of Europe, given the crisis that we are in.

Richard Corbett (PSE). – Mr President, in a situation where 25 or 26 countries have said 'yes' to the Treaty of Lisbon and just one has said 'no', it is not unreasonable, nor indeed undemocratic, to ask whether the one is willing to reconsider, but provided the rest of us are willing to meet the concerns that were expressed when they voted 'no'. That is not to ignore the result of the Irish referendum; it is to respond to the result of the Irish referendum, look at the concerns that were expressed and try to meet them.

But that of course requires Ireland to tell us, to tell the other countries, exactly what concerns were expressed; to define a list of demands that we can then respond to or at least negotiate on. The solution of course has to be acceptable to all 27 countries. Preferably that means not renegotiating the whole Treaty but interpreting it, clarifying it, adjusting the way it could be implemented to meet the concerns. I for one am confident that can be done but it requires a first step from Ireland. I am glad that the Irish Parliament has taken the initiative on this, instead of leaving it to the government.

Theodor Dumitru Stolojan (PPE-DE) – (RO) Mr President, parliamentary elections have just taken place in Romania and I can assure you that the government which is going to be formed will pursue a sound economic policy.

I would like to thank the French Presidency and the European Commission for the way in which they have acted swiftly and skilfully in responding to the problems caused by the global economic and financial crisis.

I would have liked more to have been said in the package of measures about the Member States which are not part of the euro zone and about how to access liquidity in an emergency.

Silvia-Adriana Țicău (PSE). – (RO) Lifting the barriers preventing the free movement of workers guarantees proper, decent working conditions for all European workers and provides an effective means of combating social dumping and tax evasion.

I would urge a special item to be added to the European Council's agenda on lifting the barriers preventing the free movement of Romanian and Bulgarian workers. I feel that two years on since both countries have

joined, this step has become necessary, especially against the background of the economic and financial crisis.

Similarly, energy security and the energy and climate change package need to be included on the European Council's agenda. It is not a case of Europe having to produce less, but simply in a more environmentally friendly and efficient manner. For this reason, Member States need to be supported in making substantial investments aimed at modernising installations in the industries heavily involved in the energy sector, boosting productivity and developing the transport infrastructure.

Jean-Pierre Jouyet, *President-in-Office of the Council*. – (FR) Mr President, Madame Vice-President, Commissioner, honourable Members, the debate has covered three key points, which I shall come back to, but first of all, I wish to thank Mr von Wogau and Mr Kirkhope, who thanked the French Presidency for what was done for the European citizens caught up in the Mumbai tragedy.

We have worked hard with the Secretariat General of the European Parliament with regard to your representatives and the Government officials who were there, but I have to say, as has been highlighted several times, we must continue to work on better coordination between consulates and local diplomatic services in this type of crisis, in what is happening for that matter in Thailand at the moment. We have managed to do this, and we must carry on doing it. I was at Roissy Airport when the plane from Mumbai landed, and I could see that all the same eleven European nationalities were represented on the chartered plane.

I would also like to reiterate what Mrs Gill and Mr von Wogau have said, that Europe must indeed be present, must do more with regards to these terrorist hazards in that region of the world as in other regions. And this raises a problem not referred to during the debate but which will be discussed at the European Council, of the European Security Strategy. We must adapt and update this strategy to meet the terrorist threat, respond to cybercrime, respond to new dangers. We must also improve – and I am pleased that Mrs Gill asked this question – our systems in terms of planning and the conduct of civil and military operations, at European level. These aspects of European security and defence policy are, as you well know, important, and the French Presidency wishes to ensure that we can make progress in this area and that a clear direction can be taken in this area also before the year is out.

I now come back to what has been said about the institutional problems and the Treaty. I heard and I thank Mrs Doyle and Mrs McGuinness for their speeches, which were extremely clear and imbued with a sense of responsibility. I also heard Mr Brok, Mr Corbett, Mr von Wogau, Mr Duff and Jo Leinen on this issue.

Firstly: I think that we are making progress. We are making progress by taking the Irish requests seriously, and I address this remark to Mrs Doyle and Mrs McGuinness. We understand them and we also understand the Irish political situation that has been created in the Irish Parliament, and what efforts are being made on this difficult path. We can clearly see this. Each, however, must demonstrate their sense of responsibility. We shall demonstrate this, we shall propose a balanced solution that will enable us to move forward and progress together, and I say together, towards the implementation of the Treaty of Lisbon, when the time is right, but I fully understand the timetable constraints of our Irish friends. These constraints should be respected – there are also political deadlines – and taken into consideration.

Jo Leinen highlighted this fact. Greater communication is needed, we should be closer to the ground, which is what we are doing with Mrs Wallström who is more competent than I am in this area, but who has made great efforts. We have reached an agreement on the communication policy strategy with your Parliament, between the Council and the Commission, and Mrs Wallström has also developed a strategy, which, as I saw in Dublin, was warmly welcomed by everyone. It is true that what is needed in this area is to demonstrate more effort, including in terms of communication.

With regard to everything that has been said, in particular by our Polish friends, in relation to the climate and energy package, we obviously have to take account of the specific situation, as I have said, of those countries with more problematic energy structures, in order to meet the targets. We must retain these targets. I think that means are available that will allow for the necessary flexibility so that specific situations and the requests made by our Polish friends can be taken on board. The French Presidency is doing everything in its power to achieve the necessary compromises, while retaining these targets, but rest assured that we are taking on board the specific characteristics of Poland, other Central and Eastern European countries and the Baltic States and their requests in the area of energy security.

I wish to say to Mrs Doyle, who also highlighted this fact in her speech, that as she is aware, codecision-making is actually a key concern of the French Presidency. The Council and the European Parliament have instigated a negotiation procedure, a trialogue, which, for the past month has been developed as the result of a large investment made, and the results of this trialogue – as Mrs Doyle is well aware – represent virtually 90% of the package. Now, all that remains before us is the last home stretch, the final 10% of the problems referred to by several honourable Members during these debates.

With regard to the economic and financial crisis, what has been said seems to me important, and as has already been stated, the feeling of urgency is shared by the Council and the Commission. What I would like to say, I would like to thank Mr Pirilli for his original ideas on the use of reserves, to say to Mr Bonsignore, that the plan also depends on what is available at the level of Community instruments. Constructing a plan would be to ignore the competences at Community level, the existing instruments and the available budget, and so cannot be done. That is as far as we can go.

On the other hand, I think that the European Central Bank has been responsive and has acted well. In fact, a signal on rates is currently expected. We shall see what the decision of the European Central Bank is. All this is welcome, and I will not make any further comment.

Mr Karas was perfectly right to highlight – and Austria is a perfect example of this – that we also have to be able to seize the opportunities associated with the crisis, that the euro – and this has been confirmed, and Commissioner Almunia knows better than I do – that the feeling of belonging to the European Union – particularly in a country such as yours, I have been struck by this – has been transformed and changed as a result of this economic and financial crisis, and the fact that the euro, for countries both inside and outside the euro zone, has become a benchmark and a symbol, which is very encouraging.

I should like to say to Mrs Belohorská that everything you have said will be accurately reported to President Sarkozy, and I should like to thank her for what she has said concerning the French Presidency and its actions, and finally to say to Mr Wolski, that everything relating to our neighbours is important, and we shall discuss the Eastern Partnership Proposal, which is an excellent proposal produced by the European Commission, at the Council of Ministers of Foreign Affairs on Monday, at the 'External Relations' Council, and, of course, at the European Council.

Margot Wallström, *Vice-President of the Commission*. – Mr President, firstly I would like to thank all the contributors for your very constructive, relevant and interesting comments. There are two specific questions that I would like to answer initially and then perhaps I will focus on the Treaty of Lisbon.

Mr Jouyet has already mentioned the fact – and this is in response to Mr von Wogau – that the Council will adopt the report on five years of the European Security Strategy. May I add to what Mr Jouyet said: of course the Treaty of Lisbon would also help by greatly strengthening and simplifying the institutional structure in this area. This will be an opportunity for the Council to look at how to help guarantee the coherence of all our instruments and the balance between hard and soft security. That was in response to Mr von Wogau.

Mr Bernard Wojciechowski asked about the Eastern Partnership. We can report from today's Commission meeting that we adopted a proposal on the Eastern Partnership, including a reinforced financing of activities, which covers economic integration, mobility issues, social and economic development policy, cooperation platforms, free trade and student mobility – all of these elements that are in this Eastern Partnership. I welcome the fact that we have now discussed and adopted such a plan.

This debate has shown that this is an important moment for the European Union. It has illustrated the whole concept of sustainability. Sustainable development means that we cannot put ourselves in debt and then ask future generations to come up with a solution. We cannot send problems with regard to pollution, waste and environmental or climate change to future generations to solve for us. We cannot create social problems for the next generation to sort out for us. The whole definition of sustainable development is the fact that we have to look at ways to satisfy our needs in a way that does not impact on future generations and their wish to satisfy their needs.

We have three central and linked issues to resolve in the next month – which have clearly come to the fore: the Economic Recovery Plan, where decisive EU action can have a real impact on Europe's social and economic well-being over the coming year; the climate and energy package, which will put Europe on track to lead the world in defining a credible, achievable path to a low-carbon future; and the Treaty of Lisbon, where we need to set out the way forward to achieving a Treaty so that Europeans can enjoy the benefits of a more democratic and efficient European Union.

I fully trust my colleagues Commissioner Almunia and Commissioner Dimas to discuss the Recovery Plan – as so many of you have commented on that – and the climate/energy package in more detail. I understand that will happen later today and tomorrow morning, so I will make just a few more comments about the Treaty of Lisbon.

I think that these two issues are a perfect illustration of why we need the Treaty of Lisbon. Climate change and the economic crisis require a European Union that can make the right decisions quickly, efficiently and democratically. If Europe is to do the 'heavy lifting' to deliver such fundamental change, it needs the right tools to do that job.

The commitment of this Parliament and of the Commission to the Treaty of Lisbon has always been clear. We wanted a real step forward for Europe, more powers for this directly elected Parliament. For national parliaments, we wanted a greater say for citizens, streamlined institutions and more clarity on who does what in Europe. Delaying all of this is of course a disappointment, but it should not distract us from the central objective of seeing the Treaty of Lisbon in force. That means that we hope to be able to pursue the goal of full ratification and it means winning the case in Ireland.

I was in Ireland myself last month and tried to explain why I think we need the Treaty. I also set out to understand why Irish voters had reservations. What I heard was very much in tune with the polling evidence that we have seen. On some issues – like taxation and defence issues – voters had concerns with no real basis in the Treaty. On others, like the issue of the Irish Commissioner, they took a worst-case scenario arising from the implementation of the Treaty. Many felt that information was insufficient or unclear and that a 'no' vote was seen as the safest option.

The excellent report that we have now received from the Irish Parliament's special sub-committee makes a very important contribution to clarifying these concerns and also outlining possible options for resolving them. When asked, I told them that my impression was that there was a lot of goodwill around Europe to help to address the concerns of the Irish. The Commission intends to do what it can to work with the Parliament and the Irish authorities to improve communication on Europe in Ireland. We are working on a memorandum of understanding to make sure that we can start doing this immediately, with the Government and with the people in Ireland.

However, I also made it clear that my impression from talking to different Member States was that there was no appetite for re-opening an institutional settlement that has taken seven years of long and arduous negotiations to reach a compromise, and that the 25 Member States that have now ratified the Treaty, many of whom had previously ratified the Constitution – and two by referendums, remember – are not going to want to start that process again. With the European Parliament elections coming up, it is time that we stopped talking about institutions and started talking about EU policies which matter to citizens and how to solve these big challenges and problems.

Next week's European Council should give us a clear road map to take this process forward with a sense of urgency. I am confident that it will provide the collective impetus necessary to achieving full ratification of the Treaty. We will try to contribute to this in the best way we can as a Commission.

President. – The debate is closed.

Written statements (Rule 142)

Ilda Figueiredo (GUE/NGL), in writing. – (PT) The leaders of the European Union are not accepting the popular vote in the only referendum that it was possible to hold – because it was required by their own national constitution – on the draft Treaty of Lisbon in which the people repeated the NO decision that the peoples of France and the Netherlands had already made regarding the European Constitution. Once again, in an attitude that is anti-democratic and shows a complete disregard for the voting of the citizens, we see the return of pressure and blackmail to attempt to force Ireland to hold a new referendum or – even worse – to change its own national constitution to avoid referenda and the popular vote. We reaffirm our most strident protests against this position.

These policies must be scrapped as a matter of urgency. We want a new direction for Portugal and for Europe that prioritises people, the improvement of collective well-being and respect for the dignity of those who produce wealth. This new direction must reject what President Sarkozy calls recasting capitalism and must say no to the policy of Economic and Monetary Union, along with the associated Stability Pact and false

autonomy of the European Central Bank (ECB). This will not happen under the so-called 'European Economic Recovery Plan'.

Pedro Guerreiro (GUE/NGL), in writing. – (PT) The upcoming European Council will constitute another stage in the unacceptable process of imposing a draft treaty, already rejected three times by the peoples of Europe.

Instead of respecting the will of the French, Dutch and Irish peoples, the institutions of the European Union (European Parliament, Council and Commission) have demonstrated that its true character is anti-democratic by insisting on continuing the process of (parliamentary) ratification of the draft treaty (which has so far only not been completed by Germany, Poland and the Czech Republic) whilst always avoiding holding referenda (such as the one that took place recently in Sweden) 'like the plague'.

Big business in Europe and the executors of its policies – the right and the social democrats – disregard the independently and democratically expressed will of the Irish people, who they are seeking to 'isolate' so as to be better able to pressure and blackmail them and impose the holding of a new referendum, just as they did with the Treaty of Nice.

Look no further than the unacceptable motion for a resolution of 17 November 2008 of the Committee on (so-called) Constitutional Affairs of the EP, which 'reiterates and confirms its endorsement of the Treaty' (as if it had the authority to do this ...) and 'the need for its ratification in the Member States ... as soon as possible'.

The EU is showing its true colours!

Tunne Kelam (PPE-DE), in writing. – I would like to remind the Council and also the Commission that the EU is based on the basic values, such as democracy, rule of law and respect for human rights.

Therefore I condemn strongly the spirit in which the recent EU-Russia summit in Nice was held. It is not acceptable that business as usual will start again with the argument that there is no alternative.

Mainstreaming human rights in its external policies and respect for the rule of law are the cornerstones in any relations with third countries.

Russia cannot be an exception, in particular in the light of the fact that it has not fulfilled all the conditions laid down in the agreement after the aggression towards Georgia.

I am concerned that the EU will lose respect as a serious and independent actor in international affairs. Furthermore, EU hesitancy to set clear limits on such a pre-planned violation of the norms of international conduct is likely to encourage similar aggression from the Russian side in the future.

Therefore I strongly call on the Commission and Council to seriously reconsider their decision to continue with business as usual.

Rareș-Lucian Niculescu (PPE-DE), in writing. – (RO) I would like to refer to the recent communication issued by the Commission concerning the EU economic recovery plan.

I would like to emphasise the importance of certain provisions in this plan, particularly those relating to the adoption of measures aimed at improving energy efficiency in existing homes and public buildings.

The Commission announced that it is going to propose an amendment to the Structural Fund Regulations intended to support these measures, in order to extend the opportunities available in this area.

I feel that it is vitally important for this amendment to be aimed at using the resources supplied by the European Regional Development Fund to improve housing and at increasing the rate of 2% currently provided.

13. Future global architecture of financial markets and EU economic recovery plan (debate)

President. – We welcome students from the European University of Rome who are present in the gallery.

The next item is the debate on the oral question to the Council and Commission on the future global architecture of financial markets and EU economic recovery plan (O-0124/2008 – B6-0487/2008) and (O-0125/2008 – B6-0488/2008).

Pervenche Berès, *author*. – (FR) Mr President, Mr Almunia, Mr Novelli, Mr Barroso, a short while ago, we were told that the time had come for the Commission to nudge Member States. If such is the Commission's strategy, you are welcome here in Parliament, and you will have our full support in the implementation of such a strategy.

For us, the current problem resides in the degree of cooperation between Member States. Too often, what we see is a realisation of the urgency of the situation and a juxtaposition of national solutions that are then dressed up as a European solution. We think that we must proceed differently if we wish to make better use of our resources.

With regard to the international financial architecture, the G20 met and defined future deadlines. When I look at the conclusions of the Ecofin Council, as adopted yesterday, one thing strikes me, which is that I do not see any mandate for the Commission in its conclusions. I therefore would like the Council to tell me how it intends to implement its proposals, in particular with regard to combating the non-cooperative nature of certain jurisdictions and defining the role of the IMF in relation to other international financial institutions.

I would also like the Council and the Commission to tell us what are the next stages in the light of the timetable adopted, and under what conditions might Parliament become involved in these debates, since I believe that this is how we must proceed if we want a European dynamic.

With regard to the recovery plan, a figure of 1.5% was flagged up. Compared to the figures circulating previously, this must be considered a step in the right direction. Will it be enough, is it really 1.5% or is this renaming of expenditure already planned? We will have to examine this in more detail.

But with regard to the plan itself, I would like to make three comments. Firstly, if there is no real coordination, within the meaning of the treaty, within the meaning of Article 99, which asks Member States to consider their economic policies as issues of common interest, we will fail. I am amazed to see that even from the conclusions of yesterday's Ecofin Council this method is still not being used. The coordination of economic policies in this critical phase cannot merely comprise submission by Member States of recovery plans initially discussed by their governments then subsequently assessed by the Commission. This is not enough.

Secondly, I am amazed to see how no reference is made in this document to the prospect of a bounce-back, which I know is incompatible with the Treaty in its current state, but neither is reference made any longer to the idea circulating here and there, in my opinion quite rightly, of possible pooling of the borrowings of Member States in the euro zone.

If the Commission wishes to be audacious, now is the time to initiate these lines of debate. Perhaps the Council will not immediately support such a proposal, but given your record in this Chamber, you will, I am almost certain, be able to obtain support here in Parliament, which makes it worthwhile your continuing along these lines.

The third issue is that of jobs and wages. You just referred to the importance of the goal in terms of jobs. Do not forget that these must be high-quality jobs, or we will not reach the goals we defined in our Lisbon Strategy.

Finally, may I make a final comment on the European Investment Bank. It is now charged with many tasks, but we must monitor the way in which the banks themselves implement these facilities and tools, which are now being proposed once again since SMEs are obliged to use the banking system in order to access them. Well we know how fragile the banking system is, and so I should like to ask you to look at this issue closely and I invite us collectively to learn the lessons of the past, in other words to define the public expenditure that is useful for our long-term objectives in a coordinated manner, otherwise that public expenditure will be pointless.

President. – We would like to welcome back our President-in-Office of the Council, Mr Novelli, who was one of our Members between 1999 and 2002, if I remember rightly.

Hervé Novelli, *President-in-Office of the Council*. – (FR) Mr President, Commissioner, honourable Members, I should first like to reply to Mrs Berès, firstly by providing a brief retrospective on what has happened over the last year or so.

The crisis which started in the United States is, as you all know, continuing to have consequences. While the situation in the financial sector seems to have stabilised and shows signs of improvement, although everything

has not yet settled down, the challenge is, from now on, to limit the effects of this financial crisis on the real economy and businesses as far as possible.

The forecast published by the Commission at the beginning of November, shows a considerable drop in economic growth in the European Union, which is expected to be 1.4% in 2008, whereas only in 2007 it was 2.9%.

In 2009, according to the Commission, business activity in the European Union is expected to stagnate with an annual average growth rate of 0.2% GDP. Growth is expected to return very slowly over the course of the year to reach an annual average of 1.1% in 2010. This will be the situation, to the extent that it can be predicted, over the coming weeks and months.

Concerning the financial situation – if this seems to be moving in a better direction than a few months ago, this is mainly as a result of the determined action of Member States and central banks, including the European Central Bank, and as my colleague and friend Jean-Pierre Jouyet has spoken at length on this issue, I will not revisit the subject.

The Heads of State of the euro zone countries met on 12 October and for the first time agreed on a concerted action plan, whose principles were approved by the European Council on 15 and 16 October.

All Member States have now adopted national measures in conformity with the principles in this plan, for example, as you already know, through guarantee mechanisms for the financing of banks and systems enabling their recapitalisation.

In addition, the ECB has deployed considerable efforts to provide liquidity to the market, by diversifying its invitations to tender and extending the range of its collaterals.

I believe that we have demonstrated solidarity in supporting Member States gripped by financial difficulties. We have helped one Member State, Hungary, at the start of November, this had to be done. We have now also agreed on the need to raise the upper limit for loans that the Union may make under this arrangement from EUR 12 billion to EUR 25 billion.

I believe, as you have already said, Mrs Berès, that now is the time to relaunch our economy. The Member States and the Union must act in concert and contribute to a wider response at the global level.

With regard to the recovery of the European economy, the Commission has taken the initiative of publishing a communiqué on 26 November, a European economic recovery plan for growth and jobs. The Council is very pleased with this communiqué, and I am pleased that you regard this, Mrs Berès, as a step in the right direction.

In order to completely resolve the crisis, and particularly to draw lessons from it, we must analyse what has happened. The original financial turbulence, as you know, appeared in the subprime market in the US. These gradually spread, revealing serious malfunctions in our financial systems.

From the macroeconomic point of view, this crisis also reflects the implications of internal imbalances in terms of household debt, and of external imbalances particularly the current deficit in the US. But it is, I wish to stress, above all, a crisis in the regulation of financial markets which reveals the defective operation of certain aspects of our frameworks of regulation and monitoring.

A large number of these aspects have already been discussed as part of the road maps and the work conducted by the Ecofin Council during the French Presidency. But in addition to the urgent measures taken at Community level to restore confidence in the financial markets and protect savers' deposits, support financial institutions and provide assistance to Member States in difficulties, the fundamental reforms you are asking for, Mrs Berès, are, I believe, already underway.

On this subject, I should like to express my pleasure with the agreement reached in the Council on four draft directives, which will have a decisive effect on improving the stability of the financial sector, protecting individuals, and further strengthening the internal market. These are the directive on bank capital requirements, the directive on deposit guarantees, solvency II, and the directive on Undertakings for Collective Investment in Transferable Securities (UCITS).

Furthermore, work is in progress on the monitoring of financial institutions that have hitherto not been monitored. Work on European regulations concerning rating agencies has begun and is expected to be completed in spring 2009.

I have no doubt that Parliament shares our determination to ensure that these texts are adopted as soon as possible. Furthermore, the French Presidency of the Council has undertaken to initiate long-term work on the procyclicality of financial regulations with a view to reviewing the supervisory and accounting framework and on the incentives offered in the financial sector, by examining the very important issue of the remuneration of managers and market traders. With regard to supervision in Europe, concrete progress has already been reported over the last few months: greater convergence between the practices of national supervisory systems so that each implements the documents in an equivalent manner; strengthening the supervisory systems of cross-border groups by establishing supervisory boards; and more efficient operation of European supervisory committees, with the introduction of qualified majority voting for their meetings to improve decision-making procedures.

However, I believe more radical changes are necessary in this area, and we are very much looking forward to the work of the high-level group chaired by Jacques de Larosière, which will also look at supervision, particularly the issue of the supervision of investment funds.

In any event, all these achievements and this work point to the European Union remaining the driving force in the international work being conducted in response to the financial crisis. The Union has definitely been a driving force in international activity aimed at a thorough reform of the global financial architecture, in particular, an increase in the capacity of international financial institutions in order to prevent crisis factors from reappearing.

The crisis has very clearly demonstrated that these problems, which are of global scale, must be resolved at the global level. The French Presidency has therefore taken the initiative of proposing to the United States that an international summit be held, which would include the main emerging countries, to define the principles and the initial actions to be taken for the re-establishment of international financial architecture.

With this aim in mind, the Presidency submitted proposals to the Member States. These proposals were discussed at the Ecofin Council and then adopted by the Heads of State or Government. Europe was thus able, and I believe this is very important, to speak with one voice at the Washington meeting on 15 November.

Prior to the G20 meeting, the Ecofin Council played its part by defining the European Union's common message with regard to international financial architecture. At its meeting on 4 November, it examined all relevant questions in order to decide on a European response to the crisis and its proposal was subsequently endorsed by the Heads of State or Government at their informal meeting on 7 November.

I believe that this European unity has enabled very significant progress to be made, particularly on the part of our partners in the US and in emerging countries, both in terms of supporting global growth and in the regulation and supervision of global financial markets whose principle has been extended to all stakeholders, markets and jurisdictions.

I am convinced that this summit represents the starting point for a review of the tools and resources of international financial institutions. The IMF must be supplied with a wide range of instruments that will enable it to support the Member States flexibly and rapidly. The World Bank must be rallied to provide the necessary finance for emerging and poor countries, enabling them to deal with the shortages and price increases in market resources.

Furthermore, not only must the international financial institutions have the resources to deal with crises, they must also play a key role in their prevention. The IMF, in particular, in association with the Financial Stability Forum, must be able to identify any accumulation of risks and bubbles in the financial system and recommend the corresponding economic policies.

The Council therefore unreservedly supports the statement issued by the Heads of State or Government of the G20 countries, made public on 15 November. Everything is now in place for developing common European positions so that this 'Washington declaration' can be implemented within the timescale set out for the next international deadlines.

Fundamentally, and to conclude, Mr President, I believe that in addition to the progress made on the basic issues, two important messages may be drawn from this.

Europe, after very rapid preparation, spoke with one voice at the Washington summit. Europe must therefore remain a driving force in the current debate on reforming international financial architecture.

Our internal discussions and the reforms which we will go on adopting must continue in order to feed in to this process, which is only just beginning.

Joaquín Almunia, *Member of the Commission*. – (ES) Mr President, Mr Novelli, Mr Jouyet, Mrs Berès, ladies and gentlemen, less than a month ago in Strasbourg we spoke about the results and conclusions of the Washington meeting.

Today Mrs Berès is asking the Council and the Commission what steps need to be taken to put the conclusions into practice, who should take them and what action each European institution should take to that end.

I must say to her that I absolutely agree that these decisions, like those adopted since September 2007 in the Ecofin Council and the European Council, have to be made swiftly while respecting the roles of all the Community institutions. All the Community institutions must be involved in building a consensus, so that Europe can hold a single position on all the issues needed to regulate the financial system more effectively and to find solutions to its problems. The EU will thus continue to be able to lead the world in providing solutions at future meetings following on from the Washington meeting.

The Commission is of course working in this respect. We are playing our part within the de Larosière Group on one hand, and we are developing our own initiatives on the other. The Commission updated these announcements in the Ecofin Council only yesterday. In addition, the Commission is certainly going to use its own powers, in conjunction with the Council and Parliament, to reach the required agreements as soon as possible.

It is very important to coordinate the EU's actions and positions in the financial field, because we are going to take part in a global coordination process, and Europe cannot go into global coordination holding several different positions. We have to go in with a single position that has been formally adopted within the European Union.

With regard to the economic recovery and reflationary plan discussed by the Ecofin Council yesterday, the Ministers agreed with the Commission's view that, given the economic situation and the recession affecting the United States, Japan, the euro area and some major EU economies outside the euro area, a fiscal stimulus is essential. Monetary policy must continue to sustain demand, but it cannot bear the whole burden alone, especially in view of the current situation of the financial and credit markets.

Fiscal and budgetary policy has to provide a stimulus as well. The Commission proposed a stimulus that it considers both necessary and possible in a situation such as the one we are in. We specified the extent to which we will contribute with European resources and measures, both through the EU budget and through the actions of the European Investment Bank and the EBRD. I admit that a number of Ecofin members unfortunately did not welcome our proposal to both the Council and Parliament to make it possible to use unspent funds more flexibly without altering the overall ceiling of the EU's budget, thus enabling us to devote the sum of EUR 5 billion to investment in infrastructure and fighting climate change at a European level.

Unfortunately the proposal did not gain enough unanimous support. Nonetheless, we hope it will go ahead. In addition to the European endeavour (through the EU's budget plus the European Investment Bank, and here the Ministers did actually agree to increase the capital, as the Commission had proposed, by the end of 2009), we also asked the Member States to make an effort amounting to EUR 170 billion in 2009 by adopting what they considered to be the most appropriate demand-boosting measures in their current circumstances.

This proposal takes the Member States' own responsibility into consideration, since they hold the budget for funding recovery through fiscal policy. It also takes account of the fact that not all Member States have the same room for manoeuvre. We cannot ask Hungary or Latvia to contribute as much right now as Germany or the Netherlands. That is not the Commission's position, of course. All the Member States should benefit from the boost and the resulting recovery, whilst not all of them can contribute to the same extent because their starting situations are different. Coordination is therefore essential.

By coordinating actions, we can make one plus one equal three. Without coordination, one plus one might give a negative result. This is a clear example of the urgent need for coordination. Some countries have no room for manoeuvre, while others have to decide whether to use the room that they have. If we do not maximise every country's energies and opportunities, we shall all lose out in the end. That is the message that the Commission put across to the Ecofin Ministers yesterday.

I have three very specific points to make.

First, in the previous debate, a Member of this Parliament said that the Stability and Growth Pact was no longer in force. As I have said to this Parliament on many occasions and I repeat again, the Stability and Growth Pact is in full force, and it is in full force because in 2005 we revised it and introduced the flexibility it needed to be of use in a situation such as this. The Pact is in force because we revised it in 2005, and there is no need to reinvent it or to change it. What we do need to do is implement it and respect it, but we must respect it within the limits and with the flexibility that budgetary policy requires at times like these.

Secondly, Mrs Berès referred to European debt securities. There are some major countries that clearly rule out this possibility and refuse to consider it. Should there be a joint issue of national public debt securities? There are some major euro area countries that reject this possibility. There is a third possibility, however, which has been given unanimous support and which we intend to use. It involves the European Investment Bank providing additional and more specific funding for those investments and measures considered essential for sustaining demand and maximising the impact of this Europe-wide endeavour at such a time as this.

Lastly, I fully agree with Mrs Berès's call for quality jobs. When the Commission included in the recovery plan not only a fiscal endeavour but also ten priority actions for smart investments, what we were looking for was more growth, more sustainability and better quality employment than can be provided by some short-term measures. Such measures might admittedly be temporary, which is one of the requirements of the boost. They do not, however, have the other two properties needed for this to be a quality fiscal endeavour, namely that they must be able to boost and increase demand in the short term, and they must also expand the possibilities for our economies during the economic recovery which will certainly follow.

Jean-Paul Gauzès, *on behalf of the PPE-DE Group*. – (FR) Mr President, Ministers, Commissioner, firstly, with regard to the questions, I would say that they clearly demonstrate Parliament's desire to be kept informed and to be more involved in the process of reforming the architecture of the financial markets. Parliament is also determined that Europe should speak with one voice, as has been said.

With regard to Europe's economic recovery, concerted and coordinated action is, of course, essential, as has been pointed out. For our part, we support the Commission's proposal to combine all available European and national political levers in order to combat this crisis. Indeed, the task is now to restore confidence among Europeans and, hence, consumers.

We also need to strike the right balance between the long term and the short term. The measures taken in particular with regard to the banking sector are good for combating this financial crisis: an increase of capital, interbank loan guarantees and guarantees for loans. We do, however, need to be vigilant when it comes to actually realising the objective of these measures, that of reinstating the banks to their primary role as suppliers of liquidity and credit – in short, the objective of financing the real economy.

The role of the EIB and the EBRD must be strengthened. The EIB's reserves must be used to strengthen its capital base. The budget structuring is also a step in the right direction. However, words aside, what counts is implementing the planned measures. We must avoid blowing hot and cold. I would mention here State aid with regard to the bank-related programmes. I would also mention here – and you spoke about it just now – the Stability and Growth Pact. We have to realise that our fellow citizens who, in this time of crisis, expect Europe to provide solutions, should not feel that Europe says one thing one day and then the next day does the opposite.

Lastly, Minister, on the subject of the regulation on ratings agencies, for which I am rapporteur in this House, we will work diligently to implement an effective and pragmatic system that does not react merely to the current situation but that makes it possible for these agencies to operate on a long-term basis.

Poul Nyrup Rasmussen, *on behalf of the PSE Group*. – Mr President, first of all I would like to confirm to Commissioner Almunia that 'one plus one' is not two but three if we do it together. I will try to explain this to my little grandson and he will understand, as he is becoming a good European.

I am not going to go into coordination because I think my good colleague Mrs Berès has underlined the issue, as you did yourself. I would just like to say one thing on that – this is also directed to the Presidency of the European Union and the Council – which is that there is a great danger that our Member States have not yet really understood the magnitude of the need for financial investments. Let me just give an illustration: if our aim is to maintain the present employment level in the European Union, we need to invest 1% more of GDP not only in 2009 but also an extra percentage in 2010 and an extra percentage in 2011. This is documented by our macroeconomic calculations covering the whole of the European Union.

My hope is that what we do before Christmas will be a beginning – and I know that the French Presidency shares this ambition. Therefore, please make a timeline which says: let us evaluate the effects before spring next year and before the spring Council. Let us be ready before the spring Council to create new financial stimuli. Because I fear that the Commission's present prognosis – and it has done it as well as it can – will be supplemented by a new one which will show us that the job to be done is even more demanding.

Finally, I want to talk about regulation. I should like to thank the Presidency very much for saying this is a regulatory crisis. I agree. That is why I am so disappointed by the information I got yesterday in the Committee on Economic and Monetary Affairs under the leadership of Mrs Berès. We have unanimously here in Parliament agreed on a report saying that due to this regulatory crisis we must have new regulations empowering all financial actors without exception – including hedge funds and private equity.

Yesterday I got a message from Commissioner McCreevy saying: 'I hereby invite all actors to a new consultation on hedge funds'. Two years ago we had the last consultations on hedge funds, which only concentrated on those guys in the City of London. We now have a new consultation two years later. We do not need more consultations. We need regulations. We know exactly what the problem is. Then Mr McCreevy said yesterday: 'By the way, I do not intend to do anything about private equity'. However, he is asking the lobby organisations for private equity whether they would be so kind as to ask those who are not covered by the Code of Conduct to be covered.

(Interruption from another Member)

(FR) Ladies and gentlemen, it is my turn now!

What I am trying to say is: please I need your help – and I am calling on you Commissioner Almunia – I want you to understand that people will simply not understand that we, the European Union, are not capable of fulfilling our duty to regulate the financial market in a comprehensive way, so that we can be sure that this situation will not occur again; and that we can finance this expansion exactly as Commissioner Almunia described.

I would really ask you for an answer before Christmas so I can tell my little grandson 'let us go for it!'

Daniel Dăianu, *on behalf of the ALDE Group*. – Unless we achieve a truly common stance in the EU in favour of real reform, achieving adequate global rules for the financial markets becomes much harder. Sensible people would say that a massive failure of both regulation and oversight, together with revealed flaws of an overly simplistic economic paradigm, provide an indubitable answer to what to do. But some still argue that soft regulations should be the norm of the new system. In my view, they are wrong, whether they honestly think so or are driven by parochial interests.

One of Keynes' intellectual legacies – that highly volatile capital flows are inimical to trade and prosperity – has shown its relevance in the current huge mess and other crises, including in emerging markets. For decades now a mantra has been heard worldwide: that not much can be done in national policy-making because global markets would punish a government. But is the complexion of global financial markets God-given? Are not global markets, aside from their technological drivers, also the product of human beings' decisions to set rules for finance, trade and investment? The claim that nothing can be done about finance, when it brings about misery, is unconvincing. Much can be done in regulating all financial entities (including hedge funds and private equity funds), constraining leverage, dealing with pro-cyclicality and accounting, coordinating policies better, dealing with the rating agencies.

The decline of a paradigm which equates market economies with no regulations has to be seen in conjunction with a rising multi-polar economic world in the attempt to forge a new international financial system. On the latter hinges the fate of an open world economic system. Unless we do the right things now, we run the risk of crippling our liberal democracies. I hope that the new American administration will be forthcoming in this respect. But we at home in Europe have to rise to the momentousness of this period.

Rebecca Harms, *on behalf of the Verts/ALE Group*. – *(DE)* Mr President, I should first like to wholeheartedly endorse Mr Rasmussen's assessment that we are talking about a completely new relationship between state and market, with regard to the entire financial world. I think that on that point we agree. Also with regard to the role of Mr McCreevy, I would say that he should play a smaller role than previously and he should not be allowed to delay now under any circumstances.

What we can learn from the collapse of the financial markets is what happens if the state holds back too much and does not dare to apply the rules which it has identified as correct.

I should like to link the current dispute about a new green deal with the European recovery plan once again. In my opinion, there are still too many waiverers in the European Council and in the European Commission who assume that sustainability strategies or aggressive climate protection would be at the expense of jobs. And these same forces which are holding things up there, are in our opinion – we Greens are also concerned about jobs – holding up the development of future-proof methods of production and future-proof economic systems and future-proof new products, and they are blocking our way out of Europe to the global markets of the future.

I consider this highly dangerous and I think that the weak car regulation which we are currently making is a bad sign of how fearful we are. The recovery plan is now a bit Keynes, a bit green, but really underneath it is still the same old thing.

I do not believe it is enough for Europe to make only slight changes. Perhaps coordination can win more approval if the strategies are formulated more consistently. Reviewing the entire EU budget at the beginning of next year would give the Commission an opportunity to approach the various major crises which we have to manage in a systematic and uniform manner.

Sergej Kozlík (NI). – (SK) Mr President, honourable Members of Parliament and guests, I applaud the initiative of European Union institutions which gave an impulse for dealing with the financial crisis at the global level. However the economic response to the consequences of the financial crisis based on a plan for restoring growth and employment in the European Union seems to me to be more like a hasty improvisation.

The plan idealises the situation and forgets that the European Union is a group of national states, each of which is in different circumstances and has different priorities and different solutions to economic problems and economic development. The plan underestimates the importance of the coordinated development of energy infrastructure as a whole, not only green energy, and the coordinated development of road and rail infrastructure as a prerequisite for the effective distribution of investment, as well as the need to deal with the financing of the agricultural sector. This is because, along with the financial crisis, the world is also facing the threat of an energy and food crisis.

José Manuel García-Margallo y Marfil (PPE-DE). – (ES) Mr President, I am not going to say much about the exceptional, historic nature of the current crisis. All my fellow Members have mentioned this, and Mr Rasmussen has expressed it very well. I just want to add three things here: this is the worst liquidity crisis that I have ever known, and I am getting on in years; there are no navigation charts or roadmaps for this crisis; and, thirdly, we are well aware that the financial crisis is ongoing and the markets have run dry.

The first thing we have to do, therefore, is to normalise the financial markets, and in this respect I am going to talk about the European Central Bank.

In this House there is a kind of reverential respect for the European Central Bank. I am a layman in many areas, including this one, but I must say that the ECB has to bring down interest rates quickly and as a matter of urgency. The transfer mechanisms do not work well, as shown in October, when the official interest rate cut was not passed on enough into real interest rates.

Secondly, liquidity has to be provided over a longer term than is currently the case. I am aware that for this to happen the framework of guarantees has to be changed, but it has to be done. Financial institutions lend money over the long term and they need reliable financing over the long term as well.

The national banks are helping with the Central Bank's policy to supply liquidity, and this may result in national aids that distort competition. We therefore have to keep a careful watch on this area.

My third and last point is that right now budgetary policy has been shown to be playing the central, leading role far more than monetary policy is. Budgetary policy causes external effects, and that means that close coordination is vital. I agree wholeheartedly with what the Commissioner has said.

To continue, I also agree that it is important to spend, but most of all it is important to spend wisely on clear objectives that enhance the competitiveness of Europe's economy. That is the only way in which we will be able to balance our budget again in the medium term.

I agree that the Stability and Growth Pact is still in force, and the first thing that the Commissioner should do is tell us what he understands by 'departing from the reference value'. Does this mean by a few hundredths, a few tenths or a few points? Believe me, Commissioner; I shall keep a careful watch on the work you have

to do for the Stability and Growth Pact to remain in force. If you achieve this, may God reward you, and if not, may He hold you to account.

Elisa Ferreira (PSE). – (PT) We have heard it said several times here today that a crisis normally creates an opportunity, and that is true. If we wish to take advantage of the opportunity which presents itself, the course of action is easy to decide on.

Firstly, at the level of the European Union we are aware of the need to introduce mechanisms for transparency in and regulation and supervision of the financial markets. There is no need for Commissioner McCreevy to start more consultations or for the Presidency to analyse and elicit more studies and proposals: we need look no further than the proposals of the socialists, which were made at the appropriate time and many of which have been taken up by this Parliament.

Secondly, internationally: Europe cannot take part in the international arena in a passive way. It must play an active part in building the new international order, and it must be the defender of a new architecture that does not leave black holes in the system, such as those currently presented by tax havens.

Thirdly, we have heard the President of the Commission say here today that there is reluctance amongst the various States to coordinate strategies. It is true that, if we had not heard so many times from members of the Commission that markets self-regulate, that the State should remain uninvolved and that financial markets have no impact on growth or employment, perhaps there would be a greater and more active spirit of solidarity amongst the various countries.

However, the proposal which we have before us today is one that is only the first part of a long process if we compare it with the programmes of China and the United States; it also fails to define its goal sufficiently clearly, and this goal must be employment; finally, a European programme cannot be an amalgamation of national agendas.

Now is the time for us to show the citizens of Europe that Europe is a network of rights that also encompasses the economic sphere; that it protects them in times of crisis, and that it promotes solidarity with and growth and support programmes for the small and medium-sized enterprises that are currently not in receipt of the results of the interventions that were made in the banking sector. The real economy is exactly that, and we are here, as Europeans, to show the citizens that Europe is here too and, above all, on their side.

Sophia in 't Veld (ALDE). – (NL) Mr President, it strikes me as rather odd that, in recent years, there have never been sufficient funds for education, care, innovation and the environment and that it should now suddenly rain billions. The best rescue plan for the future is a strong European market combined with healthy government funds, for we should not squander the inheritance of future generations.

The private debt crisis should not simply be traded for public debt. The Commission should make a firm stand for strict compliance with the Stability Pact and rules on State aid, and, in this light, I welcome the statements made by Mr Almunia and Mrs Kroes. After all, it is not just bankers, but also politicians, who should spend citizens' money wisely. It is not so much the money presses, but the Lisbon Strategy, that should be shifted into top gear, because there is a great deal of benefit to be had from it.

For example, a free services market can create hundreds of thousands of new jobs, for no extra cost. It is therefore surprising, to my mind, that the Member States should be so slow in introducing the Services Directive. A rescue plan for the growing number of school leavers with no qualifications is at least just as hard as for the duped savers, because without a qualification, these young people have absolutely no standing in life.

Alternatively, we should invest in achieving the 3% objective for research and development that was set back in 2000. After all, whilst industry never delivered its promised 2% share, it is receiving billions of support at the moment.

Finally, given that things can go badly wrong in the free market, rules and market supervisors are certainly no luxury, but, even so, there is no comparison with the economic and social ruins that have been left behind in various experiments with nationalism and socialist state economy.

Hans-Peter Martin (NI). – (DE) Mr President, I am not alone in finding it difficult to join in with this emerging self-importance of the European decision-makers when it comes to management of the financial market crisis, for if Europe, if the EU were a functioning democracy, one would first have to raise the question of responsibility and how it could all have happened.

It is simply not true that all the problems we are now facing involve a tsunami, something caused by Nature. This is man-made. With all this regulatory fervour that characterises this Union, one asks oneself why action was not taken when banks began to cross national borders to an appreciable extent? Why, in spite of corresponding warnings, was action not taken when derivatives crept in. I clearly remember that Nobel prize winner Joseph Stiglitz addressed all these points. There was a silence, a taboo. That is where you would have to start because recognising one's own faults is the only key to finding the solution in future.

Margaritis Schinas (PPE-DE). – (EL) The European Parliament has to give a clear message about both sides of this discussion today: firstly, concerning the rationale of the financial system that we have to build for the future and secondly, concerning our initial reaction to the recovery plan which was put forward by the Commission on 26 November. On the first of those, there is no doubt that the Commission has clearly got the message that the era of self-regulation or non-regulation is well and truly over. If there are some within the Commission or even within this Parliament who were under the impression that the real economy could be built on the rationale of no rules, then current events would have proved them wrong. It took us some time but now we understand. I do not think that Commissioner Almunia is to blame. Others may have exposed the Commission to this rationale but now it is too late. Now the new economic order must be built on a rationale that is governed by rules, rules and more rules.

The second part of the recovery plan, which was put forward by the Commission last week, does contain some positive points, and we must recognise that the Commission has managed (and I know how hard that is) to reconcile differences of opinion and offer governments an interconnected framework for actions with a common rationale. Now I can hear people on the left and right saying such things as, 'we wanted it differently,' 'it might be too expensive,' or 'we do not like it'. These are the same people that, if the Commission had done nothing, would have said 'the Commission is not doing anything,' 'we are waiting for the Commission to give us a blueprint'. Therefore I believe that the second message we must send to the Commissioner is that the rationale behind this package is the right one, it is going to help governments and it may well be a life raft on which the real economy can survive during the first days of a crisis. Thank you.

Donata Gottardi (PSE). – (IT) Mr President, Commissioner, ladies and gentlemen, by preparing a rescue and recovery plan for the European economy, the European Union is giving an initial message to its citizens, in addition to the markets. There is great anticipation and we cannot disappoint expectations. At a time when financial consolidation and the level of public debt are liable to be adversely affected by public intervention, both in terms of the resources actually given and those guaranteed, in an effort to rescue the major financial and industrial players, with the obvious repercussions for public finances and personal income, we need a coordinated approach at European level, also to combat tax evasion and tax havens. It is important that all the appropriations and national plans are strictly and efficiently coordinated and targeted at the same objective.

I am pleased to point out that there are plans to clarify the flexible application of the Stability Pact, which must be targeted, temporary and appropriate, featuring mechanisms aimed at structural changes, the efficient allocation of public funds, restructuring of public expenditure and investments for growth in line with the Lisbon Strategy's objectives, focusing particular attention on the role of small and medium-sized businesses. The joint approach must also cover macroeconomic budget policies, as well as salary policies and a gradual, sharp reduction in the tax burden on labour and pensions. This must be implemented using tax deductions, revised tax rates and compensation for fiscal drag in order to reduce poverty, and not just extreme poverty, and to promote consumption and economic growth by providing a counter-cyclical response to the current economic crisis which presages a recession. But on a note of caution, the task of maintaining incomes and relaunching consumer demand must be carried out, with the focus actually on environmental and social sustainability, thereby avoiding the need to blindly reproduce models and systems which have demonstrated all their weaknesses.

Margarita Starkevičiūtė (ALDE). - Mr President, what I miss in this recovery plan is a reference to financial markets. At the beginning of this year, when there were discussions on broad economic guidelines, Parliament came up with a proposal to include a financial market dimension in the guidelines.

Unfortunately, at that time the Commission was against this proposal. However, the development of events showed that we were right. I would urge you not to repeat this mistake once again and to link the economic recovery plan with the upgraded Financial Services Action Plan. If we undertake this strategy it will be possible in the long run to reflect the needs of the real economy in an ongoing modernisation of EU financial architecture.

– (LT) I would also like to encourage the scrutiny of your proposals from the perspective of financial market participants. The Commission is now providing so many new proposals that it is difficult even for us, Members of Parliament, to handle. They are not very well coordinated. Just think how the heads of financial market institutions and investors, who indeed have difficulties in deciding, must feel. It is far from giving the impression that our market is stable; therefore, I believe that more coordination is required.

John Purvis (PPE-DE). - Mr President, we have heard quite a lot about coordination, but I am beginning to wonder whether coordination is any longer sufficient, whether we need to move to solidarity rather than just coordination because the crisis has moved from just being banks, which is bad enough, to being a crisis of countries. Just as the coordination has justifiably moved up from national to European to global levels, perhaps we now need to consider whether more solidarity is necessary. I would ask the Commission and the Council whether they are indeed addressing the issue of the global institutions, as the oral question specifically requests about the International Monetary Fund, or alternative institutions that might perform the solidarity role on a global basis.

My second question would be to do with the type of stimulus we should be looking for in fiscal stimulus, if that is indeed the preferred route. Should value added tax be the route and should it allow for reduced rates of value added tax from the high or middle rate down to the lower rate in certain areas – and what are we doing about that? And is it not much better to have it concentrated in that way rather than spread widely on a much lower reduction level?

Regulation: we hear a lot, especially from our leftward-leaning friends, that we must have more and more regulation, destroy the hedge funds and private equity, credit rating agencies and so forth. However, can I just urge the Commission and the Council to consider the following? We must wait, we must think hard and carefully and we must at all costs avoid unintended consequences. If new regulation is justified – and it may be – it must be the right regulation and it must not turn out to be an impediment to recovery and prevent or delay that recovery. In some ways I would really like to give Mr McCreevy support for his measured reaction to the problems and not condemn him, as many of our colleagues seem to wish to do.

Lastly, public finances. The stability and growth pact affects both euro countries and non-euro countries. If temporary excess deficits are justified – and that is a big if – they must be temporary, they must be recuperable to a realistic schedule and, if some countries can afford the debt but others cannot, then surely we return to this question of mutual solidarity. I would ask the Commission and the Council to tell me what they consider realistic schedules for dealing with this issue.

Paul Rübig (PPE-DE). - (DE) Mr President, Commissioner, ladies and gentlemen, my question relates to what you think about Iceland and Hungary introducing the euro as a second currency. Do you think that that could solve the problem of these two countries?

The second question is: do you think that it would be possible to introduce a risk premium for derivatives which would then be used to strengthen the banks' own capital?

My third question is: do you not think that a reduction in value added tax would encourage imports, in particular from China and India? Would it not make more sense to consider tax reductions for our businesses and for our employees, to pay investment premiums, to focus on progressive depreciation and above all to increase assets of a minor value by a factor of ten to avoid taxing fictitious profits and to keep the money in the enterprise, thus also enabling wages to be paid more easily?

Silvia-Adriana Țicău (PSE). – (RO) The EU economic recovery plan provides for sound investments, which is why it supports the increase in budget allocations by around EUR 200 billion for the period ahead, as part of the economic growth and stability pact.

I appreciate in particular the readiness of the European Central Bank to cut interest rates in order to ensure the levels of liquidity required by the banking system to be able to invest in the real economy.

I also particularly appreciate the proposal made to amend the financial framework in order to invest during the next two years EUR 5 billion in developing the broadband infrastructure and connecting up Europe's power infrastructures.

I welcome the initiative launched by the European Investment Bank and certain national banks aimed at creating a 2020 fund earmarked for energy and climate change activities and for developing the transport infrastructure.

It will be possible to use state aid to support research and development, innovation, communication and information technology, transport and energy efficiency.

Ján Hudacký (PPE-DE). - (SK) I think that the two-year economic recovery plan can become a good, coordinated response of the European Union to the economic crisis, provided that it is carried out and implemented in a reasonable manner. The proposed volume of funding to support the Union's economy should create a financial framework that is sufficient to stimulate the Member States' economies towards new development impulses. The EUR 30 billion, which is to be provided in equal shares from the European Union's budget and the European Investment Bank, must be well-targeted at the development of the knowledge-based economy and low-carbon economy, as well as at medium and long-term energy efficiency programmes.

As regards tax incentives, I think that these measures should remain in the hands of the Member States. Personally, I am an advocate of the idea of reducing VAT rates for certain products closely related to energy efficiency that can stimulate high energy savings.

To conclude, I have to admit I have certain concerns in connection with the plan to apply maximum flexibility, which is made possible by the revised Stability and Growth Pact. Certain governments have a tendency to abuse such measures for their populist and purely political objectives, without a clear development concept.

Charles Tannock (PPE-DE). - Mr President, I would like to pay a special tribute to the German Chancellor, Angela Merkel, who has become the new Margaret Thatcher of Europe. She, like the Iron Lady, believes in balanced budgets and not spending your way out of the credit crunch and economic crisis in an unfunded way. Instead and in contrast, the British Prime Minister, Gordon Brown, has got a massive borrow-and-spend fiscal reflationary crisis economic package, with no way of having a balanced budget.

Whilst I accept that it was our own British banks whose reckless lending landed us in the mess in the first place, with poor regulation and supervision by the government, I believe this fiscal policy – which is highly irresponsible – must also be accompanied by cuts in public spending and well thought out plans to fund it in the longer run. Otherwise we will invite, after a period of economic shrinkage, a period of massive inflation which will erode all our savings and undermine European economies.

Colm Burke (PPE-DE). - Mr President, I welcome the work which the Member States, the Council and the Commission are doing in dealing with this difficult issue. Many of my colleagues have already dealt in detail with the action that is required. However, at this time Member States should not change their commitment to developing countries. There is a need for EU Member States to maintain overseas development assistance (ODA). The financial crisis is expected to have a severe impact on humanitarian funding, with some analysts predicting cuts in ODA of up to a third or more.

EU Member States should not slack off on meeting the Millennium Development Goal targets now that there is a temptation to reduce spending. The worldwide financial meltdown has highlighted the interdependent globalised nature of our world. Even if developing nations have avoided many of the immediate effects of the financial crisis, owing to their limited exposure to global markets, economists are warning that there will be a knock-on effect in terms of a reduction in aid inflows as well as remittance, foreign direct investment and economic growth.

We could see developing countries suffer considerably for a financial mess they did not create. Therefore Member States should maintain the status quo.

President. – I apologise to Mr Gollnisch and Mr Sikierski, who asked to speak, but unfortunately, we are running very late and we are therefore stopping at five speeches.

Hervé Novelli, President-in-Office of the Council. – (FR) Mr President, Commissioner, ladies and gentlemen, I should like first of all to tell Mr Almunia that he rightly emphasised three aspects that are very important for ensuring the effectiveness of the recovery.

The first is strong enough action. From this perspective, one and a half per cent of GDP is a recovery objective that would appear to me to be quite substantial, given the sums at stake.

The second is taking account of the different situations among Member States. He rightly emphasised that the countries were not all, dare I say it, in the same boat regarding the economic or budgetary situation, but that this does not exempt them for making a really coordinated effort. This is something that the Presidency intends to work on before the next European Council meeting. I am convinced that it is in this way that,

eventually – although I do not yet know how long this will be – we will be able to revive growth and employment.

Mr Gauzès, I should like to say to you that you made the point well that all our efforts are focused on financing the real economy. If we are helping the banks, it is so that they can invest in this economy, and our only aim – and you were right to stress the point – is to finance small and medium-sized enterprises. I believe that, yesterday, the Council put a message across to the Commission concerning aid for the banks, and it is clear that we want flexible and quick decision-making regarding the support that can be given to the banks and the financial institutions in the current circumstances. I believe that the Council has been heard, and I should like to say to you, Mr Gauzès, that the Council very much shares your desire for rating agencies at European and, I would add, international, level to be effectively regulated, as many of my colleagues and many MEPs have said.

Mr Rasmussen, I should like to say to you, even though your speech was addressed more to the Commission, that I agreed with you when you stressed that no market segment should be exempt from regulation or supervision. If there is indeed one message that we have taken away with us, it is that there is a lack of regulation of certain market segments. This regulation must therefore be improved and at times must be created in situations in which it is vital. This was a powerful message from the Washington Summit on 15 November, and Europe must, of course, work towards these objectives, including in the area of speculative funds.

Mr Dăianu, it is true that the regulation of financial markets should be coordinated at international level; that is why, on the initiative of the European Union, the Washington Summit was held. I believe that it was this voice of Europe, a united Europe, that was the deciding factor in that Summit, enabling that Summit to outline a kind of road map for genuine regulation of the international financial system, and this, because Europe was able to work effectively on its own programme.

Mrs Harms, to be precise, the recovery plan does propose long-term investment, perhaps not enough for your liking, but that is what it proposes, nonetheless.

Mr Kozlík, I wish to say to you that, yes, we must support agricultural policy, as well as the other major European policies. You mentioned energy policy; I believe you were right to do so. These are priorities, and they should remain as such, including in this difficult period.

Mr García-Margallo, the work of the European Central Bank has, in my view, played a decisive part in overcoming the difficulties that we have encountered only recently, and its president has clearly indicated that inflation is being curbed in Europe and that he is therefore anticipating, as a number of MEPs have noted, new room for manoeuvre in the area of monetary policy.

I felt that Mrs Ferreira was rather harsh regarding the European Union's response. I believe that, unlike what she said, the European Union responded swiftly to the crisis by taking strong decisions in a very short time thanks to the positive cooperation of our institutions – the Commission, the Council and the European Parliament – and for that I thank you.

With regard to support for SMEs, we will shortly hold a debate on the decisions taken at the Competitiveness Council regarding the adoption of a European Small Business Act, and I believe that, in this area too, Europe has played its part concerning the financing of SMEs and the priority they should be given, including in a period of economic slowdown.

Mrs in't Veld, you were right to point out that the short-term recovery should be based on long-term structural reforms within the framework of the Lisbon Strategy. This strategy has never been so crucial, precisely in this period of economic slowdown, and the structural reforms have to be able to take their course.

Mr Martin, I heard you clearly when you called for joint action to identify the true priorities.

Mr Schinas, we had rules, but those rules did not work; that is the truth of the matter. We therefore need rules, but rules that are effective; not overregulation, of course, but a genuine framework that is suited to European competitiveness.

Mrs Gottardi, I wish to say to you that I fully share your desire to combat tax fraud. The French Presidency has, moreover, made this a priority at European and international level. I also wish to say to you that I agree with your very pertinent comments on the need for effective economic recovery.

Mrs Starkevičiūtė, I agree that the normal slowdown of the financial sector is an integral part of the recovery of the European economy, and that this should be within a coordinated context.

Mr Purvis, I agree, we do need to move in the direction of greater solidarity – that is important. This is, moreover, what we are proposing by basing the reform of the international financial system on the institutions created at Bretton Woods, including, in particular, the International Monetary Fund, a universal and politically legitimate institution that I am convinced will see its role strengthened in the years to come. You mentioned the issue of VAT. The Presidency is actually in favour of a VAT reduction targeted in particular at highly labour-intensive and non-relocatable sectors.

Mr Rübig, you spoke on the same subject. VAT is an instrument that can – certainly if it is reduced – sustain activity and, in particular, employment, but these VAT reductions can only be targeted ones, and by that I mean it must be possible to prove that they are entirely appropriate. However, the debate on this matter is still not cut-and-dried, as you know.

Mrs Tice, I believe that one of the principles of the Commission's proposals on the economic recovery is investment that is real and timely but also lasting and structural; I am in complete agreement with you on this matter.

Mr Hudacký, yes, the European Investment Bank is a very important tool for aiding economic recovery, including by means of various investments. I believe that this is a fundamental point. We will have the opportunity to place it on record during the Councils' debates next week.

Mr Tannock, I do all the same believe, as the whole of the Council does, that we need a recovery that is concerted but can be reversed when there is a return to growth conditions.

To conclude, I wish to say to you, Mr President, Commissioner, ladies and gentlemen, that this debate and all your questions have been very important and very interesting for the Council. They show that there is broad agreement between us regarding the need to have a strong and consistent European voice heard within international forums. The support of the European Parliament is essential. In this regard, I wish to thank you.

We must, and I am convinced of this, completely rethink our approach to the financial system and its regulation. This must be done at European level but also by taking account of the solutions that will be found at international level, because, if there is indeed one lesson to be learnt from this crisis, it is that today's financial system has a truly international dimension; it is therefore at international level, spurred on by Europe, that solutions must be found.

Joaquín Almunia, *Member of the Commission*. – (ES) Mr President, Mr Novelli, ladies and gentlemen, first of all, I am very grateful for your comments and observations and for the interest you have shown in the Commission's initiatives, particularly the recovery plan that we have been discussing this afternoon. I am not going to repeat many of the replies that Mr Novelli has just given. I agree with practically all his comments on what the Members who have spoken have said.

I would just like to mention six points very quickly. First, I agree with the views of those of you, beginning with Mr Gauzès, who said that the credit crunch is extremely severe and lies at the root of the very great problems that the real economy is currently facing. Only yesterday at the Ecofin Council we were discussing how to improve the effectiveness of the recapitalisation and deposit guarantee plans that have been and are to be adopted by the various Member States. There is a lot of taxpayers' money at stake: considerable funds have gone into guaranteeing the operations of banks and financial institutions or providing them with capital. It is now a matter of getting credit to flow back into the economy, since it is a vital ingredient for the economy to work properly.

Since it is not working well, the economic forecasts that Mr Rasmussen mentioned, which I presented a month ago, are unfortunately no longer the forecasts that I would present today. That is why I also announced to the ministers yesterday that I would be presenting new economic forecasts on 19 January.

In the meantime, the International Monetary Fund, the OECD, and other institutions have published estimates for 2009 that are even more worrying than those reflected in the Commission's forecasts of 3 November. The European Central Bank's are due tomorrow and are also dismal,

My second comment is that there is certainly going to be more regulation of financial services. In fact there is more regulation already. Only yesterday, at the Commission's initiative, the Council, as Mr Jouyet said

earlier, gave its political approval to at least four – if I remember correctly – Commission initiatives on regulation of different aspects of the financial markets or services. Existing regulations need to be changed, unregulated areas need to be regulated, and improvements are needed in the quality of regulation and the way in which the implementation of these rules is supervised at European and global levels. We are talking about all of that.

As the decision on the Solvency II draft directive is about to come before Parliament, let me tell you that the reaction in the Council still does not always accord with the Council's own statements on what needs to be done in terms of financial regulation and supervision. Parliament is aware of that, because it has been holding talks with the Council on this directive. There is no agreement on how best to coordinate supervisory actions in the insurance sector. We urgently need to find agreement on such supervision at a European scale, and we are already talking about a body of supervisors for institutions that operate at a global scale.

On the subject of hedge funds, we base our views on the principle that their activity has to be regulated. We have said so in the Commission, the Council has said so, and the Washington meeting said so.

The high level group chaired by Jacques de Larosi re is analysing this, among other factors. Commissioner McCreevy met with the Committee on Economic and Monetary Affairs yesterday.

I saw the President of the Commission repeat to you in this Chamber, on his recent visits, that the Commission is going to regulate hedge funds, and that is what we shall do. What is being debated is to what extent, in which areas, and which parts of hedge fund activity have to be subjected to regulation, which will not only affect hedge funds. Important contributions to this debate are coming from the employment field and the report produced by this Parliament at Mr Rasmussen's initiative.

I fully agree with those of you who have mentioned investment and the need to link the necessary investments in the medium and long term with the energy and climate change package. I agree with those who say that our monetary policy has room for manoeuvre, without having to jeopardise the independence of the European Central Bank or other central banks. It is obvious. Inflation in the euro area at the end of November, according to Eurostat, was 2.1%. Just a few months ago we were talking about inflation figures that were twice as high, and that margin is now being used. The Central Bank is meeting here in Brussels tomorrow. I do not know what it is going to do, but I have heard the statements made by the Bank's president, Mr Trichet, and they are quite clear on the subject.

My next point concerns the Stability and Growth Pact. The pact clearly states that a deficit breaching the 3% threshold triggers the excessive deficit procedure, with a single exception, namely when the economic situation is exceptional, and we are in an economic situation that is exceptional. The second condition, which applies concurrently with the first, is that the excessive deficit should be temporary, and temporary does not mean several years but just one year. The third condition, concurrent with the first two, is that the excess should not take the deficit very far above the reference value, and here, Mr Garc a-Margallo – without going into technical details unsuited to the predominantly lay audience in this House – we are talking about a few tenths of a percentage point.

Lastly, in reply to Mr Parish and somebody else who mentioned the value-added tax issue, the Commission's document or plan includes a range of instruments that may be used to produce a fiscal stimulus, and one of them is certainly to cut such a substantial tax or, rather, the rate of such a substantial tax as VAT. It is also a fact, however, that the Commission is not forcing anyone to do that. Read the plan and you will see that there is no obligation involved, as indeed there could not be. A third point – and this is information arising from yesterday's Ecofin talks – is that only one Member State out of the 27 was in favour of using this instrument yesterday, and that was the Member State that has already used it.

President. – Thank you, Commissioner, especially for covering topics ranging from mathematics to theology.

The debate is closed.

Written statements (Rule 142)

Louis Grech (PSE), in writing. – The financial crisis has created major challenges for the EU and the global economy. Coordinated efforts by Member States have been effective in stabilizing the EU banking system, but much remains to be done to contain the propagation of the crisis into the wider economy and protect households, businesses and jobs. In an interdependent world, tackling these challenges could be an opportunity for the EU to take the lead in bringing clarity, social responsibility and predictability to the global financial architecture.

Any implementation of mitigation measures has to be timely, comprehensive and accompanied by appropriate regulatory action addressing the root causes of the crisis. Particular attention should be given to regulation regarding new financial products, such as sub-prime mortgages and their derivatives, as well as the entities that are involved in their marketing, such as banks, hedge funds and private equity. There is a need to review the business model of rating agencies and the legal standing of their ratings.

In the recovery process we must give priority to solutions that protect jobs, growth and the most vulnerable, promote economic energy and stability, while ensuring that parties with vested interests in maintaining the status quo are kept at a distance.

Gábor Harangozó (PSE), in writing. – (HU) I welcome the unified European efforts at addressing the crisis and the initiatives aimed at preserving European jobs and creating new ones.

At the same time, I would like to call attention to the fact that countries that are in as dire a fiscal situation as Hungary do not have any monetary or significant fiscal or tax reduction tools at their disposal. Thus, in these countries, an economic stimulus is conceivable primarily in the form of a reallocation and efficient use of European resources as well as a reduction of payroll costs, improved efficiency of the regulation of competition and the reduction of administrative costs.

I am particularly pleased that our combined efforts in this regard have the support of Commissioner Joaquín Almunia. For this reason, I consider the initiatives relating to structural funds to be of pre-eminent importance, and firmly support their acceptance without delay. An acceleration of the acceptance of the major projects, as well as support in the form of credits available to SMEs, can help stimulate demand.

At the same time, I consider that our efforts on behalf of the neediest are still insufficient, and hence I urge that land development and new construction also be included in the changes being proposed in the area of housing support. In the underdeveloped regions and settlements, there are certain plots of land or developments that are unsuitable for renovation, and thus we need to promote the construction of up-to-date, energy efficient dwellings. In so doing, we can contribute to the European Union's objectives with regard to energy savings as well as job creation, while at the same time helping those most in need.

Janusz Lewandowski (PPE-DE), in writing. – (PL) In announcing its crisis action plan, the European Commission responded to the real need for Community action to stabilise and revive the economy. However, the announcement was made a few days after the so-called conciliation, which determines the shape of the European Union's 2009 budget. The budget does not allocate additional funds for overcoming the crisis, and it is hard to imagine a plan of the order of EUR 200 billion being completely budget neutral.

The long-fought argument about the sources of funds for the EUR 1 billion aid to famine threatened countries shows that it will not be easy to get 27 countries to agree to the additional funding, namely the over EUR 116 billion of payments agreed on 21 November between the European Parliament and the Council for 2009. If only for this reason, Mr Barroso's plan is no more than the sum of national efforts accompanied by promises of greater tolerance of budget deficits and state aid regulations.

Nonetheless, I hope that any potential relaxation of the Stability and Growth Pact will not be the only outcome of the European Commission's plan. This will be the case if we carry out the promise of increasing advances and streamlining the structural funds which must act as local and industry-specific anti-crisis packages during 2009-2010. This would reverse the disastrous tendency to widen the gap between commitments and regional policy funds actually taken up.

14. EU strategy on Roma (debate)

President. – The next item is the debate on the Council and Commission statements on the EU strategy on Roma.

Jean-Pierre Jouyet, President-in-Office of the Council. – (FR) Mr President, Commissioner, ladies and gentlemen, the Council fully acknowledges the vital importance of taking appropriate measures with a view to improving the situation of the Roma and of promoting their fundamental rights, as this House requested in its resolution of 31 January.

As you know, real progress has been made under the French Presidency in the areas of non-discrimination and inclusion and, in this context, it has been possible to take account of the situation of the Roma, not least within the package on the Social Agenda, as it was presented by Commissioner Špidla on 2 July.

The aim of the package presented by the Commission is to give fresh impetus to policies to combat poverty, exclusion and discrimination affecting the most vulnerable groups, and, from this point of view, the proposals that were made by the Commission and that take stock of the existing instruments, which help ensure the greater inclusion of the Roma population, truly are a very good contribution.

For its part, the Council regrets that the Member States were unable to agree as one on a package relating to the fight against poverty and social exclusion, in financial terms. I also wished to say this on the occasion of this debate.

The first European summit on the Roma was held on 16 September. It was supported by the President of the Commission and by the French Presidency of the European Union. The declaration that was adopted underlines the Member States' responsibilities with a view to ensuring the meaningful inclusion of the Roma, by laying emphasis on the strengthening of people's individual rights and on the importance of the participation of Roma organisations.

A second equality summit was held on 29 and 30 September 2008. During this summit we emphasised the problems with which the Roma population is all too often faced, be it in terms of access to education, jobs or vocational training, as well as access to other goods and services, and this enabled us to see how to act more effectively to combat the discrimination suffered by this population.

We are also pleased with the inclusion of the situation of the Roma within the European Union and will ensure that this is one of the priorities of the European Union Agency for Fundamental Rights.

The French Presidency recently produced some draft conclusions relating to the specific situation of the Roma. These conclusions will be submitted to the Council of Foreign Affairs Ministers and the General Affairs and External Relations Council next Monday and Tuesday. I shall give your Committee on Foreign Affairs an account of them on Tuesday.

The draft conclusions call on the Commission and the Member States to take account of the situation of the Roma in the design and implementation of policies on the protection of fundamental rights, in the policy on combating poverty and discrimination, in policies on gender equality and in those on access to education, housing, health care, jobs, the law and culture. In these draft conclusions we call for the Commission and the Member States to identify tangible actions for 2009 and 2010.

With this in view, provision is also made for better use of the Structural Funds. It is for this reason that the Council invites the Commission to present it, in 2010, with a report on the progress made, to continue discussions and to organise the necessary exchanges with the Roma organisations.

That is what I wished to say to this House, Mr President, ladies and gentlemen.

Vladimír Špidla, *Member of the Commission*. – (CS) Mr President, ladies and gentlemen, the first European summit on the Roma, which took place in Brussels on 16 September, was of fundamental importance for the partnership between the main actors in this area. It involved the participation of more than 500 senior representatives of EU bodies, Member States and non-governmental organisations and it was a reflection of our renewed determination to increase efforts to confront the social exclusion of Roma.

There was a clear message that the overall aim must be to integrate the Roma fully into the economic, social and cultural life of Europe and to ensure equal opportunities for everyone in the EU, including Roma. Civil society must be fully engaged in this partnership. It follows from this that the Roma must participate in proposing, implementing and monitoring policies which apply to them. The Commission therefore welcomes the contribution made to the summit by non-governmental organisations, for example the declaration from the EU Roma Policy Coalition. Unprecedented progress has been achieved this year on Roma integration through the combined efforts of the EU and the Member States and through cooperation founded on mutual trust and good will.

In the opinion of the Commission the most important conclusions of the summit were: the undertaking to promote the individual rights of Roma men, women and children; an acknowledgement of the fact that the EU and the Member States have a shared responsibility to support Roma integration in their different spheres of activity; an acknowledgement that the EU must support the Member States in carrying out their policies via coordination and financial support from the structural funds; a consensus that it is necessary to support culturally sensitive approaches focused on Roma which will promote their integration into the mainstream in terms of education, employment and communities without excluding other similarly disadvantaged members of society.

The Commission also gave a clear message at the summit that it will take all essential steps within its sphere of activity towards improving the situation of Roma and that it would ensure that they are able to make full use of the fundamental rights guaranteed in the Charter. The Commission will not hesitate to intervene where there is a breach of Community law, and that includes fundamental rights.

In relation to the conclusions of the summit, President Barroso and I have proposed the creation of a platform for Roma inclusion. This would provide a framework for bilateral meetings at a high level so that, for example, financial instruments supporting the policies of cohesion and rural development may be better targeted at Roma integration. In addition to this, the platform would constitute a concrete fulfilment of the Commission's promise to make the instruments and policies of the Community more effective and to report on results achieved.

In connection with the conclusions from the June meeting of the European Council, the Member States should now evaluate progress to date and increase their efforts towards full Roma integration. The Commission will of course support the Member States. Apart from this, the Commission is looking forward to the meeting of the Council for General Affairs on 8 December, at which proposals will be debated in respect of the conclusions on Roma integration.

IN THE CHAIR: MR SIWIEC

Vice-President

Livia Járóka, *on behalf of the PPE-DE Group*. – (HU) Mr President, Commissioner, Minister, ladies and gentlemen, over the past year, significant progress has been made in gaining recognition at European level for the fact that the integration of the 10 million Roma living in destitution within the Member States, and the full realisation of their rights, is in the interest of all European societies.

I feel that this process has now nevertheless ground to a halt. According to the European Parliament and non-governmental organisations, professional monitoring and European Community oversight are needed, for although the Member States have indicated in the plans submitted to the European Union their intention to integrate the Roma living within their borders, their nationally adopted budgets and the results to date do not support these declarations.

The individual projects financed from EU sources have not yielded striking results. The exclusion of European Roma from the economy and from housing, their lack of access to quality education, the troubling health care indicators have not improved but rather deteriorated, and continue to weaken Europe's social cohesion.

Professional efforts are needed that are much more comprehensive than the project-based approaches to date, and they must address both Roma and non-Roma society in order to develop the areas mentioned in a way that transcends parties and cycles. A fundamental condition for the success of these efforts is that future presidencies also commit themselves to the joint European actions prepared under the French Presidency.

It is essential for immediate measures to be taken aimed at gaining acceptance for the Roma and harnessing their economic capacity in the service of European development. From the start of the cohesion policy until the enlargement of 2004, there were some successes, but to have to wait three more decades is far too long. This situation requires nothing less than crisis measures. The Roma ghettos can only be eliminated by the reintegration of their several thousand inhabitants into the labour market, and by maximum use of new and undeveloped areas of the economy – such as renewable and alternative energy or environmental protection – and the creation of quality integrated education.

The Roma's own identity, their national identity deriving from their home country and their social and economic identity must be strengthened simultaneously. The inclusion of a EUR 5 million pilot project in the 2009 budget guarantees that we can talk about this issue, but the process must not stop there. Instead of bilateral meetings, we need an EU strategy that can create new elements, legal foundations and potential sanctions as well as monetary mechanisms.

Jan Marinus Wiersma, *on behalf of the PSE Group*. – (NL) Mr President, in recent times, the European Parliament has emphatically spoken out in favour of developing a long-term strategy for the integration of the Roma in Europe. Over the past year, it has become clear that more needs to be done in this area, primarily by the Member States, but also by the European Union. The Council will soon be addressing this subject again. This alone is a sign that our Heads of Government set great political store by effective policy, with good reason, to counter discrimination of the Roma and their social and economic exclusion.

This subject is also high on the Commission's agenda. In September, it organised the first Roma Summit, in which representatives of the Member States, the Commission itself and in particular representatives of the Roma civil society were given the opportunity to make recommendations regarding European Roma policy.

As part of the European Roma strategy, a high-level political meeting should be an annual fixture with a view to checking progress on policy, exchanging positive experiences, but also – should this prove necessary – sounding critical notes. I hope that the Commissioner can commit to this today.

More needs to be done, though. This is why the European Council has to set the Commission a clear and specific task to develop a broad, strategic and long-term policy framework in a bid to break the vicious circle of exclusion in which generations of European Roma are trapped.

There is no reason to wait any longer with policy proposals. It is obvious what needs to be done: countless studies and policy recommendations have mapped out the bottlenecks. The resolutions of the European Parliament give a clear and specific summary of possible policy initiatives.

Viktória Mohácsi, *on behalf of the ALDE Group*. – (HU) Mr President, on 31 January, in this very Chamber, we adopted with a large majority the Parliament's resolution clearly requesting the European Commission to create an EU Roma strategy. Education, housing, employment and health were identified as four priority areas in which material and human resources were to be provided.

The Commission statement we have just heard is not a very convincing statement, and I must say honestly it reminded me eerily of the propaganda statements of Eastern European socialist dictatorships. As in those days, so today we hear of nothing but success, development and other positive messages, while in reality the Roma are still living in camps and ghettos, are daily confronted by humiliation, discrimination and in the worst case by racist attacks, as a result of which nearly 30 thousand Roma from Italy alone are wandering across the territory of the European Union seeking a home at last in one of the Member States.

Mr President, I am holding in my hand a letter from Vice-President Barrot dated 6 November, in which he assures me and four of my fellow Members that – and I quote – ‘regarding the EU Roma strategy we can be sure that he will work closely with Commissioner Špidla to see that it meets the expectations of Roma non-governmental organisations’. However, there is no mention of a strategy, but only of a Roma integration platform. How can this be explained?

Regarding the European Roma summit, I have heard only criticism from the non-governmental organisations of the fact that they expected far more from this historic summit, and that they were not included in the preparations. But I will go even further: it is still not clear how the Berlusconi government has reported to the European Commission on the results of the fingerprinting.

Daniel Cohn-Bendit, *on behalf of the Verts/ALE Group*. – (DE) Mr President, Commission, Council, this discussion is a bit hypocritical. We must call a spade a spade. We have a problem with the Roma, and this is that they are strongly rejected in most societies to varying degrees. Italy was mentioned, the Czech Republic and Romania are familiar with examples of real pogroms, racist attacks.

In this situation the European Union should do one thing, namely, give the Roma the status of a European minority. In other words, official recognition is the first step towards combating exclusion. Secondly, we should then develop a strategy with the Roma which must, however, comprise two parts. A strategy for the Roma who are settled, and a strategy for the Roma who travel around. For the travellers cannot be made to settle by force or those who are settled made to travel. It is a difficult problem. I was responsible for Roma in Frankfurt for six years and I know how difficult the day-to-day work is.

But the fundamental problem is – and that is why what has been said about the organisation is also correct: if we do not establish structures with the representatives of Roma organisations, we will fail because we will always talk paternalistically about their problems and not try to solve their problems together with them – including their objections. We talk about schools, for example. However, there are Roma families who do not want to send their children to school, and others who do want to send them to school. These are different problems. I therefore agree that we should stop giving such positive status reports as ‘We are concerned’ and ‘We have programmes’ and so on, when we know that it does not work.

In short: firstly acknowledge the problem more clearly and secondly integrate the Roma organisations into the process more radically.

Roberta Angelilli, *on behalf of the UEN Group*. – (IT) Mr President, ladies and gentlemen, I fully agree with the approach adopted by the Commission with regard to Roma. I understand the pragmatic approach free of any political and ideological implications, an approach – as President Barroso said at the summit held in Brussels on 16 September – which needs all leaders to be involved, without exclusion, from the Roma community to the public authorities, headed by the European Commission.

Policies on Roma certainly come under the remit of Member States, but it is a good thing that they are finally being coordinated at Community level. Good practices should be coordinated and the use of funds be monitored on a regular basis. How many resources have been squandered over the last few years? How many opportunities have been lost? Looking at the real situation and taking account of proper exceptions, the budget is unfortunately in deficit. Too many funds have not been used, too many have been wasted on measures and projects which have produced no results. If we want to be serious about this, we cannot pretend that this has not happened. In this respect, we can really say: 'whoever is without sin, cast the first stone'. The Commission has produced a useful document for Member States. Everyone must now do their bit, starting off by relentlessly combating every form of racism and discrimination and advocating serious integration policies, which will primarily have three priority areas: education, vaccinations and health care, as well as professional training and work start programmes, also using micro-credit funds.

But we should ask the Roma people to assume their responsibilities. Just let me give you an example. We must absolutely stop tolerating Roma parents forcing their children to beg, taking them out of educational activities to do so. Exploitation and illegal activities cannot be tolerated at all in any form. It is only by combining solidarity, integration and respect for regulations that we can find the right strategy for resolving these problems.

Giusto Catania, *on behalf of the GUE/NGL Group*. – (IT) Mr President, ladies and gentlemen, after the resolution was approved by this Parliament, we went to visit Roma camps and we were able to see with our own eyes how they welcome people and how they live. We visited the camps in Rome and we were able to ascertain that, in reality, Roma really need special protection, if only because since the EU's expansion, they have become one of the larger minorities in the European Union. We need to ensure that this minority is recognised as a European minority for all intents and purposes.

The efforts which have been undertaken during these last few years have been disorganised and have not been coordinated by the European Union. So much money has been squandered and has failed to make any structural and lasting improvements to the Roma's situation, especially in areas such as education, housing and employment. We witness racial discrimination on a daily basis, both at local level and in programmes which are not geared towards integration. We also constantly witness discrimination by the police or even racial stereotyping by governments, which are thinking about registering Roma using fingerprinting or other forms of registration. There is a real campaign of criminalisation being conducted in Europe against the Roma community. Every day we hear statements from political figures which are tending towards this, from both right and left.

I hope that Mrs Angelilli can convince the leader of her party, who is also President of the Italian Chamber of Deputies, that Roma can be integrated, contrary to what he has said in public.

Frank Vanhecke (NI). – (NL) Mr President, I apologise to the previous speaker, but the proposition that the major problems involved in living with Roma can simply be reduced to discrimination or prejudice may be politically correct but, in reality, it does not hold water at all.

Roma people themselves stand by a number of customs that are difficult, if not impossible, to reconcile with the basic standards that apply in most European countries. Huge unemployment among the adults and the shocking levels of school absenteeism among Roma children are not in the first instance the result of any discrimination whatsoever.

Last week, the Italian Court of Cassation decided that begging by gypsies forms an integral part of the Roma culture and cannot, therefore, be prohibited. I wonder where this is going to take us. As for me, I would argue in favour of a very respectful and humane, but at the same time unambiguous, approach.

Anyone who wishes to live in our society should respect its laws and standards. Begging, keeping children from basic health care, or worse, systematic school absenteeism, are altogether wrong in our society.

Magda Kósáné Kovács (PSE). – (HU) Mr President, today's debate is part of a process, in which important decisions remain to be taken, and hence I emphasise once again that one may safely refer to the living

conditions of the largest minority in Europe as comparable to that of the developing world. They can, of course, be further denigrated by claiming that it is their own fault, whereas it is precisely their educational, housing, health and employment situation that resembles that of the developing world. Without immediate, concentrated and targeted external assistance, these 10–12 million people have no chance to break out of their poverty and exclusion. This degree of social exclusion impedes the basic fulfilment of the Roma's human dignity and equal opportunity.

Europe is already several decades past the time when it could contemplate from a distance the fact that alongside such great economic potential, there could be such large numbers of people on its territory living from generation to generation in social exclusion. At no stage did economic development on its own open up a true path of mobility to those at the bottom of the social ladder.

Our responsibility is shared, first of all because the situation of the Roma has not changed fundamentally in the new Member States after enlargement or in the candidate countries while awaiting enlargement. At the same time, anti-Romani sentiment is becoming an increasingly open rallying cry for extremist views in Europe, one to which we must call a halt. The fact that the topic has been placed on the agenda indicates that there is much for us to do: Commissioner Špidla has enumerated many of the tasks ahead, supplemented by my fellow Members. Let us combine our tasks, and the topic will be before Parliament again in February.

Jiří Maštálka (GUE/NGL). – (CS) Ladies and gentlemen, as the shadow rapporteur of the Committee for Employment and Social Affairs I would like to express my enormous appreciation for the work of both the Commission and the rapporteur in seeking so diligently for a positive solution to the problem of one of the minorities within the European Union. The debate showed, I am afraid, that the words of Commissioner Špidla were either poorly translated or poorly understood by either Mrs Mohácsi or Mr Cohn-Bendit. I come from the Czech Republic, a country that has been frequently and in my view quite unfairly criticised in this context and which has had a lot of experience with the problem. On the basis of this I would like to make four points. I agree with the Commission that the problem can be resolved only by linking up regional, national and European structures to the greatest extent possible. Secondly, I agree with the opinion that we currently have enough instruments for carrying through integration policies. Thirdly, I would like to express my fundamental agreement with the opinion of the Commission and some of my fellow MEPs that the key to a successful solution also depends on the cooperation of the Roma minority representatives themselves.

Adrian Severin (PSE). - Mr President, the Roma are a pan-European ethno-cultural community with dramatic social and economic problems. These problems should be addressed primarily by the European Union, through an appropriate common policy which requires clear legal bases.

We cannot turn into reality the fiction of the Roma national citizenship when Roma opt out from taking the nationality of a particular state. Roma are European citizens without a national project. Therefore the models usually applying to the national minorities at the level of the nation state do not work. Roma social and cultural integration is a transnational matter and consequently it is first and foremost the responsibility of the European Union.

Of course, Member States also have their responsibility concerning Roma in terms of non-discrimination, social inclusion and affirmative local measures. But these responsibilities should be seen as having a subsidiary character. When the Commission emphasises that the main responsibility lies with the Member States, in fact it refuses to undertake its natural responsibilities and goes back to a model which has been proven to be inefficient.

We must establish, we must create, a European public space for Roma, a mechanism for effective participation of Roma in policymaking and policy implementation. Without that we cannot really solve the problem. We cannot have a real strategy.

Katalin Lévai (PSE). - (HU) In spite of the fact that the European institutions have shown their commitment to respecting European values and fundamental rights and to combating discrimination, the real picture of the integration of the Roma within Europe is discouraging. The majority of Roma in Europe live in poor social conditions and the problems they struggle with have remained unchanged for years; the chief of these are the problems of social exclusion, lack of employment, school segregation and the multiple disadvantages faced by Roma women.

At a time of economic crisis in Europe, it is easy to seek a scapegoat among the representatives of the most vulnerable social groups, and hence violent actions against the Roma are multiplying, targeting innocent people with attacks that have had fatal consequences on more than one occasion.

In such a situation, the solution is not to collect fingerprints in an ethnically discriminatory manner, or to form law enforcement bodies or militias whose actions are intended to instil fear in decent people in order to frighten them away. The real answer is a European Roma strategy, built on five areas: education, employment, housing, health and active participation in society on the part of the Roma. Without such a European Roma policy, there can be no national Roma policy either.

Zita Pleštinšká (PPE-DE). - (SK) The European Union has an obligation to adopt a strategy on Roma, although the Member States should also be more active in this area. I myself live in a Slovak region where Roma make up around 10% of the population. Thanks to this, I am intimately familiar with their specific socially disadvantaged situation. The main responsibility lies on the shoulders of local self-government representatives, who are often left alone to deal with very complex issues, related primarily to employment, as a consequence of the Roma population's low level of education.

If we are to find balanced solutions, we must involve in the dialogue first and foremost representatives of the Roma minority who are intimately familiar with the problems of this community. Only then can our solutions be effective. The European Social Fund is the most important instrument for people's integration into the labour market. I call on the Member States to ensure that excessive administrative obstacles do not discourage NGOs and local self-governments from seeking European Social Fund funding for projects which assist in the effective resolution of the Roma issue.

Marusya Ivanova Lyubcheva (PSE). - (BG) I support, in principle, the position of the Commission. In spite of the often discussed problem concerning the Roma community, we still have not found the most apt solutions which would lead to their lasting integration into society. In my opinion, this applies for all Member States. The base cause continues to be the ethnocentricity of the problem. It is as if we have 'ethnified' the social problems of the Roma and treated these as problems solely belonging to a separate ethnic group. We need to change approach. Yes, an overwhelming section of Roma are poor and do not have access to shelter and adequate education, however these problems do not apply only to them. The combination of these social problems into one separate, ethnic one leads to open discrimination. Because of this, their integration has become more complicated, more intensive and solving their problems has become more difficult. Therefore it is important that we implement a policy for the protection of individual rights and that we have a base instrument: subsidisation.

In Bulgaria we have a large number of problems which we associate with the Roma and this has driven us to introduce steps for the preparation of a framework programme to resolve the social preconditions causing their ethnic discrimination. We offer an exchange of positions on the base elements of the framework programme with other Member States to whom this is a problem of considerable extent.

Elly de Groen-Kouwenhoven (Verts/ALE). - (NL) There is, to my mind, a likeness between the Roma issue and the issue of race in the United States. Whilst they have managed to resolve it – partly at least – and they have made good headway with Obama's victory, the scandal – for want of a better word – still persists in Europe.

Why did we all adopt this resolution in the plenary here in January? There was a good reason for it. The resolution stated, among other things, that we are in favour of a Roma unit within the Commission, a European Roma strategy, a general approach involving cooperation between the Member States and the Commission, as well as a Roma to Roma approach, as developed by the OSCE (Organization for Security and Co-operation in Europe). Nothing has come of it, except a summit meeting where there was even more talk without cooperation from, or with, the Roma.

I can tell you that the Roma community, with whom I have enjoyed ten years of close cooperation, was extremely disappointed with the result. I am sorry, Commissioner Špidla, that I cannot enthuse about your platform, which is yet another forum for debate, albeit at high level, in the framework of bilateral meetings. We have done plenty of talking. If there is anything we need, it is action.

I recently read an article that started with the words: we are about to have a bloodbath. There are uniformed vigilante patrols in a number of European States who provoke the Roma people. Should we wait until we get situations like those in Italy, where entire camps go up in flames?

Hannes Swoboda (PSE). - (DE) Mr President, I should like to apologise to the House and to the President for arriving so late, particularly as I am the one who is always warning colleagues in our Group to be punctual. Therefore it is doubly embarrassing for me.

I should like to make just one observation. I have listened to both Mr Jouyet and the Commissioner. We agree fully on the objectives, but the urgency, the insistence of the European Union with regard to the Member States – and also to the candidates or potential candidates – is not strong enough.

What we have recently seen in Belgrade and in other countries, for example, but also within the European Union, has already been mentioned. It is scandalous that we are still talking about Roma camps today. Therefore, I would urgently request both the representative of the Council as well as the Commission to warn and call on the Member States more strongly to perform their tasks in full at last. The picture is not as rosy as it is sometimes depicted here.

I am grateful to Mr Cohn-Bendit for being so tolerant as to let me speak.

President. – I am chairing this sitting, not Mr Cohn-Bendit. We just moved to the catch-the-eye procedure. That is why you took the floor, so there are no privileges at all.

Jean-Pierre Jouyet, President-in-Office of the Council. – (FR) Mr President, I would like to say that this has been an extremely important debate for the Council. What I have taken from it is that, as many of you have emphasised, the Roma as a group are disadvantaged, and are very vulnerable to poverty, discrimination and racist attacks. That has been said, and unfortunately it is true, as many of you have emphasised.

As Mr Severin, Mr Cohn-Bendit and Mrs Mohácsi all quite rightly said, it is also clear that we must not harbour false optimism, and that the strategy will be extremely difficult to implement. As you stressed, in our daily work, we need to make a distinction between those who have become sedentary and those who remain nomadic. They are not the same thing: their practices and living conditions are not the same. In day-to-day practice, even though we really want to help, it truly is very difficult in reality. We must not fall prey to naïve optimism: we need to take determined, ongoing action, and I would say to you, Mr Severin, that the fact that the work of the Council in this area was initiated by Romania is also a good sign and that the fact that the Council has taken up this issue at the behest of your countrymen is extremely important.

In my view, we need to be aware that we have a long road ahead of us: we need to be clear about that, as you have been. I think that the only possible response is, as has been said, to set up structures and associations. That is what we are trying to do, but it is, indeed, extremely difficult.

Second, as you have underlined, it is vital that we take a European approach to this, not least because it is very much a cross-border problem, not at all a purely national one. It is also obvious, though – and I am saying this for the Commission and in relation to the comments made – that we have to be quite clear about the fact that the Member States also have specific responsibilities in this matter. We can only take legislative initiatives at European level if they fall under the competences granted to the Union in the Treaties today. We must – and I would say this both to Mrs Angelilli and to Mrs Járóka – also take real action at national level.

To summarise, therefore, I think that, this year, we have seen a growing recognition of the phenomenon – even if, as you will admit, it has been too slow. I am not sure if we need to follow up on what has been said, and on what basis we can do so, regarding the problem of minorities. Moreover, the Council must continue its work and, above all, the Member States' actions and the measures actually taken both at national and local level must be stepped up, because the current situation is inhumane and unacceptable. We also need to recognise, though, that this really is a very complex problem in practice. Many thanks for your comments.

Vladimír Špidla, Member of the Commission. – (CS) Ladies and gentlemen, the Commission considers the situation of the Roma to be ethically and politically pressing and it is of course prepared to do everything within its power to contribute towards a cohesive approach and to strengthen synergies both at a European level and at a level of the policies of the Member States, in order for the Member States to focus more on developing policies aimed at the inclusion of the Roma rather than policies which often lead to their continuing exclusion. The Commission is pushing for the Member States to tackle this in a culturally sensitive way, taking account of the special needs of the Roma but at the same time striving to give them access to the mainstream, to education, the labour market and housing. The Commission, however, cannot pretend that it is able to represent the Member States in this area, as this would be not only ineffective but also unfair.

Ladies and gentlemen, there is clearly a need to redouble our efforts but, despite the fact that we are still far from achieving our goal, it is clear that things are beginning to move, since the first European forum on the Roma in itself marks a change. The fact that the Roma question is being taken up by the European Union and that this will now be a regular issue at the highest levels also marks a change. If we can get the Roma

platform up and running efficiently we will have established a proper foundation from which we will be able to monitor developments, provide suggestions and provide far better policy coordination than has hitherto been the case. Ladies and gentlemen, allow me to return to the beginning of my speech. The Commission considers the situation of the Roma to be ethically and politically pressing and it will do everything within its abilities and powers.

President. – The debate is closed.

Written declarations (Rule 142)

Marian-Jean Marinescu (PPE-DE), in writing. – (RO) We need to recognise that sufficient progress has not been made in integrating Roma since the Commission launched its first appeal to this effect in 2005.

An initial step towards this would be to create a policy for promoting education for Roma. This policy has to be handled not only by the state, but also by non-governmental organisations which no longer need to make it their main objective to identify acts of discrimination, but to educate ethnic groups. This solution is not only based on making the public authorities face up to their responsibilities, but the Roma communities as well.

Some of the causes of unemployment which Roma face are due to illiteracy, a lack of education and professional qualifications, not to mention a lack of access to information.

Educational reform for this ethnic group can be carried out in three ways: reducing the level of illiteracy, ensuring studies are completed, and professional specialisation and reconversion. This reform needs to respect Roma's specific culture and traditions, while also linking the education system to the values of European culture and civilisation.

I invite the Commission to draw up a single plan for integrating Roma at European level, based on cooperation between existing inter-governmental and NGO projects. This also includes projects involving representatives from educational institutions. The aim should be to raise the status of access to high-quality education so that it becomes a basic objective of the Community's policies.

15. Israel's participation in Community programmes - Israel's participation in Community programmes (debate)

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

- the report (A6-0436/2008) by Mrs De Keyser, on behalf of the Committee on Foreign Affairs, on the proposal for a Council decision on the conclusion of a Protocol to the Euro Mediterranean Association Agreement establishing an association between the European Communities and their Member States of the one part and the State of Israel of the other part, on a Framework Agreement between the European Community and the State of Israel on the general principles governing the State of Israel's participation in Community programmes (05471/2008 – C6-0180/2008 – 2007/0241(AVC)) and

- Council and Commission statements concerning the State of Israel's participation in Community programmes.

Véronique De Keyser, rapporteur. – (FR) Mr President, we asked in plenary for the vote to be deferred, and I am delighted about that, but, as rapporteur, I feel I need to explain myself.

As Mr Salafranca pointed out earlier, it is quite correct that, on 6 November, Parliament's Committee on Foreign Affairs adopted two proposals on Israel's participation in Community programmes: one was an assent, and the other a resolution. Both proposals were adopted by a huge majority – the vote on the resolution was actually unanimous.

What did these texts contain, and what message did the Committee on Foreign Affairs wish to send Israel? The assent was positive: it agreed to Israel's participation in the Community programme, given that it was already participating in the Seventh Framework Programme for Research, that its application related solely to the 'innovation and technology' programme, that all member countries of the neighbourhood policy are entitled to apply to participate, and thus that it constituted neither a special favour to Israel nor a reassessment of its political status.

The association agreements are based on respect for human rights. Members therefore wanted to provide a political framework for this assent in the form of a very decisive resolution calling for recognition of the interim association agreement between the European Union and the Palestine Liberation Organisation (PLO), for stronger control of and sanctions against imports of Israeli products from the occupied territories under the preferential importation scheme, and for the results of scientific cooperation to be used for civilian purposes. The Commission should produce an annual report enabling Parliament to assess compliance with these conditions. In short, the resolution was positive but firm, and was the result of long negotiations with the various parties, who have shown exemplary commitment to the compromise reached, for which I thank them.

So, why are we now hesitating, raising our fears and, ultimately, deferring the vote? Essentially, Mr President, because the humanitarian situation in Gaza has become intolerable. When the European Parliament's delegation, of which I was a part, went to Gaza in early summer, the living conditions of the people there were already alarming; another delegation went to the occupied territories in November, and came back with exactly the same report. Nothing is moving, the situation is catastrophic, and the blockade, far from weakening Hamas, has radicalised it.

Three days ago, Louis Michel pointed out that the continued closure of Gaza's crossing points was a form of collective punishment of Palestinian civilians, contrary to international humanitarian law: it was our own Commissioner who said that. The United Nations Relief and Works Agency (UNRWA), the agency that works with refugees in Gaza, has launched appeals for aid, as have Oxfam, Amnesty International, *Médecins sans frontières* and a number of other NGOs that cannot even use the Erez crossing at the moment.

Just today, I learned that our Pegase instrument has completely stopped working in Gaza, that it can no longer guarantee energy supplies, that the salaries and pensions of officials in the Palestinian Authority are no longer being paid, and that payments to the poorest people have also been suspended. The UNRWA has also had to suspend its programme of aid to the poorest people in Gaza. This is unacceptable, Mr President, it cannot be tolerated, and it is why I, against my will, supported deferring this vote.

Right now, the political 'upgrading' of Israel is being discussed at Council level in a great rush and in complete obscurity; and it is precisely this opportunity for upgrading that, today, right now, stands out in the political context of the region and is earning us hundreds and hundreds of e-mails from citizens. The Council therefore needs to improve transparency concerning the debates currently in progress and to be answerable to the citizens of Europe.

For Parliament today, it is quite clear: we want humane living conditions for Palestinians and an end to the blockade of Gaza. This blockade is doing nothing to weaken Hamas, but causes intolerable suffering for innocent people, half of whom, by the way, voted for Fatah in the 2006 elections. That vote is, in fact, still valid. We are holding out our hand to Israel, but we will not give up the core values on which the European Union is built. The ball is now in Israel's court.

I will take this opportunity – and I apologise, Mr President, you can deduct this time from my two minutes later – I will take this opportunity to condemn the political pressure, slanderous campaigns and accusations of anti-Semitism that have been levelled at Members who are simply standing up for peace and justice. I would also pay tribute to all our Jewish friends, both in Israel and elsewhere, these new righteous men who, in extremely difficult conditions, also want peace and call for compliance with international law. Let us work together to achieve this. We need to break the siege of Gaza, and taking a military approach to this, as I have heard recommended, would be pure madness.

Jean-Pierre Jouyet, *President-in-Office of the Council*. – (FR) Mr President, Mr Verheugen, Mrs De Keyser, ladies and gentlemen, I would like to begin by thanking Mrs De Keyser for this excellent report. Like her, I too observed that, earlier, a majority in Parliament voted to defer the vote for the reasons she raised.

From the Council's point of view, Israel's participation in the Community programme needs to be seen from the perspective of the upgrading of the Union's bilateral relations with Israel, in which regard the Council sent a signal on 16 June at the 8th Association Council with Israel. This upgrading fits in with the strengthening of the European Neighbourhood Policy.

The Council is convinced that this upgrading benefits both parties, and is not only in the interests of the country that we are bringing closer to the European family. It also serves Europe's interests, in that it allows us to forge closer links and greater trust with new sections of the Israeli population, be it its students, its researchers, its businesses or its technicians.

Europe will thus be in a position to provide concrete proof of the benefits of multilateral cooperation in the form of peace and prosperity. I would say to Mrs De Keyser that such lessons come at a price in a region such as the Middle East. Europe will thus be able to speak the truth more forcefully and more credibly, which will engender greater trust.

I have listened closely, in this respect, to the expectations expressed, according to Mrs De Keyser, within the Committee on Foreign Affairs. I am referring, of course, to the message she mentioned on the complete and immediate freezing of settlement, on the need for progress on the peace process with the Palestinian Authority, on lifting the restrictions on the people of Gaza and the West Bank, and on the vital need to improve the lot of the people of Gaza affected by the blockade, as the European Parliament's delegation saw recently.

Rest assured, ladies and gentlemen, that these expectations are shared by the Council and, I am sure, the Commission. In this respect, the declaration of 16 June 2008 includes some very clear statements both on the political context surrounding the upgrading and on the messages that Europe intends to send to Israel on this occasion.

It is true that Israel has been aware of these messages for years, as you know. I am among those who find it regrettable that these messages have not been listened to properly, but the Council's gamble in June was to make use of the upgrading of bilateral relations to send the messages with greater force, at a higher level, and to a greater variety of contacts. That is what the Council is doing.

You also raised the point that Europe's invitation to join certain Community programmes has been extended not only to Israel but to all countries in the neighbourhood policy, including in that region.

Mr President, Mr Verheugen, ladies and gentlemen, the European Parliament has the opportunity today to make a contribution to the process of regional cooperation that Europe has launched in a region critical to its own security and prosperity.

I hope that, when the time comes, in view of the vote taken just now, you will follow the recommendation proposed by your rapporteur and that, in the resolution you wish to adopt in the same connection on the positions set out on this subject on the fringes of the Association Council, you will support the positions that, the Presidency is convinced, reflect a wise balance that has been a long time in the making between the governments of the Member States and that serves the cause of peace and stability in the region.

Günter Verheugen, Vice-President of the Commission. – (DE) Mr President, President-in-Office of the Council, ladies and gentlemen, in December 2006 the Commission proposed fully integrating the partners in the European Neighbourhood Policy into the implementation of certain policies and into a series of Community programmes. Fields such as research and development, innovation, competitiveness, consumer protection and information society, to name but a few, were at the forefront of our considerations.

The Council has taken up this proposal on several occasions. In March 2007 it supported the Commission's proposal that all partner countries should always be enabled to participate in certain Community programmes.

Israel is the first of our partner countries in the Neighbourhood Policy which this year formally concluded a protocol on a framework agreement with the European Community on the general principles of its participation in Community programmes.

The Commission welcomes this outcome because it underlines our long-standing, close collaboration with our partner Israel. Since 1995 Israel has held full associate status in the Framework Programme for Research and Development. Over the years, this close collaboration has led to many joint projects, incidentally with substantial results, which I was able to see for myself on the spot in Israel last year.

The high quality of Israeli researchers and Israeli universities makes Israel a highly interesting and valued partner. In the field of innovation too, Israel can make a significant contribution, which is advantageous for both sides because in the medium term the way will be opened for much closer industrial cooperation. Meanwhile, the dialogue initiated at that time by Prime Minister Olmert and myself between companies from the EU and Israel has got off to a good start and is producing results.

Furthermore, Israel is already taking part in the Entrepreneurship and Innovation Programme, one of the three pillars of our competitiveness and integration programme. That is a programme of particular importance for small and medium-sized enterprises. Both sides are combining great expectations and hopes with strengthened cooperation. Therefore, the last EU-Israel Association Council last year underlined that it wanted to intensify relations with Israel based on the Common Action Plan.

Without doubt our relations are capable of expansion. Everything which contributes to making it easier for people to meet, bringing together journalists, artists, researchers and entrepreneurs, everything which serves dialogue and promotes mutual understanding, deserves our unconditional support. This will have a positive effect on our existing dialogue on human rights.

The further strengthening of our relations with Israel, a heartland in the European Neighbourhood Policy, is in the strategic interest of the European Union. The Council decision discussed here today fits in this context, thus making an important contribution to the strengthening of our cooperation with Israel. I therefore ask you, ladies and gentlemen, to support the draft resolution and to vote for the Commission's proposal.

Jana Hybášková, *on behalf of the PPE-DE Group*. – (CS) Mr President, Commissioner, President-in-Office of the Council, I consider what has taken place today to be an unprecedented use of parliamentary procedure. Our Group of the European People's Party (Christian Democrats) and European Democrats was prepared to support fully the socialists' report, including the socialists' amendment proposals. It was the socialists themselves who refused to vote on their own report. The report has nevertheless been passed by the Committee for Foreign Affairs, it is on the table and it is essential to vote on the report within the lifetime of this Parliament. Our group is fully determined to debate and adopt the report.

That which took place today damages Europe. Europe wanted to secure a return on its financial donations, it wanted to secure influence in the Middle East and it wanted to secure a chance to contribute to the peace process. Today we have thrown away an instrument that would have put us into this position in return for our money. Europe has also thrown away a major support in the area of research and development, it has thrown away a support linked to the development of science, research and technology, the fight against terrorism and the improvement of human rights in the Mediterranean region. I believe that talks on an action plan, as proposed by the Commission and the Council, will continue. I also believe that, under the Presidency of my own country, there will be an improvement in relations between Europe and Israel. But the case remains that our Parliament has thrown away its influence through becoming today a place where dark, non-European forces have triumphed, forces that do not want the situation in the Middle East to improve. And I believe it is absurd to place the European Parliament in opposition to our own states and our own intentions. We will therefore continue.

Hannes Swoboda, *on behalf of the PSE Group*. – (DE) Mr President, Vice-President of the Commission, Mrs Hybášková, let us keep our feet on the ground. You have also considered that we will not vote today. We should really stick to the facts. As the Social Democrat Group, we are right behind the rapporteur and also voted in favour in the committee as a result of our conviction on the matter. The Vice-President of the Commission and you yourself have actually said that too.

However, we are not living in a hermetically sealed room, we are living in a political situation. Imagine if we simply did not agree with anything you or I said with regard to this catastrophic, inhuman situation in Gaza and behaved as if nothing were happening there? However, that is not the reality of the situation. Mr President-in-Office of the Council, you have said this is a contribution to peace. Do you really think that in the current situation it is a contribution to peace. It is possible that the situation will not change, unfortunately. We will vote at some point, although the situation is not serious. However, we must at least send a signal.

Mr President-in-Office of the Council, the question remains unanswered: how do people think it will be received in the region as a whole? How do people think it will be received in Palestine and in other countries if at precisely this time we reach an agreement with Israel as the first country, while on the other hand human rights are being brutally trampled under foot, not only by Israel. It is quite clear – our Group has always ascertained this – that any kind of terrorism, be it rockets or other attacks, is to be utterly condemned.

Our Group has supported this motion by the Group of the Greens/European Free Alliance and the Confederal Group of the European United Left because we want to give a signal at least once at this time that we simply cannot accept this situation in the Middle East. Yes, this cooperation will take place. Do not worry, you know quite clearly that this cooperation will take place and that that is not the end of a process but a clear signal. Yes, we want cooperation with Israel, but we also want peace in this region at last and no repression of the people.

Annemie Neyts-Uyttebroeck, *on behalf of the ALDE Group*. – (NL) Commissioner, Mr Jouyet, as it befits a responsible group, we have long discussed the question whether or not we should vote to defer the vote on both the draft resolution and the approval of the protocol; opinions in our group were divided. It was about 50/50, with a small majority to vote after all, and so my group was divided when it voted on this matter.

This divided stance can partly be attributed to our great concern with regard to the situation in the Middle East and with regard to the conflict between Israel and Palestine. I do not know anybody, myself included, who has visited the occupied territory and has not returned filled with great concern, great compassion and anger in respect of the situation that exists over there.

What is most disconcerting and alarming is that, since the Annapolis Agreements, Israeli policy has only become worse, stricter and tougher. You do not need to be of ill will to wonder whether Israel, or some forces within that country, backed by the Israeli army, is not in the process of creating irreversible situations within the occupied territories, to such an extent that a two-state solution becomes unattainable.

I can therefore understand that we wanted to send a message to Israel by deferring the vote, because we do not want to create the impression that we are rewarding that country in a time when the day-to-day situation is deteriorating for more than a million Palestinians who live in Gaza. I hope that, in the coming weeks and months, changes will take place such that we will be able to approve both texts with more confidence.

David Hammerstein, *on behalf of the Verts/ALE Group*. – (ES) Mr President, it is facts that count, not words. Facts are worth a thousand times more than words. We have adopted many resolutions in this Parliament. Yes, there have been criticisms and good intentions in many of the resolutions that we have adopted, but the facts are more important.

It is a fact that a year of talks within the Annapolis process has failed. It is a fact that the settlement process is continuing. It is a fact that the situation in Gaza is worse than ever. It is also a fact that today, while we are talking, there are confrontations going on between settlers and the Israeli army itself.

I want to be able to vote on this resolution in a few months' time. I want us to be able to deepen our relations with the State of Israel. That is because the true friends of Israel, those of us who love Israel, dare to speak the truth. The truth is that the occupation as it exists today cannot continue any longer. It cannot go on any longer. We have to send out the message that the European Union's actions are conditional on a process of peace and basic respect for human rights. In that way we will be able to move ahead. We do want more and better relations with Israel and with the Palestinians, and we have to demonstrate that through clear conditions and clear actions, and not just words.

Luisa Morgantini, *on behalf of the GUE/NGL Group*. – (IT) Mr President, ladies and gentlemen, it has not been easy asking for the vote to be postponed, but I think that it has been a necessary measure which I really believe will do the European Parliament credit.

Israel cannot always be above complying with international laws. I would like to say to Mrs Hybášková that cooperation with Israel and the various projects have not been terminated at this point. It is simply the upgrading of relations which has been blocked and suspended, not cooperation, which is still forging ahead. I just hope that it can continue because it is important; even I can acknowledge its benefit. But I would like to reiterate: Israel needs to understand that it must comply with international laws. It is our honour and dignity which are also at stake.

I would therefore hope that the Council of Ministers listens to the European Parliament and shows some consistency for once by telling Israel that it must provide some concrete signs indicating that it wants peace and that it should lift the blockade against the West Bank settlements, which is affecting the living conditions of Gaza's citizens.

Our European Union projects have been blocked. For instance, the Pegaso project has stopped. It is hindered by the blockades preventing goods from entering the area. Tomorrow salaries will not be paid. The UNRRA (*United Nations Relief and Rehabilitation Administration*) is obliged to block aid to the poorest families. It is disgraceful that this is happening! I am not, however, specifically criticising Israel; far from it! Being friends with Israel also means making it face up to its own responsibilities and our own. I therefore hope we can start again, but the message we have given today is important. We have given it to the Palestinians and to all those Israelis who firmly believe in peace, but in peace with justice under law.

Bastiaan Belder, *on behalf of the IND/DEM Group*. – (NL) Mr President, I am happy to endorse all efforts on the part of the Council and Commission to intensify relations with the Jewish State of Israel in our mutual interest; deferring the vote is, to my mind, sending them entirely the wrong message.

Despite this, I am facing the President-in-Office of the Council with very mixed feelings, due to the leaking of a Council document to the daily Israeli newspaper *Ha'aretz* – see last Monday's edition. Based on the leaked document, I should like to put three questions to him.

Do you agree that the title of that document, 'An action strategy for peace in the Middle East', is the way forward? If so, would you force Israel to reopen Palestinian institutions, including Orient House in Jerusalem? Finally, I should like to ask you, if that is what the strategy is like, how do you intend to combine it with improving relations with the newly elected Israeli Government, whatever form that may take? I look forward to your responses.

Luca Romagnoli (NI). – (IT) Mr President, Madam Vice-President, ladies and gentlemen, this time I do not agree because I would argue that Parliament has given a bad impression today by referring Mrs De Keyser's report back to committee – and you will all certainly agree, especially with convening the debate and then the vote at such incredible speed. This makes me think that the left intended, as a bit of an excuse, to block Israel's access to the partnership programme for innovation and research. I would just like to emphasise here that we are talking about one of the few states, if not the only one, where offering it support is not only a sign of solidarity, but also entails growth and development for companies in Europe itself.

No one has yet been able to ask the Palestinian Authority how much support it receives from the Arab League and how it uses it, nor what part of this contributes to dialogue, mutual understanding, as well as cultural and scientific development. I must say, given that so few of the excessive number of centre-right members have been mobilised, the left did a good job, under the pretext of protecting human rights, in achieving its success with the vote. I get the impression, however, that all of this is hindering regional development and perhaps even the peace process. If anything, it calls into question a state's right to security, a right which we should safeguard.

IN THE CHAIR: MR McMILLAN-SCOTT

Vice-President

Pasqualina Napoletano (PSE). – (IT) Mr President, ladies and gentlemen, the rapporteurs who have spoken before me have given a good explanation of the purpose of the package that we have set out this morning to vote to postpone. But I would like to remind you that there are additional aspects to these relations, especially the political aspects, which are being examined by the Council in this development in relations between the European Union and Israel.

There are then those that affect the internal market. I therefore believe that we are all basically in favour of this development in relations between Israel and the European Union, in the same way as we are in favour of the development in relations with the Palestinian Authority. This report, however, must contain clarity and commitments from both sides. As things stand today, we cannot say that these criteria are being met. I would like to remind you not only of the tragic situation in Gaza, but also of the continuing illegal settlement in the territories. This is an issue which affects the marketing of products from the occupied territories and other matters which we are very familiar with.

In my view, the Council must basically make its position clearly understood, if only because it seems to me that the French Presidency has undertaken to present at the next Council meeting a document on the prospects for peace in the Middle East. This may be of great interest to us, even as an opportunity to develop constructive relations. For this reason, I believe that it was a wise decision to request this postponement, providing that we all manage to use this time to alleviate the suffering of the Palestinian population, especially in Gaza. I would like to add that we should also use the time to rebuild relations between Europe and the United States on the basis of a joint initiative on resolving the situation in the Middle East.

Do not forget that 2008 was declared – or would have been – the year of the Constitution of the State of Palestine. 2008 is over and the situation is still awful.

Ioannis Kasoulides (PPE-DE). - Mr President, if the debate today had had as its subject the situation in the Gaza Strip, I might have joined Mrs De Keyser and all the other colleagues across the floor in claiming the same positions. But I am afraid that this political linkage with the upgrading of the participation of one of the ENP countries, and particularly the countries in the Mediterranean, has created a precedent and I do not know where it will lead. We have not listed political conditionality among bilateral relations issues within the ENP policies. In the case of Morocco, for instance, we have never mentioned the Western Sahara or human rights. The same applies in the case of Egypt or any country in the Mediterranean. I cannot understand why this time we have chosen this political link.

Secondly, it is my view that the more you engage in dialogue, cooperation and trust – as Mr Jouyet has said – with any of the countries' partners, the more influence you have on them. We have shut a door today and I do not know how we are going to open it.

Thirdly, I am sure that in our proceedings today, we have set a condition. We have said that it is just a deferral and we are going to come back to it. How are we going to come back to it? When will the situation in the Gaza Strip be so satisfactory that we will decide to come back to it? As Mrs Napolitano has said on the issue of the settlements, as with so many other issues on which we want to have a positive influence on Israel, when are we going to feel politically satisfied enough to bring back this fine resolution prepared in the Committee on Foreign Affairs?

Proinsias De Rossa (PSE). – Mr President, Europe cannot upgrade its relations with Israel until its government convincingly demonstrates a change of course. It must end the collective punishment of the Palestinian population by lifting the siege of Gaza and demonstrate its commitment to engage seriously with the Palestinian leadership to find a workable and sustainable two-state solution.

We all want normal relations with Israel, but it is impossible in the current circumstances. I support without reservation Israel's right to defend itself, but such defence has to be within accepted international law and the responsibilities an occupying power takes upon itself when it invades another country.

The state of Israel, which prides itself on its democratic system, has been found in breach of international law on so many occasions in the way it treats Palestinians that most people's patience has been stretched to breaking point. On a recent official visit to Gaza, Jerusalem and the West Bank, I saw for myself the serious deterioration in the conditions of daily life for ordinary Palestinians.

Their economy has been crushed. There are 210 illegal settlements. Palestinian land and homes are constantly being seized. There are 11 000 Palestinian prisoners and 40 elected members of the Palestinian legislative council in detention. Over 300 young people under 18 years of age, some as young as 12 years old, are in detention. Gaza is under siege and threat of military invasion and already 50% of its population is dependent on food aid. The list goes on. This brutal collective punishment and land grabbing by Israel is a gross breach of international law and is destroying the possibility of peace.

Consequently, now is not the time for this Parliament to assent to an upgrading of relations. In fact I believe it should be deferred until after the Israeli and Palestinian elections due early in 2009. In the meantime, every effort must be made by the international community to de-escalate the situation and to create the conditions for Palestinians and Israelis to live in peace.

Elmar Brok (PPE-DE). – (DE) Mr President, Mr President-in-Office of the Council, Vice-President of the Commission, the purpose of such agreements as the upgrading of Israel is to assure the participants in the conflict that they are involved in a reasonable process which guarantees their internal stability and gives them the assurance of future cooperation and existence. Today we have wasted this opportunity for giving such an assurance. We have wasted it and consequently, in my opinion, further fuelled the flames.

I too am critical of Israel on many issues and particularly, for example, on the issue of settlement policy. However, when here today I hear that the key reason is the situation in the Gaza Strip, I am completely taken aback, especially as only half or even a quarter of the reasoning ever takes place. For we must see that if this reasoning is used, in three months another alibi will be found and then another in turn, to prevent the decision from being reached. For if I remember correctly, Israel left Gaza. If I remember correctly, Hamas overthrew the elected authorities of President Abbas and destroyed the government in a violent uprising, in breach of all rights. If I remember correctly, it is precisely the circumstances brought about by Hamas that are decisive for the situation in Gaza. If I remember correctly, shots are fired from Gaza at Israeli towns on a regular daily basis. And if this plays no role in such a debate and Israel is unilaterally blamed, this does not seem to me to be the way for European policy to gain trust in Jerusalem.

For this reason, I think we have made a big mistake today. We will only be a force for peace in the region if we adhere completely to the truth and do not just simply make policies. I am convinced that this policy will not help President Abbas either but that it will further aid the radicalisation already so successful in Gaza. I therefore consider today's decision to be wrong.

Zbigniew Zaleski (PPE-DE). – (PL) Mr President, a long-lasting conflict provides an opportunity to reflect on and analyse its causes and aggressive behaviours, and to seek solutions. I can understand the Palestinians' desperate rocket launchers, like rats driven into the corner of their cage, but I can also understand the Israelis'

fear that their children might never come home from school again, since it is assumed that almost every Palestinian is a terrorist. It is not a matter of black and white.

There are compromisers and stubborn extremists among the Palestinians, just as there are doves and hawks among the Israelis, as was made clear by Tzipi Livni. These internal divisions are of no small importance in the conflict, and the greater the role they play, the more powerful one of the parties to the conflict becomes. In my view, the Israelis are the more powerful because they have a state, to which they of course have an absolute right, and I support this. They therefore enjoy all the attributes of a state.

This brings with it greater responsibility as well as a duty to take steps which may be risky but can give hope of a future peace. For this reason, Israel's demand of no rocket attacks by the Palestinians before the two-state project can go ahead is like saying that we would be prepared to have children provided that they all turn out to be intelligent and obtain doctorates or start profitable businesses.

Unconventional situations call for the courage to make unconventional decisions, and I expect Israel to do just that. We, the European Union, must help them to reach those decisions. In other words: *Road map for two states*.

As to strengthening the relationship between the EU and Israel, it seems to me that it is a good strategy, because it would give us greater influence and in the longer term would enable us to play a constructive part in mitigating this tragic conflict. I am in favour of strengthening our relationship.

Charles Tannock (PPE-DE). - Mr President, as rapporteur of reports on the ENP, I have long supported Israel's increased involvement in EU programmes and agencies, which is mutually beneficial, given Israel's advanced status as a country in areas such as scientific and in particular environmental research. In recent weeks I have received many e-mails asking me to vote against this EU-Israel enhanced cooperation agreement. However, I believe that the EU and Israel are natural partners because they share the same values: democracy, the rule of law and personal freedom, and in particular a free press and independent judiciary.

Not all the EU strategic partners can say the same. China, for example – dear to the President's heart I know – rejects those values, but strangely I do not receive many pleas to downgrade the EU's relationship with Beijing. That is because, sadly, the anti-Israel element amongst the public and in this House remains strong. When that sentiment is based on reasoning, I can respect it, even if I do not agree. Often though it is based on anti-Semitism and anti-Americanism, as the US is Israel's closest ally.

Last week in India Jews were specifically sought out in Mumbai to be murdered by Jihadi terrorists. This demonstrates the need for the West to stand shoulder to shoulder in solidarity with the Jewish State, as Israel is on the frontline of an existentialist battle with Islamist terrorists such as Hamas, Hezbollah and Islamic Jihad, who have proved their determination to destroy Israel and our way of life.

The European Parliament regrettably narrowly voted today not to give its opinion on this agreement – dear to the incoming Czech Presidency – which in my mind is disastrous and will send all the wrong signals to the Israeli public during a critical electoral period and will inevitably strengthen the hands of hardliners in Israel.

President. – It is not China that is dear to my heart, it is democracy and human rights in China, as in Israel and Palestine.

Jim Allister (NI). - Mr President, some would have us believe that this House today acted out of a crisis of conscience. I must say that I find that strange, considering how many times this House has endorsed agreements without a whimper in respect of countries which indeed have appalling human rights records and which indeed have governmental structures which are far from democratic.

It seems to me that this House was blown off course today by an orchestrated campaign, from without and within, of very considerable venom against the State of Israel, and that we allowed ourselves to be unduly influenced by that. The blind bigotry that some have shown against Israel is quite appalling. Israel is a democracy in a region where democracies are few and far between. It accepts a two-state solution. It has been subjected to the most horrendous external and internal terrorism and, in consequence, it undoubtedly has the right to defend itself.

Some in this House seem so concerned with their angst and hatred of Israel that they are eager to excuse terrorist attacks and, indeed, eager to excuse the excesses of Hamas in Gaza, seeing fault only within the state that is under attack. I think that is wrong.

Proinsias De Rossa (PSE). - Mr President, those of us who have spoken in favour of deferring a decision on this matter have been accused a number of times in this debate of being anti-Semitic.

That is totally inappropriate. Nobody on this side of the debate has accused anyone on the other side of bad faith or of having motives other than concern for the future of the people of Israel and the Palestinians.

It would be in order for all of us here to recognise that we are concerned about people and that is why we take the position that we take. It is not based on any kind of anti-Semitic ideology.

President. - Mr De Rossa, the Chair fully recognises and indeed shares your position.

Hannes Swoboda (PSE). - (DE) Mr President, yes, there have been a number of e-mails but there has also been lobbying by the Israeli Embassy. That is not the reason why we have made any particular decision. The reason was our firm conviction that this vote would not have been appropriate at this time.

Many arguments put forward by fellow Members – be it Mr Kasoulides, Mr Brok, Mr Zaleski or others – are thoroughly worthy arguments. I believe, after this difference of opinion that we had, it is now high time to return to a joint position that signifies support for Israel, but at the same time also support for the peace process, for the Palestinians' right to exist. That is what matters to us, nothing more or nothing less.

Jean-Pierre Jouyet, President-in-Office of the Council. - (FR) Mr Verheugen, ladies and gentlemen, it is not up to the Council to comment on procedural issues or on the decisions taken by this House in this field.

I would say to Mr Swoboda that it is clear that the Council shares these objectives and agrees with what you said in your last speech, particularly with regard to stabilisation. The EU and the Council condemn all the violence, particularly the firing of rockets at the civilian population, which must stop. The fight against terrorism must continue tirelessly, and the fate of Corporal Shalit is a particular concern for the EU, and, if I may say so, especially for the French Presidency.

That being said, the European Union continues to be deeply concerned by, and to condemn, the recent acceleration in the expansion of settlements. The continuing process of settlement, including natural expansion, must be stopped as a matter of urgency – including in East Jerusalem. It is contrary to international law, and it compromises the establishment of a viable Palestinian state; the barriers to movement into and within the occupied Palestinian territories must be lifted, in order to promote economic development. The humanitarian situation in Gaza must be improved as a matter of urgency, by pursuing the ceasefire, opening up the crossing points, and providing goods and services to help the population and to help the aid agencies, in particular the United Nations Relief and Works Agency (UNRWA), to do their work; and it is also important for Palestinian prisoners to be released in greater numbers, with priority being given to minors.

We therefore share the same aims, as I am keen to stress to this House as clearly as possible. The problem is knowing how we can best apply pressure to reach the result you want: the creation of two States coexisting in security within the context of a stable peace process – a context in which the EU has an important place. We need to find out whether we will be able to be firm on the principles I have just outlined, and that Israel needs to respect, through dialogue and trust, or whether, indeed, it is through dialogue, as the Council believes and continues to believe having listened to this debate, that we will be able to maintain a wise balance.

To conclude, I would remind you that the upgrading of relations needs to be seen within the more general context of the establishment of the Union for the Mediterranean and the development of a European neighbourhood policy. Do not forget that the proposed upgrading was preceded by a strengthening of our partnership with Morocco, which sent a powerful political message to our Arab neighbours on the southern shores of the Mediterranean; I would also remind you that our negotiations with Israel have not neglected the Palestinian Authority, and that the European Union and the Palestinian Authority met in summer 2008 to set up new working groups to speed up the implementation of the action plan concluded in 2005. I would also reiterate that we as the Presidency are committed to making progress in all the areas, including politics, that remain an indispensable part of our relations with the State of Israel.

It is this overall approach that gives meaning to the upgrading of the EU's relations with Israel, and it is this political dialogue that will make it possible, in our view, to ensure that the principles that various of you raised are better respected and defended and that the EU has a part to play in finding a solution to the Israeli-Palestinian conflict.

Günter Verheugen, Vice-President of the Commission. - (DE) I should like quite briefly to give you three things to consider at the end of this debate.

Firstly, in a debate about our cooperation with Israel, in which human rights and the humanitarian problems of the Palestinians are rightly discussed, it should not, however, be forgotten that we have a particular responsibility towards Israel. Our policy towards Israel is determined not only by interests, it is determined by the fact that the mere existence of the State of Israel has something to do with European history and that a particular responsibility results from this.

And a second consequence of this is that the partnership which we aim to have with Israel or which we have perhaps already achieved must be reliable. We demand reliability from our Israeli partners and Israel is entitled to demand reliability from us too. Cooperation on these projects and policies has been offered to Israel. It may interest you to know that there are good reasons why Israel was the first country – the very first country – to be offered an action plan within the framework of the European Neighbourhood Policy. That was in 2003. I did it myself.

The last thing I would like to say is that these programmes and policies about which we are speaking are not an end in themselves. They have a deeper political basis. This deep political basis is to show Israel that there is the prospect of long-term cooperation with Europe for Israel, a prospect which Israel needs for the time after the conflict. And Israel needs that in order to be able to end the conflict in the first place. The other thing is that however small these initiatives may be, there are a number of things in them which enable us to promote bilateral and trilateral projects. I myself was recently in Jordan, Israel and Palestine to talk about an initiative which would permit us to make a policy for small and medium-sized enterprises in a trilateral framework. We also have research projects which are bilateral. This means that we have a framework instrument here which permits us to go across borders and achieve precisely what we want: cooperation and normality in this crisis region.

I shall refrain from drawing any conclusion about what I have just said. I only ask you to consider it in your subsequent decisions.

Véronique De Keyser, *rapporteur*. – (FR) Mr President, I would like to respond first of all to you, Mr Verheugen. You said, quite rightly, that we have a particular responsibility towards Israel.

We have taken on this responsibility collectively, and it is important. Moreover, it is precisely because we have this responsibility towards Israel that we have an at least equal responsibility with regard to the situation of Palestinians today, you must agree.

Mr Jouyet, we share the same goals, and you have, with good cause, listed a whole series of important issues that must be solved in the long, medium or short term. You used a highly significant word when you said 'the situation in Gaza, as a matter of urgency...' You used the word 'urgency'. We have asked for a deferment. We are giving ourselves time to see whether this urgency is in fact taken into account. You believe – and you are perfectly entitled to your opinion – that raising the status of Israel will make it easier to negotiate with them. I only wish it were true, but I cannot see any evidence of it, and we have in any case been in negotiations for more than a year, since Annapolis. As you know, Parliament's resources are very few.

We are using the means we have to send a friendly signal to Israel, saying, 'Please get a move on!' -. Unfortunately I did not hear the slightest indication from Mrs Tzipi Livni yesterday that this will happen. I am waiting and hoping.

I would also like to thank you, Mrs Hybášková – you were not present when I began speaking – I would like to say to you that you have been an exemplary partner, faithful to your commitments, as we shall be to ours, and I will not allow those Members who have questioned the relevance of human rights as the grounds for today's decision to persuade us that they are right. That is unacceptable! As for the anti-Semitic reproaches and other criticisms, which I have heard already today and which, I must warn you, we will hear more of – once again, this is unworthy of the European Parliament!

Why, in this European Parliament, should we be suspected of playing tactics when we speak of human rights? If it is true that these rights are being breached, it is an urgent matter.

I stand by the commitments we have made with our political partners regarding foreign affairs. In my view they are still valid, but I think that, realistically, the time is not right. We have made friendly gestures towards Israel. We will continue to do so, naturally. But our concern for the fate of the Palestinians remains alive and well.

(Applause)

President. – The debate is closed.

I have received a motion for a resolution⁽¹⁾ to wind up the debate tabled under Rule 103(2).

The vote on the report by Mrs De Keyser and the vote on the motion for a resolution will take place during a subsequent part-session.

Written statements (Rule 142)

Bairbre de Brún (GUE/NGL), in writing. – (GA) – It would be a bad sign if the EU were to improve relations with Israel at present. It would show that the EU was willing to ignore major, continual and persistent violations of human rights and of international law.

That would almost be like saying that the EU gives Israel the freedom to continue with repressive and illegal activities, with forced relocations of the population, with extrajudicial assassinations, with the occupation of Palestine and with an illegal Wall and settlements.

We should put as much pressure as we can on Israel so that it will have to fulfil its promises under international law and under UN resolutions. Today, as MEPs from all over Europe, we must send a strong message to Israel to let them know that we have had enough.

In 2002 the European Parliament voted to suspend the EU-Israel Association Agreement because of Israel's serious violations of human rights. Despite this, there is now talk of Israel taking part in an EU programme that deals with competitiveness and economic innovation, even though Israel is deliberately destroying the economy and infrastructure of Gaza.

I welcome the decision to cancel the vote on the improvement of relations between the EU and Israel.

Athanasios Pafilis (GUE/NGL), in writing. – (EL) The Council proposal to give preferential treatment to and upgrade the already strong cooperation between the EU and Israel – irrespective of the fact that the European Parliament vote on it has been adjourned – is, whichever way you look at it, a challenge to Europeans and to all the nations of the world, an insult to the thousands of victims of Israeli barbarity.

This proposal effectively perpetuates Israeli apartheid and rewards the mass infringements by Israel of international rules of law and the human rights of the Palestinian people, the occupation of the Gaza Strip, the West Bank and Eastern Jerusalem and the continuing construction of the Wall of Shame and mass settlements and ignores UN resolutions condemning Israel and the resolution passed in 2002 by the European Parliament on the suspension of the Cooperation Agreement between the European Union and Israel.

Although Israel has maintained the same policy towards the Palestinian people for 60 years, and nations and the UN have condemned it, a provocative proposal has been tabled suggesting that we turn a blind eye to the blatant infringements of human rights by the Israeli occupying forces.

This proves once again that, in its hypocrisy as regards respect for human rights, the EU is using double standards in its policy, depending on its interests in each particular case.

Marian Zlotea (PPE-DE), in writing. – Approval of the proposed Neighbourhood Agreement with the State of Israel would incorporate Israel into certain Community programmes under the European Neighbourhood Policy (ENP), a policy designed to promote reform and stability in the European Union's neighbourhood. Designed to take effect immediately, this agreement would require Israel to make financial contributions to the European Union's budget in exchange for participation in certain Community programmes. This agreement will be subject to review every three years after its approval by both parties. Support for this Neighbourhood Agreement would build upon the existing Association Agreement and represent a step toward enhanced cooperation on trade and progress in bringing resolution to the Israeli-Palestinian peace process.

In the light of the recent visit to the European Parliament by the Israeli Foreign Minister, who advocated the strengthening of the Israel-EU relationship politically, and the current Action Plan just completed by the High Representative, the approval of this Neighbourhood Agreement would benefit both parties by improving each party's understanding of the other and hastening the arrival of peace and stability in the Middle East and Mediterranean.

(1) See Minutes.

16. Steps towards improving the environment for SMEs in Europe - Small Business Act (debate)

President. – The next item is the debate on the oral question to the Council on steps towards improving the environment for SMEs in Europe – Small Business Act by Nicole Fontaine and Giles Chichester, on behalf of the PPE-DE Group, and Edit Herczog, on behalf of the PSE Group (O-011 3/2008 – B6-0485/2008).

Edit Herczog, author. – Mr President, we all here in Parliament welcome the achievement of the last five years brought about by the Commission, especially Mr Verheugen, together with the European Parliament and with European enterprises: our achievement to change our approach to European enterprises, an achievement which has a name now – the Think Small First principle, laid down in the Small Business Act. We have to work on this act.

The current economic crisis underscores the need to adopt the Small Business Act as soon as possible. The 23 million European enterprises and the two-thirds of European employees involved need an unambiguous message that the change in our legislative approach to Think Small First is a real basis for our future work and behaviour.

The very first signal that we are doing that is the ‘small SME’ test. Therefore, because of the need for an unambiguous message, we are very sorry that the Council did not give a binding character to the provisions laid down in the Small Business Act.

We really hope that in the European Council next week you will come back to this question and that the prime ministers of the Member States will give some binding character to this Small Business Act. However, we welcome the Council decision on the priority actions. We think it is very important to think small first in order to improve the access to finance; very important to think small first to simplify the regulatory environment; and very important to think small first to facilitate market access.

We ask the Commission and the Council to act together. A more European answer is needed. Multi-country responses can be very effective but can result in divergence rather than the cohesion which we wish for under the European idea. Therefore it is critical that the Commission improve the procedures for yearly reporting by the Member States with the support of the Lisbon Scoreboard and I ask the Council if it is ready to do so.

European citizens, entrepreneurs and employees need ideas, but they need more. They need innovation in our procedures, but it will not be enough. They need action, but even then it will not be enough. We need delivery based on our ideas, innovation and actions. Please go for it. The Parliament will support you on that.

Nicole Fontaine, author. – (FR) Mr President, Mr Jouyet, Mr Verheugen, ladies and gentlemen, our group enthusiastically supports the draft Small Business Act presented to us by the Commission last June.

It is true, since the year 2000, initiatives have been launched for small and medium-sized enterprises – Mrs Vlasto’s excellent work on the SME Charter comes to mind in particular – initiatives that have been welcomed but deemed insufficient, since all too often they remain no more than pious hopes.

Today, we need to go further. The serious economic crisis being experienced in our countries, with particularly worrying consequences for SMEs, spurs us on where encouragement was needed. In this respect, the Small Business Act forms part of a new, determinedly pro-active approach.

In a few weeks’ time, we will examine Mrs Herczog’s report on the Commission’s communication, but today, by submitting this oral question, we have chosen to call on the Council.

Mr Jouyet, we have noted with interest the conclusions adopted yesterday by the Competitiveness Council and we would like to know whether the European Council of 11 and 12 December will indeed relay these conclusions and push for the general guiding principle ‘Think Small First’ to be transposed quickly into Member States’ legislation.

We hope that the Council will proceed on the basis of the action plan that is attached to it, accompanied by practical measures. In this regard, and in the short time I have been allocated, I wish to emphasise three areas in which we need a strong lead.

Firstly, systematic impact assessments and regular follow-up, monitored by the European Parliament, on the status of the Small Business Act in the Member States. Secondly, access to public contracts. The code of good conduct has no binding authority; together we need to be more imaginative, more inventive and to

propose appropriate and practical measures that will genuinely open up these contracts to SMEs. Finally, access to funding, which in the current climate is more vital than ever.

Your proposals are sound, Mr Jouyet, they should also incorporate support for the offer. There is no time to waste. Please assure us of the Council's intentions.

Jean-Pierre Jouyet, *President-in-Office of the Council*. – (FR) Mr President, Mr McMillan, Mr Verheugen, honourable Members, as you have pointed out, ladies and gentlemen, on Monday the Council adopted conclusions on the Small Business Act for Europe, proposed by the Commission. This Small Business Act represents a strong political commitment towards the 23 million small and medium-sized enterprises. As Mrs Fontaine highlighted, it is also an important response to the economic crisis we are currently experiencing. That is why, together with Hervé Novelli, who regrets that he cannot be with us, I am convinced, to reassure Mrs Fontaine and Mrs Herczog, that the European Council will express strong political support for the goals of this Small Business Act.

As you have emphasised, the Small Business Act cannot solve all of the current economic problems, but it should ensure that essential steps are taken to tackle the financial crisis and the consequent economic slowdown. That is why, on Monday, we also adopted an action plan committing the Member States to implementing these urgent measures. This act is highly significant, and the French Presidency is particularly pleased with the very meaningful plan. Mrs Fontaine gave a good outline of the strong recommendations it contains.

First and foremost, we need to look at the problem of SME financing. From this point of view, we must praise the efforts of the European Investment Bank, as it is to inject EUR 30 billion between 2008 and 2011. Beyond this, however, we must also make certain that the late payments directive is reviewed so as to relieve businesses' cash flow problems. The Small Business Act and the action plan propose to ensure that SMEs are paid within thirty days. I do not know whether we will achieve this objective, but I am convinced that this is the direction we should be taking. Reducing late payments means easing SME cash flow, at a time when one in four solvency cases in Europe are caused by excessive delays in payment.

Boosting the venture capital market is another important factor, since this market, as you are aware, is too restricted in Europe compared with the United States. We have plans to establish a European venture capital mechanism as well as recognition of venture capital funds between Member States.

Our other priority, as you have pointed out, ladies and gentlemen, is simplification. SMEs suffer even more than large businesses do from red tape and the various administrative tasks they are required to perform. It is for this reason that we must indeed implement and apply the Think Small First principle, which consists of considering the interests of SMEs in all Union legislation.

We also hope to establish an SME test, and impact assessments, I can assure you, will be carried out and made public for every Community text that affects SMEs, and it would be desirable for the Member States to do the same. In addition, we are undertaking not to ask SMEs for the same information several times over – in other words, we will seek to do everything in one go.

With regard to funding and simplification, there are more significant measures. SMEs must be able to benefit fully from the single market and in particular from the ability to export. That is why adopting the European company statute will also enable SMEs, by establishing their subsidiaries on the different European markets, to gain greater benefit from this market.

To respond to the questions that have been asked, and in light of the request made by the Competitiveness Council to the European Council, the Council, at the highest level, and the Commission, have committed to monitoring this action plan closely, in particular within the context of the national reform programmes accompanying the Lisbon process.

We are genuinely very pleased with the momentum that last Monday's action plan was able to give to this work. It is indeed the Council's belief that SME policy is one of the key areas in our common fight against the economic crisis and for the speedy recovery of the European Union's economy.

Günter Verheugen, *Vice-President of the Commission*. – (DE) Mr President, ladies and gentlemen, at the start of the crisis – and we are at the start of a crisis – the question about the future of our small and medium-sized enterprises in Europe has become even more important. For we should recognise one thing quite clearly: the effects of this crisis will be greater for small and medium-sized enterprises than for large ones quite simply because smaller enterprises have no equity base that would permit them to ride out a longer lean period.

This therefore means that it is crucial that the signal to small and medium-sized enterprises in Europe is strong and clear. Therefore, I am very grateful to Jean-Pierre Jouyet and the French Presidency for the generous support that they have given to the Small Business Act and I thank Mrs Herczog and Mrs Fontaine for taking the initiative to discuss this here today.

This is important because the European Council is anticipated with great excitement in the coming week. The people of Europe will look to the Heads of State or Government in the next week and will expect an answer from them, an answer to the questions, 'How do we get through this crisis, how do we retain our prosperity, how do we retain our jobs, how do we retain our security?' 23 million small and medium-sized enterprises in Europe will also look to Brussels and await the reply from the Heads of State or Government. That is why I am so happy that Jean-Pierre Jouyet has just said that the support from the European Council will be strong and clear. And without doubt we both agree that this means that we will certainly find more than a few words on this topic in the conclusions. That makes me very happy.

In truth this policy is also only just starting. The European Parliament has a very important role to play here. For here too it holds that words are one thing, actions are what counts. And in the first instance actions for small and medium-sized enterprises take place at national level, at regional level and even at local level. We must ensure that the principles which we enshrine in Europe are brought to life in the Member States and in all our regions.

Small and medium-sized enterprises are not supplicants but the core of our European economy. Only if we give them the framework conditions which they now need will they be able to perform their task within our European economy.

Giles Chichester, *on behalf of the PPE-DE Group*. – Mr President, given small businesses' importance in the economy for employment and job creation, enterprise and wealth creation, innovation, new products and new services, now is a very good time for us to do something to boost their efforts in difficult times. There is a tendency at EU level to wax enthusiastic about SMEs' potential and performance. Indeed it would be rather difficult to be negative. However, the thrust of this question and the motion for a resolution is that we must go beyond rhetoric and deliver concrete action.

One of the priorities identified is the need for improved access to finance for SMEs. This is a perennial cry, for the problem is long-standing. Yet now in the financial crisis, when a seizure of credit is hitting all business, it must surely be worse for SMEs, which tend to be at the end of the food chain as far as orders and payments are concerned. So I strongly support the call for making finance and credit more available. The question is whether the banks will respond.

Based upon my own experience of working in, and then running, a small business, it is very difficult to define forms of assistance and support that can help all SMEs, because they are so varied. I feel that the best sort of help is access to information and I believe that the Internet has made a huge change in that respect from my time in business.

The next best thing is to be left alone to get on with the business. So, while I recognise that it is not possible to have no regulation, I also support the priority of better regulation, not least because that is something that legislators and governments can do. I support the call for action from both the Commission and the Member States.

Neena Gill, *on behalf of the PSE Group*. – Mr President, small-scale enterprises are central to my region. The West Midlands' industries will welcome the Think Small First principle. However, the current financial crisis has left many small businesses facing severe difficulties. As we have already heard, they are dealing with cash flow issues and unpaid debts and cannot access credit. The latest insolvency figures for my region point to 500 businesses going bust in the last three months. Therefore, I welcome the EIB funding.

However, I do not believe that the proposals so far go far enough in relation to their binding nature – which could really help the SME sector. So my question to the Council is: how are you going to address this next week? I have heard what the Competitiveness Council has said, but the important thing is that, unless the proposals have a binding character, it is not really going to help small businesses right now; it is not going to help them to access markets or to access finance.

I believe I have heard it said for very many years that it is very important that the Council clarifies that it intends to cut administrative burdens. Small businesses face considerable costs. Where big companies spend EUR 1 for each employee, a small business can spend up to EUR 10 for each one.

Finally, I would just add one point. Whilst it is very important to manage financial crises, more needs to be done for the SMEs right now, because they are the real economy.

Šarūnas Birutis, *on behalf of the ALDE Group*. – (LT) Small and medium-sized enterprises are the DNA of our economy; they should be supported, while enhancing competitiveness and levels of employment in Europe. The Small Business Act is an initiative which today needs support from all political parties. This is an important contribution to European small and medium-sized enterprises in view of today's financial and economic crisis.

Here we have a draft resolution which reflects concerns from the European Parliament and obligations to the Council.

We must endeavour for the Small Business Act to be effectively implemented in all the Member States. This requires it to be included into the national action plans and legal documents, and that a monitoring system of this document be introduced in the Member States.

We must take additional measures to ensure that the Small Business Act does not experience the sad fate of the European SME Charter. We have to understand that guidance documents often 'settle' on the shelves of national bureaucrats, and ultimately their desired purpose is not achieved:

Tax credits and incentives for start-ups, micro-credits, credit guarantees, venture capital, provision of free information and counselling, continuous enhancement of the entrepreneur's image and authority, etc.

The ends will justify the means; however, it requires effort and courage. I have no doubt that the Community-wide implementation of the Small Business Act will help prevent economic and social decline in Europe, and alleviate the consequences of the financial crisis.

Corien Wortmann-Kool (PPE-DE). – (NL) First of all, I should like to pay tribute to the French Presidency for their haste in drawing the right conclusions from this Small Business Act, so that things can actually start moving. We in this Parliament have immediately responded to this by amending our procedure. After all, in this economic crisis, we really have to go all out for the SMEs in Europe as they are the Small Business Act's very *raison d'être*.

We have to make far better use of the potential of entrepreneurs in Europe. I should particularly like to draw your attention today to female entrepreneurship, for it is a strange paradox. Women are a lot better at it. It is far less likely, or so the figures suggest, for women entrepreneurs to go bankrupt.

Despite this, it is still much more difficult for women entrepreneurs to get their hands on credit in order to start a business. This needs to be made easier, as it is desperately needed. This means that women entrepreneurs need to be given better access to funding and existing funds.

Micro-credit is also a very important means of improving the economic status and independence of women, not least for women from minority groups. In the current credit crunch, when banks are less inclined to grant credit, this has become far more difficult, and this is another reason why it is important for the guarantees of the European Investment Bank to be available, precisely for micro-credit and for women entrepreneurs.

It is important for women to be able to start their own small businesses, so that they can juggle work and family effectively. This is also very important to the Group of the European People's Party (Christian Democrats) and European Democrats. I welcome the fact that the Council's conclusions already specifically mention female entrepreneurship. Keep up the good work, I would say.

Silvia-Adriana Țicău (PSE). – (RO) We are awaiting with interest the adoption of the European legal framework for small and medium-sized enterprises. The EU economic recovery plan will open up new sources of funding for financing small and medium-sized enterprises.

Reducing the administrative burden, financing professional training and creating the European Globalisation Adjustment Fund are measures which will help protect jobs and promote entrepreneurship. The European Investment Bank will make available EUR 30 billion to finance loans requested by SMEs. However, I feel that this amount is not sufficient.

I think that at this time of crisis the following urgent measures need to be taken: procedures for granting state aid should be simplified; the period for founding a company should be limited to three days; and the settlement by public institutions of payments owing to SMEs should be guaranteed within a maximum period of 30 days.

I welcome the proposal from the Commission to promote the use of electronic invoicing, an investment estimated at EUR 18 billion. It is also becoming necessary to develop competitive clusters based on companies investing in research and the development of new technologies.

Dominique Vlasto (PPE-DE). – (FR) Mr President, Mr Jouyet, Mr Verheugen, we all know that small and medium-sized enterprises form the backbone of the European Union, because they employ more than 70% of the EU workforce and represent 99% of European businesses.

As we have already heard, these millions of SMEs are now worried and threatened by the financial crisis as it is eroding household purchasing power and confidence, and thus affecting the order books. It is therefore SMEs' cash flow that is in danger and so we must undertake to support their activities by making sure that the banks guarantee effective access to the necessary finance, so that SMEs can remain in business.

This is the essence of the conclusions of the Competitiveness Council of 1 December, to which Mr Jouyet referred, and of the recovery plan adopted by European finance ministers. Making the needs of SMEs a permanent political priority for the Union is essential, and I welcome the action plan in support of the Small Business Act for Europe. It reflects the desire to ensure the application of the guiding principle of giving first priority to small businesses, namely to European SMEs.

Nonetheless, as the Commissioner has said, and as we all agree, the Council needs to join the other European institutions so that this principle can be translated into reality; we must move beyond words and on to action, to implement it in all policies and all European programmes.

We can say, however, that this action plan is a genuine response to the urgency of the situation. Mr Jouyet, may I take this opportunity to pay tribute to the French Presidency for its pro-activeness that has enabled intentions to be transformed swiftly into action.

IN THE CHAIR: MR MARTÍNEZ MARTÍNEZ

Vice-President

Juan Fraile Cantón (PSE). – (ES) Mr President, I have asked to speak in order to congratulate the Commission on this initiative, which represents a major advance in cutting out red tape and other obstacles that European small and medium-sized enterprises (SMEs) have to face on a daily basis.

The plan emphasises the important role that SMEs play in Europe's economy. As has already been pointed out, we must not forget that roughly 23 million small and medium-sized businesses operate in the EU, generate 70% of the jobs and cover all sectors of activity.

The action plan to reduce administrative burdens has set itself the target of cutting them by 25% by 2012. We cannot help the fact that current legislation generates some administrative burdens, with a cost estimated at 3.5% of Europe's GDP in 2006. This ambitious target is part of a broader business policy, which aims at facilitating access for our SMEs to other markets, improving the potential for growth and encouraging the spirit of enterprise.

It is an excellent idea to help our SMEs develop their businesses beyond our own borders. In addition, a common procedure for setting up businesses in the EU will help them establish subsidiaries in other EU Member States and benefit from the opportunities offered by the single market.

My final point is that the main problem for our SMEs today is finance. We therefore welcome the European Investment Bank's proposal to diversify SME support instruments, to simplify their use and to expand their scope.

Jacques Toubon (PPE-DE). – (FR) Mr Jouyet, when Nicole Fontaine was putting her question, the Council was already answering. That is rare enough to be worthy of note.

In fact, 48 hours ago, the Competitiveness Council examined and supported the plan put forward by the Commission in July, while our Parliament is still considering it. That is an undeniable success for the Council under the French Presidency and I would like to thank you, Mr Jouyet, and pay tribute to the good work that you and your colleagues have done, in particular Mr Novelli.

The Council's success is particularly notable because the Commission's plan meant that you had to add an action plan, taking the principles it contained and setting goals for the next 3, 5 and 10 years.

I understand that, in practical terms, what we have to do now is to consider small and medium-sized enterprises first in every piece of legislation and in every measure. We will do this with the European private company, with the late payments directive, with, I hope, cuts in VAT rates, and so on.

I would simply like to say, however, to conclude, that above all SMEs must not be ghettoised, in other words the SME regulations we introduce must not be so singular that they end up forming a handicap. I agree with what Mrs Vlasto just said. It is obvious that in the current situation, when these businesses are in such need of funding and obtaining finance is so difficult, we must not take measures on their behalf, for example accounting guarantee exemptions, that cut their credits and therefore prevent them from having the means to operate.

It is for this reason that small and medium-sized enterprises are not sub-companies. They must be companies like any others, vital to the European economy.

Pierre Pribetich (PSE). – (FR) Mr President, to recognise the key role played by small and medium-sized enterprises and to support them wholeheartedly against the problems that can hamper their growth, that is the declared and ultimate aim of the Small Business Act.

As you know, small businesses play an undeniably crucial role in the European economic landscape. This invaluable support for building enterprise, the spirit of enterprise in Europe, is sanctioned by the principle introduced by the Commission: Think Small First.

Who can be opposed to this? What does it mean? 99% of all businesses are now affected by this ambitious plan. The two most important things in any company do not appear in its balance sheet: its reputation and its people.

Why have I chosen to quote Henry Ford? To say that while we are going to make life easier for SMEs, employees remain at the heart of enterprise, that the Small Business Act must also be a chance to promote the place of employees in the way these businesses are managed. Indeed, the Small Business Act should be a breath of fresh air within these companies bringing better recognition of their position, better consideration of their aspirations and that under no circumstances must we allow a 'light' Small Business Act with regard to labour law.

Zita Pleštinšá (PPE-DE). – (SK) At a time of a financial crisis, strong words are not enough and concrete action must follow. At this critical time, we have to provide small and medium-sized enterprises with access to financial resources so that they can carry out their innovative activities in order to increase their technological sophistication and with it their competitiveness.

In this area, it is necessary to strengthen the micro-credit programme and the risk capital fund. It is necessary to create conditions for investment in the technical infrastructure for research, development and innovation, with interconnection to small and medium-sized enterprises. For this reason, I welcome the EUR 30 billion package for loans for small and medium-sized enterprises agreed by the ECOFIN Council.

I am currently preparing a report on the regulation concerning the introduction of construction products to the market. I am working very intensively with small and medium-sized enterprises, and I believe that I will be able to prepare a very good piece of legislation for small and medium-sized enterprises.

Ewa Tomaszewska (UEN). – (PL) Small and medium-sized enterprises must comply with the law just like all businesses, even though as a rule they are not in a position to hire a legal adviser or highly skilled financial advisers. At the same time, small and medium-sized enterprises create the largest number of jobs. That is why it is so important to support this sector by simplifying the regulations applying to it, offering training and by other actions. At a time of crisis it is especially important to make credits easier to obtain. Perhaps the Solidarity Fund could help by guaranteeing such credits. I support the adoption of the European Charter for Small Enterprises and congratulate the French Presidency.

Ilda Figueiredo (GUE/NGL). – (PT) Mr President, urgent support for micro-, small and medium-sized enterprises requires a substantial change in the policies which have been applied in order to create a favourable atmosphere, specifically by improving the purchasing power of the population and, above all, workers' pay.

However, it is not enough to announce measures and the opening of lines of credit. This support must actually reach the micro-, small and medium-sized enterprises and not get swallowed up by bureaucracy. We must not be satisfied with just supporting a few medium-sized enterprises and forgetting about the

micro- and small enterprises that play a vital role in economic activity and the employment of workers, whose rights must also be guaranteed throughout this process.

Jim Allister (NI). - Mr President, the title of this question speaks about improving the environment for SMEs. Could I suggest that, if the EU really wants to help, rather than indulging in predictable rhetoric, there is something meaningful and immediate which could be done. Why could we not initiate a 'regulation holiday' for SMEs during the current global crisis? Compliance with tier upon tier of EU regulation is so demanding, so onerous and so expensive that it is stultifying EU output and prosperity. The cost is unbearable. It amounts to billions per annum. At a stroke, through a 'regulation holiday', we could save businesses billions per year and allow them to grow.

Paul Rübigen (PPE-DE). - (DE) Mr President, Commissioner, ladies and gentlemen, I have a question for Commissioner Verheugen: is the Commission ready to prepare a legal basis for a budget line for the 2009 or 2010 budget? The second question is: would it be possible to give priority to action plans which are now becoming ever more likely in view of the financial crisis, also because of the current need for support for small and medium-sized businesses because precisely now, as a result of the financial crisis, this Small Business Act has become particularly important? Can you envisage us being able to start an immediate action programme in this area?

Jean-Pierre Jouyet, President-in-Office of the Council. - (FR) Mr President, I would like to thank the various speakers who, during the course of this debate, on the one hand have lent their support to the Small Business Act and on the other hand have insisted on rigorous and compulsory monitoring. I am also keen to reassure those who have spoken of making sure that the financial aid is well targeted towards small and medium-sized enterprises: the European Investment Bank aid will indeed be earmarked.

Rest assured that as far as the European Council is concerned, the ministers shall convey this message to the Heads of State or Government, and that we, as the Presidency, shall argue for the most stringent application possible. We shall do our utmost to ensure that the Small Business Act and its action plan enjoy the clearest possible political support at the highest level. As Mr Toubon has said, care must be taken to make sure that the specific measures and simplification methods do not result in a weakening of guarantees with respect to small and medium-sized enterprises. I see this as important.

Finally, a nod to Mrs Wortmann: I would like to say to her that I am particularly aware of the support we must give to women's enterprise; I am reminded of it every evening, apart from this evening, because my wife also runs a small business. I am therefore very conscious of this and you can count on the Presidency and on myself to ensure that your words will be followed by action, without, of course, there being the slightest conflict of interests, I say that before you all.

I would like to extend my warmest thanks to Mr Verheugen and to everyone at the Commission for all they have done – we have worked well together during this presidency for the good of small and medium-sized enterprises – to thank you for taking part in this debate, as well as Mrs Fontaine for the question she raised and to say once again that the European Parliament will be instrumental to this process and its follow-up.

Günter Verheugen, Vice-President of the Commission. - (DE) Mr President, ladies and gentlemen, thank you for the very broad consensus that has been shown in this debate, not only in relation to the objectives of our policy for small and medium-sized enterprises, but also in relation to the steps which we are taking to achieve them.

I should like to quickly answer the questions that have been raised. Mr Chichester, the European Investment Bank has already given a positive response. EUR 15 billion was planned as credit volumes by 2011, now it is 30 billion, therefore the amount has already been doubled. Furthermore, SMEs naturally also have other financial instruments at their disposal within the European Union, in particular in connection with the Structural Fund. I also wish to point out that all major European projects are designed in such a way that small and medium-sized enterprises have privileged access to them.

As far as the question of reducing costs is concerned, I am happy to be able to inform you that the Programme for Reducing Administrative Burdens for European Enterprises is going according to plan. The next major step now also involves a proposal to introduce e-invoicing, as it is required here, which will in fact lead to a saving of up to EUR 18 billion per annum for small and medium-sized enterprises.

In the case of the proposal for a directive regarding the problem of late payment, the Late Payment Directive, work is far advanced, and this same Parliament will be able to deal with this proposal.

Regarding Mr Rübig's last question: Which executive authority would turn it down if Parliament offers it money? However, I fear that you are not offering us any money, you are offering a budget line in which there is a zero. If you are able to offer a budget line with a great amount of additional money, please do, but I do not see that happening.

Therefore, I believe that at this time it makes more sense to optimise the programmes and projects which we have in such a way that they serve to finance the Small Business Act. This applies, in particular, to the Competitiveness and Innovation Programme, for which I am responsible, but it also applies to the major Structural Fund, even to the Rural Development Programme and even to the Framework Programme on Research and Development. Overall, I see substantial opportunities for making use of these programmes to promote small and medium-sized enterprises within the European Union.

President. – To conclude the debate I have received one motion for a resolution⁽²⁾ pursuant to Rule 108(5) of the Rules of Procedure.

The debate is closed.

The vote will take place on Thursday 4 December from 12 noon onwards.

Written statements (Rule 142)

Adam Bielan (UEN), in writing. – (PL) Improving the situation of small and medium-sized enterprises in Europe and supporting the Charter for Small Enterprises is very significant in terms of developing entrepreneurship and the economy of the European Union. This is particularly so because small and medium-sized enterprises employ over half of the citizens of the European Union and account for 99% of enterprises in the Union as a whole. Unfortunately, however, I have many concerns relating to implementation of the Charter for Small Enterprises.

In Poland, for example, there were promises of ambitious plans to lighten the administrative burden, simplify provisions and do away with redundant legislation. In fact, the situation in government offices has not changed. Entrepreneurs are still coming up against incompetent officials and unnecessary procedures. In addition, they continue to suffer from undue bureaucracy that significantly restricts entrepreneurial activity.

To date, no public service Internet portals have been created. The idea of such portals is to facilitate the registration of firms, the submission of tax or customs declarations and use of collections of statistical data. All these activities could be done electronically. If we do not make our procedures more effective and do not reform government offices, we shall not succeed in fulfilling the commitments in the Charter for Small Enterprises. Consequently, we shall fail to provide proper support for SMEs.

Lidia Joanna Geringer de Oedenberg (PSE), in writing. – (PL) Small and medium-sized enterprises (SMEs) are of key importance to the European economy, to its competitiveness and to employment levels. Providing over 100 million jobs, SMEs contribute to economic growth. In addition, they are the main source of regional development and innovation, and promote gender equality.

The European Union's SMEs still have lower productivity and a slower growth rate than those in the US, where such enterprises increase the number of jobs by an average of 60% in the first seven years of their operation, by comparison with approximately 10-20% in Europe.

The European Charter for Small Enterprises launched by the European Commission last June introduces for the first time a comprehensive SME policy framework, granting them equal conditions and striving to improve their legal and administrative environment in the EU.

An urgent question arises within this context: does the Council intend to formally support the European Charter for Small Enterprises and will Member States make a binding commitment to its implementation?

It is of vital importance to establish what steps the Council proposes to take to provide SMEs with steady access to funding at this time of financial crisis.

Richard Seeber (PPE-DE), in writing. – (DE) The more than 23 million small and medium-sized companies are rightly described as the economic backbone of the European Union. Despite their significance, SMEs cannot yet take full advantage of the internal market and in particular face bureaucratic difficulties. The Small

(2) See Minutes

Business Act is an important step in making SMEs more competitive and giving them the opportunity to realise their potential. The success of the 'better law-making' principle is not the only decisive factor here. In small and medium-sized businesses, awareness of the opportunities of European integration must also be strengthened. The Exchange Programme for Entrepreneurs is a good approach in this connection.

The financial measures in the Small Business Act are particularly important for the promotion of SMEs. In the light of the current difficult economic situation, it is a must that SMEs retain their employees. Simplifications in procurement, the combating of late payment or facilities for borrowing and setting up new companies are efficient instruments in this connection. Overall, the Small Business Act protects the mature European corporate structure and makes European SMEs fit for competition on international markets.

17. Arms exports (Code of Conduct) (debate)

President. – The next item is the Council statement on arms exports (Code of Conduct).

Jean-Pierre Jouyet, *President-in-Office of the Council*. – (FR) Mr President, as you have said, we are running very late, and I would like to apologise to the Members for this.

I shall introduce this debate but, unfortunately, I have other commitments and, given the unexpected nature of the delay, I am unable to withdraw from them. I shall therefore ask the General Secretariat of the Council to take my place during the debate and, obviously, to provide the Presidency with a very detailed report of its conclusions.

I wish to draw your attention, ladies and gentlemen, to the fact that the transformation of the Code of Conduct into a common position is an important objective for the French Presidency and that it is necessary to give a legal basis to the responsible approach adopted by the Member States with regard to arms exports and to increase the points of convergence between nations.

Your resolution of 13 March demonstrates that you also share our point of view concerning this issue. Discussions have been resumed in recent weeks. We are doing everything we can to make progress on this issue before the end of the French Presidency. The adoption of a common position will constitute an instrument that will help make it possible to implement a responsible policy designed, in particular, to avoid such exports being used for the purposes of internal repression or international aggression and prevent them from fuelling regional instability.

We are convinced that the Union's initiative, within the framework of the United Nations, of establishing an arms trade treaty will gain in credibility once our own system for the control of the transfer of armaments becomes legally binding, and we support this House's opinion emphasising the urgency of converting the Code of Conduct into a legally binding instrument.

We also support your opinion concerning the need to establish effective control of arms brokerage operations. The Member States have agreed that the commitments relating to the exchange of information provided for in the Council position of 2003 should be implemented by means of the mechanism established within the framework of the Code of Conduct.

Therefore, although certain Member States have not yet adopted the legislation necessary for the transposition of these commitments into national law, I can assure you that all the Member States possess regulations in this field. The task now is to update these regulations so that they are fully compliant with the Council's common position.

The adoption of common regulations concerning the control of exports in the form of a common position will also enable the Member States to strengthen their own controls of arms brokerage operations. The illegal movement of arms is another problem that concerns us, and the EU's strategy on small arms and light weapons clearly indicates the need to act in order to stop or hinder the illicit flow of arms. This action was reinforced in Vienna on 6 December 2007 during the meeting of the 40 States participating in the Wassenaar Arrangement on export controls for conventional arms and dual-use goods and technologies.

The Presidency supports the idea of examining the possibility of extending these best practices to the destabilising movement of small arms and light weapons, in particular by sea. Despite the delay in adopting a common position, I should like to emphasise the fact that the Code of Conduct is a particularly effective instrument that has made a significant contribution to the harmonisation of the Member States' national policies in the field of arms export control and, to this end, I should also like to point out that harmonisation

is facilitated by the user guide, which provides guidelines followed by the public officials who are responsible for this area. This guide is regularly updated and therefore makes a very great and practical contribution to the efforts to harmonise national policies in this area.

To conclude, I should like to say that we are working together towards the construction of a responsible approach to arms exports, and I should like to thank the European Parliament for its assistance in this matter.

It can count on the commitment of both the Council and the Presidency.

Stefano Zappalà, *on behalf of the PPE-DE Group*. – (IT) Mr President, President—in-Office of the Council, ladies and gentlemen, unfortunately the terrorist incidents which have occurred since 2001, the most recent of which have taken place in India these last few days, and the various conflicts ongoing in many parts of the world make this arms trade topic particularly relevant to the present and future in the widest sense. It happens far too often that major intentions expressed in the form of declarations of principle subsequently fail to be backed up by concrete action. It is glaringly obvious to everyone that this is a delicate subject, involving major industrial and commercial processes. It is therefore understandable how difficult it is for all states, especially Member States to ratify a control and regulation system. However, the pressure of events and the knowledge that there is illegal arms trafficking going on both internally and externally make it an urgent priority to regulate this area in a legally effective manner. It will also give some real meaning to the directive being drafted on the transfer of defence-related products within the Community if the code of conduct is ratified quickly.

I am sorry that the President-in-Office of the Council has left, although based on what he said everything seems to be in order. I will therefore leave out some other points which I had prepared. In actual fact, I do not feel that everything is absolutely fine. Therefore, I think that the commitment which the Minister has made here this evening, like so many other commitments undertaken by so many others in other circumstances, needs to be converted, as we approach the end of the French Presidency, into a far-reaching stimulus, especially next week, so that the code of conduct can at least be ratified by all Member States. It would be significant if France could achieve this, other than simply announcing it here in the Chamber, but then not even having concrete results to show for it.

President. – Mr Zappalà, Mr Jouyet has in fact had to leave. I would like to apologise on his behalf since the problem is that he has a train to catch. It is actually because this debate has overrun that he cannot be here now. We all know how conscientiously Mr Jouyet has performed his work throughout these six months, but it is in fact this House that is running late. You can rest assured that the Council officers who are here will pass on to the Presidency all the comments that you have made and that other Members will make.

Ana Maria Gomes, *on behalf of the PSE Group*. – (PT) Mr President, the resolution that we are debating today demonstrates that there is consensus in this Parliament on what the arms export policy of the Member States of the European Union should be. The six largest political groups are united in the defence of a single list of legally binding criteria for European arms exports: the eight criteria of the Code of Conduct.

Everyone agrees to call on the French Presidency to resolve the impasse that has existed for three years and that only France can resolve. We heard Mr Jouyet say a little while ago that France is now in favour of a legally binding Code of Conduct. We heard yesterday in the Committee on Foreign Affairs, from the French Minister of Defence, that a recent proposal by his country to turn the Code of Conduct into a common position had been undermined by the lack of consensus in the Council. The Minister did not make reference to the fact that the French proposal was linked to the lifting of the arms embargo on China, and it was this that led to the rejection of the French proposal by several Member States. If this strategy is confirmed, it will represent a blemish on a security and defence agenda from the French Presidency that is otherwise distinguished by its Europeanist ambition and dynamism.

In the face of growing European integration in the area of foreign policy, the policy of 'every man for himself' with regard to arms exports is increasingly unjustifiable. It is true that the Code of Conduct is already taken seriously in many capitals, but we must put an end to a situation in which the European countries that systematically use human rights, sustainable development and regional stability criteria to guide their exports are put at a disadvantage by their partners who apply these same criteria selectively.

European presidencies come to an end, but the need remains for Europe to arm itself with common criteria for arms exports; the consensus within this Parliament in favour of a common position also remains.

Renate Weber, *on behalf of the ALDE Group*. – Mr President, this year we are celebrating the tenth anniversary of the EU Code of Conduct on Arms Exports. But even though this was a success at the time, we must now express our frustration and bitterness with the failure to make it a legally binding instrument.

Three years have passed since the Council Working Group on Arms reached a technical agreement on a common position. How many more years does the European Council need to adopt it? How can we, as the European Union, protect our own credibility when speaking against illegal arms trafficking, if we are not able to put our entire house in order?

We need a Code of Conduct to be legally binding if we want to avoid any easy intra-Community transfer of arms, which may tempt brokers to look for the weakest link in Europe. When we speak of arms exports, we should think at the same time of human lives at stake in unstable countries. We can easily be accused, instead of peacemaking, of fuelling local conflicts in vulnerable parts of the world.

I welcome the French Defence Minister's declaration that France has withdrawn its reservation on the common position. Will the French Presidency be able to convince the other Member States which are still opposing it? I can only hope so, and wish for the French Presidency to make the adoption of the common position in the next two weeks another of the great achievements of its term of office.

Raül Romeva i Rueda, *on behalf of the Verts/ALE Group*. – (ES) Mr President, the truth is that I am indignant, because I would much rather have given an enthusiastic speech congratulating the French Presidency on having finally brought about something that we have spent nine presidencies hearing was necessary, which is the adoption of a common position on arms exports. I say that we have spent nine presidencies hearing the same thing because we have been promised that this work would be carried out ever since the Dutch Presidency in 2004.

We know that, from the technical standpoint in COARM (Code of Conduct on Arms Exports), the work is done. What I would like to have heard today is that the decision has already been made for the Ministers to finally sign the document.

I am therefore sad to hear that we have not yet reached that stage, and I am even sadder to learn that the reason for such a state of affairs is that this decision is being linked to another one that gives cause for concern: the lifting of the arms embargo on China. The two issues, as we have said many times, are separate and one has nothing at all to do with the other. It seems to me that making one conditional on the other does no favours for what we have been discussing, namely peace and the control of arms exports.

Tobias Pflüger, *on behalf of the GUE/NGL Group*. – (DE) Mr President, weapons are for killing. The reason for the arms exports that we are discussing is to kill other people – opponents. This is always left out in this debate.

For ten years there has been a debate about whether this Code of Conduct is legally binding. Like my fellow Members, I had hoped to finally hear today that yes, we have reached that point. However, we have evidently not reached that point yet. In the meantime, I have been informed that an opt-out is evidently included in the directive to simplify the transfer of defence-related products within the EU, so evidently the desire is to have loopholes in the legally binding nature of arms exports. That cannot be permitted. Dual-use goods must also be included.

I wish to clearly emphasise once again that this is about the European Union supplying arms – the European Union has now become the world's greatest arms exporter – and if these arms are supplied, they will also be used at some stage. And when they are used, crocodile tears will be shed. We need this legally binding Code of Conduct at last. I hope that it will be possible before the end of the French Presidency of the Council.

Justas Vincas Paleckis (PSE). – (LT) Ten years ago, the European Union agreed on a Code of Conduct on Arms Exports. Unfortunately, it is not being implemented. The Council, meeting behind closed doors, is unable to adopt a common position. It would be very important to know which countries are blocking it, while allowing themselves to make huge profits from people's blood and tears.

In March, the European Parliament adopted a resolution on this issue. However, as we speak, weapons made in European Union countries flow by a growing illegal stream to conflict zones and fall into the hands of criminals. It is a paradox that those weapons also go to countries to which the EU provides enormous support for development.

The presidency countries of the Council of Europe – France and maybe also the Czech Republic to complete it – must do everything possible to approve the Code of Conduct on Arms Exports, to prevent the irresponsible transfer of EU arms to criminals. If this fails, the parties hindering it must be identified.

Jan Cremers (PSE). - (NL) Mr President, ladies and gentlemen, when we marked the 10th anniversary of the EU code of conduct for arms exports, we noted, unfortunately, that no progress had been made with regard to rendering this voluntary code a legally binding instrument. For years, the European Parliament has been arguing in favour of translating this code of conduct into legislation that is binding upon the Member States, in light of the increasing internationalisation of the arms industry.

The European Parliament is currently discussing a proposal for a directive with a view to creating an internal market for defence products. In the discussions on this topic, the Socialist Group in the European Parliament argued in favour of more transparency and of effective sanctions in the event of non-compliance with the obligations. In this connection, our group made another reference to the code of conduct, but due to the lack of a legal framework, we can currently do no more than call on the Member States to act in the spirit of the code of conduct.

We need stricter rules for the export of arms components, the transfer of products via joint ventures and the re-export of European military goods to third countries. Last year alone, western countries sold arms to developing countries for an estimated USD 42 billion; half of which were European. This needs to change. The European Union should set a good example in this area in particular.

Ioan Mircea Pașcu (PSE). – Mr President, the tenth anniversary of the adoption of the Code is both an opportunity to celebrate and a motivation to continue efforts to make it compulsory. However, the very fact that ten years after its adoption the Code is still voluntary indicates the complex web of economic, commercial and political interests we are up against. Therefore, in spite of our moral superiority in asking for the Code's application to be made obligatory, that is not enough. We need a thorough professional analysis of this body of interests to identify working ways to persuade the arms producers, exporters and politicians to change heart. Therefore, as I already said, simple appeals based only on morality, however vocal, will not suffice.

President. – To conclude the debate, I have received four motions for resolutions⁽³⁾ pursuant to Rule 103(2) of the Rules of Procedure.

The debate is closed.

The vote will take place on Thursday 4 December from 12 noon onwards.

18. One-minute speeches on matters of political importance

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

I am going to be very strict and cut speakers off after exactly one minute. There are 31 Members on the list, although many or, at least, some of them are not present. This is not a catch-the-eye procedure, but instead we have a list of speakers who have asked to make one-minute speeches.

Dragoș Florin David (PPE-DE). – (RO) In November the European Commission presented its 2008 report on the Republic of Macedonia. This report emphasises the progress that has been made during the past year, but does not provide a specific date for initiating accession negotiations.

I believe that the progress which has been made in the areas of the economy, administrative reform and judicial reform, along with the current situation in the Western Balkans, entitles the Republic of Macedonia to hope that a date will be set for initiating accession negotiations in 2009. This is subject to the parliament and government of the Republic of Macedonia undertaking more sustained and responsible efforts to create a climate of democracy in order to ensure transparent, democratic conditions for the local and presidential elections due to take place in March 2009.

At the same time, I would like to call on the European Commission to bear in mind the progress that has been made by the Republic of Macedonia over the last few years, as well as the responsibilities assumed by

⁽³⁾ See Minutes

the parliament and government of the Republic of Macedonia. It should also draw up an action plan for lifting the visa requirements for citizens from the Republic of Macedonia ...

(The President cut off the speaker)

Marusya Ivanova Lyubcheva (PSE). – (BG) I would like to draw attention to the sanctioning of Bulgaria by the Directorate General for Enlargement on the withdrawal of accreditation for two agencies that have been entitled to resources from the pre-accession funds of the EU. The efforts applied by the Bulgarian Government must be considered as an unconditional acceptance of the conditions placed by the EU. The high level of synchronisation of legislature, changes to the law on public tenders, the Criminal Code, the new law on conflict of interests, personnel changes and the involvement of all national resources in the improvement of the scheme for management and monitoring of EU funds are a guarantee of the government's real commitment. The withdrawal of accreditation has hardly been the best measure that has been applied, even sounding as a warning towards the next EU enlargement. The obligation to comply with EU criteria must correspond to equal treatment for all countries as well as with cooperation in solving problems. The Bulgarian Government is conducting a firm policy in the fight against ...

(The President cut off the speaker)

Marco Cappato (ALDE). – (IT) Mr President, ladies and gentlemen, the authorities of the Tibetan Government in Exile have issued the memorandum, document and proposals for giving Tibet real autonomy, which they submitted to the Chinese authorities during negotiations. This is living proof, if it were ever needed, that the Chinese authorities have lied and continue to lie when they maintain that the real aim of the Dalai Lama and Tibetan authorities is to achieve independence. The Dalai Lama will be our guest tomorrow and will address this Parliament. Thirty-five colleagues will start from midnight, which is very soon, a 24-hour hunger strike, a fast in support of the Dalai Lama. His Holiness informed us today that he himself will take part in this fast. I believe at this point that this is the most tangible way in which the Presidency of the Parliament needs to support and conduct ...

(The President cut off the speaker)

Ewa Tomaszewska (UEN). – (PL) Mr President, the European Parliament does not abide by the principle of non-discrimination. The multilingualism of this House is not respected either. There have been instances of language discrimination during Parliamentary Committee and delegation meetings. Particularly distressing is the unannounced limited access to interpretation during hearings or voting when discussing verbal amendments. Until the Rules of Procedure forbid starting meetings unless all interpretation requirements have been met, these incidents will keep recurring.

Moreover, the financial services do not provide information in the languages of the MEPs to whom the information is addressed. The financial impact of the resultant misunderstandings is borne by the MEP. Deliberate language discrimination also occurs in EuroNews. I would therefore like to suggest that EuroNews should only be cofinanced with contributions from states in whose languages it is broadcast ...

(The President cut off the speaker)

Pedro Guerreiro (GUE/NGL). – (PT) Mr President, I should like to use this opportunity to make a denunciation and an appeal in the fight to defend production and employment with rights in the textiles and clothing sector.

My denunciation is of the growing number of companies that are closing or relocating their factories, and the increasing unemployment and situations of brutally intensified exploitation of workers that characterise the liberalisation of this important sector.

My appeal is for the European Parliament to schedule an urgent debate about the textiles and clothing sector in the various Member States. Specifically, this must cover the expiry of the common monitoring system between the European Union and China, which terminates on 31 December 2008, as well as assess how well the recommendations that the EP adopted nearly a year ago have been followed.

Urszula Krupa (IND/DEM). – (PL) Mr President, may I use the platform offered by the European Parliament to appeal for support for the initiative of Polish patriotic circles calling for 25 May, the day on which Captain Pilecki was shot, to be named European Day of Heroes in the struggle against totalitarianism.

The British historian, Professor Michael Foot, regarded Captain Pilecki as one of the six bravest participants of the World War II resistance movement. Witold Pilecki, an officer in the Polish Army who took part in the September Campaign during the German occupation of Poland, organised a resistance movement in Auschwitz, having become a voluntary prisoner there.

Having escaped from the Nazi camp, he fought in the Warsaw Uprising and in the Second Polish Corps in Italy, and, on his return to Communist Poland, was arrested by the Communist Security Services and put in prison, where he was tortured, condemned to death and shot on 25 May 1948.

Captain Pilecki devoted his life to the fight against the criminal dictatorships of the 20th century.

Jim Allister (NI). - Mr President, last Monday during his visit to Belfast, President Pöttering enthused about the EU supporting what was euphemistically called a 'conflict transformation centre' at the site of the former Maze prison, where some of the most vile and vicious terrorists were properly incarcerated. That was also where ten convicted IRA terrorists committed suicide during their hunger strike. What the President perhaps did not appreciate is that, because of this history, Irish Republicans – who love to wallow in self-pity – are determined to effect their own transformation on any such centre and turn it into a shrine for some of the most evil terrorists known to this generation. Hence the folly of the EU falling into the trap of funding such an obscenity and the foolishness of the President ...

(The President cut off the speaker)

Nicolae Vlad Popa (PPE-DE). – (RO) On Sunday, 30 November, an historic event took place in Romania as the left was defeated in the general elections, which used the single-member system for the first time.

The Liberal Democrat Party won the largest number of seats in parliament and could, along with the other centre-right parties, the National Liberals and the UMDR ethnic Hungarian party, form a comfortable majority to support a government lead by a prime minister from the Liberal Democrat Party.

Unfortunately, Romania's socialists have announced prematurely that they have won the elections. In fact, certain socialist leaders in the European Parliament and even heads of governments have been misled by this information. Therefore, it is obvious that the position of these leaders will change, bearing in mind the actual result of the elections in Romania.

Neena Gill (PSE). - Mr President, on behalf of the Delegation for relations with India, may I firstly give my sincere condolences to the families and friends of all those who were killed in last week's horrific terrorist atrocities in Mumbai and wish all those injured a speedy recovery. My sympathy also to colleagues and officials of the European Parliament caught up in these horrific and outrageous attacks. I have written to the Indian Prime Minister and the Chief Minister of Maharashtra to express our sympathy.

Coordinated attacks such as these are designed to spread fear and mistrust amongst citizens and to test democracy's commitment to deeply held values. As such they require a robust response from all those who cherish democracy and international law. Therefore I welcome President Pöttering's strong statements in support of India. As a Parliament we need now to move away from words and provide concrete actions that can support India's needs.

Marco Pannella (ALDE). – (IT) Mr President, ladies and gentlemen, I believe that at the moment we should be more aware of the fact that, when talking about Tibet and the Dalai Lama, we are actually talking mainly about ourselves. A few days ago, the simple announcement was made that President Sarkozy was boldly intending to meet the Dalai Lama in Poland. We have, however, been dealt with without even being listened to, dismissed, given no opportunity for a meeting. The wider European community is being allowed to welcome, speak to, receive and listen to the Dalai Lama. Why is this the case, Mr President? I believe that the answer to this is quite clear. We know that 80% of Europeans, if they were consulted as a single people, would give their support to the Dalai Lama ...

(The President cut off the speaker)

László Tőkés (Verts/ALE). - (HU) Mr President, in 1009, a thousand years ago, King St Stephen of Hungary established the diocese of Gyulafehérvár in Transylvania. This major event in church history is symbolic of the fact that Hungary, having converted to Christianity, became a member of the Europe of its day. In the 16th and 17th centuries, Gyulafehérvár was the capital of the independent principality of Transylvania, and the region became a symbol of tolerance and religious freedom. In 1918, the Romanian National Assembly held in Gyulafehérvár proclaimed the right of the Hungarian minority of Transylvania to self-government

following the annexation of Transylvania to Romania. Romania is still under obligation to Europe by virtue of this decision. In the spirit of Gyulafehérvár, I recommend that the millennium of the archdiocese ...

(The President cut off the speaker)

Marcin Libicki (UEN). - (PL) On 27 December, we will celebrate the 90th anniversary of the Wielkopolska Uprising. Thanks to the victory of this uprising, the old Polish province of Wielkopolska or Greater Poland became part of the newly emergent Poland. The success was paid for dearly. It cost the blood of over 2 000 dead and 20 000 wounded. We honour their memory.

Ilda Figueiredo (GUE/NGL). - (PT) Increasing numbers of incidences of blackmail of workers – in which conditions are imposed on them that lead them to lose rights they have acquired – are beginning to arise under the pretext of the crisis of capitalism. Significant examples are those involving the Peugeot/Citroen Production Centre in Mangualde and the Renault Industrial Unit in Cacia, Aveiro; both of these are part of the Portuguese automobile industry.

In both cases significant financial aid aimed at protecting jobs was granted by both the government and the EU, with the condition of creating more positions. However, the management of Peugeot/Citroen in Mangualde currently wishes to destroy rights that were fought for and are enshrined in the labour laws by pressuring the workers to accept harmful conditions that endanger their lives. At the Renault Industrial Unit in Cacia, the management decided to reduce production this year and prepare itself for not renewing fixed-term contracts, despite having committed itself to expansion ...

(The President cut off the speaker)

Desislav Chukolov (NI). - (BG) This 27 November marked 89 years since Bulgaria was degraded with the signing of the Treaty of Neuilly, which dismembered territories from our motherland that to this day are populated with people with a Bulgarian self-conscience. These territories, which lie within the borders of the present-day countries of Serbia and Macedonia, should be returned to the jurisdiction of Bulgaria because these countries cannot be considered as successors to the Serbo-Croato-Slovenian state. Serbia was not recognised as the successor state to Yugoslavia by the UN and by the international community, while the former Yugoslav Republic of Macedonia has not even been recognised by its constitutional name. We, patriots of Ataka, insist that the issue of the return of the Western Territories be settled before commencing EU membership negotiations with Serbia, while the accession of Macedonia into the EU must occur only after settlement of the issue of the return of the Strumica region into the realms of the Bulgarian state.

Romana Jordan Cizelj (PPE-DE). - (SL) I would like to say a word about the planned Commission measures, which I read about in the media, and which some constituents have also pointed out to me. These measures would supposedly provide financing for citizens to buy new cars. Such a measure would in fact promote consumerism; it would provide direct help for the car industry and would run counter to our environmental policies. I am also concerned about who will be responsible for the dismantling and recycling of these cars.

I therefore call on the Commission to begin, as it has in the past, by promoting the development and production of clean vehicles, with replacements being introduced gradually on the basis of environmental criteria, while at the same time providing clear information to citizens about how the plan to revive the economy conforms to our environmental and climate policies.

Proinsias De Rossa (PSE). - Mr President, the reason I wanted to make a one minute speech tonight is because I am concerned that, in Ireland, Ryanair are about to make a bid for the national airline, Aer Lingus. The bid, if successful, would create a private monopoly of airlines in the Irish market.

The Commission rejected this proposal on a previous occasion and I would urge Commissioner Neelie Kroes to reject this bid again. In my view, it is a predatory bid and it would not be good for Ireland's economy to have this airline in the hands of Ryanair, who have no loyalty whatsoever to the Irish economy.

Sylwester Chruszcz (NI). - (PL) Mr President, may I draw Parliament's attention to an extraordinary event which took place last July in Brody in Ukraine. A monument commemorating the soldiers of the murderous Waffen SS Galizien Division was unveiled there. I regard this as unbelievably scandalous that in the 21st century, at a time of reconciliation between nations, a group of people with openly nationalist and fascist sympathies can glorify a murderous unit responsible for the deaths of millions of Europeans, including my own countrymen, who perished in 1943-1945 as part of the planned genocide in Western Ukraine.

I have no doubt that most Ukrainians share my concern about this matter. I also feel that the Ukrainian authorities cannot remain indifferent to this scandalous attempt to rewrite history. I also appeal to Parliament and EU institutions ...

(The President cut off the speaker)

Anna Záborská (PPE-DE). - (SK) On 10 December, the 60th anniversary of the Universal Declaration of Human Rights will be commemorated all over the world. His Holiness the Dalai Lama will pay a visit to our Parliament tomorrow. China is one of the countries that have signed the Declaration, yet violate the human rights of men, women and children.

As the Chairwoman of the Committee on Women's Rights and Gender Equality, I want to remind you of the one-child policy, which provides clear evidence of the totalitarian and undemocratic nature of the regime in China. This policy clearly violates a number of human rights. Let me mention just a few of them: the killing of girls who are unwanted in the context of sex selection, trafficking in human beings and sexual slavery, stealing of children, denial of the legal existence of children from second and further pregnancies, abandoned children, violence against pregnant women, forced abortions, post-abortion problems, and women's suicides. The democratic world should clearly express its reservations about China's policy and monitor ...

Silvia-Adriana Țicău (PSE). - (RO) In Romania the left has won the elections because it received the largest number of votes and the largest percentage in Sunday's elections. This is a fact that cannot be ignored or distorted.

3 December is International Day of People with Disabilities. One in four families has a person with disabilities among its family members. Against the backdrop of this economic and financial crisis, we are hearing almost every day of thousands of redundancies in Member States. In this difficult climate, the situation for disabled persons is getting worse.

How will disabled people be able to find a job which will allow them a decent living from a salary, when thousands of other people without any disability are losing their jobs? I call on the Commission to urgently adopt specific measures aimed at supporting people with disabilities.

Particular attention needs to be focused on rare conditions which lead to physical or mental incapacity. I hope that in 2009, the year of innovation, we will invest more in research aimed at identifying ...

(The President cut off the speaker)

Colm Burke (PPE-DE). - Mr President, all EU countries need to have in place legislation which criminalises the practice of female genital mutilation. Measures also need to be put in place to address the needs of women and girls from new migrant communities who are at risk of FGM.

I welcome Ireland's recent commitment as one of the 15 EU Member States to launch a national action plan on FGM. It is estimated that more than 2500 women living in Ireland have undergone FGM in other countries. The Irish plan highlights the risks FGM poses to women and girls and sets out policy goals to address its detrimental effects.

Figures also reveal that, out of 9624 women now residing in Ireland who originally came from countries that practice FGM, 26.9% have undergone a form of female genital mutilation. The enactment of a law to place an outright ban on FGM is critical to the elimination of this.

Csaba Sógor (PPE-DE). - (HU) True dialogue between cultures and peoples exists when all are free to use their mother tongue and exercise their individual or collective rights. Today and tomorrow the European Parliament is expressing solidarity with the Tibetan people. More than 500 people have joined the silent demonstration on behalf of the freedom of Tibetans to use their mother tongue, practise their religion and enjoy true autonomy.

Within the EU there are traditional ethnic minorities which are unable to study or use their mother tongue freely, and which lack cultural or territorial autonomy. What is more, there are countries which have reintroduced the notion of collective guilt, reminiscent of the Second World War, or countries which still want to rely on the Communist laws of the 1940s to guarantee the rights of traditional ethnic minorities.

The EU's action on behalf of the minorities living on Chinese territory can be effective if ...

(The President cut off the speaker)

Zita Plešinská (PPE-DE). - (SK) We are living in a period of great opportunities, as well as threats. Man can destroy much faster than build. The terrorist attacks in Mumbai, India, which claimed the lives of two hundred innocent civilians showed us again that the human ability to destroy knows no limits. Terrorism is a new war without borders and without fronts so the fear of nuclear and biological weapons is not without foundation.

Europe is a model of coexistence of people from different cultures and religions. Its Christian heritage gives Europe the responsibility for world peace and a chance to become a source of hope for peaceful coexistence and mutual respect. Therefore, Benedict's Europe in a Crisis of Cultures is a set of recommendations offered to Europe by Pope Benedict XVI in his book. I believe that Europe will not ignore, but fulfil these recommendations.

Avril Doyle (PPE-DE). - Mr President, the recycling sector in the European Union has a turnover of EUR 24 billion and employs about 500 000 people. It is made up of 60 000 companies and the EU has around 50% of the world's share of the waste and recycling industries.

However, this sector is now in crisis as a result of the collapse in the price of recycled materials on world markets, and it is becoming economically unviable for waste businesses to continue to operate.

Given the importance of this sector for sustainable consumption and production in the EU, I would like to urge the Commission to implement without delay the recommendations set out in the report by its own Taskforce on Recycling, which was compiled during the preparation of the communication entitled 'A lead market initiative for Europe'.

President. – That concludes this item.

19. Facility for rapid response to soaring food prices in developing countries (debate)

President. – The next item is the report (A6-0396/2008) by Mr Mitchell, on behalf of the Committee on Development, on the facility for rapid response to soaring food prices in developing countries (COM(2008)0450 – C6-0280/2008 – 2008/0149(COD)).

Gay Mitchell, rapporteur. – Mr President, the food facility began as a proposal from the Commission, in the light of the rising food prices that provoked riots in some countries, to use EUR 1 billion in leftover agricultural subsidy money to relieve the situation in developing countries through agricultural inputs and emergency safety nets. The money was, in this form, expected to be wholly additional to existing development funds. Now, five months later, we have our billion, but it is in an entirely different form than that originally envisaged.

Two Fridays ago, I attended the budget conciliation meeting, with my colleagues from the Committee on Budgets and the Council, where we were finally able to reach a compromise over the funding of the food facility regulation. The last sticking points were then ironed out on the following Monday at a triologue between Parliament, Commission and Council.

The final compromise funding looks like this: EUR 1 billion to be financed over a period of three years, 2008-2010, via the flexibility instrument accounting for EUR 420 million; redeployment, with Heading 4, 'External actions', giving another EUR 240 million; and the increase of the emergency aid reserve by EUR 240 million for 2008. This increase requires a revision of the interinstitutional agreement. This amount is additional to another EUR 100 million used from the existing emergency aid reserve. As the emergency aid reserve is made up of contributions by the Member States, the top-up of funding will only be additional if the Member States do not compensate for their contributions by a corresponding reduction of the national budgets.

It has been suggested that there are noises of dissatisfaction from the Committee on Foreign Affairs and others about the part-financing of this from the Stability Fund. The Foreign Affairs Committee may be unhappy about this but it was probably about the best deal that could be done in the circumstances.

Although I support the compromise we have now reached, I have made a point of mentioning the shortcomings of the process and the outcome, both in the interests of honesty and to highlight – as I have done on previous occasions – the ludicrous situation where governments across the globe are producing multiple billions of dollars to bail out banks but have to search their souls to find, between 27 Member States and the budget of this Union, EUR 1 billion for the poorest people in the world.

I think we have done the best we could have done in a hundred days. We have found the money and we have put the regulation together, but it is not a totally additional billion. The content of this report includes the fact that the compromise text has already been accepted by all Member States in COREPER, and that essential elements from my report and the amendments from my colleagues on the Committee on Development are in it.

The regulation is limited in time. It now runs until the end of 2010. It concentrates on tackling the short-term crisis; its objectives are to boost agricultural production. It opposes the dispersion of funds by confining its use to a limited list of high-priority countries. It also widens the scope of possible implementing organisations and ensures parliamentary accountability. There are two statements appended to the regulation which help to ensure its proper implementation.

At the end of the day, I think we have done the best we can between Council, Parliament and Commission. We have done it in a hundred days. We have brought the law before Parliament. We will vote on it tomorrow. It is already agreed. We have found the money. I would like, in that context, to pay tribute to the cooperation we received from the Council and the Commission, particularly from Commissioner Michel, who really did want this money to be additional.

I would also like to thank the secretariat of the Development Committee, particularly Guido Van Hecken and Anne McLauchlan and to thank, in my office, Eoin Ó Seanáin and Oliver O'Callaghan, who were very helpful in all of this. I think at the end of the day that it is a good day's work and the best we could have done.

President. – Thank you, Mr Mitchell, and congratulations on your report and on a really important and admirable topic, which will enhance the European Parliament's reputation in the world as a factor for progress and solidarity.

Commissioner Michel now has the floor. Like Mrs Oviir, Mrs Goudin and myself, he has just come back from the other side of the world, 14 000 km away, and he is going to tell us, on behalf of the Commission, about the meeting we had during the ACP-EU Joint Parliamentary Assembly. I can see you are on good form today, Commissioner.

Louis Michel, Member of the Commission. – (FR) Mr President, Mr Mitchell, ladies and gentlemen, the food crisis has had a severe impact on developing countries.

I think that, as you have said and as you have shown by your actions, Europe had a moral obligation to respond rapidly, and this is all the more true since this crisis has been accompanied by a very serious financial and economic crisis whose disastrous effects on developing countries we will soon, unfortunately, be able to calculate, because these could very well involve the cancellation of public development aid, at the very least. However, we shall have an opportunity to return to this subject.

It seems to me that our three institutions – Parliament, the Council and the Commission – have succeeded in meeting the challenge by working swiftly on this facility intended to enable a rapid response to soaring food prices in developing countries.

I should like to thank you on behalf of President Barroso and the Commission. My special thanks also go to the rapporteur, Mr Mitchell, for his outstanding work, as well as to Mr Böge and Mr Le Foll for the contributions they have made on behalf of the Committee on Budgets and the Committee on Agriculture and Rural Development, respectively.

As you know, we regret the refusal to make use of the available margins under heading 2. However, we remained realistic given the prospects for an agreement on a good text. I have to say that the compromise text on which you will vote tomorrow is a good one: on the one hand, because it properly includes your amendments and those made by the Council and, on the other, because it retains the three key elements of our position.

Firstly, a response of EUR 1 billion, and no one seems to have cast any serious doubt on our estimation of the requirements. Secondly, it has always been understood that this should be concentrated over a very short period of time. We proposed a period of two years but could accept three. Finally, the objective was to revive agricultural production in the countries most affected by the increase in prices. In other words, it was to save crops in the immediate future.

What are the next steps after you vote tomorrow and after the Council's decision of 16 December? I think that the most important thing will be implementation in practice. In January 2009, the Commission will

propose the initial project funding decisions, because I believe that we clearly need to get things under way very quickly. The main aim is to save the agricultural production of the 2009 harvest. We shall therefore do everything possible to ensure that the majority of the financial commitments are realised in 2009 and have an effect on agricultural inputs, for example, for the 2009 season.

As agreed, the general plan for implementation of the facility will be submitted to you in the very near future and, in any case, by the end of April 2009. This facility came about thanks to the political will of our three institutions, and its rapid, effective implementation will clearly require this same shared will.

László Surján, *draftsman of the opinion of the Committee on Budgets*. – (HU) Mr President, the Committee on Budgets was aware of the European Union's moral responsibility to countries that are in difficulty. However, you need not regret for a moment, Commissioner, that we were unable to find the money for this noble purpose in Chapter 2.

There is no point regretting this, because we have the same moral responsibilities to European farmers, whom we have been telling for months that there is no money for this, that and the other thing, and that the farmers in the new Member States will have to wait 10 years until they receive equal treatment. The funds had to be found elsewhere, in the appropriate place, and as the rapporteur has stated, we have indeed succeeded in doing so. I think that we have done a good job and we can be proud of it.

The Committee on Budgets faced yet another problem. We were not convinced that – as the Commissioner has also stated – the Commission responded quickly, and that the European Commission's proposal is expedient in every respect. We found it regrettable that the concept of microcredit was not mentioned in the original material. The Committee on Budgets considers that it is very difficult to determine in Brussels or at the headquarters of any other international institution how one or another region or farmer that is facing difficulties can find a way out of their situation.

The microcredit system has proven to be very successful and has helped many countries in difficulty, and we are very grateful that the Committee on Development has accepted the recommendations of the Committee on Budgets in this regard. Commissioner, I cannot guarantee, but can predict that in all likelihood the result of the vote tomorrow will meet with your satisfaction and that of all concerned parties. Thank you for your respectful attention.

Stéphane Le Foll, *draftsman of the opinion of the Committee on Agriculture and Rural Development*. – (FR) Mr President, I shall be brief. First of all, I should like to thank Mr Mitchell and to commend his work. I should also like to thank the Commissioner for his commitment and say that the food crisis will not simply be dealt with in two or three years but will remain a concern during the years to come.

I should like to add one point in my role as representative of the Committee on Agriculture and Rural Development. It is that, for fifteen years, the proportion of development aid devoted to agriculture has been consistently falling. As Mr Diouf has said, it has dropped from 15 to 4%. It is time to consider the idea that development also means supporting agriculture and, if this facility is to have meaning in the future, then this is the meaning that I personally intend to give it.

Colm Burke, *on behalf of the PPE-DE Group*. – Mr President, I would like to thank Mr Mitchell for his report. I welcome the creation of this food facility for the world's poorest farmers which has finally been agreed after long negotiations.

Some members of the Council were not willing to provide unspent agricultural money to support developing countries. While one sixth of the world's population is now going hungry, certain Member States of the European Council held back (though a majority of members were in favour of using the CAP), citing a fear of setting precedents as their tenuous justification.

The money has been found elsewhere, being phased over three years from 2008 to 2010 instead of over a two-year period. Sadly this money was most needed a few months ago when food prices were soaring. Food prices are no longer soaring in some of those same countries.

Since food prices began to increase, the number of people going hungry has risen to nearly one billion. This year 100 million people were driven into poverty as a result of the food and fuel crisis, and that number continues to grow. People in developing countries spend up to 80% of their income on food, underlining the reason why the price of food must remain accessible.

The food facility will contribute to solving some short-term needs by providing agriculture inputs and strengthening safety nets. However, a new food crisis will be imminent unless EU Member States and other rich countries address the structural problems that fuelled the food crisis.

Josep Borrell Fontelles, *on behalf of the PSE Group*. – (ES) Congratulations, Commissioner. Without your total dedication to this cause, it would not have come to this apparently happy ending. You have fought hard all the time to achieve this aim. My thanks are also due to my colleague the rapporteur, Mr Mitchell. Between the two of you, you have saved the European Union from the resounding ridicule that would have resulted if we had not managed to find this billion, after having promised it so often in so many places around the world.

Maybe it is not exactly a billion and it will not be entirely additional, although a very large part of it will be. It will not come from agriculture, as you had proposed, Commissioner, and it will not all come in just one year, but in two or three. The imperfections of the real world, however, did not stop you from achieving the goal that you had set yourself, with, may I say, the help of the Committee on Development and the Socialist Group in the European Parliament.

It is not a lot of money: just EUR 1 for each malnourished person in the world, EUR 1 per hungry individual. It may, however, help to reduce the number of them in the future, provided that the Member States do not deduct the additional funds that they have had to provide for this emergency relief from their development aid.

Therefore, Commissioner, I call on all the Member States not to reduce the additional amount provided in this sum by cutting back in their national budgets. One Member State has already hinted that it may do so. Others like Spain, on the other hand, have made a firm commitment not to do so. There is no point at all in robbing Peter to pay Paul, in other words just moving money around so you end up giving the same amount. I am sure that you, Commissioner, will be the first to complain if that happens.

Kyösti Virrankoski, *on behalf of the ALDE Group*. – (FI) Mr President, I would like to thank Mr Mitchell for his excellent report. My group has always been in favour of the rapid granting of food aid. The Commission made its proposal for aid worth EUR one billion in July. Unfortunately, that went against the principles of the Interinstitutional Agreement on budgetary discipline. This was surprising, as the Commission is traditionally a guardian of the Treaty and lawfulness. It was not until the budgetary conciliation stage that the Commission altered its proposal to conform to existing legislation. It was then that agreement was reached.

The French Presidency also deserves our gratitude. It succeeded in persuading the Member States to adopt the food aid position. EUR 760 million out of EUR 1 billion is new money and a clear victory for the European Parliament.

One problem is ensuring that the aid gets to its intended destination. Sceptics claim that just a part of the aid arrives at its destination, while most stays in the hands of intermediaries. This problem needs to be watched closely. One problem with agriculture in the developing countries is not the availability of fertilisers or seed but the lack of education and the primitive working methods, equipment and facilities. That will not be solved in one year with a billion euros. That is why food aid is primarily a wake-up call that development cooperation should make agricultural development and boosting food production its priority.

Agriculture in developing countries is often practised in difficult conditions, typically barren soil and a harsh climate. Such circumstances call for an exceptionally high degree of professional know-how and advanced farming methods. For that reason, vocational training needs to be developed. At present there is barely any at all. Production methods need to be adapted to the limits that poverty imposes. The leap from plough to hi-tech tractor is not at all an appropriate one. Agricultural development needs to happen one step at a time.

Marie-Hélène Aubert, *on behalf of the Verts/ALE Group*. – (FR) Mr President, now that my fellow Members have reminded us of the somewhat difficult progress of this excellent initiative, we hope that it will start to take a more concrete form.

For my part, Commissioner, I should like to question you on two points. Firstly, it is said that some of the finance for the additional funds will be provided by drawing on the funds dedicated to the stability instrument, which was set up for the purposes of conflict prevention and the consolidation of peace. This redeployment appears to me to be extremely problematic. Has it been confirmed? And if it has, will any compensation be

envisaged? I imagine that you will no doubt also be concerned with the long-term future of this instrument of instability.

Secondly, now that this EUR 1 billion seems to have been raised, what channels will be employed to ensure that the funds are moved quickly and effectively to the many different and widely spread actors in the field, as well as to the hundreds of family-based agricultural organisations? How do you intend to deal directly with these actors in the field and avoid the waste and loss which, as we well know, are associated with the presence of many different intermediaries?

Wiesław Stefan Kuc, *on behalf of UEN Group*. – (PL) Mr President, the European Union is attempting to establish a facility which will enable it to offer rapid assistance to poor and non-developing countries, to ensure that their populations survive if food prices rise. In this context, we have been saying that the food shortages in those countries are permanent, and not simply associated with failed harvests or speculative food price rises. It follows therefore that short-term responses and food aid will not solve the problem.

Offering training and introducing new production methods, better seed and fertiliser, promoted for years by FAO and the World Bank, have not brought the expected results. For this reason, regarding EUR 1 billion as a facility which will allow rapid response to food price surges in developing countries is not commensurate with the expected results, especially considering the way our Union operates.

This was perfectly well noted and understood by Mr Mitchell, the rapporteur, but it would seem not to have been grasped by the rapporteurs for the consultative committees and the Committee on Budgetary Control.

IN THE CHAIR: MRS ROTHE

Vice-President

Konstantinos Droutsas *on behalf of the GUE/NGL Group*. – (EL) The global food crisis and soaring prices are the result of food becoming a common commodity, an object of capitalist speculation rather than a means of survival. The European Union, by giving minimum funds and dedicating a fraction of its time wants pharisaically to wash its hands of its responsibilities on, what has officially been described as a crime against humanity. We believe that these funds will end up in the pockets of the multinational companies in control of the development programmes. The solution to this problem demands respect for the right to food security and sufficiency, supporting small- and medium-sized farmers and restructuring local and regional markets. In essence, we need a fundamental change in the common agricultural policy which currently promotes the transferral of the land over to the few, the uncontrolled exploitation of natural resources and the replacement of food crops with other plants.

Hélène Goudin, *on behalf of the IND/DEM Group*. – (SV) Madam President, poverty, misery and starvation are the daily lot for the more than two billion members of the earth's population who live on less than two dollars a day. The recent dramatic price increases, particularly for rice, maize and other staples, are of course another major reason why many people do not have enough food. The EU has also noticed this problem and consequently wishes to set up a fund to deal with the crisis.

The question that we must ask ourselves, ladies and gentlemen, is why we accept the EU's damaging agricultural policy, which is one of the worst culprits in this regard. This protectionist policy robs poor people of income opportunities and thus of the ability to avoid starvation. Nonetheless, this Chamber always votes in favour of the common agricultural policy. It is a tragedy, and I ask myself whether it is a conscious or an unconscious move on the part of the EU.

Czesław Adam Siekierski (PPE-DE). – (PL) We are all aware that due to the continuing food crisis many people, especially those living in the very poorest developing countries, are experiencing great difficulties. Instead of achieving the UN Millennium Development Goals, further millions are falling into poverty.

The European Union must not hold back from coming to their aid. I expect that most of us sitting in this room would agree with this. Supporting these countries is our moral duty, an expression of solidarity with poorer nations. We must show them the right way to overcome the crisis and help them to provide the appropriate quantity of food, above all by supporting their agricultural production.

I should also like to stress that assistance is needed not only outside the Union. Within the Union too, millions face the problem of high food prices and food shortages. I therefore ask that while helping others, for instance in Africa, we do not forget those waiting for our assistance close by. This is why we need to support the

European Commission's proposal increasing funds for the food distribution programme for Europe's most deprived people. It is regrettable that some Member States are opposed to this programme.

Juan Fraile Cantón (PSE). – (ES) Madam President, in the framework of the current crisis, the United Nations has warned us of the dire situation faced by 22 particularly vulnerable countries, and the World Bank tells us that the 850 million people already going hungry in the world will be joined by a further 100 million as a result of the crisis.

This situation required a swift, joint response from the European Union, and in July the Commission proposed a special financing facility to help farmers in developing countries and to try to mitigate soaring food prices.

The measure sought both to increase agricultural production in those countries, where the effects of rising prices are felt most strongly, jeopardising chances of meeting the Millennium Development Objectives, and as far as possible to avoid instability and tensions that might endanger the results of years of investment in the political spheres of development and peacekeeping.

We therefore welcome the agreement that has been reached, fulfilling a promise of adding EUR 1 billion that was made, as I was saying, at the highest political level ...

(The President cut off the speaker)

Proinsias De Rossa (PSE). – Madam President, I would like to congratulate all those involved in this report and this very significant achievement: the rapporteur Gay Mitchell, all the political groups – including my own – and Commissioner Michel.

Food prices and the collapsing global economy will have devastating effects on people in developing countries. It has been estimated that, for every 1% drop in the world GNP, 40 million more people will be driven into poverty. Consequently, it is extremely important that this proposal to cope with soaring food prices is implemented with urgency. The developing world is not the author of the current financial and economic crisis. If we are to avoid condemning another generation of people to abject poverty and hunger, we must avoid short-sighted penny-pinching in the field of development aid. As has already been pointed out, the figure of EUR 1 billion may seem large, but it is trifling compared to the amount of money we are pumping into banks and stimulus packages. I urge that this report be implemented as quickly as possible.

Silvia-Adriana Țicău (PSE). – (RO) The Council of the European Union should make national and international policies relating to the problem of guaranteeing food supplies to populations more coherent.

High food prices are having serious repercussions for the poorest populations and are putting at risk the achievement of the Millennium Development Goals. The introduction of the facility proposed by the regulation is a result of lower agricultural expenditure.

The European Community needs to boost the growth of agricultural production in the short and medium term in developing countries, while reducing the adverse effects of rising food prices on the poorest sections of the population in developing countries.

Community aid is not going to be used to pay taxes, duties or other charges. At the same time, this regulation must ensure protection for European farmers.

Friedrich-Wilhelm Graefe zu Baringdorf (Verts/ALE). – (DE) Madam President, we have destroyed agriculture in developing countries by providing billions in export incentives and we have undermined food safety in these countries. If we think we can offset this with one billion, that is ridiculous! I am in favour of this one billion being paid – do not get me wrong – but 850 million starving people are not the result of our having had high food prices but of our having pushed the prices to such a low level in these countries with our export incentives that agriculture no longer pays. The subsistence economy, owner farming and self-sufficiency have been destroyed.

By this logic, if we now give them one billion, it will not help, instead it will aid destruction. We must therefore take great care as to how it is awarded.

I am in favour of our strengthening food safety long-term in these countries. This means that we must stop dumping exports on these markets.

Louis Michel, *Member of the Commission*. – (FR) Madam President, following this and some of the other contributions, I should like to make one important point very clear. This EUR 1 billion is in no way a structural response to the problem posed by the food crisis in developing countries.

It is, in reality, a rapid reaction intended as an emergency response in order to save the forthcoming crops, that is to say those of 2008-2009 – I think that we might more properly talk of those of 2009, 2010 and perhaps 2011.

I would also add that the underlying idea is that, at some time in the future, naturally, this rapid response capability could become permanent. In saying this, I am certainly going to worry a number of Member States. I have therefore said that this is a rapid, intact response. It is not the structural response.

The structural response was basically alluded to by Mr Le Foll when he rightly voiced his concern that, for many years now, the share of the development aid budgets allocated to agriculture and rural development has been constantly shrinking. Clearly, I shall pass over the question of the responsibility for all this. I believe that, although undoubtedly acting in good faith, the international community has to some extent colluded in this withdrawal. Clearly, then, we now need to refocus on this issue. Progress has been made. I have already had the opportunity to present the figures to you. The ninth European Development Fund: four countries chose agriculture or rural development as a sector on which to focus or concentrate in their cooperation with the Commission. Four, representing EUR 650 million, in the tenth European Development Fund and, after much discussion, many suggestions and great insistence, we are now at a level of EUR 1.25 billion for 25 countries. Twenty-five countries is only a third of the total, however. There is therefore still work to be done.

I believe, following on from what Mr Le Foll was saying, that the idea suggested by a number of the European Union's development ministers that, in five years' time, the bilateral development aid budgets focusing on agriculture should rise from an average of 10–15% is a good one. Clearly, these figures will have to be discussed. This will obviously make structural responses possible. This EUR 1 billion is therefore not meant to act as a structural response, or at least, not on a large scale. It is intended for emergency purposes.

I must tell you that references to the situation of European farmers compared to the small farmers of developing countries present me with a moral problem. First of all, I do not think that it is right to compare them. I believe that the European farming community or, at any rate, family businesses, are facing a number of problems, but in the case of the EUR 1 billion we are talking about here, what was the starting point? The starting point was the idea that, since prices had risen, the compensatory mechanism intended to cope with falls in prices and the loss of income for European farmers no longer had any purpose. The idea therefore emerged of using these sums, somewhat symbolically, to allocate to these other countries what had been planned for European farmers but had not proved to be necessary.

I do not think that the situations should be compared. I most truly do not. Of course, I think that Europe's consumers and citizens have the right to our full consideration and I regret, furthermore, that it should be so difficult to help those in Europe who are in need of assistance, in particular by means of the aid which is currently being debated and on which little progress seems to have been made.

We should not establish a link and we should not make our actions in favour of some dependent on our possibly parallel actions in favour of others. The two things are not the same; they are really not at all the same. First of all, we are not talking about the same levels of poverty and, secondly, I believe that we must remain consistent.

This is a fundamental question which, in essence, perfectly frames the problem of the consistency of European policy with regard to agriculture. The problem was raised by Mr Borrell. It is clear that the real issue at hand that we must now monitor very closely and that will require us to be extremely responsive, both at the level of Parliament – which I know will act in this way – and of the Commission, and even of certain Members of the Council, concerns our Member States, which have accepted this formula, along with a number of other Member States, which have been forced and constrained to accept it, because we have had to fight. I express my sincere thanks to Parliament because I do not believe that this would have been possible without it. At a certain point, I even thought that we would not succeed, so increasingly specious and at the limits of intellectual honesty were the arguments being advanced.

Of course, Mr Borrell, total vigilance will be required in order to observe whether the Member States or some of the Member States will not compensate for the commitment they have undertaken here. If this were to

happen, it would clearly constitute nothing more than a fool's deal, and we would undoubtedly have to continue our efforts.

I have just come back from Doha. I must admit that I am anything but wildly optimistic about the increase in public development aid. I must say that, when you leave meetings that have gone on for several hours – I admit that I sometimes have a rather volatile temperament but I am able, nevertheless, to keep my nerves in check – it can be difficult to put up with. It is difficult to put up with bad faith, with speeches that say that more public development aid is needed but, when a suitable text is drafted to reconfirm past commitments, suddenly there is no longer agreement and people invent all sorts of reasons not to undertake the commitment or, at any rate, to leave enough escape routes available to be able to turn their backs on their responsibilities and commitments in the most dishonourable way. So we will have to fight. Let us not be under any illusions about that. We shall have to accuse, expose, call on those responsible to face up to their responsibilities and, most of all – because I admit that I cannot put up with it anymore – undo, disassemble the double-speak, because the most terrible thing of all is that, at the very same time as they are making speeches of the most fabulous generosity, the speakers are treacherously doing all they can to stop the commitments from being honoured. We have therefore not seen the last of such behaviour, of that I am sure.

Mr Virrankoski, the aid must arrive at its intended destination, and I believe in all honesty that, in the case we are discussing, it will arrive. Nevertheless, I must in some way demand consistency in the struggle we wish to undertake together. When we say, the aid must arrive at its intended destination, we are sending the worst possible message to the public, who we need in order to help us encourage States to increase their public development aid.

We must stop saying the first thing that comes into our minds on this question. I think that the public aid that is dispensed by the Commission under your control and under the control of all the institutions whose task it is, does arrive at its intended destination. We may discuss our procedures, our rules, the fact that it is necessary to conduct consultations, audits, studies and so on, and that this has a cost, in a certain way, that it takes money, but, on the other hand, this is undoubtedly the price that has to be paid for genuine control and this is also the price that has to be paid for ensuring a minimum level of quality in delivering the service.

We therefore have to know what we want, but I do not believe that you can say that the aid would not arrive at its intended destination. In the case in question here, I can confirm that all of this can be verified and checked and that we have all the procedures with which you, moreover, and I are familiar. I therefore honestly believe that we should not be too anxious about this.

Mrs Aubert, I believe that, fundamentally, through your question or suggestion, you have given voice to what, for me, is also probably one of the negatives, one of the few real negatives, of the agreement, clearly, because, when considering the stability instrument, you have seen perfectly that what is taken from the stability instrument is money that is not necessarily available for other things and that, at root, this is, to tell the truth, a shift. It is, furthermore, what stops us, or, at any rate, what stops me, from claiming that this is an additional EUR 1 billion. We cannot really say that this is an additional EUR 1 billion, and Mr Mitchell has had the intellectual honesty to emphasise this. However, being completely objective, I nonetheless believe that this should not stop us from being happy because I did not really expect us to get this far.

So the EUR 240 million will be redeployed from the stability instrument, and EUR 70 million of this in 2009. The available balance will, broadly speaking, be at the 2008 level, which was EUR 135 million. However, this is not really an argument. All things being equal, it is of course an argument. If any new requirements were placed on this instrument, we would have a problem. However, as far as 2010 is concerned, the Commission has been invited, during the budgetary conciliation phase, to present a revised financial programme designed to ensure the ordered progression of the amounts planned for the period 2010–2013 while retaining an unchanged annual margin level. This revised programming will be presented within the framework of the annual policy strategy, and we shall naturally monitor it closely.

Turning to the questions you have asked concerning implementation: depending on the country, the choice will be made on the basis of criteria of effectiveness. Who might cooperate in this? Clearly, the international and regional organisations, the countries themselves, the States and the decentralised authorities, the NGOs, as well as the agencies of the Member States. Moreover, if the number of types of operators has been extended, this is at Parliament's request. Personally, I admit that I was opposed to this but it was your wish and I can understand it. The criterion will be one of effectiveness, but if we want to act quickly, then you have to know that the best way of doing so is to work, as a priority, with the organisations set up for this very purpose and with which we can basically move more swiftly because we have rules for cooperating with these institutions

that are capable of rapid action. However, I can assure you that we shall fully participate in this effort, as was decided by your Parliament and as was decided in the final agreement.

Personally, I think that Europe has shown itself to be equal to the challenge because I believe that we are talking here about the EUR 1 billion for this rapid reaction to save the crops. I should also like to remind you of the hundreds of millions of euros that have already been released and spent and that we shall continue to spend within the framework of our emergency humanitarian aid or emergency food aid. Europe has been extremely responsive in these areas. I just want to remind you – and it gives me pleasure to do so here – that, in 2007, Europe represented EUR 46 billion per year. I have yet to see another donor provide as much development aid.

As far as Mr Droutsas is concerned, to say that the European Union is washing its hands of this matter and that everything will be swallowed up by the businessmen is a view that I cannot share and that seems somewhat excessive to me. I am not saying that everything is completely wrong. For example, it is clear that we can discuss, debate the price of fertilisers and seed. We can indeed attempt to obtain an objective view of this question. It would probably not be a waste of energy, as part of the structural response, to attempt, at the level of the major international organisations – and this is something I am thinking about more and more – to negotiate with all these leading companies, which basically produce particularly effective seed but at an extremely high price. The same applies to fertilisers. There are initiatives that we should certainly consider, not least the idea of producing fertilisers locally, for example. There are places where this could be done. We could also create supply corridors that would make it possible greatly to reduce transport costs. I recently met a producers' organisation to get an idea about what they were prepared to do, and we are also going to hold a meeting between them and our business forum to see what they can bring to our structural response strategy. I obviously see this as important.

Mrs Goudin, I am often in agreement with you but I have to say that I do not believe that protectionist policies are the solution in the countries that are facing this problem. In contrast I think that what would be interesting – because I believe that protectionist policies risk throwing everything off balance, or at least risk not responding to the problems at a regional level, although this is an economic dimension that I am not going to address now – where I would be willing to back you and where we are currently working intensely, in particular with the French Presidency, is on the following question: how can we organise the specific nature of agriculture in developing countries in the same way – we seem to have rather short memories in Europe – as Europe has done for its own agriculture? In Europe, agriculture has never been considered to be a type of production or an economic product identical to all other economic products. Agriculture has always received special treatment. I will not yet say that this is my definitive option but, when we consider regional common agricultural policies, these, in my opinion, are objects of study that it would be interesting to take forward quite rapidly with the aim, of course, not of bringing about protectionism but protection – something quite different indeed. I prefer the concept of protection to the one of protectionism and the anxiety it causes.

To conclude, I would just like once again – I hope that I have covered as much ground as possible – to thank you for the agreement and for your commitment. Without you, this would not have been possible. We have just convincingly demonstrated that, when the European Parliament and the Commission are able to work in harmony, it is difficult for the States to resist.

Gay Mitchell, rapporteur. – Madam President, I thank the Commissioner and the Chairman, and the other Members who spoke, for their kind words about my contribution to this report. I would also like to thank Reimer Böge for his work in the Committee on Budgets in facilitating it and my shadow rapporteur, Thijs Berman, who was very supportive and helpful in seeing it through.

In the developing world, 78 children per thousand die at birth. In the European Union the figure is 5 per thousand on average. It used to be 45 per thousand just after the Second World War in Ireland. We have got it down to 78 in the developing world, and we can get it down again to what used to be the rate in Ireland, and to what now is the rate in Ireland, with determination and commitment.

If they get past birth, two million of those children will die before the age of five for lack of vaccines that have been available in the west for over 30 years. In that context, and when you see the hunger that those children will face, the lack of educational opportunity and the absence of health facilities, some of the contributions made here this evening bordered on inhumanity. Members playing to their national galleries at the expense of those people is obscene, and it is time that this was said very clearly.

By 2050, the population of this planet will have increased from some 6 billion to some 8 billion. Ninety percent of those people will be born into what is now the developing world. If those people continue to exist

in their present conditions, it will be the cause of the third conflagration on this planet, causing huge migration and huge problems.

On the other hand, if we invest and work with those people in solidarity, they will be our trading partners. These are the options facing us and that is why I think it is important that we can respond with a facility such as this.

President. – The debate is closed.

The vote will take place on Thursday 4 December at 12 noon.

Written Statements (Rule 142)

Jean-Pierre Audy (PPE-DE), in writing. – (FR) I support this initiative providing the European Union with a new development policy instrument to tackle the key problems linked to the rise in food prices that has sparked riots, unrest and instability in several countries, threatening the results of many years of investment in politics, development and peace keeping.

Hundreds of millions of people have seen their poverty exacerbated. The progress made towards achieving the Millennium Development Goals has been undermined. The Union plans to fund 10% of the EUR 18 billion required, that is to say EUR 1.8 billion and, given the funding already available, an additional package of EUR 1 billion is needed. I do not agree, however, with the European Commission's proposal to use funds reserved for agriculture and I hope that the Council will oppose this and will reach a compromise on this funding. Politically, it would be a disaster if, through financial means or worse, the use of symbols, European citizens were to feel that our development policy, in particular issues associated with hunger, were to operate at the expense of the common agricultural policy, which is a different matter.

Constantin Dumitriu (PPE-DE), in writing. – (RO) In my view, the Commission's proposal presents a limited number of options in terms of how financial aid can be granted as it stipulates that the initiatives should be implemented exclusively with the help of regional and global organisations. I understand the motives behind these restrictions, but I support the active involvement of all stakeholders: consumers, producers and the general public too.

It goes without saying that farming conditions vary in developing countries. However, the facility needs to be adapted to specific local conditions, with a view to consolidating and streamlining markets. Small farmers need to be protected against the development of possible dominant positions on the market.

Introducing this type of facility is beneficial and provides an incentive to farmers in developing countries. It is also appropriate in the context of the current global economic and financial crisis. However, I would like to emphasise the importance of the condition that funds are allocated on a supplementary basis and that this is not detrimental to development activities required in other areas. We need to strictly observe the commitments we have undertaken. We also need to protect farmers, especially those from the new Member States who still do not enjoy the same support as farmers from the other 15 Member States.

Siiri Oviir (ALDE), in writing. – (ET) For years, experts on the right to food at the UN, the World Bank and the International Monetary Fund have warned the global public of the possibility of famine.

At a time when wealthy Western countries are burning food, more than 850 million people are starving across the world. Every five seconds, one child below the age of 10 dies from a lack of food. The rapid increase in the price of foodstuffs affects 2.1 billion people worldwide on a daily basis, many of whom are trying to survive on less than USD 2 per day.

The ever-increasing scale of biofuel production has contributed towards raising the price of foodstuffs, which has in turn had a large effect upon the people of the world. The price of foodstuffs has skyrocketed on the world market because an ever-increasing area of arable land is now being put aside to grow oil plants to be used as raw material in the production of biofuel (for example, to produce 50 litres of fuel, 200 kilograms of corn is needed, on which a Zambian or Mexican child could live for a whole year). In addition, several countries have suffered through drought or flooding, which has considerably decreased their harvest yield.

It is my view that the European Union should be willing to contribute more rigorously in its pursuit of the UN Millennium Development Goal: to halve world famine by the year 2015.

I welcome the European Commission's initiative to direct EUR 1 billion into solving the foodstuff crisis. This will allow for the provision of EU food aid to the most disadvantaged people in order to satisfy their primary

nutritional needs and contribute towards increasing the capacity of developing countries to produce their own foodstuffs.

At the moment, relatively little motor fuel is produced from edible crops in Europe. However, we should not sacrifice human foodstuffs purely for the sake of 'green energy'. Rather, support must be given to scientific research with the goal of producing motor fuel from alternative sources. This would help to avoid an increase in the price of foodstuffs, and would also help to prevent famine and global warming.

Bogusław Rogalski (UEN), in writing. – (PL) The past two years have seen an escalation of agricultural produce and food prices. These changes have been felt most painfully by nations in the most difficult economic situation and countries at war.

Approximately 2.1 billion people throughout the world must survive on less than two dollars a day, which means that they spend approximately 50% of their income on food. These are the people most at risk of disease and death due to the record prices of their staple foods, namely cereals such as rice, corn and wheat. This has a direct impact on the number of starving people, which increased by another 50 million in the year 2007 alone. The crisis is further intensified by the adverse impact of the climate change and by the shortage of such natural resources as water and energy.

As part of our aid and attempts to address this crucial issue, we need to invest the funds intended to improve access to resources of agricultural production and services and to increase agricultural production capacity, in order to satisfy the basic food needs of developing countries.

The European Union must also increase its expenditure on agriculture, since the 4% allocated to development policy so far is decidedly too little.

Of equal importance is a return to the minimal regulation of international markets, to ensure supplies and at least a relative stability, in the interest of all consumers and producers throughout the world.

Toomas Savi (ALDE), in writing. – I welcome the timely report on the proposal for a regulation establishing a facility for rapid response to soaring food prices in developing countries. This year the world has been shaken by various crises that have taken a terrible toll on the poorest populations of the world.

It has been proposed that one billion euros are to be spent to improve their situation over the period from 2008 to 2009, which is quite a notable sum in the European Union budget. But I would like to remind you that most European Union humanitarian and development aid is not directed by the Commission but by the Member States. If the Member States fulfilled their commitments to the Millennium Development Goals, the Commission would not have to take such action.

The rapporteur has rightfully pointed out that one cannot desire more effective common policies without providing more budgetary resources, yet the Member States seem rather reluctant to do that.

In my opinion, the Member States ought to start pooling their resources under the auspices of the Commission to exercise a truly effective common humanitarian and development policy.

Daniel Stroj (GUE/NGL), in writing. – (CS) Concerning the report on a facility for responding rapidly to soaring food prices in developing countries (A6-0396/2008), I am definitely in favour of its adoption, since developing countries need this kind of assistance. At the same time, though, I would like to point out that the report failed to include among the causes of the crisis one which in my view is far more important than the increased consumption of meat in China and India or the drought in Australia. I would remind you that food prices are also increasing within the European Union and it is abundantly clear that the constant increases are due to rising energy prices which in turn relate directly to the mounting profits of multinational energy firms. Neoliberalism has become the model for all of the EU's policies, but in reality it will not solve the problem of food sufficiency anywhere in the world.

Anna Záborská (PPE-DE), in writing. – (SK) The record high prices for staple foods, which have a major impact on the numbers of people suffering from hunger in the world, are due to several well-known factors. Apart from the specific situation in some countries (such as China and India) these factors include global fluctuations in the weather, the shift from growing crops for consumption to growing crops for biofuel production and low world grain stocks.

In this context I consider it essential for the EU to develop a unified, coordinated and effective response. I welcome the Commission proposal to establish a fund for handling the food crisis, particularly at a time

when higher food prices are increasing the cost of the food aid which is needed by increasing numbers of people. We must not forget that we are using EU taxpayers' money for development aid. Neither the sharp food price increases in developing countries nor the results of these increases on the poorest people can justify us in failing to ensure the effective and transparent allocation of these funds. In view of the unstable regimes in many developing countries, the violations of democracy and the corruption I am very reluctant to prop up their national budgets. I would prefer to support projects and programmes that are managed by non-governmental or semi-governmental organisations, consortiums or associations representing these. Two years ago I made a proposal adopted in a plenary session for aid to be monitored and assessed twice a year and then signed off by the Commission, the local state authorities and the aid recipients.

20. Combating tax evasion connected with intra-Community transactions (common system of VAT) - Combating tax evasion connected with intra-Community transactions - European Court of Auditors' Special Report No 8/2007 concerning administrative cooperation in the Field of VAT (debate)

President. – The next item is the joint debate on

– the report (A6-0448/2008) by José Manuel García-Margallo y Marfil on behalf of the Committee on Economic and Monetary Affairs on the Proposal for a Council Directive amending Directive 2006/112/EC on the common system of value added tax as regards tax evasion linked to import and other cross-border transactions (COM(2008)0147 – C6-0154/2008 – 2008/0058(CNS)),

– the report (A6-0449/2008) by José Manuel García-Margallo y Marfil on behalf of the Committee on Economic and Monetary Affairs on the Proposal for a Council Regulation on the amendment of Regulation (EC) No. 1798/2003 to combat tax evasion connected with intra-Community transactions

(COM(2008)0147 – C6-0155/2008 – 2008/0059(CNS)) and

– the report (A6-0427/2008) by Bert Staes on behalf of the Committee on Budgetary Control on the European Court of Auditors' Special Report No 8/2007 concerning administrative cooperation in the field of value added tax

(2008/2151(INI)).

José Manuel García-Margallo y Marfil, rapporteur. – (ES) Madam President, I must start by regretting that the Commissioner responsible is not here with us, although I am not really surprised, because there is plenty of noise and not much substance on this subject: great rhetorical statements about combating VAT fraud and very few measures with which to do so.

The communications that the Commissioner has presented to us, the last of which was on 1 December this year, make quite a fuss about the damage that tax evasion causes. It affects sufficiency, it affects equity and it causes market distortions with really major amounts of money. VAT fraud accounts for between EUR 60 billion and EUR 100 billion every year.

How can fraud be stopped? The diagnosis given in these communications is also generally correct, rhetorical and grandiloquent. They say that the national authorities have the responsibility to tackle fraud, but that operations where the supplier and the customer do not reside in the same country require cooperation between Member States. They also point out that the Court of Auditors, in its Special Report No 8, states that such cooperation has been clearly unsatisfactory and that action therefore needs to be taken. The problem comes when the Commissioner starts telling us what kinds of action need to be taken. He quite reasonably says that there are two strategies: one, which he calls ambitious, comprises a major reform of value-added tax, involving either a reverse-charge system or a tax withholding system with a clearing house, while the other is what the Commissioner calls 'conventional measures'.

We gathered from his appearance here on 24 June that he was not thinking of embarking on an ambitious reform under any circumstances and that he would confine himself to the 'conventional measures'. Subsequently, however, when he described the conventional measures, he put forward four that in principle are not bad. He talked about cutting compulsory declaration deadlines, enhancing cooperation among tax authorities, establishing shared liability when the purchaser of the goods does not declare who sold them, and improving the information on VAT taxpayers. He then concluded by saying that not even these four measures were among the concrete measures he was thinking of adopting. Today he comes up with two

proposed amendments to the directive and regulation. He says that the aim of the first is to reduce the period for lodging the statements that VAT taxpayers have to submit from three months to one month, and the aim of the second is to reduce the period for transmitting the information to the Member State that has to charge the tax from three months to one month. Full stop. That is all the proposal lays down.

The Committee on Economic and Monetary Affairs has tried to spice up this really insipid story a little, and we have put forward the following amendments. We have approved an amendment favouring small and medium-sized enterprises, the purpose of which is to reconcile fighting tax evasion with simplification of the administrative burden on small enterprises, to which this Parliament and the EU as a whole have a commitment. We therefore say that the Commission must shortly, within two years, present us with a report describing how these measures have performed, how they have affected the administrative costs of businesses and to what extent they have been useful in combating tax evasion.

We also point out that the Commission should get rather more involved than it has been when making legislation. It should play a more leading role. We also call on it to centralise the data that the Member States involved transfer, to draw up a handbook of best practice so that the tax authorities can perform better, to develop indicators to show which areas are risky and which are not, and to tell us who is complying and who is not. Lastly, to make it easier to pursue fraudsters, we are setting up a register of individuals who cannot evade tax by setting up companies.

I regret the fact that the Commissioner cannot respond to the amendments that we have drawn up.

Bart Staes, rapporteur. – (NL) Madam President, Commissioner, ladies and gentlemen, tax fraud and VAT fraud are punishable offences. They may be white-collar crimes, but they are crimes nevertheless, and are sometimes related to organised crime.

What are the sums involved, because that always makes it interesting? In 2007, Commissioner Kovács estimated total fiscal fraud to be two to two and a half times the European budget, or a sum between EUR 200 and 250 billion. The share of VAT fraud in this is estimated at EUR 40 billion. All of this is probably a major underestimate, for the Court of Auditors estimated the loss of VAT income in 2005 to be EUR 17 billion in Germany and 18.2 billion in the United Kingdom, together responsible for just over EUR 35 billion of lost VAT revenue.

It is therefore to be welcomed that the Commission has funded a study, that this study is up and running, and that the results will be made public, so that we can see the true extent of the problem.

There are two basic problems where policy is concerned. First of all, cooperation between national tax authorities must improve and, secondly, we should really aim for shorter deadlines when the administrative bodies of the Member States gather and exchange information, so that things can be processed much more quickly.

My report mainly analyses the Court of Auditors' inquiry into VAT fraud. The Court of Auditors checked in seven Member States: in France, Italy, Luxembourg, the Netherlands, Poland, Slovenia and the United Kingdom. These countries cooperated well. Germany, though, refused all cooperation. In September, the Commission initiated infringement proceedings against Germany, something which, I have to say, Commissioner, I support.

The Court of Auditors has established that, in some Member States, the essential conditions for effective cooperation when it comes to controlling this form of fraud are completely lacking. My co-rapporteur pointed out that it takes longer than three months for requests for information to be dealt with. This is, in actual fact, inexcusable, because, in fact, these crimes should be combated in real time. The countries' internal organisation has also come under fire, though. The Netherlands and Germany, in particular, leave something to be desired. Moreover, there is a total lack of sufficiently strong control mechanisms.

It remains a mystery to me why Member States refuse to take a firm stand, even though they know they miss out on billions of revenue. This is really beyond me. The free movement of criminals is a fact of life. A united Europe in the fight against tax fraud remains a pipe dream to a large extent.

There is also good news, though. My own Member State, Belgium, has set up the European Carousel Network (Eurocanet network) that guarantees a spontaneous exchange of information. This, too, is flawed, though, since only 24 Member States have lent their cooperation, and three of the major Member States, to wit Germany, Italy and the United Kingdom, have refused to cooperate.

The Ecofin Council of 7 October has launched a new mechanism, namely the Eurofisc mechanism, to improve cooperation between the Member States in the control of VAT fraud. This is an initiative which, to my mind, is sound but will only add value if all Member States participate and if this is more than simply intergovernmental cooperation. I firmly believe that the Commission should be involved in this new initiative. It could in any event take part and even play a coordinating role.

Finally, I also think that we should work much more closely together in the judicial field too. All existing judicial obstacles in national law for cross-border, criminal prosecution should be removed without delay. In my report, I have included a list of measures to be taken. I should like to receive a response, or reaction, from the Commission, and I regret that the Council is not present because, at the end of the day, it is the Council that will have to take action in this area.

Louis Michel, *Member of the Commission*. – (FR) Madam President, ladies and gentlemen, I should like to thank the European Parliament and more especially the two rapporteurs, Mr García-Margallo y Marfil and Mr Staes, for the constructive reports they have presented on the delicate subject of the fight against VAT fraud within the European Union, in particular with regard to the Commission's first concrete proposal in this field.

We are today at a turning point in the implementation of our strategy to combat VAT fraud. The three reports that are to be adopted by Parliament tomorrow contain a number of recommendations on the way in which to improve the fight against fraud and reflect your opinion on the first of what will be a long series of measures.

On 1 December, the Commission adopted a communication specifying the measures that it will present in the coming months, as well as an initial directive containing some of these measures. The envisaged proposals also respond to the concerns and recommendations expressed in the report by Mr Staes.

The measures that the Commission intends to adopt can be subdivided into three categories:

The first brings together measures intended to prevent VAT fraud. One of these consists in establishing minimum standards for registration and de-registration in national databases in order to improve the reliability and comparability of information contained therein.

Improvements to the procedure used to obtain electronic confirmation of operators' VAT numbers and the corresponding names and addresses are also planned in order to guarantee greater legal certainty for suppliers.

Finally, the Commission is proposing to simplify the rules governing invoicing and to rationalise those concerning the chargeability of tax in order to guarantee its improved application, a move that will facilitate controls.

The second category relates to measures intended to improve the effectiveness of tax authorities with a view to detecting VAT fraud. The measure concerning the cutting of deadlines, which is dealt with in the two reports by Mr García-Margallo y Marfil, falls into this category. To improve the detection of fraud, it is also necessary to ensure that exemptions from VAT on imports are better monitored, as the Commission proposed last Monday, and to extend the scope of the information that Member States will have to make available to the tax authorities of the other Member States via automated access to their databases.

Finally, as you indicated, this category also includes the creation of a European network, known as Eurofisc. The latter is intended to improve operational cooperation between the Member States in the fight against VAT fraud on the model of the Eurocanet network, which was set up by the Belgian tax authorities and which is supported by the Commission and the European Anti-Fraud Office.

The third category comprises measures intended to strengthen tax authorities' capabilities with regard to the levying and collection of taxes. These include, in particular, a measure that specifies the cases in which suppliers and customers making cross-border transactions are held jointly responsible for the payment of tax. This is no doubt intended to strengthen the legal framework governing cross-border tax collection.

Finally, they include a measure intended to establish shared responsibility between the Member States in order to protect overall tax revenues.

The Commission also notes that Parliament has demonstrated an ongoing concern to ensure the protection of the European Community's financial interests, given that VAT fraud also has consequences for the European budget's own resources.

I welcome the support given to the proposal for a regulation on mutual administrative assistance in the fight against fraud and, in particular, against VAT fraud.

The Commission also welcomes the request made by Parliament to the Council to continue negotiations on this proposal, which will provide a detailed framework enabling the Commission and the European Anti-Fraud Office to provide the Member States with operational support and information as part of their fight against VAT fraud.

The positive opinion expressed by Parliament in the draft report on the cutting of deadlines and the rapid progress of the work conducted on this issue within the Council bode well for the more far-reaching proposals that the Commission will adopt in the near future.

Lidia Joanna Geringer de Oedenberg, *draftsman of the opinion of the Committee on Legal Affairs*. – (PL) Madam President, controlling fraud, hitherto chiefly within the province of Member States, is a problem which cannot be resolved solely at the national level. Combating tax evasion must involve closer cooperation between the administrative authorities of Member States, as well as cooperation with the Commission.

The proposals for the Directive and Regulation forming the subject of the Draft arise only partly from the priority recommendations made by ECOFIN in June 2007. The proposed changes have as their main purpose speeding up gathering and exchanging information about intra-Community procedures, by standardising the procedures and by reducing to one month the period covered by declarations on intra-Community transactions and the time limit for the exchange of information about these transactions between Member States.

Harmonisation of VAT requirements will ensure effective verification of the information provided. Requiring Member States to accept electronically submitted VAT returns will also significantly simplify the process.

The proposed legislative instruments represent no more than the first steps towards putting the above ECOFIN proposals into practice. We do not yet have a detailed assessment of the impact of the new formal requirements on service providers, and it would be advisable to prepare a special report dealing with this issue, especially as it relates to the administrative costs borne by taxpayers and administrative authorities and the effectiveness of combating tax evasion.

Bearing in mind the justified criticism offered by the Court of Auditors, concerning the lack of effective administrative cooperation in this area, the European Commission should consider playing a greater role, especially where preparing analyses and providing good models is concerned.

Gabriele Stauner, *on behalf of the PPE-DE Group*. – (DE) Madam President, ladies and gentlemen, approximately 2.25% of the gross domestic product of the EU, in figures approximately EUR 200 billion a year – as Mr Staes has already said – is lost in value added tax evasion, circumvention and fraud. Those are the facts on which Mr Staes' report is rightly based.

From the replies to five written questions on this topic which I put to the Council and Commission – by the way, I also regret that the Council is so sparsely represented – it has emerged, among other things, that in 2005 value added tax losses in Germany alone amounted to EUR 17 billion and in the United Kingdom to EUR 18 billion. These figures really make it clear to everyone that considerable damage is being done to the national economy and that this must be stopped as soon as possible.

How is this to be accomplished, however? The answer to date was – according to the Court of Auditors, which has devoted itself to this topic in a special report – through cooperation between the national administrative authorities responsible, but that is precisely what has not worked at all in recent years.

Once again Europeans find themselves in a situation where they are pursuing a well-intentioned goal but are counting their chickens before they are hatched. And in this case the chickens are the Member States which are unable to crack down on international evasion of value added tax by means of administrative measures.

Thus, for example, there are major unexplained differences in the figures for requests for information received and requests for information answered. The mirror image differences in the statistics for intra-Community trade notified by the Commission in reply to my written question of 6 May, which are supposed to have amounted to the princely sum of EUR 77 billion in 2007, may also be an indication of value added tax fraud. I would take this opportunity to ask the Commission when the results of the study will be presented to us.

Vladimír Maňka, *on behalf of the PSE Group*. – (SK) Colleagues, imagine that there was no tax evasion in the European Union. If the funds acquired in this way were distributed fairly, every citizen of the European Union, including children and pensioners, would have EUR 500 more in their wallet every year.

No country can combat tax evasion effectively on its own. International cooperation is imperative, especially in the VAT area, where the monitoring of intra-Community transactions is complicated by the current system. One solution with a long-term positive effect in combating tax evasion would be the creation of a VAT system under which transactions between Member States would be taxed at a rate other than zero. The zero-rate tax on exports of goods is being abused by fraudsters and criminal groups that, for example, create fictitious transactions and fraudulently drain billions of euros from state budgets.

The current long deadlines for the submission of tax returns also provide room for the commission of such tax frauds. The report on the draft directive that we are discussing now represents an acceleration of the exchange of information necessary for the fight against tax fraud. That is one of the reasons we are shortening the deadline for the submission of tax returns for intra-Community transactions.

The VAT system created in 1993 is only transitional. I believe that at the beginning of the next term of office, the Commission will present more ambitious measures dealing with final and comprehensive VAT reform. The provisional nature of the current system is one of the reasons why in my amendment, which was approved by the Committee, I request that the Commission evaluate the impact of the adopted measures three years earlier than was proposed in the original amendment proposal. This is to avoid a situation where the system would be evaluated at a time when it is no longer in force.

To conclude, I wish to thank and congratulate the rapporteur on a well-balanced report. The draft allows for an early response to tax fraud. It is also positive that business people themselves have stated that the administrative burden will be minimal.

Miguel Portas, *on behalf of the GUE/NGL Group*. – (PT) Madam President, when the Court of Auditors says that the volume of VAT fraud could be greater than the total budget of the Community and Mr Staes asserts that this figure must be more than doubled, the discussion of these reports is fully justified. In particular, it is obvious that Member States must support the creation of a register of natural persons who use shell companies for tax evasion. I also support the proposals of Mr Staes.

Having said this, it is not avoidance of payment of VAT that is the main problem in terms of tax evasion in Europe, because there is a type of legal evasion that is permitted and allowed by governments in the shape of offshore financial centres. It is in these centres that the proceeds of crime are laundered and legitimate funds become criminalised. When the money from our taxes is ending up being used to bail out banks and bankers, the end of tax havens is the real test of courage that is being set for Europe in the near future. That is how we will be judged and we are still light years away from what is required regarding tax evasion.

Sergej Kozlík (NI). – (SK) Madam President, honourable Members of Parliament and guests, it is indisputable that tax evasion causes significant disruption to competition and the functioning of the internal market, and reduces public revenues. The explanatory statement is not completely convincing when it states that the proposed measures, aimed solely at accelerating the collection and exchange of data relating to intra-Community transactions, will not represent an excessive burden for the entrepreneurial sector.

At the same time, the Commission's explanatory statement recognises doubts in the entrepreneurial sector regarding the ability of tax authorities to utilise the information provided. The statement does nothing to dispel these doubts. Nevertheless, the measures aimed at combating tax evasion need to start somewhere. Probably only practice will show whether the proposed measure works or becomes just another administrative burden for the entrepreneurial sector.

Bogusław Liberadzki (PSE). – (PL) Madam President, I should like to consider both the report and the problem itself from the point of view of firstly fraud, secondly budget loss and thirdly distortion of business competitiveness, since tax fraud undermines the principles of fair competition.

I wish to express my special appreciation of the report and the rapporteur, Mr Staes, who has produced an excellent report. It is one of the few reports which not only refers to the amounts but also names the Member States where these irregularities occur. I also wish to express my gratitude to the Court of Auditors, which has highlighted two main groups of reasons. Firstly reasons associated with Member States, which we could interpret as a kind of passivity on the part of the Council, or inertia on the part of Member States, that could make a significant contribution to solving the problem by taking seemingly simple steps such as the prompt

exchange of information, reliable exchange of information and demonstrating the will to identify and eliminate the causes of the existing state of affairs.

There is also a second important issue, which was not given sufficient prominence in the Commissioner's address: what can the Commission, together with its subordinate agencies, such as the Directorate General for Taxation and Customs Union, and the European Anti-Fraud Office (OLAF), actually do, in place of the frequently bureaucratic explanation along the lines of however much effort we make, so far it has produced no results?

Louis Michel, *Member of the Commission*. – (FR) Madam President, ladies and gentlemen, I should like to thank you for the observations and points of view that you have expressed during this debate.

The Commission will take account of the suggestions made by the European Parliament in its current and future legislative proposals.

I am pleased to note that the opinions of the European Parliament are similar to those of the Commission with regard to the measures to be taken to improve the fight against VAT fraud within the European Union. I am particularly happy about the widespread support for the main objective of the Commission's first concrete proposal, namely to accelerate, by January 2010, the gathering and exchange of information concerning intra-community transactions.

We have spoken about the impact assessment. The Commission has examined the effects on business costs. It appears that these costs are limited. In order to examine the real effects more precisely, the Commission is ready to produce an evaluation report. The preliminary results of the current assessment, to which you refer, Mrs Stauner, will be known during the course of the coming weeks and will then be validated in cooperation with the Member States.

The Commission, I am told, can only accept Amendments 4 and 7 of the report ...

Are you therefore unable to accept Amendments 4 and 7 of the report?

In fact, we can accept Amendments 4 and 7 of Mr García-Margallo y Marfil's report.

I apologise for proceeding in this way but I am not, as you will have noticed and as you know, the responsible Commissioner, and I am therefore far less expansive on these issues, which are extremely challenging for me, than on others.

José Manuel García-Margallo y Marfil, *rapporteur*. – (ES) Believe me, Commissioner Michel, I appreciate your kindness in being here with us and dealing with topics that actually are tough for anyone.

The Commission asked us to be quick and we have responded swiftly. The Committee on Legal Affairs duly issued its opinion in good time and, in a rare show of unanimity, the Committee on Economic and Monetary Affairs approved the report that we are debating today.

Commissioner, you have read out to us the proposals that the Council adopted on 1 December, from the notes that were prepared for you in the Committee on Fiscal Affairs. Those proposals, however, are not precisely the ones that we are debating here. What we are debating is something else. I am not surprised that they have told us what they are thinking of doing, because what they have actually done is very little, as I said before.

The speed with which Parliament has acted on this really important topic, as my fellow Members have pointed out, has not been matched by enthusiasm in either the Commission or the Council.

A very important committee chairman once said that he expected '*de l'audace, encore de l'audace et toujours de l'audace*' from the Commission – boldness, more boldness and forever boldness. The Commission holds a monopoly on legislative initiative, and this Parliament has wanted it to be so, but holding this monopoly means that these initiatives have to be put on show and proposed boldly and fearlessly, without holding back for fear that the Council may not approve them.

Initiatives need to be launched, pushed forward and fought for, and the Council will have to answer to the Commission and to this Parliament if the proposals are not successful. This has not been the case. What I described in my earlier speech was a story of declining ambition, from the most absolute proposals to conventional measures, to a package of measures from which only two, the most modest of them, are selected.

I am grateful to Mr Michel and ask him to pass on to the Commissioner responsible my thanks for having accepted a couple of amendments, but I feel really frustrated by what we have debated here.

Bart Staes, rapporteur. – (NL) Madam President, Commissioner, ladies and gentlemen, I can only endorse what Mr García-Margallo y Marfil had to say. To my mind, both reports, in fact the three reports that are before us, and the way in which they have been approved, by the Committee on Economic and Monetary Affairs on the one hand and the Committee on Budgetary Control on the other, demonstrate a high level of resolve – a resolve not to take this lightly.

A great deal of money is involved. Just imagine we could only recoup even a quarter of that money. We would end up with a fund of EUR 60 billion in the Member States and in the European Union. We need this money. Mr Verheugen, who is here today, knows he has an important job to do. We therefore know what we are fighting for. We are also fighting unfairness and injustice. After all, those who fail to pay their taxes, who try to evade them, display anti-social behaviour. This is therefore something that calls for resolve in this House.

I should like to say to Commissioner Michel that I understand his response. He has his own competences. He is here to replace someone else, and I can understand that he is simply reading out a response. That is not a problem. I will take his text with me, and we will work with it.

I would like to ask the Commission, though, not just to discuss the study on the extent of fraud, which should be ready by the end of the year, with the Member States, but also to submit it to the Committee on Economic and Monetary Affairs and the Committee on Budgetary Control, so that we can include a number of other aspects too.

President. – The debate is closed.

The vote will take place on Thursday 4 December 2008 at 12 noon.

Written Statements (Article 142)

Sebastian Valentin Bodu (PPE-DE), in writing. – (RO) The report in question is particularly important due to the fact that it introduces mechanisms aimed at eliminating or reducing the opportunities for defrauding the budget by means of fraudulent intra-Community transactions liable for VAT.

At the moment, annual losses generated as a result of carrying out fictitious transactions involving missing traders is estimated at EUR 100 million (16% of the EU's actual resources).

Reducing the deadlines both for collecting information and exchanging it between the Member States' tax authorities can help to improve monitoring of transactions of this type.

According to an approved amendment to the report in question, put forward by the Commission, the tax authorities in the Member States will be connected to a shared database where details will be registered of the physical persons behind the missing traders responsible for carrying out fraudulent transactions of this nature.

This will deter these traders from continuing to set up other companies anywhere in the whole of the European Union, and not just in a single Member State, as happens at the moment. This will be achieved as they will be identified in real time when a check is run on the database and also because the information will be sent to the commercial register to which the application for registering a new company has been made.

Zbigniew Krzysztof Kuźmiuk (UEN), in writing. – (PL) As I take the floor in a debate devoted to combating tax fraud, I should like to draw attention to the following issues. The loss of income resulting from VAT fraud in the various Member States is extremely high, and increases every year. For instance in Germany in the year 2005 the loss was approximately EUR 17 billion and in the United Kingdom in the 2005-2006 tax year it was over EUR 18 billion.

In spite of the fact that the European Union has introduced many initiatives to combat VAT fraud, such as EUROCANET (a network for exchange of information about companies suspected of VAT fraud, which unfortunately does not include Germany, United Kingdom or Italy), and of the work of institutions such as Europol, Eurojust and OLAF, these losses increase significantly year by year.

In the circumstances, we should abandon actions leading to the creation of new intergovernmental agencies, and instead strengthen the role of the European Commission as the central coordinator of administrative

cooperation between individual Member States concerned with combating VAT fraud. Consequently, it is at least debatable whether we should create a new mechanism, Eurofisc, conceived as a new decentralised network in which Member States would participate on a voluntary basis.

Andrzej Jan Szejna (PSE), in writing . – (PL) The report on combating tax evasion in relation to intra Community transactions is a very significant legal act.

Tax fraud amounts to an attack on the principle of fair and transparent taxation. It also undermines the basis on which the Union operates. Less money going into the Union's budget means we are unable to implement policies in full.

Combating tax fraud falls largely within the competence of the Member States. The latter should not, however, act in isolation. There is a clear need to coordinate work at Community level and to strengthen cooperation between the national administrations of Member States and the European Commission.

Reform of VAT is a long-term and time-consuming process. Accordingly, the report discussed states that conventional resources should be used. The latter involve changes to legislation in the area of the taxpayer's responsibility should the necessary documents not be submitted on time or be submitted incorrectly. Other changes include shortening the time for obtaining the information and swift correction of inaccurate data, together with the acceleration of exchange of information linked to intra Community transactions.

21. Implementation of REACH (debate)

President. – The next item is the oral question to the Commission on the pre-registration of phase-in substances according to the REACH Regulation (O-01 31/2008) – (B6-0490/2008).

Guido Sacconi, author. – (IT) Madam President, ladies and gentlemen, I will not take up a great deal of your time because this is a well-known topic. We are talking about the pre-registration of chemical substances, a preliminary stage, in fact the first stage in implementing REACH, which is very important. This is because it offers companies the opportunity to establish the right to apply a transitional regime, in other words, stagger the times specified for registering substances. This is a more demanding procedure which above all, even more importantly, can lead to the formation of groups of companies for sharing data. This means that data can be presented jointly by producers of the same substance.

As we are all well aware, we have received information to the effect that, compared to the initial forecasts which the REACH system was based on, the number of pre-registrations has not only been high, but actually far higher than predicted. We were talking in terms of a few hundred thousand, but the number of substances which have been pre-registered, and the Commissioner will certainly give us the exact figures for this, has probably passed the million mark. This presents a problem for us as it also raises a lot of questions about the causes of this explosion, or phenomenon you might say, which could even be positive. The main thing we know is that this avalanche of data, though still preliminary basic information, has severely tested the ability of the newly formed European Chemicals Agency in Helsinki to handle it.

Our question then is exactly this: we want to know how these problems were tackled, what kind of structure has been set up if problems have been caused for the companies who have been very anxious, for want of a better term, about being able to meet the deadline. The deadline for submitting these pre-registrations expired at 12 midnight on 1 December. We also want to know what are the Commission's analysis and initial assessment of this phenomenon and what problems it may well cause during the next phase of implementing this regulation.

John Bowis, author. – Madam President, like Guido Sacconi I can be fairly concise about this. This was perhaps the biggest dossier that this Parliament has known in recent years. It is one of the biggest operations on which it has embarked, and is of crucial importance in terms of the health and safety of people as they handle, use and consume chemicals which may be hazardous, dangerous or risky and so require great care.

That is why we set up REACH. That is why we brought in the pre-registration process and, subsequently, the authorisation process. That is why we are concerned to hear that it has snowballed in such a way as to almost suffocate this newborn agency.

Guido Sacconi said that he was not sure about the number of pre-registrations, but he thought that they were over one million. I can tell you that, on 1 December, when the process closed, that figure was over 2 million. It was 2 212 129 registrations from 65 655 companies. That is the scale of what has happened.

The question is: why so many? The answer, I suspect, is because a lot of firms were advised to take precautionary measures in case they had to go through the much more expensive processes later.

But the question then is: in September when we were first alerted to this, was the Commission able to step in to give support? Does the Commission believe that the registration process will now be adequate, and what steps will it take to make sure that the rest of this Agency's processes work smoothly and effectively?

Günter Verheugen, *Vice-President of the Commission*. – (DE) Madam President, ladies and gentlemen, I should like to thank Mr Sacconi and the other authors because their question gives me the opportunity to report to the European Parliament on the indeed astounding results of the pre-registration procedure within the framework of REACH. Pre-registration of the chemical substances available on the EU market is the first procedure within the framework of REACH. It represents the precondition for extended registration periods for companies, which then extend to 2018.

The pre-registration period stipulated in the REACH Regulation began on 1 June 2008 and ended on 1 December 2008, in other words six months later. In adopting the regulation we had assumed that we would have to reckon on the registration of approximately 200 000 chemical substances. In actual fact, by the end of the pre-registration period there had been precisely 2 236 625 registrations. Several thousand collective applications are currently still being processed and may still increase this figure considerably.

The final figure will be made known by the agency in mid-December. Naturally, we too asked how it was possible that the estimates which formed the basis of our legislation had been exceeded tenfold. The simple answer is for precisely the reason that REACH was developed: because we simply did not know – because no one knew precisely – how many substances we had available.

It has emerged that the extent of the task was underestimated by all those concerned. The estimates were made with the aid of all available data from the Member States and industry. Naturally, they initially resulted in problems occurring when it turned out that the working hypothesis had been wrong. That was quite inevitable. According to the REACH Regulation, it was the task of the agency in Helsinki to establish the format for pre-registration and to make it freely available on its website. The REACH IT system and the corresponding format for pre-registration of the substances concerned was available to companies on time on 1 June of this year.

In the course of October and November companies informed the Commission that the REACH IT system operated by the agency was working with reduced performance or at certain times not at all.

The Commission subsequently monitored the agency's operations very carefully and discussed improvements to the software and even an emergency plan with the agency. Throughout the entire pre-registration period, the agency worked hard to improve the performance and efficiency of the IT system. In view of the rapid increase in pre-registration figures in recent weeks – up to 100 000 pre-registrations on a single day at times – the agency has taken additional technical measures and expanded its capacity.

These changes made it possible to improve the availability and speed of the system. Nonetheless, at peak access times a delayed response could not be completely avoided because of the extremely high number of simultaneous requests. It really is the case – and a few questions can be linked to this – that almost half of all the pre-registration applications were submitted in the last two weeks of the pre-registration period, that is to say, more than one million in the last two weeks.

For this reason the agency recommended performing pre-registration outside peak times in the event of difficulties. In addition, companies were advised to use the format for collective registration, which was the fastest option. In the last phase of pre-registration the agency set up an additional, rapid telephone answering service for help with any problems. Due to this measure, the response time in the REACH IT system constantly improved despite the high number of pre-registration applications.

Finally, the prepared alternative procedure was only used on the very last pre-registration day and only proved necessary to a limited extent as the REACH IT system operated adequately until the last after all. I am assuming that, despite the difficulties which occurred, all the companies concerned were in a position to pre-register their substances and that the first implementation phase of REACH was thus successfully concluded.

Carl Schlyter, *on behalf of the Verts/ALE Group*. – (SV) Madam President, I want to thank the Commissioner for his answer. In view of the fact that the number wanting to pre-register was so incredibly higher than we had first thought, I think we can still say that a lot has worked. After all, despite everything 2.2 million people

have succeeded in registering – and from 65 000 different businesses, as Mr Bowis said. No doubt it is actually a good thing that we are made aware of how much the chemicals are used. Perhaps it indicates a certain nervousness and a feeling of ‘better safe than sorry’ which is resulting in people registering even though the same use may already have been registered, et cetera. However, we will not be able to tell whether this is the case until later.

As a result, however, I wish to ask a follow-up question. In sharp contrast to the number that have pre-registered their chemicals, we have extremely few chemicals on the candidate list of the most dangerous chemicals. There are just 15 at present, when we have 27 PBTs and 800 other chemicals that should already be included here. Imagine if there were to be a very rapid increase in these. In future proceedings within REACH and as we approach the next deadline, how will the European Chemicals Agency cope when decisions are required from it? In my judgment, we need to increase the workforce of the European Chemicals Agency substantially if REACH is to succeed. Otherwise I believe that at the end of the next stage, when we need decisions from the Agency, they will have no chance of making the required decisions in time. I therefore really believe that we must make provision at this stage for a substantially increased budget for the European Chemicals Agency.

Guido Sacconi, author. – (IT) Madam President, I would first of all like to thank the Commissioner because I found that the answers he gave were very persuasive. I understand in particular that this explosion of pre-registrations obviously reflects an important aspect of this matter, as he himself said. We have had problems because REACH has even been operating too efficiently and has uncovered substances that are actually unknown, which are starting to pop up.

I would like to ask a question, if I may, which is perhaps premature as it is not possible yet to probably have the relevant data and an assessment of this matter. After all, we always thought that the system would more or less include somewhere around 30 000 substances. In light of the number of pre-registrations, are you able right now or in the near future to quantify the number of substances which will be entered in the system via pre-registration? The reason for this question is because faced with a significant increase in this number at the moment, this should obviously make us think about how subsequent phases are going to operate.

Günter Verheugen, Vice-President of the Commission. – (DE) Madam President, I cannot answer the question as to why this enormous difference has come about between the estimates and the actual result. I am neither a scientist nor an administrative officer. Like you all, I also relied on these estimates being reasonably accurate. However, I am not blaming anyone, because it was in fact the case that this could not be known accurately. Had we known precisely which substances we deal with daily, REACH would not have been necessary: It is precisely because we did not know this that we needed REACH.

In this respect, this initial result that we are discussing today is very convincing proof that it was necessary to set this project in motion – I see that Mr Sacconi is nodding – it is shining proof that this legislation, very heavily criticised in public, was indeed necessary after all.

This initial phase is not about expanding the list of hazardous substances. This phase is also not about authorising something or other. The initial phase is firstly about knowing what is actually out there, and thus giving companies the opportunity to avail themselves of those manufacturers who have pre-registered the substances when obtaining their supply of those substances. The system will, as envisaged in the regulation, develop gradually, and in the course of this process the list of hazardous substances will probably grow longer.

Naturally, there is the question of which problems will arise for industry with continued use of REACH. We will examine this very closely based on analysis of the pre-registrations received. However, at present it cannot yet be said what exactly this large number really tells us. We need a bit more time for that and I would suggest that I come back either to this House or to the committee to inform you of the result of the analysis and also give you a precise report on the next steps.

President. – The debate is closed.

22. The situation of women in the Balkans (short presentation)

President. – The next item is a brief presentation of the report (A6-0435/2008) by Mrs Gurmai, on behalf of the Committee on Women's Rights and Gender Equality, on the situation of women in the Balkans (2008/2119(INI)).

Zita Gurmai, rapporteur. – (HU) Commissioner, ladies and gentlemen, thank you for staying to listen at this late hour. I am very pleased to be able to present this motion to you today. I am pleased, because it shows that the European Parliament considers monitoring and improving the situation of women in the Balkans to be important. I am convinced that this is our common interest and responsibility, since the European Union cannot close itself off.

We all know that the countries of the region have been through serious traumas, and not that long ago. They are making very great efforts to address their problems, and for this they deserve admiration. It is my opinion, however, that they fail to take a very important resource into due consideration, namely women.

It is true that women suffered particularly heavily during the wars, but we must bear in mind that they are not solely victims, but play a constructive, active, useful and indispensable part in democratic stabilisation and reconstruction.

I was never in favour of making exceptions for women, but I am so bold as to declare that they should be given the same opportunities as men. No more and no less. It is no different in this case either. Women can fulfil the above-mentioned role only if they are given the opportunity to do so.

And what is this opportunity? Since women constitute half the population, they must be given a decision-making role in the same proportion. I know that according to many people, a quota is not the true solution, but I must say that unfortunately a more effective administrative solution has not yet been found.

The economic emancipation of women is one of the first tasks. Working women are more productive members of society and are less subjugated. And if they are working, we cannot allow them to be excluded from leadership positions in economic life. At the same time, hard-working women must be given the opportunity to balance professional life with family commitments.

For this to happen, the attitude of society must become more positive with regard to women, and negative stereotypes must be abolished. Education and the media play a key role in this regard. I could continue down this long list, but in the interest of time I would like to emphasise two very important considerations.

First, we can never forget that the region in question is made up of several different countries, and these cannot be lumped together and treated in the same way. Every country is working hard in every sphere, and thus also on improving the situation of women. Of course some countries are further ahead in this struggle than others. I have tried to convey this in the table appended to the report.

Secondly, the possibility of future entry into the European Union is a significant motivation for these countries to achieve their objectives. It is important for them and for us to take advantage of this period in this regard as well.

My aim with this report was to indicate that they are on the right track, that I pay tribute to their efforts, and that I wish them courage for what lies ahead.

I would like to take this opportunity to express my thanks for the enormous help I have received in the course of this task from Rudolfs Verdins and Elvy Svennerstål of the Committee on Women's Rights and Gender Equality Secretariat, from Effy Tsonos and Majella McCone of the Secretariat of the Socialist Group in the European Parliament, from my fellow Members the shadow rapporteurs Marie Panayotopoulos-Cassiotou, Doris Pack, Edit Bauer, Livia Járóka, Filiz Hyusmenova, Emine Bozkurt, Anni Podimata, Marusya Lyubcheva and many others. Special thanks are due to the Secretariat of the Group of the European People's Party (Christian Democrats) and European Democrats, the Group of the Greens/European Free Alliance and of course the Liberals for their tireless work and unfailing readiness to make concessions. Last but not least, I wish to thank my immediate colleagues.

I am very proud of the fact that the motion which I am introducing here today reflects a wide-ranging compromise, which I believe makes the European Parliament's message a clear, unambiguous and strong one. I hope that reading between the lines will make it clear that my aim is to give the report a positive, encouraging tone. Thank you for your attention. It is also a particular pleasure that Commissioner Verheugen, who was the Enlargement Commissioner at the time we joined the EU, is here with us.

Günter Verheugen, Vice-President of the Commission. – (DE) Madam President, ladies and gentlemen, Mrs Gurmai, I was responsible for enlargement, but that was four years ago. Nonetheless, I still recall some of the knowledge from that time. I am really glad to be able to speak about this topic with you this evening. I have always had a particular interest in it and I still do today.

Your report tallies with the findings of the Commission: there are no differences of opinion there. It is clearly correct that we regard the issue of women's rights and the equality of men and women as an absolutely indispensable component of the political criteria which are a crucial prerequisite for starting and concluding accession negotiations.

From my own experience, I can say – and Olli Rehn who now does the work confirms this – that enlargement negotiations, indeed the whole enlargement process, the mere hope that accession negotiations might come about, significantly improve the social situation of disadvantaged groups on a regular basis. The governments and the parliaments in the countries concerned know what Europe expects from them. In my view, there is no stronger catalyst for rapid social change in candidate countries or in potential candidate countries than the prospect of being able to become a member of the European Union and thus of having to meet certain standards which we in Europe have.

The reports which you have prepared, your analysis and our analysis describe a really daunting problem. Women in the countries which we are discussing today are generally under-represented, both in the employment market and in political life. Domestic violence is widespread. The situation of women in rural areas is extremely worrying. Girls and women from national ethnic minorities – above all, Roma women – suffer, as do disabled women, from particular discrimination, and far too frequently women and girls are unfortunately victims of the trade in human beings.

It therefore goes without saying for the Commission that, in its cooperation with the candidate countries and potential candidate countries, programmes need to be developed to improve these conditions. I need not describe that here in detail. There are a large number of programmes which should enable the governments and authorities of the candidate countries to deal with the problem properly. However, there are also projects and programmes based on the principle of self-help, which support non-governmental organisations and other social groups.

I can assure you, Mrs Gurmai, that the Commission will in future continue to do all it can to contribute to the strengthening of women's rights in the Balkan countries. That clearly includes – as I already said – support for women's organisations and non-governmental organisations. I think that a credible and serious prospect of accession for these countries is the strongest possible stimulus to prompt them to really do what is necessary.

However, we should not be under any illusions here. Everyone here in this room knows that such societal processes take their time. If I may return to my own experience again, we cannot content ourselves with the fact that something or other is in the statute book. We cannot content ourselves with the fact that wonderful action plans that look great on paper are being prepared. I have seen dozens of them, and they by no means mean that anything will really happen. The real work, then, is only just starting. I am very grateful that the European Parliament is showing such great interest in this work.

President. – That concludes this item.

The vote will take place tomorrow, Thursday 4 December 2008 at 12 noon.

Written Statements (Article 142)

Cristian Silviu Buşoi (ALDE), in writing. – Social developments in the Balkans in terms of gender equality have unfortunately been notorious for the lack of improvement in this field. Even though some of the Balkan countries have been given candidate status for EU membership, the situation of women is becoming increasingly worrisome and hardly improving.

In order to sustain the relative position of women in the Balkan societies, the EU must become more involved in the slow democratic process which characterises most countries in the region and encourage the fostering of legally binding instruments with regard to women's rights and liberties. Furthermore, positive discrimination should also be a concept employed by the governments in the region, in the same manner as in the EU Member States that apply it.

Nevertheless, in order to recreate a stable post-conflict environment, it is imperative to promote the development of an equal society that protects the position of women while avoiding the re-establishment of the 'patriarchal' institutions that have characterised much of the past. The participation of women in the decision-making process is essential to achieving a substantial change in their status in society and will have concrete significance for future improvements.

Anneli Jäätteenmäki (ALDE), in writing. – Equal opportunity for women and men is an important part of the Copenhagen criteria. Countries in the Balkans have much work to do in this area. Candidate countries should strive to make their antidiscrimination and gender equality laws equal to those of the *acquis communautaire*.

Issues that require special attention in the Balkans include: increasing health care, increasing the representation of women in government, protecting women from domestic violence, eliminating sex crimes, and implementing stronger antidiscrimination strategies.

These problems certainly exist within the EU Member States as well. We should constantly be striving for better equality between women and men.

But candidate states have to pay special attention to rectifying these problems before it is possible for them to join the European Union.

Livia Járóka (PPE-DE), in writing. – The problems of discrimination that Roma communities face remain unresolved throughout Europe. In both old and new Member States, as well as in candidate countries, integration policies are generally weak, sporadic and administered on a case-by-case basis. Romani women throughout the Balkans face discrimination not only because of their gender, but also on account of the ethnic group to which they belong. Due to their marginalisation from mainstream society, Romani women encounter discrimination which influences their access to healthcare, quality education, housing and employment.

It is extremely important that candidate and potential candidate countries in the Balkans guarantee the elimination of all forms of discrimination and prejudice against Romani women and introduce an effective and practical anti-discrimination strategy to be implemented at all levels (national and local).

It is obvious that the European Union's enlargement process, through the use of its tool the Copenhagen criteria, has the potential to significantly change the situation of the Roma in the Balkans. For this reason it is crucial that the European Commission adopts an effective monitoring system in order to measure the real efforts made in minority and women's rights in the Balkans, which will then demonstrate full compliance with the political criteria for accession.

Dumitru Oprea (PPE-DE), in writing. – (RO) The report on the situation of women in the Balkans discusses one of the most topical subjects of the moment: the place of women in modern society. It sounds a large number of alarm bells concerning the situation of women in the Balkans, at a time when a process of establishing stable democracy is under way. This report is not only comprehensive, but also deals with key topics which are generally relevant, such as: women in the labour market, combating stereotypes, women's health, women's involvement in decision-making, violence against women and trafficking in human beings. The relevance of these topics is all the more apparent in some states which have undergone major changes over the last 20 years.

What is concerning is how difficult it is to evaluate the actual situation in these countries. Women are discriminated against, whether intentionally or not. One example of this is the 'informal' labour market for women. This situation is regarded as the norm in some countries. An even bigger problem is encountered among women who are directed or 'drift' towards activities which are beneath human dignity, such as prostitution, or who fall prey to those involved in human trafficking. Another concern is the fact that many women are also victims of domestic violence.

In another respect, women need to get involved more in changing attitudes so that they can occupy the place in society they deserve.

Rovana Plumb (PSE), in writing. – (RO) As an MEP from a country in immediate proximity to the Western Balkans, I welcome the progress that has been made by the candidate or potential candidate countries mentioned in the report. However, we need specific political measures to eliminate social and economic discrimination and insecurities which persist in the region.

The conflicts in the region have undermined the image of women in the collective memory. They have also led to the appearance and reinforcement of stereotypes according to which women's role in society is greatly reduced, overshadowed by powerful men.

The starting point for eliminating these stereotypes is at the primary level of education. Educational materials in schools should actually promote a positive image of women enjoying equal rights with men.

It is our duty to support these programmes both politically and financially. This means that during the negotiation process the results that are achieved should be monitored closely.

Daciana Octavia Sârbu (PSE), in writing. – (RO) The EU needs to monitor more closely the situation of women in the Balkans, especially in EU candidate states.

At the same time, encouragement should be given to granting pre-accession funds to support Balkan states in their fight against human trafficking and prostitution, particularly involving children, as well as to provide adequate healthcare services which any woman can have access to, irrespective of her race, religion or social status. Last but not least, these funds could also help to set up shelters and counselling centres for women who are victims of domestic violence.

I would also like to emphasise the importance of providing support for NGOs fighting for the rights of women in the Balkans, to be undertaken both by governments in the Balkan region and NGOs in EU Member States.

I call on pressure to be exerted on the governments of Balkan states to urgently adopt measures to combat and prevent human trafficking, prostitution involving minors and child pornography, bearing in mind that the Balkans is both a transit region for and a point of origin of human trafficking.

We must not overlook either the need for the competent institutions in the Balkans to adopt measures aimed at ensuring equal pay between women and men and educating people against stereotypes.

Dushana Zdravkova (PPE-DE), in writing. – (BG) Last week we observed the International Day for the Elimination of Violence against Women. The European Commission underlined the importance of the merciless battle with this pressing problem. The European Parliament also needs to call upon Candidate States to take on active measures for the proper application and compliance with the existing legislative framework. Because the law cannot only be on paper, it must also be applied in reality in order for the position of women, who are placed under such torment every day and do not even realise that this is not acceptable, to be improved. This is why I agree with the researcher that actions must be taken to change the stereotypical ways of thinking in these countries.

I would like to bring your attention to another fundamental point made in the report. According to the region's specifics and especially to the military conflicts which the whole of the Europe was witness to in the past decade, I would like to underline the fact that in the conflict zones, men and women, girls and boys experience war differently. It is true that women and children are most often the victims in these conflicts, however women must be given the same opportunities and be given an equal chance in order also to be able to fight, to actively participate in social and political life, to manage and to stabilise society.

23. Agenda of the next sitting: see Minutes

24. Closure of the sitting

(The sitting was closed at 11.55 p.m.)