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## Information and Notices

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## I

*(Resolutions, recommendations and opinions)*

## RESOLUTIONS

## EUROPEAN PARLIAMENT

**The EU priorities for the 64th Session of the UN General Assembly**

P6\_TA(2009)0150

**European Parliament recommendation to the Council of 24 March 2009 on the EU priorities for the 64th Session of the UN General Assembly (2009/2000(INI))**

(2010/C 117 E/01)

*The European Parliament,*

- having regard to the proposal for a recommendation to the Council by Alexander Graf Lambsdorff on behalf of the ALDE Group on the European Union priorities for the 64th Session of the UN General Assembly (B6-0034/2009),
  
- having regard to the European Parliament recommendation of 9 July 2008 to the Council on the EU priorities for the 63rd session of the UN General Assembly <sup>(1)</sup>,
  
- having regard to the EU priorities for the 63rd United Nations General Assembly adopted by the Council on 16 June 2008 (9978/2008),
  
- having regard to the 63rd General Assembly of the United Nations (UNGA), in particular that body's resolutions on 'Cooperation between the United Nations and the Inter-Parliamentary Union' <sup>(2)</sup>, 'Convention on the Prohibition of the Use of Nuclear Weapons' <sup>(3)</sup>, 'Comprehensive Nuclear-Test-Ban Treaty' <sup>(4)</sup>, 'Convention on the Prohibition of the Development, Production and Stockpiling of Bacteriological (Biological) and Toxin Weapons and on Their Destruction' <sup>(5)</sup>, 'Moratorium on the use of the death penalty' <sup>(6)</sup>, 'Protection of human rights and fundamental freedoms while countering terrorism' <sup>(7)</sup>, 'Situation of human rights in the Democratic People's Republic of Korea' <sup>(8)</sup>, 'Situation of human rights in the Islamic Republic of Iran' <sup>(9)</sup>, 'Doha Declaration on Financing for Development: outcome document

<sup>(1)</sup> Texts adopted, P6\_TA(2008)0339.

<sup>(2)</sup> A/RES/63/24.

<sup>(3)</sup> A/RES/63/75.

<sup>(4)</sup> A/RES/63/87.

<sup>(5)</sup> A/RES/63/88.

<sup>(6)</sup> A/RES/63/168.

<sup>(7)</sup> A/RES/63/185.

<sup>(8)</sup> A/RES/63/190.

<sup>(9)</sup> A/RES/63/191.

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of the Follow-up International Conference on Financing for Development to Review the Implementation of the Monterrey Consensus' <sup>(1)</sup>, 'Situation of human rights in Myanmar' <sup>(2)</sup>, 'Development-related activities' <sup>(3)</sup>, 'Strengthening the Department of Political Affairs' <sup>(4)</sup>, 'Programme budget for the biennium 2008-2009' <sup>(5)</sup> and 'Proposed programme budget outline for the biennium 2010-2011' <sup>(6)</sup>,

- having regard to its resolution of 14 January 2009 on the development of the UN Human Rights Council, including the role of the EU <sup>(7)</sup>,
  - having regard to its resolution of 18 December 2008 on development perspectives for peace-building and nation building in post-conflict situations <sup>(8)</sup>,
  - having regard to Rule 114(3) and Rule 90 of its Rules of Procedure,
  - having regard to the report of the Committee on Foreign Affairs and the opinion of the Committee on Development (A6-0132/2009),
- A. whereas, four years on, UN Member States should be reminded of their commitment to the achievement of the ambitious goals set out in the 2005 World Summit Outcome document, adopted in New York on 16 September 2005,
- B. whereas only a global, effective and inclusive multilateral system can address the multiple and interlinked challenges and threats faced by nations, societies and citizens, such as those to peace, stability and human security, the challenges posed by poverty, climate change and energy security and the consequences of the global economic and financial crisis,
- C. whereas the 63rd UNGA has taken important decisions on a number of items relating to the reform agenda, including improvements in human resources management and in the administration of justice, the partial strengthening the Department of Political Affairs, and the launch of intergovernmental negotiations on the Security Council reform,
- D. whereas the UNGA has adopted, on a proposal by its Third Committee, a set of important resolutions on a wide range of human rights, social and humanitarian issues, including three country resolutions, as well as the Optional Protocol to the International Covenant on Economic, Social and Cultural Rights,
- E. whereas, thanks to the 'Delivering as One' initiative and the work of the two co-facilitators, tangible progress has been achieved, pragmatically, in pursuing some of the System-Wide Coherence reforms of the UN; whereas it is necessary to consolidate achievements and to make further progress in the areas identified by the 63rd UNGA,
- F. whereas failure to reform bodies such as the UN Security Council and the UN Economic and Social Council (ECOSOC) could lead to informal groupings such as the G8 or G20 attempting to substitute themselves for global institutional arrangements,
- G. whereas the European Union must promote what it firmly believes are universal values, while making efforts to avoid the polarisation of positions,
- H. whereas, on the other hand, cooperation between the United Nations Secretariat and EU institutions has never been so close and reflects the shared values, goals and interests of the two organisations,

<sup>(1)</sup> A/RES/63/239.

<sup>(2)</sup> A/RES/63/245.

<sup>(3)</sup> A/RES/63/260.

<sup>(4)</sup> A/RES/63/261.

<sup>(5)</sup> A/RES/63/264 A-C.

<sup>(6)</sup> A/RES/63/266.

<sup>(7)</sup> Texts adopted, P6\_TA(2009)0021.

<sup>(8)</sup> Texts adopted, P6\_TA(2008)0639.

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- I. whereas the operational capacity of the United Nations in the field of peace and security activities needs to be further strengthened, and whereas EU/UN cooperation in peace-keeping constitutes a cornerstone of global peace and security,
  - J. whereas there is an increasing number of fatalities among UN peace-keepers, and whereas all possible measures must be taken to protect these workers,
  - K. whereas the EU and the US are strategic partners and it is in their mutual interest to confront together common threats and challenges in the new global scenario, on the basis of international law and multilateral institutions, in particular the UN; whereas the statement made by the new US Permanent Representative to the United Nations, Susan Rice, appears to indicate a renewed commitment to constructive engagement with the United Nations,
  - L. whereas the European Union indicated, in its Statement to the UN Human Rights Council (HRC) of 19 September 2008, that the following four elements of the outcome document for the Durban Review Conference would be unacceptable (the so-called EU 'red lines'): (1) singling out one region of the world in particular; (2) reopening the 2001 Durban declaration by inserting a prohibition against 'defamation of religion', designed to restrict free speech and impose the censorship inherent in Islamic anti-blasphemy laws; (3) drawing up an order of priority among victims; and (4) politicising or polarising the discussion,
  - M. whereas in the context of deepening global recession, developing countries could be set back by decades as a result of falling commodity prices, lower investment flows, financial instability and a decline in remittances, and whereas the value of existing EU aid commitments will fall by nearly USD 12 000 million a year, because they are expressed as a percentage of Member States' GDP,
1. Addresses the following recommendations to the Council:

#### ***The EU at the UN***

- (a) project itself within the United Nations system as an honest broker between the interests and values of different membership groups in order to promote common understanding and greater cohesion around the three closely interconnected pillars on which the UN rests, namely peace and security, economic and social development and human rights;
- (b) ensure, with the Commission, that issues relating to the multilateral agenda are systematically addressed in the bilateral dialogues which the EU and EU Member States hold with other countries and regional groups;
- (c) study carefully with the new US administration ways to strengthen the cooperation of both partners, in support of their common priorities at the United Nations;

#### ***Peace and security***

- (d) foster the debate initiated by the UN Secretary-General, Ban Ki-moon, about the implementation of the Responsibility to Protect (R2P) principle, so as to achieve strengthened consensus on, and develop a more operational approach to, this cornerstone of the UN doctrine whilst resisting attempts to reduce its scope;
- (e) ensure that the preventive character of R2P is adequately emphasised in the above-mentioned debate and that adequate attention is paid to helping vulnerable and unstable countries develop the capacity to shoulder such responsibility, focussing specifically on regional actors as the most effective interlocutors in unstable situations;

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- (f) ensure that the R2P principle is applied in crisis situations where the state concerned fails to protect its people from genocide, war crimes, ethnic cleansing and crimes against humanity;
- (g) encourage the African Union to further develop its crisis management capabilities, and call on both EU and UN actors to support these efforts and to deepen the cooperation with the African Union in the establishment of peace and security on the African continent;
- (h) urge the EU Member States to make the necessary efforts so that the negotiations on the Comprehensive Convention on International Terrorism can be concluded;

#### ***Human rights***

- (i) uphold clearly in all resolutions debated and adopted in the UNGA the tenets of international humanitarian law and condemn unequivocally any violation thereof, especially regarding the safety and security of UN and other humanitarian workers;
- (j) reach out towards other regional groups in order to promote greater awareness and understanding of the principles enshrined in the EU-backed Statement on sexual orientation and gender identity endorsed by 66 UN Member States;
- (k) call on the UN Secretary-General to report to the UNGA's 65th session about Member States' compliance with the ban on the death penalty for juveniles and to include in his report information on the number of juvenile offenders currently sentenced to death and the number executed during the last five years;
- (l) initiate, ahead of the 2011 review of the HRC, a debate highlighting the complementarity between the Third Committee, an intergovernmental body of the UNGA with universal membership, and the HRC, the composition of which is restricted and the mandate of which is more operational;
- (m) call on Member States to reconsider their participation in the Durban Review Conference in Geneva in April 2009 if the breach of all four 'red lines' referred to in the draft outcome document of 20 February 2009 is confirmed in subsequent negotiations leading up to the Conference;
- (n) promote and support efforts towards ensuring that the United Nations terrorism-related sanctions regime is subject to transparent and equitable procedures, particularly by introducing an effective notification procedure and by establishing an independent judicial review, in line with the case-law of the Court of Justice of the European Communities;
- (o) urge the Security Council and its Counter-Terrorism Committee to cooperate with the relevant UN human rights bodies, in order to monitor continuously compliance with obligations under international human rights, refugee and humanitarian law;
- (p) insist that all UN members ratify the Rome Statute of the International Criminal Court (ICC), starting with the members of the Security Council and, in view of the 2009 review conference of the ICC, actively support efforts to achieve an agreement on the still outstanding definition of the crime of aggression and the conditions under which the ICC may exercise its jurisdiction, as provided for in Article 5(2) of the Rome Statute;

#### ***UN reform***

- (q) encourage the ongoing process towards achieving consistency between progress achieved at country level in the implementation of the 'Delivering as One' reform and the different business practices applied by the headquarters of UN agencies and programmes, which so far have hampered closer cooperation and coordination on the ground;

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- (r) develop EU coordination, including donor coordination, in relations with UN agencies, funds and programmes at headquarters as well as at country level, including by participating in UN-led multi-donor funds, and extend also to UN agencies and programmes the already well-established dialogue with the UN Secretariat;

#### ***Environment***

- (s) promote a debate on the forthcoming Conference of the Parties to the UN Framework Convention on Climate Change (COP15) in Copenhagen in December 2009 in order to build consensus on, and momentum behind, the adoption of a new international agreement on climate change for the period post-2012; in this context, rally support for a financial and technological package targeted at developing countries in order to facilitate their endorsement of a new binding agreement;
- (t) endorse the adoption by the next UNGA of a more coherent structure for global environmental governance, as advocated by the Governing Council/Global Ministerial Environment Forum of the UN Environment Programme, a governance system which is capable of facing the enormous challenges ahead;

#### ***Global governance***

- (u) take a lead in the current debate on global governance, including economic and financial governance, with a view to strengthening the mandates and improving the practices of the International Monetary Fund and the World Bank, while at the same time re-vitalising ECOSOC;
- (v) use the upcoming intergovernmental negotiations on the reform of the Security Council, based on the rules of procedure of the UNGA, as an opportunity to focus on points of convergence and achieve tangible progress regarding the clarification of the Security Council's competences in relation to other UN bodies, the addition of new permanent and non-permanent members – possibly on a temporary basis – so as to improve the Security Council's representativeness and legitimacy, and the review of working methods of the Security Council;
- (w) emphasise that an EU seat in the Security Council remains the long-term goal of the European Union;

#### ***Non-proliferation and disarmament***

- (x) promote conditions for a successful 2010 Review Conference of the Parties to the Treaty on the Non-Proliferation of Nuclear Weapons (NPT), notably by endorsing and promoting the proposed Model Nuclear Weapons Convention; achieve consensus around the proposed Fissile Material Cutoff Treaty; strive for the adoption by the Conference on Disarmament of a substantive programme of work in order to make that body operational; engage multilaterally and bilaterally with UN Member States in order to relaunch the ratification of the Comprehensive Nuclear-Test-Ban Treaty; and, finally, encourage further efforts towards the launching of negotiations concerning an Arms Trade Treaty;

#### ***Management reform***

- (y) make full use of its financial leverage in the UN in order to ensure that the budget for 2010-2011 better addresses the pressing operational needs of that organisation, and grant the UN Secretary-General greater discretion in allocating human resources in accordance with such needs and in the light of operational decisions taken by relevant UN bodies, in particular by the Security Council and the UNGA,
- (z) establish, in the context of discussions on a revision of the scales of assessment for the apportionment of expenses of the United Nations, a clear link between better representation within the different UN bodies and a fairer sharing of the financial burden;

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- (aa) develop a more closely coordinated EU staff policy at the UN with a view to achieving greater transparency and efficiency in recruitment procedures and ensuring that recruitment conditions remain sufficiently attractive for EU citizens;

**Millennium Development Goals (MDGs)**

- (ab) exercise global leadership in galvanising international action to deliver on the MDG pledges in view of the growing evidence that the world is falling far short of the promises made in relation to the MDGs;
- (ac) support the 'MDG gap task force' initiative to monitor global commitments on aid, trade, debt relief and access to essential medicines and technology;
- (ad) call for the urgent organisation of the high-level UN conference on the world financial and economic crisis and its impact on development, which was agreed at the 2008 Doha Financing for Development conference;
- (ae) pursue discussion of the Business Call to Action initiative and the commitments to funding and supporting MDG efforts, including how this could be matched by an increase in accountability from the corporate sector;
- (af) advocate, in tandem with all these initiatives, signing up to the principles enshrined in the Paris Declaration on Aid Effectiveness, and to the Accra Agenda for Action, in order to improve the quality and delivery of aid;
- (ag) use the occasion of the 64th UNGA to report on the progress made towards meeting the benchmarks set out in the EU Agenda for Action on MDGs;
- (ah) invite the Commission to report on the progress made in implementing MDG contracts and encourage other donors to deliver more of their aid on a long-term, predictable basis in the form of budget support;

**Final recommendations**

- (ai) urge EU Member States to follow up on their commitment to effective multilateralism by ensuring the systematic and swift ratification of all UN conventions and treaties;
- (aj) support the decision taken by the UNGA in its above-mentioned resolution on 'Cooperation between the United Nations and the Interparliamentary Union' to include in the provisional agenda of the 65th UNGA a separate item on cooperation between the United Nations Organization, national parliaments and the Interparliamentary Union, provided the title of the item includes also a reference to 'regional parliamentary assemblies', and promote a debate on how parliamentarians, national parliaments and regional parliamentary assemblies can play a more active role in the United Nations;

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2. Instructs its President to forward this recommendation to the Council and, for information, to the Commission.

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## One year after Lisbon: the EU-Africa partnership at work

P6\_TA(2009)0151

### European Parliament resolution of 24 March 2009 on One year after Lisbon: The Africa-EU partnership at work (2008/2318(INI))

(2010/C 117 E/02)

The European Parliament,

- having regard to the Joint Africa-EU Strategy ('Joint Strategy') and the first Action Plan (2008-2010) for the implementation of the Africa-EU Strategic Partnership, adopted by EU and African heads of state and government meeting in Lisbon on 8 and 9 December 2007,
- having regard to the Commission Communication entitled 'One year after Lisbon: The Africa-EU partnership at work' (COM(2008)0617),
- having regard to the General Affairs and External Relations Council conclusions of 10 November 2008 on 'One year after Lisbon: The Africa-EU partnership at work',
- having regard to the Joint Progress Report on the implementation of the Joint Africa-EU Strategy and its first Action Plan (2008-2010) adopted by the Africa-EU ministerial Troika in Addis Ababa, Ethiopia, on 21 November 2008,
- having regard to the note of 17 December 2008 from the Pan-African Parliament's ad-hoc committee for relations with the European Parliament and the European Parliament's ad-hoc delegation for relations with the Pan-African Parliament to the Presidencies-in-office of the African Union (AU) and EU, the European Commission and the Commission of the AU on the role of the Pan-African and European Parliaments in the implementation and monitoring of the Joint Strategy,
- having regard to its resolution of 25 October 2007 on the state of play of EU-Africa relations <sup>(1)</sup>,
- having regard to its resolution of 17 November 2005 on a development strategy for Africa <sup>(2)</sup>,
- having regard to the Partnership Agreement between the members of the African, Caribbean and Pacific (ACP) Group of States, of the one part, and the European Community and its Member States, of the other part, signed in Cotonou on 23 June 2000 <sup>(3)</sup>, as amended by the Agreement amending the Partnership Agreement, signed in Luxembourg on 25 June 2005 <sup>(4)</sup> (the 'Cotonou Agreement'),
- having regard to Regulation (EC) No 1905/2006 of the European Parliament and of the Council of 18 December 2006 establishing a financing instrument for development cooperation <sup>(5)</sup>,
- having regard to Articles 177 to 181 of the EC Treaty,
- having regard to Rule 45 of its Rules of Procedure,
- having regard to the report of the Committee on Development and the opinion of the Committee on International Trade (A6-0079/2009),

<sup>(1)</sup> OJ C 263 E, 16.10.2008, p. 633.

<sup>(2)</sup> OJ C 280 E, 18.11.2006, p. 475.

<sup>(3)</sup> OJ L 317, 15.12.2000, p. 3.

<sup>(4)</sup> OJ L 209, 11.8.2005, p. 27.

<sup>(5)</sup> OJ L 378, 27.12.2006, p. 41.

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- A. whereas the objective of poverty eradication must remain very much at the heart of the Joint Strategy,
- B. whereas half the population of Africa still lives in poverty and whereas Africa is the only continent that is not progressing towards the Millennium Development Goals (MDGs), particularly as regards poverty reduction, child mortality, maternal health and the fight against HIV/AIDS and malaria,
- C. whereas the Joint Strategy aims to go 'beyond development', 'beyond Africa' and 'beyond institutions' to cover a broader range of African and global issues than in the past, such as energy, climate change and security, and to involve a wider spectrum of non-institutional actors,
- D. whereas over the last year most of the institutional architecture and innovative working methods of the Joint Strategy have been set up but little actual progress has been achieved on the ground,
- E. whereas, despite the Joint Strategy's explicit recognition of the fundamental role of the Pan-African and European Parliaments 'to review progress and provide political guidance to the partnership', they have yet to be involved in any structural and meaningful way in the establishment, adaptation and monitoring of the Joint Strategy,
- F. whereas there has been minimal involvement of civil society and local authorities, particularly on the African side, in the implementation of the Joint Strategy,
- G. whereas very little new funding has been made available to implement the Joint Strategy and, indeed, the relevant sources of funding were already fully programmed before the Joint Strategy was adopted,
- H. whereas bringing the European Development Fund (EDF) within the EU budget, as Parliament has repeatedly called for, would allow for greater policy coherence and parliamentary oversight of development spending,
- I. whereas Africa's share of global trade is falling and Africa is being excluded from the opportunities offered by globalisation,
- J. whereas capital flight, especially illicit capital flight, is causing African economies to haemorrhage billions of euros every year, while the 'brain drain' robs the continent of much of the intellectual capacity that is essential for its future development,
- K. whereas food production and food security in Africa have been declining as political priorities and have been starved of investment over the last decade, with potentially disastrous consequences, as the recent food price crisis highlighted,
- L. whereas Africa is underrepresented in the international organisations and multilateral forums that decide on many of the issues affecting the continent's future,
- M. whereas the longstanding EU-Africa relationship takes on a new significance with the emergence of non-traditional donors whose agendas and priorities for Africa present new risks and challenges,
- N. whereas it is essential to find synergies and avoid overlap between the institutions of the Joint Strategy and those of existing relationships, such as the Cotonou Agreement, the Euro-Mediterranean Strategy and the South Africa-EU Strategic Partnership,
- O. whereas the 2009 Cotonou revision will seek to clarify the future relationship of the ACP with the AU,
- P. whereas levels of awareness as to the aims and actions of the Joint Strategy are worryingly low and whereas – mainly in Africa – public awareness of and adherence to the Africa-EU Strategic Partnership are directly linked to the Joint Strategy's ability to deliver immediate and tangible results capable of improving the standard of living of African people,

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- Q. whereas the partnership should take into account that, although a 'partnership of equals' means that the EU and the AU are equal in terms of participation in the discussions and in policy setting, it should also address the stark reality that both continents and their institutions are still far from equal in terms of institutional development, decisional capacity and resources,

#### ***Setting up of EU-Africa architecture***

1. Welcomes the fact that, one year after the adoption of the Joint Strategy, the main components of the institutional architecture for its implementation are finally in place and have started to function, underpinned by an Action Plan with deliverables and timetables, and that some progress has been made towards implementation of the Joint Strategy and its thematic partnerships; however, regrets that, by the end of the first year of implementation, some partnerships are still in the process of defining working methods and have not yet established deliverables, timetables and budget allocations;
2. Welcomes the fact that the EU and the AU met more often during the first year after the signature of the Joint Strategy than ever before;
3. Calls on the EU and AU Commissions and the Member States of the EU and the AU to complete as a matter of priority this institutional architecture by developing the parliamentary, civil society and local authorities components that should drive and sustain the process by giving it transparency, ownership and democratic legitimacy;
4. Welcomes the establishment of EU implementation teams with the participation of interested Member States not only because the financing of the Joint Strategy depends to a considerable extent on contributions from the Member States, but also because the direct involvement of Member States will contribute to increased awareness, continuity and sustainability of the actions foreseen in the Action Plan;
5. Urges the institutions of the Joint Strategy to concentrate fully on the necessary deliverables, given that the first Action Plan only runs for less than three years (2008-2010);

#### ***Role of parliaments***

6. Reiterates its request to the EU and AU Commissions to take active steps to involve the European and Pan-African Parliaments in implementing, monitoring and providing political guidance for the Joint Strategy, in line with their status as key components of its institutional architecture;
7. Stresses the role of inter-parliamentary bodies between the European Parliament and African parliaments – such as the ACP-EU Joint Parliamentary Assembly (JPA) and the Euromed Parliamentary Assembly – in enhancing peace and security, good governance and democracy, as well as being effective platforms for cooperation and for addressing issues of common concern;
8. Takes note of the fact that the 11th Africa-EU Ministerial Troika meeting endorsed the first annual progress report on the implementation of the Joint Strategy and its first Action Plan, to which the above-mentioned Commission Communication constitutes the EU contribution;
9. Regrets however that that report has been drawn up without any consultation of or formal contribution from the European or Pan-African Parliaments;
10. Proposes that the Presidents of the Pan-African Parliament and the European Parliament systematically attend and address EU-Africa Summits to present those Parliaments' conclusions on the implementation of the Action Plan and suggestions for the future orientations of the Joint Strategy;

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11. Requests that, immediately prior to the spring Ministerial Troika, the members of the Ministerial Troika hold an exchange of views with representatives of the competent bodies from the Pan-African Parliament and the European Parliament during which the Parliaments can present their suggestions and recommendations on the latest joint annual progress report; suggests that the discussion of the Parliaments' suggestions and recommendations be put on the agenda of that Ministerial Troika meeting; expects that the subsequent joint annual report - adopted during the following autumn Ministerial Troika - will indicate how these suggestions and recommendations have been taken into account; requests that the Parliamentary representatives also meet the Troika Ministers in the margins of the autumn Troika meeting;

12. Considers that the Pan-African and European Parliaments should participate at an appropriate level in both the joint expert groups and the AU-EU task force;

13. Welcomes the fact that the European Commission has established a EUR 55 million support programme in the 9th EDF for strengthening the capacities of the AU institutions; insists once again that part of this budget must be made available for strengthening the administrative and operational capacity of the Pan-African Parliament and calls on the Commissions to draw up the action plans for the use of these budgets in close consultation with the Pan-African Parliament and in cooperation with the European Parliament;

14. Recommends that the part of the budget earmarked for the Pan-African Parliament be directly administered by the Pan-African Parliament, once this Parliament has built up the necessary administrative capacity to do so and has fulfilled the requirements contained in the EC's financial regulation (in particular Article 56 thereof) <sup>(1)</sup> for allowing the Commission to implement the budget by indirect centralised management;

15. Invites the EU and AU Commissions to simplify procedures to ensure direct and effective dialogue with Parliaments in order to avoid unacceptable delays, taking due account of their procedural specificities;

16. Calls yet again for the budgetisation of the EDF, and in the meantime, asks the Commission to keep the European and Pan-African Parliaments informed at all stages of the budgetary process;

#### ***Civil society and non-state actors***

17. Believes that if the Joint Strategy is to be a genuine 'broad-based and wide-ranging people-centred partnership', it must effectively involve civil society and local authorities and facilitate their effective participation in the work of its implementing bodies;

18. Regrets that, whereas the Action Plan indicates that each of the Africa-EU Partnerships is open for a wide range of actions, overwhelming emphasis is placed on state actions; stresses that the input and involvement of parliaments and non-state actors, such as civil society organisations, local authorities and other non-state actors in the process, need to be deepened and further clarified;

19. Welcomes the African Economic, Social and Cultural Council (ECOSOCC) as a vehicle to build a partnership between African governments and civil society; is however concerned at the low level of involvement of African civil society in the implementation of the Joint Strategy and calls for immediate efforts, particularly on the African side, to set up, in close cooperation with interested stakeholders, procedures for the identification, mapping and effective involvement of representative African non-state actors;

20. Calls on the European Commission to develop appropriate capacity building tools for African civil society organisations specifically aimed at enhancing their capacity to engage with the Joint Strategy's implementation;

<sup>(1)</sup> Council Regulation (EC, Euratom) No 1605/2002 of 25 June 2002 on the Financial Regulation applicable to the general budget of the European Communities (OJ L 248, 16.9.2002, p. 1).

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**Partnerships**

21. Notes that the Joint Strategy should also address issues which, although formally belonging to a different institutional architecture, have a profound influence on the future of Africa and which shape the relationship between the two continents, such as the economic partnership agreements (EPAs) and the relationship between the EPA regional groupings and other existing regional groupings in Africa (including the Regional Economic Communities), the second revision of the Cotonou Agreement, the Euro-Mediterranean Strategy, the EU-South Africa Strategic Partnership, and Africa's relationship with new global players such as China and Brazil;

22. Believes that sustainable economic, social and environmental development can only take place in countries that offer guarantees of peace, democracy and human rights;

23. Calls on the European Commission, the Council and the African side to ensure coherence between this strategy and the other policies which may have an adverse impact on the promotion of a new strategic partnership between the EU and Africa, in particular commercial, environmental, migration and agricultural policies; stresses that the political dialogue between the EU and Africa should cover these issues;

24. Stresses that, to combat poverty effectively, which must remain at the heart of the Joint Strategy, the EU-Africa Strategic Partnership must help stimulate sustainable economic and social development, attract foreign investment, promote equitable international trade, and contribute to creating the conditions under which African countries can gradually take their place in the global economy;

*Peace and security*

25. Welcomes the progress made on the peace and security partnership; takes note of the AU-EU political dialogue on crisis situations in Africa and beyond; stresses that this dialogue needs to address the whole range of peace and security issues from conflict prevention and conflict resolution to post-conflict reconstruction and peace-building, including in-depth dialogue on the implementation of the Responsibility to Protect principle;

26. Calls for due priority to be assigned to implementing the African peace and security architecture; stresses once again that the EDF is not an adequate financing source for future replenishment of the African Peace Facility; is of the view that EDF spending should comply with the Organisation for Economic Cooperation and Development's Development Assistance Committee (OECD/DAC) criteria for official development assistance; reiterates its call for a definitive solution for African Peace Facility financing;

27. Welcomes the establishment in September 2008 by UN Secretary-General Ban Ki-Moon of an AU-UN Panel of distinguished persons to identify ways in which the international community can support AU peacekeeping operations established under a UN mandate;

*Governance and human rights*

28. Points out that the concept of governance should be a measure of how well a society functions, through law and order, respect and active promotion of human rights, the fight against corruption, wealth creation and transparent and equitable wealth distribution and essential health and social services; stresses that external actors must not assess governance solely on externally-imposed criteria but instead on the basis of mutually agreed and shared values and standards;

29. Stresses the importance of sustainable democracy including good governance and democratic elections which must include support for parliamentary capacity building, and the involvement of civil society and local authorities in the political dialogue;

30. Stresses that governance must be improved on both sides: it is not only a priority in Africa but also on the European side which must improve governance and accountability as regards aid commitments and better donor coordination with a view to taking greater account of the so-called 'aid orphans'; stresses that national and continental parliaments, non-state actors and local authorities have an important role to play in this field;

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31. Calls for increased support for existing African initiatives, such as the African Peer Review Mechanism (APRM), which is the most serious effort yet by African countries to improve governance on the continent, and the various instruments put in place by the AU, which will increase African ownership of the process;

32. Expresses serious concern that the 'governance profiles' developed by the Commission for each ACP country, which will guide programming for development assistance in relation to the EUR 2 700 million additional funds under the 10th EDF, have been prepared without any participatory element; notes that eligibility for additional funds of beneficiary countries has been judged according to a set of criteria only one of which is directly linked to the MDGs; expresses dismay that the European Commission's 'profiles' risk hollowing out the APRM process; calls on the European Commission to consult and inform the European Parliament and the Council on the follow-up and the implementation of these funds in order to make sure they are allocated to governance initiatives to support the AU governance agenda and the APRM process;

33. Calls for the dialogue under the governance and human rights partnership to address impunity for human rights abuses, looking at best practice under national or international law, including the work of the international criminal courts established in Sierra Leone and Rwanda;

*Trade, economic development and regional integration*

34. Considers, as regards the partnership on trade and regional integration, that under the right conditions, increasing trade is an essential driver of economic growth, provided trade policies are coherent with development objectives; welcomes therefore the aims of this partnership to support African regional integration and to strengthen the continent's trade capacities;

35. Looks forward to a speedy conclusion to the World Trade Organisation's (WTO) Doha Development Round, but insists that it must remain essentially a 'development round', favouring African nations' integration into the global economy, effectively reducing trade-distorting agricultural subsidies and abolishing agricultural export subsidies;

36. Believes that the EU should help African states to ensure that their agriculture is self-sufficient and to foster essential services and vulnerable domestic industries;

37. Insists that the final EPAs signed with African states must be first and foremost tools for development which respect the various beneficiaries' different capacities and levels of development;

38. Underlines the fact that EPAs must promote rather than undermine African regional integration; supports the AU's efforts to strengthen the Regional Economic Communities as the fundamental building blocks for the regional integration of the continent;

39. Insists that the European Commission and the Member States honour their commitment to provide by 2010 at least EUR 2 000 million a year in genuine 'aid for trade', the largest share of which must be for Africa; calls for a timely determination and provision of the share of the aid for trade resources; stresses that these funds should be additional resources and not be merely repackaging of EDF funding;

40. Calls on the partnership to address the wider aid-for-trade agenda, including the development of infrastructure, the promotion of business development and better regulation including rules of origin which are simpler and user friendly;

41. Calls on the partnership also to address economic aspects that although they are not necessarily trade-related, have important consequences for African economies, such as the need to take action to stem illicit capital flight and to promote international regulation of tax havens;

42. Calls on the Joint Strategy to recognise and support the role of migrants and diasporas in favour of the development of their home countries, by facilitating their investments in these countries and by reducing the cost of transfers;

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*Key development issues*

43. Insists, as regards the partnership on the MDGs, that even with more and better aid it will be difficult to meet these goals, and therefore urges EU Member States to uphold the commitments they recently restated at the Doha Conference on Financing for Development, as well as at the Accra High-Level Forum on Aid Effectiveness, particularly as regards the volume of their aid, policy coherence, ownership, transparency and division of labour between donors;

44. Notes that basic health and primary and secondary education are crucial catalysts to achieving the MDGs; consequently encourages the African countries to make these areas one of the main priorities of their poverty reduction strategies; calls on the partnership to promote such a development, considering the European Commission commitment to spend at least 20 % of the Community's aid budget in these sectors; calls on the Commission to extend this commitment to the EDF; recalls that all efforts in this regard should include persons with disabilities; welcomes in this context the outcome of the first Joint Expert Group meeting and calls on the stakeholders involved to ensure that progress will be made in the year ahead;

45. Calls on the European Commission to take urgent action to carry out its commitments in the field of health as regards the conclusions and recommendations of the European Court of Auditors January 2009 report on 'EC Development Assistance to Health Services in Sub-Saharan Africa'; stresses the importance of increasing the European Commission's aid to the health sector in Sub-Saharan Africa during the 10th EDF midterm review to support its commitment to the health MDGs;

46. Encourages the member states of the EU and the AU to attach greater importance to African food security and food sovereignty and to support actions to increase the productivity and competitiveness of African agriculture, in particular food production for local markets, and promotion of 'green belts' around cities;

47. Calls on the Member States to include in their debates, within and beyond the Joint Strategy, the issue of equitable wealth distribution resulting from the exploitation of natural resources; insists that national revenues from natural resources should as a matter of priority be more equitably allocated in order to satisfy the basic needs of their populations, particularly in the fields of health, education, the conservation of natural resources and the environment, thus helping to achieve the MDGs;

48. Expresses concern that Africa's recent period of record growth will be reversed by the global economic slowdown, and stresses that the continent could be set back by decades as a result of falling commodity prices, lower investment flows, financial instability and a decline in remittances;

*Other aspects of the strategy*

49. Recalls, as regards climate change, that developed countries are primarily responsible for climate change, while its negative impact is greatest in developing countries; insists, therefore, that fresh funds are necessary if African states are to avoid being forced to pay a disproportionate price for adaptation to and mitigation of its effects; furthermore supports the joint EU-Africa declaration on climate change presented at the Poznan UN Framework Convention on Climate Change Conference in December 2008;

50. Demands, in the context of the migration and employment partnership, a fair and workable solution to the 'brain drain', which deprives many African nations of large numbers of skilled workers, particularly in the health sector;

51. Calls for the new EU 'blue card' scheme to discourage the depletion of skilled workers from developing countries in sectors where these countries suffer from labour shortages, particularly in the areas of health and education;

52. Calls on the European Commission to use the EU-Africa partnership to help African countries apply the flexibilities provided for in the Doha Declaration on Trade-Related Intellectual Property Rights (TRIPS) and public health, in order to facilitate access to affordable essential medicines in Africa;

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53. Encourages both sides, as regards the science and technology partnership, to aim to bridge the digital divide by stepping up cooperation on technology development and transfer, particularly concerning telephony and the Internet;

54. Expects the Joint Strategy to take specific steps to improve opportunities for women, children and people with disabilities in Africa, as these groups face particularly serious difficulties in developing countries;

55. Stresses that, if the Joint Strategy is to go 'beyond Africa', with greater EU-Africa cooperation within international bodies and in multilateral negotiations on issues like trade, human rights or climate change, the EU and Africa should work towards making international institutions, such as the World Bank, the International Monetary Fund and the WTO, more democratic and more representative and ensuring Africa can finally exert an influence in line with its size and status;

56. Calls once again on the EU institutions to create a specific financial instrument for implementing the Joint Strategy, centralising all existing sources of funding, in a clear, predictable and programmable way; questions to what extent the Joint Strategy will be able to achieve its lofty ambitions or offer genuine added value without any new funding whatsoever or even reprogramming of existing funding;

57. Calls on governments in the EU and in Africa to communicate more effectively and systematically to their people the actions and achievements of the Joint Strategy and to endeavour to broaden media coverage;

#### ***Looking ahead***

58. Looks forward to a meaningful involvement of the European and Pan-African Parliaments as well as civil society organisations and local authorities, following the experience of the EU-Africa Summit in Lisbon on 8 and 9 December 2007, in the run-up to the third Africa-EU summit in 2010 and their active participation in the summit itself;

59. Calls on the EU and AU Commissions and Presidencies to agree to the proposals outlined above aimed at enhancing parliamentary involvement in the implementation and monitoring of the Joint Strategy;

60. Intends to generate inside the European Parliament the necessary coordination and synergy between all its bodies to support the implementation and monitoring of the Joint Strategy; repeats, in this respect, its intention to transform its ad-hoc delegation for relations with the Pan-African Parliament into a fully-fledged interparliamentary delegation;

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61. Instructs its President to forward this resolution to the Council, the Commission, the governments and parliaments of the Member States, the EU Economic and Social Committee, the AU Economic, Social and Cultural Council, the AU Commission, the AU Executive Council, the Pan-African Parliament, the ACP Council of Ministers and the ACP-EU Joint Parliamentary Assembly.

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## The MDG contracts

P6\_TA(2009)0152

### European Parliament resolution of 24 March 2009 on MDG contracts (2008/2128(INI))

(2010/C 117 E/03)

The European Parliament,

- having regard to the United Nations Millennium Declaration of 18 September 2000, in which the international community pledged to achieve the Millennium Development Goals (MDGs) with a view to halving world poverty by 2015, as reaffirmed at several United Nations conferences including in particular the Monterrey Conference on Financing for Development,
- having regard to the commitments undertaken by the Member States at the Barcelona European Council of 15-16 March 2002,
- having regard to its resolution of 20 June 2007 on the Millennium Development Goals - the midway point <sup>(1)</sup>,
- having regard to the joint statement by the Council and the representatives of the Governments of the Member States meeting within the Council, the European Parliament and the Commission on European Union development policy: 'The European Consensus' <sup>(2)</sup>, signed on 20 December 2005,
- having regard to the Commission's 'MDG package' of 2005,
- having regard to the Commission Communication entitled 'Accelerating progress towards attaining the Millennium Development Goals - Financing for Development and Aid Effectiveness' (COM(2005)0133),
- having regard to the Commission Annual Report entitled 'Keeping Europe's promises on financing for development' (COM(2007)0164),
- having regard to the Commission Communication entitled 'EU aid: delivering more, better and faster' (COM(2006)0087),
- having regard to its resolution of 23 September 2008 on the follow-up to the Monterrey Conference of 2002 on Financing for Development <sup>(3)</sup>,
- having regard to the results and outcome document of the Follow-Up International Conference on Financing for Development to Review the Implementation of the Monterrey Consensus (Doha, Qatar, 29 November-2 December 2008) <sup>(4)</sup>,
- having regard to its resolution of 22 May 2008 on the follow-up to the Paris Declaration of 2005 on development aid effectiveness <sup>(5)</sup>,
- having regard to the Commission's technical discussion paper of 19 June 2007 entitled 'A MDG contract: a proposal for longer-term and more predictable general budget support',
- having regard to the new EU-Africa strategic partnership,

<sup>(1)</sup> OJ C 146 E, 12.6.2008, p. 232.

<sup>(2)</sup> OJ C 46, 24.2.2006, p. 1.

<sup>(3)</sup> Texts adopted, P6\_TA(2008)0420.

<sup>(4)</sup> A/CONF.212/L.1/Rev.1 of 9 December 2008.

<sup>(5)</sup> Texts adopted, P6\_TA(2008)0237.

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- having regard to its resolution of 25 October 2007 on the state of relations between the European Union and Africa <sup>(1)</sup>,
- having regard to the Paris Declaration on aid effectiveness of 2 March 2005 and the conclusions of the high-level forum which met in Accra between 2 and 4 September 2008 concerning the follow-up to that Declaration,
- having regard to its resolution of 6 April 2006 on aid effectiveness and corruption in developing countries <sup>(2)</sup>,
- having regard to its resolution of 4 September 2008 on maternal mortality ahead of the UN high-level event on the Millennium Development Goals held on 25 September 2008 <sup>(3)</sup>,
- having regard to the Commission document entitled 'Aid Delivery Methods: Guidelines on the Programming, Design & Management of General Budget Support' <sup>(4)</sup>,
- having regard to the provisions of the Cotonou Agreement of 23 June 2000, and in particular Article 58 thereof, as revised in 2005, which lists the institutions which are eligible for funding,
- having regard to the OECD's advice on good practice in the aid sector in its document entitled 'Harmonising donor practices for effective aid delivery' <sup>(5)</sup>,
- having regard to the Court of Auditors' Special Report No 2/2005 on EDF budget aid to ACP countries: the Commission's management of the public finance reform aspect <sup>(6)</sup>,
- having regard to the Court of Auditors' Special Report No 10/2008 on 'EC Development Assistance to Health Services in Sub-Saharan Africa', together with the Commission's replies,
- having regard to the 'Evaluation of General Budget Support: Synthesis Report', published in May 2006 <sup>(7)</sup>,
- having regard to its resolution of 16 February 2006 on the new financial instruments for development in connection with the Millennium Goals <sup>(8)</sup>,
- having regard to the UN Convention on the Rights of Persons with Disabilities of 13 December 2006, signed by the European Community and its Member States,
- having regard to Rule 45 of its Rules of Procedure,
- having regard to the report of the Committee on Development (A6-0085/2009),

<sup>(1)</sup> OJ C 263 E, 16.10.2008, p. 633.

<sup>(2)</sup> OJ C 293 E, 2.12.2006, p. 316.

<sup>(3)</sup> Texts adopted, P6\_TA(2008)0406.

<sup>(4)</sup> Published in English in January 2007 by the Commission, AIDCO - DEV - RELEX.

<sup>(5)</sup> Development Assistance Committee (DAC) reference document, vol. 2, 2006.

<sup>(6)</sup> OJ C 249, 7.10.2005, p. 1.

<sup>(7)</sup> IDD and Associates, May 2006.

<sup>(8)</sup> OJ C 290 E, 29.11.2006, p. 396.

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- A. whereas, by supporting the Millennium Declaration on development in the year 2000, the European Union, together with the whole international community, undertook to halve the incidence of extreme poverty worldwide by the year 2015, while concentrating its efforts on the eight MDGs,
- B. whereas, according to new estimates, there are about 1,4 billion people living below the poverty line (i.e. USD 1,25 per day), equivalent to over a quarter of the developing world population,
- C. having regard to the fresh undertakings given by the Commission and the EU Member States in 2007 that they will make a significant contribution to getting the work of meeting these goals back on schedule,
- D. whereas lack of access to basic healthcare and other services causes the death of millions of people and perpetuates the cycle of poverty, although access to such care and to basic education is a human right which it is the responsibility of governments to uphold and enforce,
- E. whereas the MDG contracts could offer a further means of meeting the challenges posed in the developing countries by the world food crisis, in particular in the farming sector,
- F. whereas, despite the considerable efforts they have made up to now, most developing countries do not have the necessary resources to meet the challenges they face in the health and education sectors and whereas, therefore, some form of external aid is essential,
- G. whereas Parliament is being asked to grant a discharge in respect of the European Development Fund (EDF),
- H. whereas the Commission intends to significantly increase the use of budget support during the 10th EDF to enhance the effectiveness of its aid and meet the objectives it has set itself,
- I. whereas teachers and health workers in the developing countries are currently working in deplorable conditions, whereas almost two million teachers and more than four million health workers are needed if the MDGs are to be achieved and whereas they could be recruited and trained if adequate levels of support, in the form of budget support as part of an MDG contract, were to be provided,
- J. whereas the recurring shortage of health workers and teachers is being exacerbated by the brain drain organised by the rich countries,
- K. whereas the Union intends to continue to increase its expenditure on budget support, in particular by significantly increasing sector budget support for health and education, particularly in the African countries,
- L. whereas MDG contracts set concrete performance targets by reference to MDGs in the fields of basic health and education, but other priority sectors could also be addressed on the basis of MDG contracts,
- M. whereas Parliament's official position on development aid, as set out in paragraph 6 of its above mentioned resolution of 16 February 2006 on new financial instruments for development in connection with the Millennium Goals, is that 'an increase in quantity must go hand in hand with an increase in quality, i.e. the effectiveness of aid must be improved by application of the '3 Cs' – coordination, complementarity and coherence – as well as by reducing the transaction costs of aid, improving the predictability and sustainability of aid mechanisms, increasing the speed of delivery of aid, further untying aid, finding solutions to unsustainable debt burdens, promoting good governance, combating corruption and increasing the absorption capacity of aid recipients',
- N. whereas predictable and long-term aid flows can make a direct and effective contribution to carrying into effect the poverty reduction strategies set out in the MDGs,

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- O. whereas, despite the undertakings they gave in Monterrey (2002), Gleneagles (2005), Paris (2005) and Accra (2008) to improve the quantity and quality of development aid, many EU Member States still do not grant all the aid they have pledged to provide, and whereas, when they do provide that aid, some proves inappropriate,
- P. whereas in 30 % of cases delays occur in the disbursement of the budget support provided by the Commission, as a result of the excessively cumbersome nature of its administrative procedures,
- Q. whereas the lack of predictability in the provision of budget support is in particular the result of the annual nature of most of the conditions attaching to the provision of that support, and whereas this lack of predictability sometimes forces the recipient countries to spend the support before it has actually been provided and without being certain that it ever will be provided,
- R. whereas this lack of predictability in the provision of European development aid also affects those recipient countries which offer a degree of legal security and a stable regulatory environment,
- S. whereas the Commission is the largest multilateral development aid donor, whereas it was one of the first donors to provide budget support, and whereas it increasingly uses this type of aid, which has accounted for one-fifth of the total assistance it has provided in recent years,
- T. whereas, although budget support already constitutes one instrument which can be used to improve the provision of aid by the EU, it would benefit from being more predictable and granted for longer periods,
- U. whereas the current budget support provided by the Commission is generally delivered on the basis of three-year programmes, or one-year programmes in the case of some agencies,
- V. whereas the proposed MDG contract has no budgetary implications and the MDG contract is not a new instrument but a means of implementing existing instruments,
- W. whereas the status of the Commission document on MDG contracts is currently unclear,
- X. whereas the Commission now believes that the time has come to apply the concept of contracts based on tangible results in terms of attaining MDGs instead of annual checking of compliance with each donor's customary conditionality requirements,
- Y. whereas the term 'contract' implies a financial commitment ensuring greater predictability on the part of the donor country in exchange for a more sustained commitment on the part of the recipient country to achieving tangible results,
- Z. whereas the Commission plans to conclude a first series of MDG contracts for a period of six years, in other words until the end of the 10th EDF,
- AA. whereas the Commission proposal to conclude contracts for a period of six years goes beyond the current practice employed by other donors at world level,
- AB. having regard to the Commission's appeal to the Member States to co-finance the MDG contracts by means of additional, voluntary contributions to the EDF,
- AC. whereas no changes are needed to the MDG contracts, which form part of the general budget support instrument drawn up on the basis of the criteria laid down in the Cotonou Agreement, in respect of decisions concerning the programmes already under way and the differences in the arrangements for providing general budget support, whereas the MDG contracts do not entail the establishment of a new financial instrument, and thus continue to be based on the budget support provisions set out in the Cotonou Agreement, and whereas, by the same token, the MDG contracts are still consistent with the internal guidelines governing general budget support which were recently finalised,

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- AD. whereas the eligibility criteria for MDG contracts include compliance with Article 96 of the Cotonou Agreement on human rights, democratic principles and the rule of law,
- AE. whereas effective budget support should enable recipients to finance their own strategies and very concrete programmes to improve access to efficient public health and education services,
- AF. whereas the Commission has not fulfilled its commitments to systematically include Members of Parliament and representatives of civil society organisations in its dialogues with the governments of developing countries and whereas, moreover, it is now widely recognised that, to be effective, development should be entirely under the control of developing countries' own governments, parliaments and civil society organisations,
- AG. whereas the Commission envisages that, to be eligible, countries should have achieved satisfactory macro-economic results and budgetary management results when implementing budget support, thereby differing from other suppliers of budget support such as the IMF or the World Bank, which attach many conditions to their aid, running counter to the principle of ownership by the recipient country,
- AH. whereas many countries which urgently require more, and more effective, aid to help them make swifter progress towards attaining the MDGs do not fulfil the criteria currently specified by the Commission for the conclusion of MDG contracts,
- AI. whereas, in their current form, MDG contracts apply solely to ACP countries,
- AJ. whereas the budget support provided by the Commission suffers from a serious lack of transparency and of ownership by the poor countries, and whereas the funding agreements are only rarely made public,
- AK. whereas the fundamental principle of development aid is to provide aid to those who need it most and where it can be the most useful,
- AL. whereas, to take just one example, no one in Burkina Faso was aware that an MDG contract was being negotiated between that country and the Commission, and whereas no information on that subject is currently available on the website of the Commission delegation in Burkina Faso,
- AM. whereas, in the European Development Consensus, the Union pledged to adopt an approach based on results and performance indicators,
- AN. whereas the Commission needs to continue to link its budget support to the results achieved by recipient countries in respect of equality between women and men and the promotion of women's rights,
- AO. whereas budget support agreements have already been concluded between the Commission and Burkina Faso (2005-2008), Ethiopia (2003-2006), Ghana (2007-2009), Kenya (2004-2006), Madagascar (2005-2007), Malawi (2006-2008), Mali (2003-2007), Mozambique (2006-2008), Tanzania (2006-2008), Uganda (2005-2007) and Zambia (2007-2008),
- AP. whereas there are some 650 million disabled persons in the world, whereas 80 % of them live in the developing countries, and whereas one in five of them live under the extreme poverty threshold; whereas, moreover, they are victims of many forms of discrimination and rarely have access to basic health care and education,

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- AQ. whereas under the 'general obligations', and in particular Article 32 of the UN Convention on the Rights of Persons with Disabilities, the signatories of that Convention are obliged to take disability into account in their development cooperation,
- AR. whereas the MDGs will not be achieved by 2015 without giving due consideration to the inclusion and participation of persons with disabilities,
- AS. having regard to the report on the implementation of the Africa-EU Partnership of 22 November 2008, and in particular paragraph 37 thereof, which emphasises the glaring failure to take action to assist disabled persons in the context of the efforts to achieve the MDGs,

#### ***Millennium Goals – Development cooperation***

1. Reasserts that development aid should be based on need and performance and development aid policy should be designed in partnership with the recipient countries;
2. Reasserts that, to achieve the MDGs, donor countries must honour all their commitments and improve the quality of the aid they provide;
3. Stresses the need to develop new instruments to ensure aid is more predictable and less volatile;
4. Draws attention to the objective set in the Abuja Declaration of earmarking 15 % of national budgets for the health sector, and the objective set by the Global Campaign for Education of earmarking 20 % of national budgets for education;

#### ***Priority sectors***

5. Calls on the Commission to continue to link its aid in the health and education sectors, in particular basic health care and primary education, to the results achieved in those sectors; and also calls on the Commission to specify the importance which will be attached to countries' performance in these sectors compared to a wider range of indicators, and how it intends to assess the progress achieved in these fields;

#### ***Aid effectiveness – Stability and predictability***

6. Calls on the Commission to improve the predictability of budget support by introducing MDG contracts and extending the principles underlying these contracts to a larger number of countries and to sector budget support;
7. Reminds the Commission of the need to significantly reduce the unnecessary delay caused by excessively onerous administrative procedures;
8. Calls on the governments of the developing countries to increase their health spending to 15 % of their national budgets, in accordance with the recommendations set out in the Abuja Declaration, and their education spending to 20 % of national budgets, as recommended by the Global Campaign for Education;

#### ***Budget support***

9. Calls on the Commission to maintain high levels of budget support spending, while aiming in particular to increase the provision of budget support for ACP countries' social services sectors and strengthen sector budget support in other regions;

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**MDG contracts**

10. Notes with interest that the Commission's proposal concerning MDG contracts provides eligible countries with a minimum guaranteed aid level (70 % of total commitment);
11. Is disappointed, however, that the document relating to MDG contracts does not specify a timetable for the introduction of these contracts, which were principally designed to cover the six-year period of the tenth EDF, and calls on the Commission, therefore, to provide a detailed timetable;
12. Notes that the main objective of the MDG contract is to help improve aid effectiveness and speed up the rate of progress towards attaining MDG for those countries which need it most;
13. Calls on the Commission to adopt a communication formalising the MDG contract approach and extending it to non-ACP countries which meet the eligibility criteria;

**Parliaments and civil society – Aid ownership – Transparency**

14. Asks the Commission and beneficiary countries to ensure the involvement of their parliaments and civil society, including disabled people's organisations, in every stage of the budget support dialogue, including the formulation, implementation and assessment of the programme established in the MDG contract;
15. Stresses that donors, rather than imposing unilateral conditions on recipients, should seek to promote good governance, democracy and stability in recipient countries through transparent criteria established in partnership with these countries;
16. Considers that, in the interest of transparency, the conditions for the disbursement of the variable component of the support should be performance-based, to the extent that this would encourage donors and recipients to analyse the real impact of the money spent and would increase transparency in relation to the use of public funds;
17. Calls on the Commission to periodically monitor the results of its programmes and to pass these results on to Parliament;
18. Recommends that the Commission work towards strengthening the dialogue between donors and recipients, particularly with a view to identifying real needs and sectors in which aid is necessary;
19. Calls for the ACP-EU Joint Parliamentary Assembly (JPA) to play a more active role in defining priorities, negotiating MDG contracts and all other stages of the process;

**Selection criteria – creativity and flexibility**

20. Calls on the Commission to make its budget support conditional on results achieved with regard not only to the field of good governance and transparency, but also in terms of defending and upholding human rights, in particular those of the poorest and the excluded, including disabled people, minorities, women and children, and to ensure that budget support is not provided for sectors other than those specified in the MDG contract;
21. Reiterates that the national indicative programmes should be drawn up in cooperation with the parliaments of the countries concerned, the JPA and civil society;
22. Notes that the proposal concerning MDG contracts does not state which countries will be included in the first round of MDG contracts and that, in their current form, MDG contracts concern only ACP countries;

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23. Deplores the fact that the Union's budget support policy for developing countries is increasingly subject to conditions imposed by the IMF being attached to Union development aid; considers that such conditionality runs counter to the policies of recipient countries with regard to the ownership principle;
24. Emphasises the need to develop other budget support approaches for countries which are ineligible for MDG contracts, and particularly for countries whose situation is fragile; stresses that it is obvious that the most fragile states are unable to fulfil existing eligibility criteria;
25. Recommends that MDG contracts should also be available to countries covered by the development cooperation instrument;
26. Calls on the Commission to explain clearly how it intends the proposed MDG contracts to be combined with other aid distribution systems;
27. Warns against the danger of making indiscriminate and excessive use of MDG contracts and creating the perception that they are the only really effective means of distributing aid, and urges the Commission to choose whatever aid distribution methods are best adapted to each individual situation;
28. Calls on the Commission to strengthen the capacity of the parliaments of the recipient countries to be involved in the budget process and the capacity of the parliaments and the civil society to be involved in formulating national policies, by providing them with more financial support, by stressing the need for such involvement in the course of political dialogue with the recipient countries and by concentrating on the public finance management indicators designed to enhance governments' accountability to their citizens;

#### ***Assessment – Performance indicators***

29. Asks the Commission, in collaboration with partner countries, to match every MDG contract with a series of performance indicators in order to evaluate progress achieved in the implementation of the contract; the inclusion of persons and children with disabilities should also be measured by these indicators;

#### ***Gender dimension***

30. Draws the Commission's attention to the fact that it should imperatively continue to link its budget support to results in beneficiary countries related to gender equality and the promotion of women's rights, and asks that the performance indicators be strengthened in this area in the MDG contracts, and that they be expanded to other spheres such as women's rights and the rights of persons with disabilities; calls on it to strengthen the gender-related performance indicators linked to budget support by broadening their scope to include other areas, such as the rights of the disabled and women's rights, in particular measures to facilitate access for all women to information about sexual and reproductive health and to universal sexual and reproductive health services; improved access to and greater use of family planning methods; long-term measures to promote women's education and emancipation; and measures to combat sex discrimination and foster gender equality;

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31. Instructs its President to forward this resolution to the Council and the Commission, to the ACP Council and to the Governments and Parliaments of the Member States and the ACP States.
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## Artistic studies in the European Union

P6\_TA(2009)0153

### European Parliament resolution of 24 March 2009 on artistic studies in the European Union (2008/2226(INI))

(2010/C 117 E/04)

The European Parliament,

- having regard to Articles 149 and 151 of the EC Treaty,
  - having regard to Recommendation 2006/962/EC of the European Parliament and of the Council of 18 December 2006 on key competences for lifelong learning <sup>(1)</sup>,
  - having regard to Decision No 1350/2008/EC of 16 December 2008 of the European Parliament and of the Council concerning the European Year of Creativity and Innovation (2009) <sup>(2)</sup>,
  - having regard to the Council Conclusions of 24 and 25 May 2007 on the contribution of the cultural and creative sectors to the achievement of the Lisbon objectives and of 21 and 22 May 2008,
  - having regard to the 2008 joint progress report of the Council and the Commission on the implementation of the Education and Training 2010 work programme - Delivering lifelong learning for knowledge, creativity and innovation <sup>(3)</sup>,
  - having regard to its resolution of 7 June 2007 on the social status of artists <sup>(4)</sup>,
  - having regard to its resolution of 10 April 2008 on a European agenda for culture in a globalising world <sup>(5)</sup>,
  - having regard to its resolution of 10 April 2008 on cultural industries in Europe <sup>(6)</sup>,
  - having regard to the recommendations contained in the UNESCO Convention on the Protection and Promotion of the Diversity of Cultural Expressions of 20 October 2005,
  - having regard to Rule 45 of its Rules of Procedure,
  - having regard to the report of the Committee on Culture and Education (A6-0093/2009),
- A. whereas the European Union, true to its motto 'United in diversity', should acknowledge its common history, and can do so through the history of European art because of its intrinsic universal nature,
- B. whereas schools should once again become the main place for democratising access to culture,
- C. whereas artistic and cultural education, of which image education forms a part, is an essential element in the educational system of the Member States,

<sup>(1)</sup> OJ L 394, 30.12.2006, p. 10.

<sup>(2)</sup> OJ L 348, 24.12.2008, p. 115.

<sup>(3)</sup> OJ C 86, 5.4.2008, p. 1.

<sup>(4)</sup> OJ C 125 E, 22.5.2008, p. 223.

<sup>(5)</sup> Texts adopted, P6\_TA(2008)0124.

<sup>(6)</sup> Texts adopted, P6\_TA(2008)0123.

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- D. whereas artistic and cultural education is an essential component in the education of children and young people, since it contributes to the development of free will, sensitivity and openness to others; whereas it is a key issue in equal opportunities and a precondition for truly democratising access to culture,
  - E. whereas in order to meet the challenge of democratising access to culture, it is necessary to promote artistic awareness at all levels and at all ages, to recognise the importance of group and amateur artistic activities, and to promote access to education in the arts,
  - F. whereas, regrettably, Member States too often feel compelled by economic imperatives to reduce the place given to the arts in overall education policy,
  - G. whereas artistic education is the basis for professional training in the field of the arts and promotes creativity, as well as physical and intellectual development in that sphere, encouraging closer and more productive links between education, culture and the arts,
  - H. whereas schools and centres for art and design education help to develop philosophies, to create new artistic styles and movements and to open up different cultural worlds, which strengthens the European Union's image in the world,
  - I. whereas training is very important for the success of professionals in the artistic and creative sector,
  - J. whereas artistic studies that focus on developing a career and profession require of the students, in addition to talent, a solid cultural basis that can only be acquired through multidisciplinary and systematic training; whereas this increases the opportunities for access to employment in the sector, in so far as it provides a general education, a research methodology, entrepreneurial abilities and business knowledge, as well as skills in various areas of activity which are relevant to contemporary art,
  - K. whereas the economic potential and potential in terms of employment represented by creative, cultural and artistic companies and industries in the European Union have a great influence on the development of the artistic sector,
  - L. whereas the technological revolution has resulted in increased competitiveness within and between countries, and that this has meant that intellectual capabilities and creativity occupy a dominant place within the Lisbon Strategy,
  - M. whereas the rapid and constant changes taking place within our societies require increased adaptability, flexibility, creativity, innovation and communication between people in the work sphere; whereas these qualities should be promoted by the education and training systems in the various Member States, in accordance with the objectives of the above-mentioned Education and Training 2010 programme,
  - N. whereas account should be taken of the fact that there are significant disparities between the existing artistic education models in the various Member States,
  - O. whereas account should be taken of the fact that, as a result of globalisation and the increased mobility of citizens, as well as the successive enlargements of the European Union, education on culture and on its diversity is an important element in preserving identity and promoting intercultural and inter-religious understanding; whereas the objectives of the European Year of Intercultural Dialogue of raising awareness of and promoting culture should continue beyond 2008,
1. Considers that artistic education should be a compulsory element in syllabuses at all school levels, in order to promote democratisation of access to culture;

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2. Stresses the importance in both school curricula and vocational training and lifelong learning programmes of continuing courses to promote and develop creativity at all ages as part of the process of lifelong learning;
3. Recalls that one of the aims of artistic and cultural education is to contribute to civic education and that one of its roles is to enhance our capacity to think and to contribute to personal development in intellectual, emotional and physical terms;
4. Acknowledges the role of the arts as an important contributor to innovation in society and the economy within the European Year of Creativity & Innovation 2009;
5. Draws the attention of the Council and the Member States to the role of European culture and its diversity as a factor in integration, and the importance of artistic and cultural education at European level, including the safeguarding of traditional cultural values in different regions;
6. Notes that ever-increasing numbers of students of art subjects are interested in pursuing their studies in a Member State other than their own and, as a result, encourages the Member States to coordinate their policies with regard to artistic education at European Union level, to exchange best practices and to increase mobility of both students and teachers in this sector;
7. Suggests improving the mobility of professionals in the artistic sector through increased attention to the issue of recognition of qualifications. This should be done by encouraging training institutions and employers to relate to the European Qualifications Framework, so that competences and qualifications in the sector can be compared at the European level;
8. Urges the Commission in this connection to work together with the Member States in establishing a mobility framework for Europeans engaged in artistic and creative activity, with particular emphasis on mobility for young artists and students of art subjects;
9. Whilst recognising that this is a matter for the Member States, considers that policies on artistic education ought to be coordinated at EU level, particularly in relation to:
  - describing the nature, content and duration of artistic studies for their different 'publics',
  - the link between artistic education, creativity and innovation,
  - the effectiveness of artistic education policies from the viewpoint of their socio-economic impact,
  - achieving a balance between theoretical study and practical initiation, so as to ensure that artistic education is not abstract,
  - the application and development of the methods and strategies of artistic education in line with the requirements of the information society,
  - the training of specialised teachers and of 'artist engineers' of the new media alongside that of traditional specialised teachers;
10. Calls on the Council, the Commission and the Member States to:
  - recognise the importance of promoting artistic education and creativity in the context of a knowledge-based economy, in accordance with the Lisbon Strategy,

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- define the role of artistic education as an essential pedagogical tool in enhancing the value of culture in a globalised, multicultural world,
  - establish joint strategies for the promotion of artistic education policies and policies for training teachers specialising in this subject,
  - recognise the important role played by artists in society and the need to establish specific competences for artistic education within the educational process,
  - encourage the national representatives in the recently established Education & Culture Working Group in the framework of the Open Method of Coordination (OMC) for Culture to discuss the role of the arts in different educational contexts (formal, informal and non-formal) and at all educational levels (from pre-primary to and beyond professional training in higher arts education) and also the training required for specialist teachers,
  - encourage the national representatives in the OMC Working Groups on the Cultural Industries to address professional training and the continuing professional development of artists, managers, teachers, facilitators and other professionals in the cultural sector as a central theme,
  - invite the relevant stakeholders in civil society to share their knowledge and expertise in this area with regards to the process taking place in the OMC,
  - improve the provision of professional training in the artistic sector by recognising higher arts education at all three levels as outlined by the Bologna Declaration process (Bachelor, Master, Doctorate), thereby improving the mobility of artists within the EU,
  - introduce special arrangements to promote artistic education in the context of the multiannual culture programme,
  - recognise the importance of group and amateur artistic activities;
11. Insists that the teaching of art history must also involve encounters with artists and visits to places of culture, so as to arouse curiosity and provoke reflexion on the part of students;
12. Emphasises the importance of using the resources provided by new information and communication technologies and the Internet as channels for modern teaching geared to contemporary practice when introducing the artistic dimension into school curricula;
13. Stresses in this respect the essential contribution of enterprises such as Europeana, the European digital library;
14. Recommends that a European portal for artistic and cultural education be developed jointly and that artistic education be included in the Member States' educational curricula, in order to safeguard the development and promotion of the European cultural model, which is especially prized internationally;
15. Calls on the Council, the Commission and the Member States to monitor progress in incorporating artistic education into school curricula; suggests in particular to the Commission that it promote studies needed to produce reliable information on the impact of such teaching on the level of education and competences of students in the European Union;
16. Instructs its President to forward this resolution to the Council, the Commission and the governments and parliaments of the Member States.
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## Active dialogue with citizens on Europe

P6\_TA(2009)0154

### European Parliament resolution of 24 March 2009 on active dialogue with citizens on Europe (2008/2224(INI))

(2010/C 117 E/05)

The European Parliament,

- having regard to the Joint Declaration of the European Parliament, the Council and the Commission entitled 'Communicating Europe in Partnership' signed on 22 October 2008 <sup>(1)</sup>,
- having regard to the Commission Communication of 2 April 2008 entitled 'Debate Europe – building on the experience of Plan D for Democracy, Dialogue and Debate' (Plan D) (COM(2008)0158),
- having regard to the Commission Communication of 24 April 2008 entitled 'Communicating Europe through audiovisual media' (SEC(2008)0506),
- having regard to the Commission Communication of 21 December 2007 entitled 'Communicating about Europe via the Internet – Engaging the citizens' (SEC(2007)1742),
- having regard to the Commission Working Document of 3 October 2007 entitled 'Proposal for an Inter-Institutional agreement on Communicating Europe in Partnership' (COM(2007)0569),
- having regard to Decision No 1904/2006/EC of the European Parliament and of the Council of 12 December 2006 establishing for the period 2007 to 2013 the programme 'Europe for Citizens' to promote active European citizenship <sup>(2)</sup>,
- having regard to the Commission Communication of 1 February 2006 entitled 'White Paper on a European Communication Policy' (COM(2006)0035),
- having regard to the Commission Communication of 13 October 2005 entitled 'The Commission's contribution to the period of reflection and beyond: Plan-D for Democracy, Dialogue and Debate' (COM(2005)0494),
- having regard to its resolution of 16 November 2006 on the White Paper on a European communication policy <sup>(3)</sup>,
- having regard to its resolution of 12 May 2005 on the implementation of the European Union's information and communication strategy <sup>(4)</sup>,
- having regard to Rule 45 of its Rules of Procedure,
- having regard to the report of the Committee on Culture and Education and the opinions of the Committee on Constitutional Affairs, the Committee on Foreign Affairs, the Committee on the Internal Market and Consumer Protection, the Committee on Regional Development, the Committee on Women's Rights and Gender Equality and the Committee on Petitions (A6-0107/2009),

<sup>(1)</sup> OJ C 13, 20.1.2009, p. 3.

<sup>(2)</sup> OJ L 378, 27.12.2006, p. 32.

<sup>(3)</sup> OJ C 314 E, 21.12.2006, p. 369.

<sup>(4)</sup> OJ C 92 E, 20.4.2006, p. 403.

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- A. whereas a democratic and transparent European Union will require an enhanced dialogue between citizens and the European institutions, including Parliament, but also an ongoing debate on Europe at European, national and local level,
- B. whereas after the rejection of the draft Treaty establishing a Constitution for Europe in France and the Netherlands, 53.4 % of the Irish people voted in a referendum against ratification of the Treaty of Lisbon, and whereas people with an inadequate understanding of European Union policies or of the Treaties are more likely to oppose them,
- C. whereas the Eurobarometer 69 survey showed that 52 % of Union citizens believe that their home country's membership of the EU is a good thing, a mere 14 % believing the contrary,
- D. whereas knowledge of the European Union and its policies and functioning, but also of the rights enshrined in the Treaties, will be the foundation for restoring citizens' confidence in the European institutions,
- E. whereas a separate Commissioner for communication strategy was appointed for the first time in 2004, although no communication policy as such has yet been adopted due to the lack of a proper legal basis in the Treaties,

#### **Public opinion**

1. Recalls that surveys show that the less educated and less affluent a Union citizen is, the more likely he or she will be to oppose further European integration, which indicates that the European idea, in spite of all previous efforts, mainly reaches the well-educated, wealthy segment of European society; regards active dialogue between the European Union and its citizens as essential so as to realise the principles and values of the EU project, but recognises that the communication has not so far been very successful;
2. Regrets the fact that, in spite of the Commission's efforts and good ideas, the success achieved in increasing Union citizens' level of knowledge and interest in European issues has been very limited, something which was, regrettably, evidenced by the Irish referendum;
3. Stresses the particular importance of creating cohesive communication links with targeted content both between the EU and the regions with particular characteristics and between the EU and particular social groups;
4. Notes that, according to recent polls, a large majority of Europeans are in favour of the European Union speaking with one voice on matters of foreign policy; highlights the fact that a statement to that effect was included at the request of Union citizens in the open letter/recommendations from the participants at the concluding conference of the six Plan D citizens' projects on 9 December 2007; emphasises that the 27 recommendations set out in that open letter also include a call on the Union to take more effective action in the area of social policy and social cohesion, in particular with a view to reducing wage disparities and fostering equality between women and men and, more generally, to pay specific attention to equality-related issues, which are often neglected; suggests that it is therefore also important to look at what is being communicated by actions and to compare how it is at variance with the message the EU wants to give to its citizens;
5. Points out that a majority of women voted 'no' in the most recent referendums on the European Union: 56 % in France (Eurobarometer Flash 171), 63 % in the Netherlands (Eurobarometer Flash 172) and 56 % in Ireland (Eurobarometer Flash 245); believes that one of the factors behind the 'no' vote was the lack of involvement on the part of European institutions in the policies which directly affect women and which underlie the ongoing lack of equal opportunities for men and women, such as policies on reconciling work and family life or dependency support;

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**Constitutional and interinstitutional aspects**

6. Stresses the need to complete the ratification process of the Treaty of Lisbon, which will further increase the transparency of the EU and the involvement of citizens in decision-making processes; recalls in this context the new opportunities for participatory democracy that the Treaty of Lisbon would provide, especially the citizens' initiative;
7. Stresses the need for coordinated efforts and joint action by all EU institutions and Member States to communicate with Union citizens on European issues; welcomes and takes note of the above-mentioned Joint Declaration of 22 October 2008, which sets out clear objectives for the improvement of EU communication on the part of Parliament, the Council, Commission and the Member States; is of the opinion that it could be more ambitious, as Parliament had asked for an Interinstitutional agreement on communication policy between all the institutions;
8. Believes that the EU institutions should initiate further discussions on Europe, and immediately put into practice the concepts laid down in the above-mentioned Joint Declaration, in the Commission Communication of 1 February 2006 and in the Commission Working Document of 3 October 2007;
9. Shares the Commission's view that participatory democracy can usefully supplement representative democracy; stresses, however, that participatory democracy means not only listening to citizens, but giving them real opportunities to influence European policy; Points out that, in order to achieve these aims, the institutions have to become much more open and adopt the approaches required to enable citizens and their organisations to participate effectively at every stage when EU issues are debated; also notes that public access to documents produced by the institutions needs to be granted on as broad a basis as possible, this being a *sine qua non* for the purposes of exerting influence;
10. Stresses the importance and value of the consultation process as an effective tool in empowering citizens by enabling them to input directly into the policy process at EU level; calls on the Commission to take further steps to disseminate information in time on future EU consultations via the media and other appropriate forums at national, regional and local levels, to widen the range of stakeholders' views heard during consultations on EC legislation and to publicise more widely the Internet consultations on EU policies and initiatives so as to ensure that all stakeholders, especially small and medium-sized enterprises and local non-governmental organisations (NGOs) are involved in the debate; emphasises the importance of representatives of civil society, such as networks of professionals and consumers, at all levels from transnational to local, which provide platforms for an informed exchange of views on EU policies, thus contributing to better quality EC legislation; recognises the problems in the implementation and enforcement of legislation and encourages consumers and businesses to exercise their rights and to report existing problems to the EU institutions;
11. Believes that the EU institutions and the Member States should coordinate their communication efforts and build a partnership with civil society in order to exploit the possible synergies; stresses the need for coordination among the institutions and the desirability of forging links between the Commission's and Parliament's television channels; calls on the Commission to improve cooperation and coordination between its representations in the Member States and Parliament's information offices; calls on the Commission and Parliament representations in Member States to improve cooperation when it comes to consulting citizens, sharing information, knowledge and ideas about the EU with citizens, and providing opportunities for voters to meet MEPs elected in different countries and EU officials;
12. Welcomes the fact that the Commission supports the role of Parliament and the European political parties, and recognises the need to bridge the gap between national and European politics, especially during the European election campaigns;
13. Calls on the three main institutions to consider the possibility of holding joint open debates that would supplement Parliament's open debates, addressing topics that concern consumers and their daily lives and thereby strengthening their confidence in the internal market and consumer protection; points out that Parliamentary intergroups are playing their full part as a citizens' intermediary, a role which genuinely links the political sphere and civil society;

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14. Notes with satisfaction that the Commission has taken into account many of the ideas that Parliament has previously put forward, such as citizens' forums on both a European and national level, a more prominent role for civil society organisations and innovative use of new media;

### ***Going local***

15. Calls on the Commission to extend its dialogue to all levels by adapting its message to different target groups according to their social backgrounds; therefore proposes that the dialogue between the European Union and its citizens should be strengthened by providing the same information, tailored to individual target groups, to everyone and facilitating debate with and among informed citizens; considers that the EU institutions should incorporate the conclusions of local debates organised under the aegis of Plan D into their policies and take into consideration the expectations that citizens have of the EU when deciding on new legislation;

16. Calls on the Member States to launch effective EU communication campaigns at all levels, national, regional and local; calls on the Commission to disseminate the best practices identified from such campaigns and proposes the creation of a permanent, interactive communication system between the EU institutions and citizens, with regular campaigns of a local and regional nature by the EU, the assistance of the regional media and the active participation of civil society, NGOs, chambers of commerce, trade unions and professional organisations;

17. Stresses that the EU's cohesion policy is a basis for European integration and social solidarity; considers therefore that citizens should be made aware of the endeavours and specific effects of EU policies on their daily lives, highlighting the contribution of the EU and the benefits of the common European project; calls in this context for local authorities to provide better information about aid received from the European Union; stresses also that commitment on the part of local and regional elected representatives is essential for developing information provision and training; welcomes in this regard the creation of an Erasmus programme for local and regional elected representatives;

18. Stresses that the involvement of partners in the preparation and implementation of operational programmes, according to Article 11 of the General Regulation on Structural Funds (ESF) 2007-2013, contributes significantly to promoting EU cohesion policy and bringing it closer to citizens; stresses that these partners have a unique opportunity to see at first hand the real issues that are of core concern to citizens; therefore calls on the Commission to ensure that the partnership principle is correctly implemented at national, regional and local level; highlights the importance for national and regional authorities of making use of the existing financial possibilities provided by the ESF, in order to improve the skills of these partners, especially as regards training; notes the significant role which structural funds have played in fostering cross-border co-operation through community projects and programmes, which has encouraged the development of active citizenship and participatory democracy; calls on the Commission to continue to support and work in partnership with such projects and programmes;

19. Stresses the need, in the context of the forthcoming European elections, for information at local and regional level for citizens, and particularly for young people and first-time voters; in a more general context, stresses the importance of the involvement of MEPs, in cooperation with local and regional elected officials, in the consultation process with citizens in their regions, given that they are the voice of the public in the EU; supports the efforts of the Committee of the Regions to strengthen consultation at regional level and to include regional networks and key local and regional players in that process in order to encourage debate at grass-roots level that takes into account their opinions and interests;

20. Stresses the need for its Members to be more closely involved in communication with EU citizens and for changes to be made to the organisation of Parliament's work so as to enable Members to engage in dialogue with citizens at the most local level possible; hopes that in parallel with the political party campaigns, MEPs will be closely involved on the ground in the European elections campaign;



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21. Calls on the Commission to launch local, small-scale communication campaigns with the involvement of local actors, and to promote activities enabling citizens to be better informed about immigrants' countries of origin and, equally, to better inform immigrants of the rights and duties attached to Union citizenship, as the most effective and meaningful ways of achieving these communication goals, and also to continue with the efforts made in the context of the European Year of Intercultural Dialogue 2008;

#### ***Education, media and ICT, active citizenship***

22. Stresses the importance of introducing European politics and history into the school curricula of each Member State so as to strengthen European values, and of developing the European Studies departments within university programmes; calls on the Commission to provide financial support for the promotion of such projects; calls on the Member States to promote a school course on the history of European integration and the functioning of the EU, to form the basis of a common European knowledge;

23. Emphasises the particular role of civic education as an essential driving force of active citizenship; notes the need to support an active model of civic education that provides young people with the opportunity to engage directly with public life, with their political representatives at national level, at local level as well as at European level, with representatives of NGOs and with civic initiatives; suggests that the Commission support pilot projects promoting such a model of civic education in the Member States;

24. Recommends that programmes such as Erasmus, Leonardo da Vinci, Grundtvig and Comenius be more effectively promoted, through more widespread communication, and organised so as to encourage as many people as possible to take part, to increase participation by less affluent citizens and to facilitate their mobility within the EU; draws attention to the fact that these programmes in particular are very popular with young people and make an important contribution to the success of European integration;

25. Welcomes the above-mentioned Commission Communication of 21 December 2007 which sets out clear objectives as to how the Europa website can be turned into a service-oriented web 2.0 site; urges the Commission to complete construction of the new site as early as 2009 and believes that the new website should provide a forum for citizens to share their opinions and participate in online polls, where all NGOs, public institutions and individuals may share their experiences of their EU communication projects; calls on the Commission to collect and publish on this webpage the experiences of beneficiaries of the activities funded under Plan D;

26. Welcomes the idea of EU Tube, as with almost 1,7 million viewers, it is a unique tool with which to communicate EU policies among Internet users; also calls on the Commission to prepare guidelines on efficient Internet campaigns and share them with other EU institutions;

27. Calls on the Commission to make better use of the audiovisual material available on Europe by Satellite by establishing links with local television channels and community media that are interested in obtaining such material for broadcasting, in order to reach wider audiences;

28. Considers the Europe Direct network an important tool for answering citizens' queries by mail or by free telephone call from anywhere in the EU, a tool which should be further publicised;

29. Considers the policy areas of consumer protection and the internal market to be of the utmost importance in communicating Europe to consumers and businesses; calls on Member States to increase efforts to communicate the benefits of the Single Market at national, regional and local level; calls on the Commission and Member States to promote and strengthen interactive communication and information in order to achieve effective dialogue between consumers, businesses and institutions by various electronic means of the latest technology and to contribute to the development of e-commerce;

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30. Asks the Commission to strengthen its coordination efforts in the fields of consumer education and information on consumers' rights and obligations by increasing its financial and human resources; calls on Member States to boost the financial and human resources allocated to the European Consumer Centres Network in order to raise awareness and ensure the application of EU consumer rights and urges Member States, in view of the current global financial crisis and rising levels of consumer indebtedness, to make efforts to improve the level of financial literacy of consumers, in particular concerning their rights and obligations as well as their means of redress with regard to savings and loans;

31. Calls on Member States to increase the human and financial resources allocated to the SOLVIT network that makes it possible to resolve problems arising from the misapplication or non-application of Community legislation free of charge; asks the Commission to accelerate the streamlining of the different services providing information and advice on the single market; therefore supports the concept contained in the Commission's Communication of 20 November 2007 entitled 'A single market for 21st century Europe' (COM(2007)0724) of an integrated approach to the provision of Single Market Assistance Services through the creation of a single-entry webpage; notes the Commission's initiatives on the reduction of administrative burdens and better regulation; calls in particular for improvements to support small and medium-sized enterprises, which represent an important source of jobs in Europe;

32. Notes that a European Year on Volunteering would be an ideal opportunity for the EU institutions to connect with citizens; points out that there are over 100 million volunteers across the EU, and calls on the Commission to prepare the ground for 2011 to be declared as the European Year on Volunteering by submitting an appropriate legislative proposal to that effect as soon as possible;

33. Stresses the importance of considering citizens' opinions on Europe as a global player, taking into account in particular Parliament's increasingly prominent role in this respect; therefore encourages the involvement of MEPs and members of the Council in the Plan D visits by Members of the Commission, as they play an important role in reaching out to national parliaments, civil society, business and union leaders and regional and local authorities in Member States;

34. Is pleased that the world at large is showing an ever greater interest in the European project, and that the EU and its citizens are also becoming more aware of the advantages of sharing their supranational experience with other countries and regions, especially with the EU's neighbours; therefore calls on the Commission to develop, through its delegations in third countries, ways of reaching out to those countries' citizens and informing them about opportunities in the European Union, for example with regard to media and other forms of culture, education, language learning and mobility or exchange programmes such as Erasmus Mundus;

35. Notes that, particularly in the context of the increase in the number of third-country nationals in the EU and the emergence of multicultural societies, to which they have also contributed, greater efforts should be made to provide for the integration of immigrants into the EU, giving them concrete access to information about what Union citizenship entails by, for example, strengthening partnerships between different levels of government (local, regional and national) and non-governmental players (e.g. employers, civil society and migrants' associations, the media and NGOs supporting migrants); considers that successful integration will support the further development of a multicultural European consciousness based on tolerance, dialogue and equality;

36. Calls on the Commission to promote programmes and campaigns (such as 'The world through women's eyes') for encouraging women to become more socially, politically, and culturally active, taking into account women's role in the dialogue between generations and society's sustainability and prosperity; calls therefore for girls and women to be given better information on the concept of European citizenship and the rights pertaining thereto, particularly in socially and geographically isolated regions; stresses that the aim of these information campaigns should be to improve women's participation in political life and the decision-making process; stresses the need to promote measures to overcome the gender digital divide so as to provide women with the tools to take part in the dialogue on Europe under equal conditions;

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congratulates the Commission on the choice of projects to be co-funded, under plan D, by its representations, which include many projects run by women's organisations and many projects involving women; stresses the need to encourage citizens' participation when it comes to issues such as gender violence or human trafficking, where the involvement of society is vital if progress is to be made in resolving the problem; acknowledges the problem-solving and conflict-resolution skills of women, and urges the Commission to include more women in task forces and working groups, engaged with the issues of family life, childcare, education etc.;

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37. Instructs its President to forward this resolution to the European Council, the Commission, the Council, the Court of Justice of the European Communities, the Court of Auditors, the Committee of the Regions, the European Economic and Social Committee and the governments and parliaments of the Member States.

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## The work of the ACP-EU Joint Parliamentary Assembly in 2008

P6\_TA(2009)0155

### European Parliament resolution of 24 March 2009 on the work of the ACP-EU Joint Parliamentary Assembly in 2008 (2008/2303(INI))

(2010/C 117 E/06)

*The European Parliament,*

- having regard to the partnership agreement between the members of the African, Caribbean and Pacific group of states (ACP), of the one part, and the European Community and its Member States, of the other part, signed in Cotonou on 23 June 2000 (Cotonou Agreement) <sup>(1)</sup>,
- having regard to the Rules of Procedure of the ACP-EU Joint Parliamentary Assembly (JPA), adopted on 3 April 2003 <sup>(2)</sup>, as most recently amended in Port Moresby (Papua New Guinea) on 28 November 2008 <sup>(3)</sup>,
- having regard to Regulation (EC) No 1905/2006 of the European Parliament and of the Council of 18 December 2006 establishing a financing instrument for development cooperation <sup>(4)</sup>,
- having regard to the Kigali Declaration on development-friendly Economic Partnership Agreements <sup>(5)</sup> (EPAs), adopted by the JPA on 22 November 2007 in Kigali (Rwanda),
- having regard to the Port Moresby Declaration on the global food and financial crises <sup>(6)</sup>, adopted by the JPA on 28 November 2008 in Port Moresby,
- having regard to the resolutions adopted by the JPA in 2008:
  - on the social and environmental consequences of structural adjustment programmes <sup>(7)</sup>,

<sup>(1)</sup> OJ L 317, 15.12.2000, p. 3.

<sup>(2)</sup> OJ C 231, 26.9.2003, p. 68.

<sup>(3)</sup> ACP-EU/100.291/08/fin.

<sup>(4)</sup> OJ L 378, 27.12.2006, p. 41.

<sup>(5)</sup> OJ C 58, 1.3.2008, p. 44.

<sup>(6)</sup> OJ C 61, 16.3.2009, p. 42.

<sup>(7)</sup> OJ C 271, 25.10.2008, p. 20.

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- on experiences from the European regional integration process relevant to ACP countries <sup>(1)</sup>,
  - on food security issues in ACP countries and the role of ACP-EU cooperation <sup>(2)</sup>,
  - on the situation in Kenya <sup>(3)</sup>,
  - on the protection of civilians during peacekeeping operations by the UN and regional organisations <sup>(4)</sup>,
  - on aid effectiveness and defining official development assistance <sup>(5)</sup>,
  - on the social consequences of child labour and strategies to combat child labour <sup>(6)</sup>,
  - on the situation in Mauritania <sup>(7)</sup>,
  - on the situation in Zimbabwe <sup>(8)</sup>,
  - having regard to the Windhoek Communiqué of the JPA adopted on 29 April 2008 in Windhoek (Namibia) <sup>(9)</sup>,
  - having regard to the Port Vila Communiqué of the JPA adopted on 1 December 2008 in Port Vila (Vanuatu) <sup>(10)</sup>,
  - having regard to the JPA Bureau declaration of 25 November 2008 on the French EU Presidency <sup>(11)</sup>,
  - having regard to the European Consensus on Humanitarian Aid signed on 18 December 2007 <sup>(12)</sup>,
  - having regard to Rule 45 of its Rules of Procedure,
  - having regard to the report of the Committee on Development (A6-0081/2009),
- A. whereas EPAs have been signed with some ACP regions or countries during the course of 2008 and the JPA debates on the latest developments in the EPA negotiations have taken place in March 2008 in Ljubljana (Slovenia) and in November 2008 in Port Moresby,
- B. whereas the above-mentioned Regulation (EC) No 1905/2006, which provides for thematic programmes also applicable to ACP countries and a programme of accompanying measures for Sugar Protocol countries, has been adopted,
- C. whereas the Commissioner with responsibility for development and humanitarian aid gave an undertaking at the JPA session which took place in Wiesbaden (Germany) in June 2007 to subject Country and Regional Strategy Papers for the ACP countries (2008-2013) to democratic scrutiny by parliaments; welcoming the fact that that undertaking has been fulfilled,

<sup>(1)</sup> OJ C 271, 25.10.2008, p. 27.

<sup>(2)</sup> OJ C 271, 25.10.2008, p. 32.

<sup>(3)</sup> OJ C 271, 25.10.2008, p. 37.

<sup>(4)</sup> OJ C 61, 16.3.2009, p. 19.

<sup>(5)</sup> OJ C 61, 16.3.2009, p. 26.

<sup>(6)</sup> OJ C 61, 16.3.2009, p. 31.

<sup>(7)</sup> OJ C 61, 16.3.2009, p. 37.

<sup>(8)</sup> OJ C 61, 16.3.2009, p. 40.

<sup>(9)</sup> APP 100.288.

<sup>(10)</sup> APP 100.452.

<sup>(11)</sup> APP 100.448.

<sup>(12)</sup> Joint Statement by the Council and the Representatives of the Governments of the Member States meeting within the Council, the European Parliament and the European Commission, entitled 'the European Consensus on Humanitarian Aid' (OJ C 25, 30.1.2008, p. 1).

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- D. whereas the fresh revision of the Cotonou Agreement scheduled for 2010 provides a valuable opportunity to enhance the JPA's regional dimension and develop parliamentary scrutiny in ACP regions, as well as to strengthen the JPA's own role and activities as an institution,
- E. whereas the two JPA regional meetings held in Namibia and Vanuatu in 2008 were a considerable success and resulted in the adoption of the above-mentioned Windhoek and Port Vila communiqués,
- F. whereas the situation in Zimbabwe deteriorated still further in 2008, despite the holding of elections in July 2008; whereas, nonetheless, the agreement which led to the adoption of a resolution on Zimbabwe at the 16th JPA session in Port Moresby is welcome,
- G. having regard to the ongoing conflict in Democratic Republic of Congo (DRC) and the grave, repeated human rights violations in that country, as well as to the need for effective humanitarian assistance and greater commitment from the international community,
- H. having regard to the work of the Pan-African Parliament (PAP) and the establishment of formal relations between the European Parliament and the PAP, as well as to the intention voiced by the President of the European Parliament during his address at the 10th session of the PAP on 28 October 2008 to set up an interparliamentary delegation for the next parliamentary term,
- I. whereas the 16th JPA session in Port Moresby and the Doha International Conference on Financing for Development were held almost simultaneously, thus forcing many Members to make a difficult choice,
- J. whereas excellent contributions were made by the EU Presidency-in-Office (Slovenia) and the Government of Papua New Guinea to the above-mentioned JPA sessions in Ljubljana and Port Moresby,
- K. whereas study visits were made by the JPA Bureau in 2008:
- to the Seychelles, and
  - to Surinam, Saint Vincent and Saint Lucia,
1. Welcomes the fact that in 2008 the JPA continued to provide a framework for an open, democratic and in-depth dialogue on the negotiation of EPAs between the European Union and the ACP countries;
2. Draws attention to the concerns voiced by the JPA about several formal and substantive aspects of the negotiations; points out that the debate is still in progress following the adoption of the EPA with the Cariforum (Caribbean Forum of States) and of interim agreements with certain countries in other regions;
3. Welcomes the new Commissioner for Trade's positive response to the request by several ACP countries and regions to revisit the contentious issues, in line with the statements made by the President of the Commission;
4. Underlines the need for close parliamentary scrutiny during the negotiation as well as during the implementation of EPAs; criticises the fact that the work and role of the JPA is threatened by the prospect of the creation of a new body in the context of EPAs – namely the parliamentary committee – without the relationship between that body and the JPA being made clear; calls for the parliamentary committee to operate as part of the JPA, to avoid a costly and complicated proliferation of meetings, taking advantage of the JPA's system of regional meetings, and to exploit the experience of the JPA and promote synergy between all the EPA regions; stresses the desirability of this committee operating in a flexible manner, enabling it to draw on the expertise on both trade and development issues of the Members of the European Parliament involved in the examination of the EPA in committee;

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5. Stresses in particular the crucial role of the ACP national parliaments, non-state actors and local authorities in monitoring and managing EPAs, and calls on the Commission to guarantee their involvement in the ongoing negotiation process, which requires a clear agenda for further negotiations, to be agreed by the ACP countries and the Union and based on a participatory approach;
6. Draws attention to the JPA's concern at the repercussions of the current financial crisis and welcomes the Assembly's adoption of the Port Moresby Declaration on the global food and financial crises; calls on the JPA to hold regular debates on this issue;
7. Welcomes the undertaking given by the Commissioner with responsibility for development and humanitarian aid during the above-mentioned JPA session in Kigali to subject Country and Regional Strategy Papers for the ACP countries (2008-2013) to democratic scrutiny by parliaments, as well as the work already performed by certain ACP parliaments in examining such documents;
8. Draws attention, in this regard, to the need closely to involve parliaments in the democratic process and in the national development strategies; stresses their vital role in establishing, following up and monitoring development policies;
9. Calls on the parliaments of the ACP countries to insist that their governments and the Commission involve them in the process of drafting and implementing the Country and Regional Strategy Papers relating to cooperation between the European Union and their countries (2008-2013);
10. Calls on the Commission to supply all available information to the parliaments of the ACP countries and to assist them in exercising democratic scrutiny, in particular by means of capacity-building;
11. Is in favour of incorporating the European Development Fund (EDF) into the EU budget in order to increase the consistency, transparency and effectiveness of development cooperation policy and guarantee democratic scrutiny thereof; underlines that incorporating the EDF into the EU budget is also an appropriate response to the difficulties affecting the implementation and ratification of successive EDFs;
12. Calls on parliaments to exercise close parliamentary scrutiny of the EDF; highlights the JPA's key position in this debate and calls on it and the parliaments of the ACP countries to take an active part therein, in particular in connection with the revision of the Cotonou Agreement scheduled for 2010; insists that the JPA be involved in the whole process of negotiating that revision;
13. Welcomes the increasingly parliamentary – and hence political – nature of the JPA, together with the ever more active role played by its members and the greater quality of its debates, which are helping it to make a vital contribution to the ACP-EU partnership;
14. Considers the above-mentioned JPA resolutions on the situation in Kenya and in Zimbabwe to be significant examples of this enhanced dialogue;
15. Calls on the JPA to continue to address the situation in Sudan, and in particular in Darfur, namely by assessing the position of the Union and ACP countries regarding the International Criminal Court indictments;
16. Calls on the JPA to continue to address the situation in Somalia, which is endangering the lives of the Somali people, poses a threat to security in the region and is a source of global instability owing to the increasing occurrence of lawlessness, extremism and piracy;
17. Calls on the JPA to continue to discuss the alarming situation in Zimbabwe, where the elections held in July 2008 failed to restore democracy and where the economic situation poses a genuine threat to the health and lives of millions of Zimbabweans and to the stability of the region;

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18. Calls on the JPA to continue to contribute to the international community's efforts to raise awareness of the conflicts affecting the eastern DRC, to promote a negotiated political solution to the crisis and to support any action that may be proposed as part of a negotiated solution;
  19. Calls on the JPA to pursue and deepen dialogue with the PAP and the parliaments of regional organisations, in view of the importance of regional integration to peace and development in ACP countries;
  20. Deplores the fact that the JPA was not properly consulted during the drafting of the Joint EU-Africa Strategy and hopes that the Assembly will be actively involved in the implementation of that strategy;
  21. Welcomes the fact that the first of the regional meetings provided for in the Cotonou Agreement and the JPA Rules of Procedure were held in 2008; considers that these meetings make for a genuine exchange of views on regional issues, including conflict prevention and resolution, and that European policies help to enhance regional cohesion; stresses that these meetings are particularly timely as regards the negotiation, conclusion and implementation of EPAs and should be a priority; commends the organisers of the two extremely successful meetings in Namibia and Vanuatu and supports the holding of the forthcoming meetings in the Caribbean and West Africa in 2009;
  22. Encourages the JPA to strengthen the role of its Committee on Political Affairs so as to make the Assembly a genuine forum for conflict prevention and resolution within the ACP-EU partnership and, to that end, to hold more debates on urgent situations in individual countries; welcomes the work carried out in connection with protecting civilians during peacekeeping operations and the intention to work on governance in the ACP countries;
  23. Welcomes, further, the JPA Committee on Political Affairs report on experiences from the European regional integration process relevant to ACP countries – adopted in Ljubljana in March 2008 – which emphasises the key benefits of integration, such as peace and security, preventing potential conflicts from turning into armed ones, prosperity, well-being, democracy and respect for human rights;
  24. Welcomes the JPA Committee on Economic Development, Finance and Trade's intention to conduct an analysis of the Regional Strategy Papers for the ACP regions;
  25. Highlights the role played by the JPA Committee on Social Affairs and the Environment with regard to child labour and its intention to pursue its analysis of the social situation of young people in ACP countries;
  26. Welcomes, furthermore, the JPA Committee on Social Affairs and the Environment report on the social and environmental consequences of structural adjustment programmes – adopted in Ljubljana – which advocates that the practice of making World Bank and International Monetary Fund (IMF) lending subject to economic policy conditions has had disastrous social and environmental consequences for ACP countries, and should be replaced by a country-specific lending policy that focuses on reducing poverty;
  27. Calls on the JPA to demand to insist on being closely involved in the Cotonou Agreement revision process that is to commence in 2009, with a view to ensuring that the Assembly's role and activities are expanded in the future;
  28. Welcomes the growing involvement of non-state actors in JPA sessions, as illustrated by the debate resulting in the adoption of the above-mentioned Port Moresby Declaration of November 2008 on the global food and financial crises and by the economic partners' report on the EPAs submitted at the JPA session in Ljubljana in March 2008;
  29. Calls, in addition to the annual report on the activities of the ACP-EU JPA, for joint discussions to be held between the secretariats of the ACP countries and of the European Parliament on the way the JPA works, with particular regard to voting by separate Houses, equality of treatment of parliamentarians, and joint fact-finding and election observation missions;
  30. Instructs its President to forward this resolution to the Council, the Commission, the ACP Council, the JPA Bureau and the governments and parliaments of Slovenia and Papua New Guinea.
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## Regional policy best practice and obstacles to use of Structural Funds

P6\_TA(2009)0156

### European Parliament resolution of 24 March 2009 on best practices in the field of regional policy and obstacles to the use of the Structural Funds (2008/2061(INI))

(2010/C 117 E/07)

*The European Parliament,*

- having regard to the URBACT Programme, carried out as part of the URBAN initiative, which is facilitating and developing good practices and exchanges of experience involving more than 200 European Union cities,
- having regard to its resolution of 21 October 2008 on governance and partnership at national and regional levels and a basis for projects in the sphere of regional policy <sup>(1)</sup>,
- having regard to Council Regulation (EC) No 1083/2006 of 11 July 2006 laying down general provisions on the European Regional Development Fund, the European Social Fund and the Cohesion Fund <sup>(2)</sup>,
- having regard to Regulation (EC) No 1080/2006 of the European Parliament and of the Council of 5 July 2006 on the European Regional Development Fund <sup>(3)</sup>,
- having regard to Articles 158 and 159 of the EC Treaty,
- having regard to the Presidency Conclusions of the European Council held in Lisbon on 23 and 24 March 2000,
- having regard to the Commission Communication of 19 June 2008 entitled 'Fifth progress report on economic and social cohesion: Growing regions, growing Europe' (COM(2008)0371),
- having regard to the Commission Communication of 6 October 2008 entitled 'Green Paper on Territorial Cohesion: Turning territorial diversity into strength' (COM(2008)0616),
- having regard to the Commission Communication of 8 November 2006 entitled 'Regions for economic change' (COM(2006)0675),
- having regard to the study by its Structural and Cohesion Policies Policy Department entitled 'Good practice in the field of regional policy and obstacles to the use of the structural funds',
- having regard to the public hearing of 17 July 2008 organised by its Committee on Regional Development,
- having regard to Rule 45 of its Rules of Procedure,
- having regard to the report of the Committee on Regional Development and the opinion of the Committee on Budgets (A6-0095/2009),

<sup>(1)</sup> Texts adopted, P6\_TA(2008)0492.

<sup>(2)</sup> OJ L 210, 31.7.2006, p. 25.

<sup>(3)</sup> OJ L 210, 31.7.2006, p. 1.



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- A. whereas cohesion policy is among the most important policy areas in the European Union, not only in terms of its budget but also and in particular because it is an essential pillar in the process of European integration and owing to its importance for the social, economic and territorial cohesion of the European Union and the development of its 268 regions, reducing development deficits and disparities and improving life for all EU citizens,
- B. whereas the regions of the European Union are confronted with broadly similar challenges, though their impact differs greatly from region to region, given their specificities as regards their character (for example, island or mountain regions) and population: globalisation and the accelerated economic restructuring that goes with it, the opening up of trade relations, the consequences of the technological revolution, and climate change, the development of the knowledge-based economy, demographic change, depopulation and the rise in immigration,
- C. whereas the best results, strengthening the knowledge base and improving competition, are often achieved in projects by means of cooperation between the public sector, businesses, the education sector and local stakeholders,
- D. whereas cohesion policy cannot develop its full potential to meet these challenges whilst potential applicants for aid are faced with major obstacles in relation to utilising the European Union's structural funds, including:
- excessive bureaucracy;
  - too many complex regulations, which in certain cases are available on-line only, thereby excluding many potential beneficiaries of these funds from access to these resources;
  - frequent modification, by certain Member States, of eligibility criteria and requisite documentation;
  - lack of transparency in decision-making processes and co-financing schemes and delays in payments;
  - slow and cumbersome centrally managed administration in Member States and the application of rules in a way which adds to the existing bureaucracy, and leads to inadequate provision of information;
  - inadequate decentralised administrative capacity and different models of regional administration in Member States, which prevent the existence of comparative data and the exchange of best practices;
  - inadequate arrangements for interregional coordination;
  - lack of a functioning cooperation scheme between national, regional and local authorities,
- E. whereas a number of the current errors in the field of cohesion policy can be traced back to these existing obstacles,
- F. whereas the delays in implementing structural policy are due in part to the excessive rigidity of procedures and that, consequently, consideration should be given to simplifying those procedures and clearly dividing responsibilities and competences among the EU, the Member States and regional and local authorities,
1. underlines that, although the added value of disseminating best practices among the broader public in terms of improved communication and cost-benefit has to be taken into account, attempts to introduce those practices in EU regional policy should be directed chiefly to Managing Authorities, guiding them to draw up rules governing access to structural resources, so that exchanges of information and experience can contribute to a substantive improvement in project quality, by providing solutions to joint problems and choosing more effective and targeted interventions;

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2. Points to the need to simplify the procedures governing the implementation of Structural Funds projects and programmes, particularly as regards management and control systems; welcomes, therefore, in this regard, the regulatory revision of the Structural Funds package in response to the current financial crisis; eagerly awaits the further Commission proposals in this area, to be announced within the next few months;

### **Removal of obstacles**

3. Calls on the Commission, with a view to removing the above obstacles, inter alia:

- to gear the evaluation criteria for projects co-financed by the Structural Funds of the European Union to the long term;
- not to assess innovative projects using the same evaluation criteria as apply to other types of projects, but to develop specific evaluation criteria - tailored to the innovative nature of the projects - that in essence allow for a higher failure rate;
- to reduce the maximum period for which project documents must be stored, for the purposes of monitoring by the Commission, from the current ten years to three years;
- to draw up special policy measures and new qualitative indicators for regions with specific geographical characteristics, such as mountainous and sparsely populated regions, and the outermost, border and island regions, and accordingly to adapt the territorial scale of policy interventions, with the aim of promoting territorial cohesion in the European Union;
- to simplify the control system and seek to introduce a single control system;
- to adapt standards in the field of public contracts with a view to simplification and harmonisation;
- to coordinate the rules on cost eligibility with the Member States;
- to ensure advance payments to beneficiaries to a greater extent;
- to improve coordination of measures carried out and co-financed under the cohesion policy and under CAP II (Development of rural areas);
- to make technical aid programmes more flexible;
- to introduce mechanisms to promote network cooperation and facilitate group project management;
- to lighten the administrative burden created by these projects and to keep it in proportion to the size of a project;
- to simplify, clarify and accelerate project practices and make them more result-oriented;
- to actively encourage Member States to set-up an effective system of cooperation and responsibility sharing between national, regional and local levels;
- to facilitate access to funds through closer cooperation with national governments to reduce processing time;
- to prepare a timetable to take active steps to remove obstacles and improve the accessibility to funds;

4. Recommends that the Commission go further and develop a concerted, generally accessible, approach to the interregional exchange of best practices, with a view to enabling actors involved in cohesion policy to draw on the experiences of others;

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5. Points out expressly that identifying best practices must not lead to additional red tape for applicants and project promoters;
6. Demands that bureaucracy in the use of Structural Funds be kept to a minimum, and not needlessly increased by individual conditions imposed by the Member States;
7. Reiterates its support for practice aimed at ensuring that each Member State produces an annual national declaration of assurance covering Community funds coming under the shared management arrangement, and calls for this to become standard practice;

***General and subject-specific criteria for identifying best practices***

8. Welcomes the approach laid down in the context of the Regions for Economic Change initiative, firstly, to identify and to publicise best practices with the annual award of 'REGIO STARS' and, secondly, to set up a website for best practices; draws attention to the limited effectiveness of an Internet site alone;
9. Criticises the lack of transparency in the Commission's objective bases for identifying best practices;
10. Calls on the Commission, in the light of the widespread use of the term 'best practices', and also the frequent parallel use of the terms 'good practices' or 'success stories', to draw up a set of criteria tailored specifically to cohesion policy that will enable these 'best practices' to be distinguished from those applying to other projects;
11. Recommends that the Commission take account of the following points in identifying best practices:
  - project quality;
  - assurance of partnership principle;
  - sustainability of the measure concerned;
  - positive contribution to equal opportunities and gender mainstreaming;
  - innovativeness of the project;
  - integrated approach between the EU's sectoral and territorial policies;
  - effective use of resources;
  - duration of project before implementation;
  - implementation of the project on time and to plan;
  - significant driving force for the region or the EU overall;
  - impact on employment;
  - facilities for SMEs;
  - the facilitation of networking and territorial cooperation between regions;
  - transferability of the project, that is, its applicability in other regions of the European Union;
  - added value of activities, within European Union policies;
  - positive impact of the project on citizens, regions and Member States and society as a whole;

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12. Stresses that all the criteria for highlighting best practices must be clearly measurable and reliable, so as to avoid friction, undesired effects and subjective judgements which may undermine the entire project grading procedure based on these criteria; calls, therefore, on the Commission clearly to describe the content of these criteria and how they should be implemented;

13. Recommends that, on the basis of analysis of a large number of projects from many EU regions, additional factors be taken into account for the identification of best practices in cohesion policy areas that are of particular importance for the development of specific regions and of the EU as a whole and that display a marked variety of approaches to implementation;

14. Recommends that account be taken of the following factors for the area 'Research and development/innovation':

- qualitatively significant investment in science and research;
- links between industry, academia and research institutes with a special emphasis on strengthening SMEs, not least as a means of leveraging territorial development;
- links between science and research institutes;
- development and/or innovation in respect of forward-looking technologies and/or practical applications for them;
- bringing new technologies to bear in traditional sectors;
- application to the business world;
- solutions in key EU sectors, for example, environment and energy;

15. Recommends that account be taken of the following factors for the area 'Environment, climate and sustainable energy policy':

- protective measures for areas at particular risk, tailored to those areas (sensitivity) in particular waters;
- conservation and efficient use of scarce resources;
- responsible approach to the use of resources;
- measures to address energy poverty;
- significant increase in energy efficiency;
- significant reduction in energy consumption;
- increased share of renewable energy sources;
- measures to reduce CO<sub>2</sub> emissions;
- methods and/or procedures which conserve scarce or endangered resources;

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16. Recommends that account be taken of the following factors for the area 'Creation of high-quality jobs':

- improvement in working conditions;
- increase in the number of high-quality jobs;
- forward-looking sustainable job creation;
- guarantee of equal access to the labour market for both genders;
- increased productivity;
- improved competitiveness;
- creation of jobs that are not tied to a particular location, such as e-business;
- measures to achieve greater specialisation of the workforce;
- use of modern information and communication media;
- reconciliation of family and working life;
- measures aimed at the most vulnerable sectors of the population (for example, young people, women, persons with disabilities, immigrants, the long-term unemployed, unemployed persons aged over 45, those without any formal education);
- improved accessibility and availability of transport, telecommunications, education and health services;

17. Recommends that account be taken of the following factors for the area 'Lifelong learning':

- qualitative improvement of training standards and quantitative increase in the training on offer, particularly with regard to the opportunities for sections of the population who are most disadvantaged or most at risk (for example, young people, women, persons with disabilities, immigrants, the long-term unemployed, unemployed persons aged over 45, people without schooling);
- the close link between education, training and working life;
- training projects that are tailored to requirements in terms of both quality and quantity;
- introduction and use of modern technologies and procedures;
- measures to stimulate and maintain willingness to undertake training;
- increased take-up of training opportunities;
- life-long language training;

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18. Recommends that account be taken of the following factors for the area 'Integrated urban development':

- long-term integrated policy for local public transport, pedestrians, cyclists and car use with a view to effective integration between the various modes of transport, both public and private;
- efficient traffic management;
- promotion of the economic development of cities;
- increase in entrepreneurial investment, measures to stimulate and secure employment with a special emphasis on youth employment and entrepreneurship - and to improve social life;
- regeneration and integration of neighbourhoods in decline and de-industrialised areas;
- improved quality of life in urban areas; for example the availability and accessibility of public services;
- creation of green spaces and recreational areas and increased water and energy efficiency, in particular in the housing sector;
- facilities for people with disabilities;
- promotion of actions aimed at binding the population, in particular young people, to their cities;
- taking account of the living environment: urban, suburban and nearby rural environment;
- reduction of excessive land usage by much greater redevelopment of waste land and avoiding urban sprawl;
- better accessibility of urban and transport amenities for persons with reduced mobility;
- increasing the interaction between towns and rural areas;
- employment of an integrated approach;

19. Recommends that account be taken of the following factors for the area 'Demographic change':

- universal access to services;
- enhanced measures to attract skilled workers;
- enhanced involvement of the most vulnerable sectors through improved education and training;
- measures on flexible working time;
- measures to facilitate the life of working parents allowing reconciliation between family and working life;
- measures to promote the smooth integration of migrants;
- the special needs of persons with disabilities and senior citizens;
- contribution towards the maintenance of population levels (in areas suffering from depopulation);

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20. Recommends that account be taken of the following factors for the area 'Cross-border cooperation':
- increase in quality and quantity of cross-border contacts;
  - creation of permanent networks or of long-term cooperation schemes;
  - harmonisation of different systems and procedures;
  - involvement of new partners;
  - establishment of financial independence;
  - permanent cross-border knowledge transfer and exchange;
  - joint exploitation of potential in partner regions;
  - infrastructure connections between partner regions;
21. Recommends that account be taken of the following factors for the area 'Public-private partnerships':
- qualitative improvement of project implementation in terms of effectiveness and profitability;
  - faster project implementation;
  - transparent risk-spreading mechanism;
  - better project management;
  - increased participation of local and regional authorities and players in public-private partnerships;
  - clear and transparent rules on conduct with regard to the activities of public-sector bodies and enterprises;
22. Calls on the Commission to take account of the need to promote best practices as regards financial arrangements, in particular those of public/private partnerships and those supported by the European Investment Bank and the European Investment Fund;
23. Is aware that it is exceptionally difficult for a project cumulatively to meet all of the above criteria; calls on the Commission, therefore, before applying these criteria, to list them in order of priority and to determine those that represent a higher priority, so as to make it easier to designate noteworthy projects as best practices; stresses the need to use the commonly agreed criteria on best practices in an open and transparent way, which will allow a better management, acceptance and comparability of best practices and prevention of confusion with other similar terms;
24. Calls on the Commission, with a view to the future use of the terms 'best practices', 'good practices' and 'success stories', to work out a clear and transparent subdivision or gradation of these terms for the purposes of project description;

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### ***Exchange of best practices***

25. Calls on the Commission to organise and coordinate the exchange of best practices through a network of regions, and to create a public website containing key information about the projects in all Community languages for this purpose;

26. Recommends that the Commission set up within the current administrative framework a specific office in the Directorate-General for Regional Policy to organise, in cooperation with this network of regions, the evaluation, collection and exchange of best practices and to act as a permanent contact point for both the supply and the demand side, with the aim of establishing a long-term, continuous, reliable and successful exchange of best practices in the field of cohesion policy; calls on the Commission to disseminate this good-practice culture to all its departments;

27. Proposes within this framework that the evaluation mechanisms should study and take into account tried and trusted methodologies which have already been implemented; believes that particular emphasis should be given to cooperation with a network of regional authorities and specialised agencies which are the key source for the primary material of best practices for evaluation;

28. Points out that, while the European Union provides funding and good practices, it is for national, regional and local office holders to capitalise on them; welcomes in this connection the establishment of an Erasmus programme for local and regional elected representatives;

29. Recommends that the Commission use the available tools of the Committee of the Regions, in particular the Lisbon Monitoring Platform and the Subsidiarity Monitoring Network in order to exchange best practices between regions and Member States with a view to identifying and jointly determining the objectives, subsequently planning actions and, finally, undertaking a comparative evaluation of the results of cohesion policy;

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30. Instructs its President to forward this resolution to the Council and the Commission.

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## **Complementarities and coordination of cohesion policy with rural development measures**

P6\_TA(2009)0157

### **European Parliament resolution of 24 March 2009 on complementarities and coordination of cohesion policy with rural development measures (2008/2100(INI))**

(2010/C 117 E/08)

*The European Parliament,*

— having regard to Articles 158 and 159 of the EC Treaty,

— having regard to Council Regulation (EC) No 1083/2006 of 11 July 2006 laying down general provisions on the European Regional Development Fund, the European Social Fund and the Cohesion Fund <sup>(1)</sup>, with particular reference to Article 9 thereof,

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<sup>(1)</sup> OJ L 210, 31.7.2006, p. 25.



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- having regard to Council Regulation (EC) No 1698/2005 of 20 September 2005 on support for rural development by the European Agricultural Fund for Rural Development (EAFRD) <sup>(1)</sup>,
  - having regard to Council Decision 2006/702/EC of 6 October 2006 on Community strategic guidelines on cohesion <sup>(2)</sup>,
  - having regard to Council Decision 2006/144/EC of 20 February 2006 on Community strategic guidelines for rural development (programming period 2007 to 2013) <sup>(3)</sup>,
  - having regard to the EU Territorial Agenda and the First Action Programme for the Implementation of the Territorial Agenda,
  - having regard to the Commission Green Paper of 6 October 2008 on Territorial Cohesion-Turning territorial diversity into strength (COM(2008)0616),
  - having regard to the report by the European Spatial Planning Observation Network (ESPON) entitled 'Territorial futures: Spatial scenarios for Europe',
  - having regard to Rule 45 of its Rules of Procedure,
  - having regard to the report of the Committee on Regional Development and the opinion of the Committee on Agriculture and Rural Development (A6-0042/2009),
- A. whereas what constitutes a rural area has been defined by the Organisation for Economic Cooperation and Development, its definition incorporating characteristics such as low population density and lack of access to services, and whereas this definition is used by the Commission in order to identify and outline development objectives for these areas,
- B. whereas rural areas differ greatly from Member State to Member State and whereas, while rural areas in some regions and Member States have experienced demographic and economic growth, the inhabitants of many of these areas are migrating to urban areas or are seeking to retrain, thus creating immense challenges for rural areas,
- C. whereas rural areas account for up to 80 % of EU territory,
- D. whereas the needs of intermediate rural areas, which are characterised by an economic structure similar to that of the urban areas adjacent to them, differ from those of areas that are predominantly rural, peripheral or isolated,
- E. whereas one of the Union's aims is to promote economic and social progress and a high level of employment and to achieve balanced and sustainable development,
- F. whereas the economic, social and territorial cohesion of the EU can be enhanced through economic development, promotion of employment opportunities in rural and urban areas, and ensuring equal access to public services,
- G. whereas the reform of structural policy for the period 2007-2013 brought with it changes to the structure of the Funds and the basis for the allocation of assistance under this policy, and the establishment of a new European Agricultural Fund for Rural Development (EAFRD) linked to the common agricultural policy (CAP) and disconnected from cohesion policy,
- H. whereas the LEADER programmes have in the past already shown how rural development can be successfully promoted through regional policy instruments,

<sup>(1)</sup> OJ L 277, 21.10.2005, p. 1.

<sup>(2)</sup> OJ L 291, 21.10.2006, p. 11.

<sup>(3)</sup> OJ L 55, 25.2.2006, p. 20.

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- I. whereas it is of key importance to the EAFRD's success to ensure mutual complementarity between activities co-financed under the EAFRD and those co-financed under the structural funds, and thus for the assistance under the various funds, in particular the European Fund for Regional Development (ERDF), the Cohesion Fund and the European Social Fund (ESF), to be suitably coordinated and for the complementarity of those funds to be ensured,
- J. whereas the establishment of the EAFRD, the separation of rural development funding from the scope of cohesion policy and a broader regional development perspective must not result in some objectives (for example, environmental protection, transport and education) being either duplicated or omitted altogether,
- K. whereas the permanent transfer of funds between the European Agricultural Guarantee Fund (EAGF) and the EAFRD leads to planning insecurity for both farmers and rural development project promoters,
- L. whereas, in view of budgetary constraints, there is a risk that funding available under the ERDF will be used to a large extent to boost economic competitiveness in larger urban centres or the most dynamic regions, while EAFRD financing will be focused on improving the competitiveness of agriculture, which continues to be the motor of rural areas, and will also be targeted at support for non-agricultural activities and the development of small and medium-sized enterprises (SMEs) in rural areas, with the result that there is a need for closer coordination to ensure that no areas are left without coverage,
- M. whereas SMEs, especially microbusinesses and craft undertakings, have a key role to play in preserving social and economic activity in the countryside and ensuring its stability,
- N. whereas rural development policy objectives need not be contrary to the Lisbon goals provided that this development is based on the application of the relative competitiveness mechanism (better cost-effectiveness), in particular in local food processing and in relation to the development of SMEs and of infrastructure and services, such as tourism, education and environmental protection,
- O. whereas the natural relationship between and complementarity of agricultural policy and rural development policy should be recognised,
  1. Takes the view that the criteria traditionally used to distinguish rural areas from urban areas (lower population density and level of urbanisation), may not always be sufficient to provide the 'full picture'; considers, therefore, that the possibility of adding additional criteria should be explored and calls on the Commission to produce an analysis and concrete proposals in this field;
  2. Considers that, in view of the major differences between rural areas in the various Member States and because such areas account for up to 80 % of EU territory, it is necessary to adopt and implement a suitably targeted and integrated approach for the sustainable development of such areas, aiming at levelling the existing inequalities and promoting economic dynamism of urban and rural areas; underlines the need to allocate adequate funding to the corresponding actions;
  3. Recalls in this respect that all regions throughout the Union as a whole, including rural and remote areas, should in principle benefit from the same development opportunities, to avoid any further territorial exclusion of the most disadvantaged areas;
  4. Stresses that in a large number of rural areas development possibilities, especially for young people and women, are reduced by difficulties in accessing public services, lack of jobs and the age pyramid;
  5. Points out that, in certain areas, there are no alternatives to certain forms of agricultural production which must in many cases be sustained at all costs for environmental and regional policy reasons, particularly in remote and upland farming areas affected by desertification;

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6. Recalls that the Gothenburg European Council of 15 and 16 June 2001 expanded the Lisbon objectives to include the concepts of sustainability and cohesion and that rural development policy is geared towards sustainable farming, preserving non-agricultural rural activities, maximising the potential of local development, environmental protection, balanced regional planning and the development of SMEs;
7. Believes that proper implementation of rural development policy, in view of the long-term sustainable development of rural areas, requires due account to be taken of each area's natural resources and specific features, including the protection, enhancement and management of the rural heritage, and of the development of links and interactions with urban areas;
8. Also stresses the importance of assessing areas of alternative economic activity and the opportunities arising from those areas for diversification of the population's occupational activities;
9. Believes that the future issues facing the countryside call for a balanced development policy encompassing all social and economic agents, including small businesses and micro-businesses in the production and service sectors, given their role in integrated local development;
10. Considers that, in the case of the new Member States, rural development policy must target improving the efficiency of agriculture and reducing the economic development gap between country and city, inter alia by supporting non-farming activities, an objective which can also be attained by using the Structural Funds;
11. Welcomes the ambitions set out at the Second European Conference on Rural Development in Salzburg in 2003 but regrets the fact that the funding granted under the second pillar of the CAP by the latest financial perspectives has been significantly reduced, risking inefficiency and creating a division between the farmer and the rural dweller;
12. Points out that there is a need to develop a coherent, long-term rural development strategy in order to facilitate the most effective and efficient use of all available funding;
13. Calls on Member States and regional authorities to formulate, in cooperation with the Commission and in partnership with all competent authorities and bodies representing civil society, a transparent, long-term, sustainable rural development strategy at national and regional level, in order to be able clearly to identify rural development priorities and objectives and ensure the adaptation, coordination and complementarity of the aid originating in the various sources of funding available;
14. Calls on the Commission, the Member States and the regional authorities to ensure the direct participation of the organisations representing SMEs, microbusinesses and craft undertakings, in order to identify those priorities with a view to responding in the best way possible to those enterprises' needs and expectations;
15. Recognises that rural development policy plays a hugely important role in targeting and addressing specific problems in rural areas and believes that the establishment of the EAFRD for the second pillar of the CAP represents an attempt to have a flexible, strategic, thematic and integrated approach to respond to the diversity of situations and the scale of the challenges facing the EU's rural areas, and to simplify financing procedures and ensure that funds are focused on these areas;
16. Recalls that the Member States have been called upon to prepare, for the current programming period, two strategic documents: a National Strategy Plan for rural development (EAFRD) and a National Strategic Reference Framework for regional policy (Structural Funds); recalls that the Member States have been asked to mobilise synergies and set up operational coordination mechanisms between the various funds; regrets, however, that in this process the emphasis was mainly placed on ensuring the demarcation of the various funds and programmes, rather than creating synergies from them;

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17. Considers that the efficiency of rural development policy can only be achieved if the measures implemented under EARDF and regional development policy are coordinated and complementary, so as to avoid double financing and gaps; notes with concern the insufficient coordination between those actions during the current programming period in the individual Member States; calls therefore on the Commission to propose reforms aimed at ensuring better coordination in the planning and implementation of measures co-financed under the cohesion policy and CAP; recognises that the post-2013 reform of the CAP and the EU Structural Funds will provide an opportunity to re-assess the relationship between rural development on one hand and agricultural policy and cohesion policy on the other;
18. Recognises that the primary role of rural development policy is to continue to maintain the population of the countryside and ensure a decent standard of living for this rural population;
19. Considers that the approach of separating rural development from cohesion policy with the creation of EAFRD needs to be monitored very closely in order to evaluate its true impact on the development of rural areas; notes that the new system was put in place in 2007 and that it is, therefore, too early for any conclusions to be reached with regard to the future of this Community policy;
20. Stresses that one of the priorities of rural development policy is to propose measures which do not result in the rural population having to abandon agriculture and which also help, inter alia, to promote competitive holdings, the production of organic products, and traditional high-quality foods and drinks, for example;
21. Notes with interest that Axis 3 and Axis 4 (LEADER) of the second pillar of CAP (rural development policy), which represent 15 % of total EAFRD expenditure, concern non-agricultural activities that mainly focus on the diversification of rural economies; believes that, given the nature of the interventions financed under these Axes, which resemble some actions financed by the Structural Funds, there is a risk of policy overlap;
22. Stresses, however, the need to take account of the prospects primarily of the population employed in agriculture, who should remain the main focus of support measures under rural development policy;
23. Stresses the importance of support for young farmers to keep them on their land, even if they are not engaged solely in agricultural production, providing them with incentives for development and other activities too, such as rural tourism and of strengthening SMEs in the countryside;
24. Considers that the main objectives of rural development policy can only be achieved if this policy receives adequate funding that is used in line with the priorities set out for rural areas, and that funds raised through modulation should always be distributed back to active farming communities;
25. Takes the view that the coordination of structural policy and rural development measures allows projects with greater European added value to be undertaken; sees in that an opportunity for long-term enhancement of rural areas, for example through infrastructural or environmental protection measures;
26. Calls on the Commission to supply detailed figures and forecasts for the take-up of EAFRD and structural funding in rural areas and to look into the synergies that can be created by the EAFRD and the Structural Funds in terms of the funding available in rural areas;
27. Calls on the Commission to assess whether regional policy programmes can contribute to offering farmers a reliable income, for example through carrying out environmental protection, nature conservation and landscape management activities;
28. Stresses that sustainable development, per-capita income levels, accessibility, access to public goods and services and rural depopulation are among the biggest challenges for cohesion policy and can be most effectively improved through among other measures, support for economic activities in rural communities;

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29. Calls on the Commission and the Member States to take systematic account of the countryside in EU policies and to provide appropriate support for projects to develop human capital, in particular through the provision of training opportunities for agricultural and non agricultural entrepreneurs in rural areas, with a particular focus on young women, with the aim of promoting employment and job creation;
30. Emphasises that development in rural areas requires greater attention and support for the preservation of the natural and farmed landscape, ecotourism, the production and use of renewable energy and local initiatives such as local food-quality procurement schemes and local farmers' markets;
31. Draws attention to the role played by SMEs in rural development and the contribution they make to convergence at regional and local levels; calls on the Commission, the Member States and regional and local authorities to lay the emphasis on strengthening competitiveness by also assisting other productive sectors and to foster entrepreneurship in rural areas, in particular by removing administrative, legal and planning barriers, providing adequate IT infrastructure and increasing the incentives to launch new entrepreneurial activities and also to offer more support to non-agricultural activities while promoting economic diversification in these areas;
32. Once again draws the attention of the Council, the Commission, Member States and local authorities to the enormous challenge posed by the predicted disappearance of several millions of rural small businesses, which will have a major impact on employment and, therefore, on stability in the countryside; calls for all necessary measures to be taken at all levels, in close cooperation with economic and social partners;
33. Notes that the difficulties in implementing rural development policy stem from the fact that sectoral policies and territorial cohesion policy cut across each other, as do the economic and social aspects of both types of policy, and from the wide variety of responsibility allocation and policy coordination systems used in the Member States, in this connection, stresses once again the necessity to create synergies between the EAFRD and the Structural and Cohesion Funds and calls on the Commission to assist national, regional and local authorities in properly understanding the possibilities offered by these financial instruments; calls on Member States to ensure dialogue between managing authorities so as to create synergies between the interventions of the different funds and enhance their effectiveness;
34. Takes the view that, prior to rural funding reform, the Commission should conduct a detailed assessment of all sectoral policies having an impact on rural areas, and notably CAP and regional policy, in the context of cohesion policy and that a set of best practices should be drawn up for rural development policy as a whole;
35. Calls on the Council to convene a joint informal meeting of the Ministers responsible for agriculture and regional policy to discuss the best means of coordinating cohesion policy and rural development measures, and to invite to this meeting the consultative bodies of the EU (Committee of the Regions and European Economic and Social Committee), as well as representatives of regional and local authorities;
36. Requests that the Commission create a high-level working group by 2011 as part of the CAP Health Check which would bring forward proposals to secure the future of the rural economy and all who live in rural areas after 2013;
37. Calls on the Commission to introduce or strengthen genuine governance or partnership arrangements at all levels, with the direct involvement of all players, including SMEs and microbusinesses, as well as the economic and social partners, with a view to defining the priorities for action best adapted to rural areas' development needs;
38. Notes that the process of rural development must be reconciled with the interests of suburban areas and must be closely coordinated with the promotion of urban development, and emphasises that the synergies between rural and urban development policies are neither sufficient nor effective;

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39. Recognises the potential of the rural community to make a positive contribution to the environment through their engagement in environmentally friendly activities and the development of alternative energy sources such as biofuels, especially considering the four new challenges outlined in the rural development policy of the Health Check, such as biodiversity and renewable energies;

40. Instructs its President to forward this resolution to the Council and the Commission.

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## Combating female genital mutilation in the EU

P6\_TA(2009)0161

### European Parliament resolution of 24 March 2009 on combating female genital mutilation in the EU (2008/2071(INI))

(2010/C 117 E/09)

*The European Parliament,*

- having regard to Articles 2, 3, and 5 of the Universal Declaration of Human Rights, adopted in 1948,
- having regard to Articles 2, 3, and 26 of the 1966 UN International Covenant on Civil and Political Rights,
- having regard in particular to Article 5(a) of the Convention on the Elimination of All Forms of Discrimination against Women (CEDAW), adopted in 1979,
- having regard to Article 2(1), Article 19(1), Article 24(3), and Articles 34 and 39 of the Convention on the Rights of the Child, adopted on 20 November 1989 by the UN General Assembly,
- having regard to the 1989 UN Convention against Torture and Other Cruel, Inhuman or Degrading Treatment or Punishment,
- having regard to the 1990 African Charter on the Rights and Welfare of the Child,
- having regard to Article 1, Article 2(f), Article 5, Article 10(c), and Articles 12 and 16 of General Recommendation No 19 of the UN Committee on the Elimination of Discrimination against Women, adopted in 1992,
- having regard to the Vienna Declaration and Programme of Action, adopted by the June 1993 World Conference on Human Rights,
- having regard to the December 1993 UN General Assembly Declaration on the Elimination of Violence against Women, the first international human rights instrument relating solely to violence against women,
- having regard to the Declaration and the Programme of Action of the UN International Conference on Population and Development, adopted in Cairo on 13 September 1994,

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- having regard to the Beijing Declaration and Platform for Action, adopted by the World Conference on Women on 15 September 1995,
- having regard to its resolution of 15 June 1995 on the Fourth World Conference on Women in Beijing: 'Equality, Development and Peace' <sup>(1)</sup>,
- having regard to its resolution of 13 March 1997 on the violation of women's rights <sup>(2)</sup>,
- having regard to the Optional Protocol to the Convention on the Elimination of All Forms of Discrimination against Women, adopted on 12 March 1999 by the UN Commission on the Status of Women,
- having regard to the Council of Europe Committee on Equal Opportunities for Women and Men resolution of 12 April 1999 on female genital mutilation (FGM),
- having regard to its position of 16 April 1999 on the amended proposal for a European Parliament and Council decision adopting a programme of Community action (the DAPHNE Programme) on measures aimed to prevent violence against children, young persons and women <sup>(3)</sup>,
- having regard to its resolution of 18 May 2000 on the follow-up to the Beijing Action Platform <sup>(4)</sup>,
- having regard to its resolution of 15 June 2000 on the outcome of the Special Session of the General Assembly of the United Nations entitled 'Women 2000: gender equality, development and peace for the twenty-first century' of 5-9 June 2000 <sup>(5)</sup>,
- having regard to the ACP-EU partnership agreement (Cotonou Agreement), signed on 23 June 2000, and the Financial Protocol thereto,
- having regard to the joint proclamation of the Charter of fundamental rights by the Council, the European Parliament, and the Commission at the Nice European Council of 7 December 2000,
- having regard to its decision of 14 December 2000 to include FGM within the scope of Article B5-802 of the 2001 budget, intended to finance the DAPHNE programme,
- having regard to Council of Europe Parliamentary Assembly resolution 1247 (2001) of 22 May 2001 on FGM,
- having regard to the report on FGM adopted on 3 May 2001 by the Council of Europe Parliamentary Assembly,
- having regard to its previous resolution of 20 September 2001 on female genital mutilation <sup>(6)</sup>,
- having regard to UN Commission on Human Rights resolution 2003/28 of 22 April 2003 declaring 6 February the international day of 'zero tolerance' of female genital mutilation,
- having regard to Articles 2, 5, 6, and 19 of the 2003 Protocol to the African Charter on Human and Peoples' Rights, also known as the 'Maputo Protocol', which entered into force on 25 November 2005,

<sup>(1)</sup> OJ C 166, 3.7.1995, p. 92.

<sup>(2)</sup> OJ C 115, 14.4.1997, p. 172.

<sup>(3)</sup> OJ C 219, 30.7.1999, p. 497.

<sup>(4)</sup> OJ C 59, 23.2.2001, p. 258.

<sup>(5)</sup> OJ C 67, 1.3.2001, p. 289.

<sup>(6)</sup> OJ C 77 E, 28.3.2002, p. 126.

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- having regard to petition 298/2007, submitted by Cristiana Muscardini on 27 March 2007,
  - having regard to its resolution of 16 January 2008: 'Towards an EU strategy on the rights of the child' <sup>(1)</sup>,
  - having regard to Articles 6 and 7 of the EU Treaty on respect for human rights (general principles) and Articles 12 and 13 of the EC Treaty (non-discrimination),
  - having regard to Rule 45 of its Rules of Procedure,
  - having regard to the report of the Committee on Women's Rights and Gender Equality (A6-0054/2009),
- A. whereas, according to figures compiled by the World Health Organization (WHO), between 100 and 140 million women and girls worldwide have undergone genital mutilation, and, according to figures from the WHO and the United Nations Population Fund, approximately two to three million women a year are potentially at risk from these severely disabling practices,
- B. whereas every year approximately 180 000 female emigrants in Europe undergo, or are in danger of undergoing, FGM,
- C. whereas, according to the WHO, FGM is widely practised in at least 28 African countries, some Asian countries and in the Middle East,
- D. whereas violence against women, including FGM, derives from social structures based on inequality between the sexes and on a skewed balance of power, domination, and control in which social and family pressure leads to violation of a fundamental right, namely respect for the integrity of the human person,
- E. whereas sexual mutilation imposed on young girls calls for the most emphatic condemnation and constitutes an obvious violation of international and national legislation protecting children and their rights,
- F. whereas the WHO has identified four types of FGM, ranging from clitoridectomy (partial or total removal of the clitoris) and excision (removal of the clitoris and the labia minora) – the latter accounts for 85 % of FGM procedures – to the most extreme form, infibulation (removal of all of the clitoris and the labia minora and of the inside of the labia majora and stitching of the vulva, leaving only a narrow vaginal opening), and introcision (pricking, piercing, or incising of the clitoris or the labia),
- G. whereas any form of FGM, of whatever degree, is an act of violence against women which constitutes a violation of their fundamental rights, particularly the right to personal integrity and physical and mental health, and of their sexual and reproductive health; whereas such violations can under no circumstances be justified by respect for cultural traditions of various kinds or initiation ceremonies,
- H. whereas in Europe some 500 000 women have suffered FGM and whereas it is particularly in immigrant and refugee families that such circumcision is customary and girls are even sent back to their home country for this purpose,
- I. whereas FGM causes very serious and irreparable injuries in the short and long term to the physical and mental health of the women and girls who undergo it, constituting a grave assault on their person and integrity and in some cases can even be fatal; whereas the use of rudimentary instruments and the absence of antiseptic precautions have further harmful effects so that sexual intercourse and childbirth may become painful, the organs are irreparably damaged and there may be complications such as haemorrhaging, shock, infection, transmission of the AIDS virus, tetanus, benign tumours and serious complications affecting pregnancy and childbirth,

<sup>(1)</sup> OJ C 41 E, 19.2.2009, p. 24.



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- J. whereas FGM, which is a violation of women's and girls' rights as enshrined in various international conventions, is prohibited under the criminal law of the Member States and in breach of the principles laid down in the Charter of Fundamental Rights of the European Union,
- K. whereas its resolution of 16 January 2008 also urges Member States to adopt specific provisions on FGM enabling prosecutions to be brought against persons who perform such procedures on children,
- L. whereas the Convention on the Elimination of All Forms of Discrimination against Women requires States Parties to take all appropriate measures to modify or abolish existing laws, customs and practices which constitute discrimination against women, and to take all appropriate measures to modify the social and cultural patterns of conduct of men and women, with a view to achieving the elimination of prejudices and customary and all other practices which are based on the idea of the inferiority or the superiority of either of the sexes or on stereotyped roles for men and women,
- M. whereas the Convention on the Rights of the Child adopted in 1989 requires States Parties to respect and ensure the rights set forth in the Convention to each child within their jurisdiction without discrimination of any kind, irrespective of the child's sex and to take all effective and appropriate measures with a view to abolishing traditional practices prejudicial to the health of children,
- N. whereas the African Charter on the Rights and Welfare of the Child recommends that signatory states eliminate social and cultural practices affecting the welfare, dignity, and the normal growth and development of the child,
- O. whereas paragraph 18 of the Vienna Declaration and Programme of Action, adopted in June 1993, states that the human rights of women and girls are an inalienable, integral, and indivisible part of universal human rights,
- P. whereas Article 2 of the 1993 UN Declaration on the Elimination of Violence against Women refers explicitly to FGM and other traditional practices harmful to women,
- Q. whereas Article 4 of that Declaration stipulates that states should condemn violence against women and should not invoke customs, traditions, or religious considerations to avoid the obligation of eliminating it,
- R. whereas the Programme of Action of the UN International Conference on Population and Development, held in Cairo in 1994, calls on governments to abolish FGM wherever it exists and to support the NGOs and religious institutions which are fighting to eliminate such practices,
- S. whereas the Platform for Action adopted at the Fourth UN Conference in Beijing calls on governments to strengthen their laws, reform their institutions, and promote standards and practices aimed at eliminating discrimination against women, embodied in, among other forms, FGM,
- T. whereas the ACP-EU partnership agreement (Cotonou Agreement) is based on similar universal principles and contains provisions serving to prohibit female genital mutilation (Article 9, specifying the essential elements of the agreement, and Articles 25 and 31 on, respectively, social development and gender issues),
- U. whereas the report adopted on 3 May 2001 by the Council of Europe Parliamentary Assembly calls for FGM to be banned and equates it with inhuman and degrading treatment within the meaning of Article 3 of the European Convention on Human Rights; whereas the report maintains that the protection of cultures and traditions must not be allowed to take precedence over respect for fundamental rights and the need to outlaw practices amounting to torture,

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- V. whereas, as far as a common European immigration and asylum policy is concerned, the Council and Commission recognise that FGM constitutes a violation of human rights; whereas an increasing number of asylum requests by parents are justified by the threat to which they may be subject in their home country for having refused to consent to their child undergoing FGM,
- W. whereas unfortunately, granting to parents the status of asylum seekers does not guarantee that the child will escape from the risk of FGM which, in some cases, is carried out after the family has settled in the EU host country,
- X. whereas in a statement issued on 5 February 2008 Commissioners Ferrero-Waldner and Michel explicitly spoke out against FGM, describing it as unacceptable whether carried on in the EU or in non-EU countries, and maintained that violating women's rights can never, under any circumstances, be justified by invoking cultural relativism or traditions,
- Y. whereas national centres and institutions for young people and families can provide help to families in time to act preventively against the performance of FGM,
1. Roundly condemns FGM as a violation of fundamental human rights, as well as a savage breach of the integrity and personality of women and girls and therefore considers it to be a serious crime in the eyes of society;
  2. Calls on the Commission and Member States to draw up an overall strategy and action plans aimed at banishing FGM from the EU and, to that end, to provide the means required – in the form of laws and administrative provisions, prevention systems, and education and social measures, and in particular, wide dissemination of information regarding the existing protection mechanisms available to vulnerable groups – to enable real and potential victims to be properly protected;
  3. Insists on the necessity to examine on a case by case basis each asylum request made by parents on the grounds that they are threatened in their home country for having refused to consent to their child undergoing FGM and to ensure that such requests are supported by a thorough body of evidence which takes into account the quality of the request, the personality and the credibility of the asylum seeker, and whether the motives behind the request are genuine;
  4. Insists that women and girls who are granted asylum in the EU because of the threat of FGM should as a preventive measure have regular check-ups by health authorities and/or doctors, to protect them from any threat of FGM being carried out subsequently in the EU; considers that this measure would be in no way discriminatory against these women and girls, but a way to ensure that FGM is banned in the EU;
  5. Calls for this overall strategy to be accompanied by educational programmes and the organisation of national and international awareness raising campaigns;
  6. Supports the moves by Europol to coordinate a meeting of European police forces with a view to intensifying the measures to combat FGM, tackling the issues related to the low reporting rate and the difficulty of finding evidence and testimonies, and taking effective steps to prosecute offenders; to that end calls on the Member-States to examine possible additional measures for the protection of victims once they have come forward;
  7. Observes that the measures to overcome harmful practices such as FGM which are referred to in the above-mentioned Maputo Protocol comprise the following: creation of public awareness by means of information, formal and informal education and campaigns, prohibition of all forms of FGM, including its performance by medical personnel, by means of laws and sanctions, support for victims through health services, legal and judicial support, psychological counselling and training and protection of women who are at risk of being subjected to harmful practices or other forms of violence, abuse and intolerance;

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8. Calls on the Member States to quantify the number of women who have undergone FGM or are at risk in individual countries, taking into account the fact that there are as yet no figures available for many countries, which likewise do not have harmonised data-gathering systems;
9. Calls for a 'European health protocol' to be introduced for monitoring purposes and for an FGM data bank to be set up, since this might be useful from the statistical point of view or for information campaigns targeted at the immigrant communities concerned;
10. Calls on the Member States to gather such scientific data as might assist WHO support for the efforts to rid Europe and all other continents of FGM;
11. Calls on the Commission to include, in its co-operation negotiations and agreements with the countries concerned, a clause to eradicate FGM;
12. Calls for the best practices being applied at the various levels to be compiled and assessed in terms of their impact (making use where appropriate of the projects financed and results obtained under DAPHNE III) and for the related information to be disseminated widely, making use of the practical and theoretical experience of experts;
13. Points out that national centres and institutions play a vital role in the identification of victims and in taking precautionary measures against the practice of FGM;
14. Calls for the European networks currently aimed at preventing harmful traditional practices to be strengthened, for instance by organising training courses for NGOs, regional non-profit-making organisations, and persons working on the ground, and for promotion of the formation of such networks;
15. Appreciates the important contributions made by many international and national non-governmental organisations (NGOs), research institutions, the European Network for the Prevention of Female Genital Mutilation in Europe and committed individuals who, thanks to financing from United Nations agencies and the DAPHNE programme, among other sources, are carrying out various projects to raise awareness and prevent and eliminate FGM; points out that networking among NGOs and community-based organisations at national, regional and international level is, without question, fundamental to success in eradicating FGM and pooling information and experience;
16. Points out that Article 10 of Council Directive 2004/83/EC <sup>(1)</sup> on minimum standards for the qualification and status of third country nationals or stateless persons as refugees or as persons who otherwise need international protection, specifies that gender aspects can be taken into account, but that these alone do not lead to the application of Article 10;
17. Calls for both the European Union Agency for Fundamental Rights and the European Institute for Gender Equality, under their respective multi-annual and/or annual work programmes, to take a leading role in combating FGM; believes that these agencies could carry out priority research and/or awareness-raising actions, thus helping to improve understanding of the FGM phenomenon at European level;
18. Considers it necessary to organise dialogue forums, reform traditional legal provisions, address the subject of FGM as part of schooling and promote cooperation with the uncircumcised in the countries concerned;
19. Urges the European Union and the Member States to work together, in the interests of human rights, the integrity of the person, freedom of conscience and the right to health, to harmonise existing legislation and, should existing legislation not prove appropriate, to propose specific legislation on this issue;

<sup>(1)</sup> OJ L 304, 30.9.2004, p. 12.

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20. Calls on the Member States to enforce their existing laws on FGM, or legislate for penalties for the grievous bodily harm resulting from it, if these practices have been carried out within the European Union, and to help to prevent and combat FGM by fostering proper awareness among the professionals involved (including social workers, teachers, police forces, and health professionals), thus enabling them to recognise FGM cases, and to do their utmost to achieve the greatest possible degree of harmonisation of the laws in force across all 27 Member States;
21. Calls on Member States to make it compulsory for general practitioners, doctors and health clinic teams to report FGM to health authorities and/or to the police;
22. Calls on Member States to either adopt specific legislation on FGM or under their existing legislation to prosecute each person who conducts genital mutilation;
23. Calls on the European Union and the Member States to pursue, condemn and punish the carrying out of these practices, by applying an integrated strategy which takes into account the legislative, health and social dimensions and the integration of the immigrant population; calls, in particular, for the relevant directives on immigration to treat the act of committing genital mutilation as an offence and to lay down appropriate penalties for persons guilty of such an offence, if these practices have been carried out within the European Union;
24. Calls for permanent technical harmonisation and contact desks to be set up in order to bring together the Member States and provide a link between them and African institutions; believes that the desks should be staffed by FGM specialists and representatives of leading European and African women's organisations;
25. Urges firm rejection of pricking of the clitoris and medicalisation in any form, which are being proposed as a halfway house between circumcision and respect for traditions serving to define identity and which would merely lead to the practice of FGM being justified and accepted on EU territory; reiterates the absolute and strong condemnation of FGM, as there is no reason -social, economic, ethnic, health-related or other- that could justify it;
26. Calls for FGM to be eliminated by means of policies to support and integrate women and families who live according to traditions encompassing it, so as to ensure that, without watering down the law or violating fundamental human rights, and without prejudice to the right of sexual self-determination, women are protected against all forms of abuse and violence;
27. Affirms that the reasons given by many communities for maintaining traditional practices harmful to the health of women and girls have no justification;
28. Calls on the Member States to:
- regard any form of FGM as a crime, irrespective of whether or not the woman concerned has given any form of consent, and to punish anybody who helps, encourages, advises or procures support for anybody to carry out any of these acts on the body of a woman or girl,
  - pursue, prosecute and punish any resident who has committed the crime of FGM, even if the offence was committed outside their borders (extraterritoriality),
  - adopt legislative measures to allow judges or public prosecutors to take precautionary and preventive measures if they are aware of cases of women or girls at risk of being mutilated;

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29. Calls on the Member States to implement a preventive strategy of social action aimed at protecting minors without stigmatising immigrant communities, through public programmes and social services aimed at both preventing these practices (training, education and awareness-raising among the communities at risk) and assisting the victims who have been subjected to them (psychological and medical support including, where possible, free medical treatment to repair the damage); calls also on the Member States to consider, in accordance with child protection legislation, that the threat or risk of being subjected to FGM may justify intervention by the authorities;

30. Calls on the Member States to draw up guidelines for health professionals, teachers and social workers aimed at informing and educating parents, in a respectful manner and with the assistance of interpreters if necessary, about the enormous risks of FGM and the fact that such practices are considered as a crime in the Member States, and also to cooperate with and fund the activities of the networks and NGOs that are working to educate, raise awareness and mediate in the sphere of FGM, in close contact with families and communities;

31. Calls on the Member States to disseminate accurate information which can be understood by an illiterate population, in particular at the consulates of Member States when visas are being issued; takes the view that information on the reasons for the legal ban should also be communicated by the immigrant services when people arrive in the host country, so that families understand that the ban on a traditional act is in no way to be seen as cultural aggression, but as legal protection for women and girls; considers that families should be informed of the consequences under criminal law, which may entail imprisonment, if mutilation is ascertained;

32. Calls for an improvement in the legal status of women and girls in countries where FGM is practised, in order to increase women's self-confidence and their independent initiative and responsibility;

33. Instructs its President to forward this resolution to the Council, the Commission and the governments and parliaments of the Member States.

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## **Multilingualism: an asset for Europe and a shared commitment**

P6\_TA(2009)0162

### **European Parliament resolution of 24 March 2009 on Multilingualism: an asset for Europe and a shared commitment (2008/2225(INI))**

(2010/C 117 E/10)

*The European Parliament,*

- having regard to Articles 149 and 151 of the EC Treaty,
- having regard to Articles 21 and 22 of the Charter of Fundamental Rights of the European Union,
- having regard to the 2003 UNESCO Convention for the Safeguarding of the Intangible Cultural Heritage,
- having regard to the Commission Communication of 18 September 2008 entitled Multilingualism: an asset for Europe and a shared commitment (COM(2008)0566) and to the accompanying Commission staff working document (SEC(2008)2443, SEC(2008)2444, SEC(2008)2445),
- having regard to the Commission Communication of 13 April 2007 entitled Framework for the European survey on language competences (COM(2007)0184),

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- having regard to the Commission working document of 15 November 2007 entitled Report on the implementation of the Action Plan 'Promoting language learning and linguistic diversity' (COM(2007)0554), and to the accompanying staff working document (SEC(2007)1222),
  - having regard to its resolution of 10 April 2008 on a European agenda for culture in a globalising world <sup>(1)</sup>,
  - having regard to its resolution of 15 November 2006 on a new framework strategy for multilingualism <sup>(2)</sup>,
  - having regard to its resolution of 27 April 2006 on measures to promote multilingualism and language learning in the European Union: European Indicator of Language Competence <sup>(3)</sup>,
  - having regard to its resolution of 4 September 2003 with recommendations to the Commission on European regional and lesser-used languages — the languages of minorities in the EU — in the context of enlargement and cultural diversity <sup>(4)</sup>,
  - having regard to Decision No 1934/2000/EC of the European Parliament and of the Council of 17 July 2000 on the European Year of Languages 2001 <sup>(5)</sup>,
  - having regard to the Presidency Conclusions of the Barcelona European Council of 15 and 16 March 2002,
  - having regard to the conclusions of the Education, Youth and Culture Council of 21 and 22 May 2008, with specific reference to multilingualism,
  - having regard to the Conclusions of 20 November 2008 of the Council and of the Representatives of the Governments of the Member States, meeting within the Council, on the promotion of cultural diversity and intercultural dialogue in the external relations of the Union and its Member States <sup>(6)</sup>,
  - having regard to the opinion of the Committee of the Regions on multilingualism of 18-19 June 2008 <sup>(7)</sup> and to the opinion of the European Economic and Social Committee of 18 September 2008 on multilingualism,
  - having regard to Rule 45 of its Rules of Procedure,
  - having regard to the report of the Committee on Culture and Education and the opinion of the Committee on Employment and Social Affairs (A6-0092/2009),
- A. whereas linguistic and cultural diversity have a significant impact on the daily life of citizens of the European Union due to media penetration, increasing mobility and migration and advancing globalisation,
- B. whereas the acquisition of a diverse range of language skills is considered to be of the greatest importance for all EU citizens, since it enables them to derive full economic, social and cultural benefit from freedom of movement within the Union and from the Union's relations with third countries,

<sup>(1)</sup> Texts adopted, P6\_TA(2008)0124.

<sup>(2)</sup> OJ C 314 E, 21.12.2006, p. 207.

<sup>(3)</sup> OJ C 296 E, 6.12.2006, p. 271.

<sup>(4)</sup> OJ C 76 E, 25.3.2004, p. 374.

<sup>(5)</sup> OJ L 232, 14.9.2000, p. 1.

<sup>(6)</sup> OJ C 320, 16.12.2008, p. 10.

<sup>(7)</sup> OJ C 257, 9.10.2008, p. 30.

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- C. whereas multilingualism is of increasing importance in the context of relations between Member States, cohabitation in our multicultural societies, and in the Union's common policies,
- D. whereas the evaluation of multilingualism needs to be validated by recognised instruments, such as the Common European Framework of Reference for Languages (CEFR) and others,
- E. whereas certain European languages form a vital bridge in relations with third countries and between peoples and nations from the most diverse regions of the world,
- F. whereas linguistic diversity is acknowledged as a citizen's right in Articles 21 and 22 of the Charter of Fundamental Rights, and multilingualism should also have the goal of encouraging respect for diversity and tolerance, so as to prevent the emergence of possible conflicts, whether active or passive, between the different linguistic communities within the Member States,
1. Welcomes the submission of the Commission Communication on multilingualism and the attention paid to it by the Council;
  2. Reiterates the positions it has upheld over time on multilingualism and cultural diversity;
  3. Insists on the need for recognition of parity between the EU's official languages in all aspects of public activity;
  4. Considers that Europe's linguistic diversity constitutes a major cultural asset and it would be wrong for the European Union to restrict itself to a single main language;
  5. Stresses the crucial role of the EU institutions in ensuring respect for the principle of linguistic parity, in relations between Member States and in the EU institutions themselves, as also in EU citizens' relations with national administrations and with Community and international institutions and bodies;
  6. Recalls that the importance of multilingualism is not confined to economic and social aspects and that attention must also be paid to cultural and scientific creation and transmission and to the importance of translation, both literary and technical, in the lives of citizens and for the EU's long-term development; and last but not least, the role played by languages in shaping and strengthening identity;
  7. Stresses that multilingualism is a transversal issue that has a major impact on the lives of European citizens; calls on Member States also, therefore, to mainstream multilingualism in policies other than education, such as lifelong learning, social inclusion, employment, media and research;
  8. Stresses the vital importance of creating specific programmes to support translation and of setting up multilingual terminology database networks;
  9. Recalls that information and communication technologies are to be used for promoting multilingualism and therefore emphasises the role and the use of the appropriate international standard (ISO 10646) - which allows for the representation of the alphabets of all languages - in European and Member States' administrative systems and media;
  10. Proposes introducing a European Day of the Translator and Interpreter or taking account of and raising the profile of these professions during the European Day of Languages, celebrated on 26 September each year;
  11. Asserts that it is vital to safeguard multilingualism in countries or regions in which two or more official languages coexist;

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12. Stresses the need, in Member States with more than one official language, to ensure full mutual intelligibility between those languages, especially in relation to senior citizens and to the legal system, health, administration and employment;
13. Encourages the learning of a second European Union language by officials who come into contact with the citizens of other Member States in their work;
14. Believes it necessary and appropriate to create opportunities for foreign language learning in adulthood and, through vocational and lifelong learning programmes, with a view to personal and professional development;
15. Emphasises the vital need to provide special attention and support at school to pupils who cannot be educated in their mother tongue, and warmly welcomes the Commission proposal to promote 'mother tongue plus two' in education;
16. Regrets that the Commission has not as yet instituted either a multi-annual programme on linguistic diversity and language learning or a European Agency on linguistic diversity and language learning, as called for in the abovementioned resolution adopted by Parliament by a large majority on 4 September 2003;
17. Stresses, further, the importance of a full knowledge of the host state's official languages for the full integration of immigrants and their families and emphasises that national governments must effectively promote special language courses, particularly for women and older people; calls on Member States to act responsibly vis-à-vis immigrants, providing immigrants with the necessary means to learn the language and culture of the host country, while allowing and encouraging them to maintain their own language;
18. Recalls that for these reasons it is vital to ensure quality in this context, including relevant teacher training;
19. Stresses the need to give sufficient importance at pre-school level to learning languages, and above all the national language of the country where the children attend school;
20. Takes the view that children should, in their own interest, be able to speak the language of the country in which they live to ensure that they are not subject to discrimination in the course of their education or subsequent training and are capable of taking part in all activities on an equal basis;
21. Suggests to the Member States that they examine the possibility of exchanges of teaching staff at different educational levels, with the aim of teaching different school subjects in different languages, and believes that this possibility could be exploited, in particular, in border regions and thus improve worker mobility and citizens' knowledge of languages;
22. Believes it is vital to promote mobility and exchanges of language teachers and students; recalls that the fluid movement of language teachers in the European Union will help ensure effective contact for as many of those professionals as possible with the native environment of the languages they teach;
23. Urges the Commission and the Member States to encourage professional mobility for teachers and cooperation between schools and different countries in carrying out technologically and culturally innovative teaching projects;
24. Encourages and supports the introduction of mother-tongue minority, local and foreign languages on a non-compulsory basis within school programmes and/or in the context of extracurricular activities open to the community;
25. Calls on the Council to produce an annual progress report on multilingualism in formal and informal education systems, vocational training and adult education in the Member States, paying attention to the relationship between the prevalence of national, regional and minority languages and immigration;



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26. Reiterates its longstanding commitment to the promotion of language learning, multilingualism and linguistic diversity in the European Union, including regional and minority languages, as these are cultural assets that must be safeguarded and nurtured; considers that multilingualism is essential for effective communication and represents a means of facilitating comprehension between individuals and hence acceptance of diversity and of minorities;
27. Recommends that Member States' academic curricula include optional study of a third foreign language, starting at secondary school level;
28. Stresses the importance of studying the languages of neighbouring countries as a way of facilitating communications, enhancing mutual understanding in and strengthening the European Union;
29. Recommends support for learning the languages of neighbouring countries and regions, especially in the border regions;
30. Reiterates the importance of promoting and supporting the development of innovative pedagogical models and approaches for language teaching in order to encourage the acquisition of language skills and to raise awareness and motivation among citizens;
31. Proposes that at every level of education, and regardless of geographical environment, there should be qualified foreign language teachers;
32. Recommends consultation of the European federations and associations of modern language teachers on the programmes and methodologies to be applied;
33. Insists on the need for policies to stimulate reading and encourage creative writing with a view to achieving these objectives;
34. Welcomes plans by the Commission to launch information and awareness campaigns regarding the benefits of language learning through the mass media and new technologies; urges the Commission to draw on the conclusions of the consultations regarding language learning for migrant children and the teaching in the host Member State of the language and culture of the country of origin;
35. Recommends and encourages the use of ICTs as an indispensable tool in language teaching;
36. Reiterates its political priority of the acquisition of language skills through the learning of other EU languages, one of which should be the language of a neighbouring country and another an international 'lingua franca'; considers that this would give citizens competences and qualifications for participating in democratic society in terms of active citizenship, employability and knowledge of other cultures;
37. Suggests that an adequate degree of multilingualism should also be ensured in the media and in Internet content, and most particularly in the language policy of European and other European Union-linked sites and portals, where European multilingualism must be fully respected, at least as far as the 23 official European Union languages are concerned;
38. Notes that the use of subtitles in television programmes will facilitate the learning and practice of EU languages and better understanding of the cultural background to audiovisual productions;
39. Encourages the EU to reap the potential dividends offered by European languages in its external relations, and calls for further development of this asset in cultural, economic and social dialogue with the rest of the world with a view to strengthening and adding value to the EU's role on the international scene and to benefitting third countries, in the spirit of the development policy promoted by the EU;

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40. Proposes that the Council co-organise, with civil society, a first European Conference on language diversity in order to discuss this matter thoroughly, in the framework of the recommendation of the United Nations international expert group on indigenous languages, adopted in the Report of the Permanent Forum on Indigenous Issues at its Seventh Session in May 2008 (E/2008/43);
41. Believes that in the context of life-long learning, sufficient support should be provided to help citizens of all age groups to develop and improve their language skills on an ongoing basis by giving them access to suitable language learning or other facilities for easier communication, including language learning at an early age, with a view to improving their social inclusion, employment prospects and welfare;
42. Invites the Commission and the Member States to promote measures facilitating language learning by people in disadvantaged situations, persons belonging to national minorities and migrants, in order to enable these persons to learn the language(s) of the host country and/or region in order to achieve social integration and combat social exclusion; stresses that it is necessary for migrants to be able to use their main language in developing their language skills; urges the Member States, accordingly, to encourage the use of a person's main language as well as the learning of the national language(s);
43. Advocates greater support for the international projection of European languages worldwide, with these constituting an asset for the European project, in the light of the key importance of the linguistic, historical and cultural ties between the EU and third countries and in the spirit of promoting democratic values in those countries;
44. Believes that companies in the EU, and especially SMEs, should be provided with proper support for language instruction and use, thus facilitating their access to world markets and especially to emerging markets;
45. Underlines the right of consumers to receive information about products sold on the market of their place of residence in the official language or languages of that place of residence;
46. Draws particular attention to possible dangers in the communication gap between individuals with different cultural backgrounds and the social divide between multilingual and monolingual people; draws attention to the fact that the lack of language skills continues to be a serious obstacle to the social and labour market integration of non-national workers in many Member States; urges the Commission and the Member States, therefore, to take measures to narrow the gap between multilingual people, who have more opportunities in the European Union and monolingual people who are excluded from many opportunities;
47. Believes that support should be provided for learning third country languages, including within the EU;
48. Demands that the coverage of the language competence indicators should be extended as soon as possible to all the official EU languages, without prejudice to their also being extended to other languages spoken in the European Union;
49. Considers that the collection of data should include testing the four language skills, that is, understanding of the written and spoken language and written and oral expression;
50. Calls on the Commission and the Member States to strengthen their efforts in enhancing cooperation between the Member States by making use of the open method of coordination, in order to facilitate the exchange of experiences and good practices in the area of multilingualism, taking account of the economic benefits, for example in multilingual undertakings;
51. Instructs its President to forward this resolution to the Council, the Commission and the Governments and Parliaments of the Member States.
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## **Green Paper on territorial cohesion and debate on the future reform of the cohesion policy**

P6\_TA(2009)0163

### **European Parliament resolution of 24 March 2009 on the Green Paper on Territorial Cohesion and the state of the debate on the future reform of cohesion policy (2008/2174(INI))**

(2010/C 117 E/11)

The European Parliament,

- having regard to the Commission's fifth progress report of 19 June 2008 on economic and social cohesion - Growing regions, growing Europe (COM(2008)0371) (Fifth Progress Report),
- having regard to the Commission Green Paper of 6 October 2008 on Territorial Cohesion – Turning territorial diversity into strength (COM(2008)0616) (Green Paper),
- having regard to the Commission staff working document of 14 November 2008 on Regions 2020 – an assessment of Future Challenges for EU Regions (SEC(2008)2868) (Commission Report on Regions 2020),
- having regard to Articles 158 and 159 and Article 299(2) of the EC Treaty,
- having regard to the Commission's fourth Report of 30 May 2007 on Economic and Social Cohesion (COM(2007)0273),
- having regard to the Territorial Agenda of the EU - Towards a More Competitive and Sustainable Europe of Diverse Regions (Territorial Agenda) and the Leipzig Charter on Sustainable European Cities (Leipzig Charter), and the First Action Programme for the implementation of the Territorial Agenda,
- having regard to its resolutions of 21 February 2008 on the fourth report on economic and social cohesion <sup>(1)</sup> (resolution on the Fourth Progress Report), of 21 February 2008 on the follow-up of the Territorial Agenda and the Leipzig Charter: Towards a European Action Programme for Spatial Development and Territorial Cohesion <sup>(2)</sup>, and of 21 October 2008 on governance and partnership <sup>(3)</sup>,
- having regard to the report by the European Spatial Planning Observatory Network (ESPON) entitled 'Territorial Futures – Spatial scenarios for Europe' (the ESPON report) and to the report of Parliament entitled 'Regional Disparities and Cohesion: what Strategies for the Future?',
- having regard to the conclusions of the Conference on territorial cohesion and the future of cohesion policy held in Paris on 30 to 31 October 2008,
- having regard to its resolution of 28 September 2005 on the role of territorial cohesion in regional development <sup>(4)</sup>,
- having regard to Rule 45 of its Rules of Procedure,
- having regard to the report of the Committee on Regional Development (A6-0083/2009),

<sup>(1)</sup> Texts adopted, P6\_TA(2008)0068.

<sup>(2)</sup> Texts adopted, P6\_TA(2008)0069.

<sup>(3)</sup> Texts adopted, P6\_TA(2008)0492.

<sup>(4)</sup> OJ C 227 E, 21.9.2006, p. 509.

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- A. whereas the Lisbon Treaty, which enshrines territorial cohesion as among the fundamental objectives of the European Union alongside economic and social cohesion, has not yet been ratified by all Member States,
- B. whereas the concept of territorial cohesion has been implicit in cohesion policy since its inception and at the core of its development; whereas the Lisbon Treaty and the Green Paper have made that concept more visible and explicit,
- C. whereas the EU cohesion policy remains an essential pillar in the process of European integration and one of the most successful EU policies, by facilitating convergence between increasingly diverse regions and stimulating growth and employment; whereas the EU cohesion policy is the most visible, tangible and quantifiable expression of European solidarity and equity, and whereas territorial cohesion, as an integral part of the EU cohesion policy, is based on the same principles,
- D. whereas, despite significant progress made in terms of convergence in the European Union, the most recent cohesion reports highlight a trend towards worsening territorial disparities between EU regions, for instance in terms of accessibility, in particular for the structurally disadvantaged EU regions, but also at an intra-regional level and within EU territories, which could lead to spatial segregation and widen the differences in the levels of prosperity of the EU regions,
- E. whereas the EU cohesion policy has already been successful in creating some important synergies with other EU policies with the aim of increasing their impact on the ground and for the benefit of citizens of the Union and whereas, for example, synergies between cohesion policy and research and innovation or the Lisbon Strategy, and synergies at cross-border level, have delivered tangible positive results that must be confirmed and expanded,

#### ***State of the debate about the future of the EU cohesion policy***

1. Endorses the main conclusions of the public consultation on the future of EU cohesion policy, as presented in the Fifth Progress Report; is satisfied by the great interest that different stakeholders in the field of regional policy, in particular local and regional authorities, have already attached to that debate;
2. Welcomes the fact that those conclusions correspond to a very large extent to the view expressed in its resolution on the Fourth Progress Report; recalls that that resolution represented Parliament' first contribution to the public debate;
3. Observes that the views expressed in its resolution on the Fourth Progress Report include the following recommendations: first, that any attempt for re-nationalisation should be rejected and that there should be a commitment to a single, flexible EU policy, capable of adapting to the most appropriate scale of intervention, which should also be in a position to address common challenges such as globalisation, climate change, demographic change (including ageing, migration and depopulation), poverty, and energy supply; second, a strong belief that the EU cohesion policy should cover all EU regions, including those with special geographical characteristics, and should import added value for everyone; third, that there is a need to set priorities in the spending of EU structural policies and actions and the endorsement, with reservations, of an 'earmarking' exercise; and fourth, that there is a need for synergies and an integrated approach between the different sectoral policies in order to achieve the optimal result for growth and development on the ground;
4. Believes that territorial cohesion is a central pillar for achieving the objectives pursued by the EU cohesion policy, by reinforcing both economic and social cohesion; stresses that territorial cohesion contributes effectively to closing the development gaps between but also within Member States and regions; considers, therefore, that the future reform of EU regional policy should incorporate the conclusions of the debate on the Green Paper;

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***Assessment of the Green Paper on Territorial Cohesion***

5. Welcomes the Commission's adoption of the Green Paper, in response to Parliament's long-standing demand; fully endorses the decision to proceed with the analysis of 'territorial cohesion', which has long been at the forefront of any debate on regional policy, notwithstanding the fact that the Lisbon Treaty has not yet been ratified;

6. Considers, however, that the Green Paper lacks ambition to the extent that it fails to propose either a clear definition of or an objective for territorial cohesion and does not advance significantly the understanding of that new concept, so that it can effectively contribute to the alleviation of disparities between regions; regrets, moreover that the Green Paper does not explain how territorial cohesion will be integrated into the existing framework of cohesion policy or with what methodological tools or resources it will be transformed from a framework of principles into operational mechanisms to be applied on the ground during the next programming period;

7. Welcomes the analysis in the Green Paper which defines three key concepts that should be central to the development of territorial cohesion: concentration, connection and cooperation; considers that those concepts can contribute to the solution on some basic obstacles that hinder the harmonious, balanced and sustainable development of the European Union, such as the negative effects associated with the concentration of economic activity, in particular in certain national and regional capitals, the inequalities in terms of access to markets and services that result from distance or concentration, lack of infrastructure, and the divisions that are imposed by boundaries between Member States but also regions;

8. Considers that the Green Paper does not take due account of the commitments made in the Territorial Agenda and the Leipzig Charter, which give territorial cohesion a strategic and operative vision, in particular as regards the polycentrism principle or the new urban-rural partnership; considers that those objectives need to be central to the debate on territorial cohesion;

9. Welcomes the launching of the public consultation on territorial cohesion, as requested in the Green Paper; considers that the success of any public consultation is directly linked with the widest possible participation of the different stakeholders and civil society; calls on the competent national, regional and local authorities to disseminate, without delay, the relevant information, in order to raise awareness about the importance of this new concept;

10. Considers the coordination of all sectoral EU policies that have a strong territorial impact to be central to the development of territorial cohesion and the reinforcement of economic and social cohesion; regrets, therefore, that the relevant analysis in the Green Paper is confined to listing those EU policies without suggesting ways of improving synergies between them or even methods by which, in fact, to measure the territorial impact of those policies;

11. Agrees with the approach of not including any references to possible budgetary and financial implications of territorial cohesion in the Green Paper or in the public debate; considers that such an analysis would be premature until the concept itself is clearly defined and understood by all stakeholders; considers, however, that any discussion on this issue is inseparable from the whole process of negotiating and planning the future EU cohesion policy; requests that the outcome of that debate will serve as the basis for the next financial framework;

12. Considers that the existence of a strong and well-financed EU regional policy is an indispensable condition for tackling successive enlargements and for achieving social, economic and territorial cohesion in an enlarged European Union;

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***Analysis of the concept of territorial cohesion***

13. Endorses the position of the Green Paper that territorial cohesion, based on the principle of equal opportunities, is about ensuring the polycentric development of the European Union as a whole, as well as the balanced and sustainable development of territories with different characteristics and specificities while also preserving their diversity; also endorses the view that territorial cohesion should ensure that citizens are able to exploit to the full and develop the assets and potentials of their regions; places emphasis on the fact that territorial cohesion is a horizontal concept that underpins the development of the European Union; strongly believes that territorial cohesion should effectively contribute to closing the gaps between and within the regions of the European Union and thus prevent the prospect of asymmetry; asserts that territorial cohesion has both a land and a maritime dimension;

14. Believes that territorial cohesion is a distinct concept, which provides tangible added value to economic and social cohesion and a solution to the growing challenges of the EU regions; stresses that the three component parts of cohesion (economic, social and territorial) should be complementary and mutually reinforcing, while maintaining distinct objectives within a single integrated concept; considers, therefore, that there must be no hierarchy or trade-off between those component parts; stresses that territorial cohesion should be introduced into the existing framework without causing the sectoral fragmentation of the EU cohesion policy;

15. Welcomes the conclusions of the ESPON report on future development scenarios for the European territory until 2030, which bring tangible data in support of the policy debate on the shape of EU and national policies, in order to create the right instruments to meet new challenges having a major local or regional impact such as demographic change, urban concentration, migratory movements, and climate change, and to develop optimal conditions for a good quality of life for their citizens;

16. Emphasises that one of the main objectives of territorial cohesion is to ensure that progress and growth generated in one specific territory should provide benefits for the whole region and across the territory of the European Union; considers, in this respect, that excellence centres and clusters of research and innovation may be one way of ensuring economic success, scientific discovery, technological innovation, jobs and regional development, and calls for the strengthening of interaction and knowledge transfer between those centres, universities, business organisations and individual businesses, including the smallest; calls on the Commission to present an impact assessment analysing the effect of clusters and excellence centres on surrounding areas;

17. Emphasises that the concept of territorial cohesion also embraces cohesion within territories and proposes that priority be given to any policies that promote a genuinely polycentric development of territories, in order to lessen the pressures on capital cities and encourage the emergence of secondary poles; notes that this should also be a way to counter the negative effects of concentration for cities, such as congestion, pollution, social exclusion and poverty, or the subsequent uncontrolled urbanisation that affect the quality of life of citizens living there; considers that support for rural areas and the important role played by small and medium-sized towns located in rural areas should not be overlooked in that regard;

18. Emphasises the vital contribution of the internal market to economic, social and territorial cohesion; stresses the importance of public services in relation to sustainable economic and social development as well as the need for socially and regionally equitable access to services of general interest, in particular education and health services; emphasises, in this respect, that guaranteeing 'equitable access' does not simply involve geographical distance but also availability and accessibility of those services and takes the view, in light of the principle of subsidiarity and of EC competition law, that responsibility for defining, organising, financing and monitoring services of general interest should rest with the national, regional and local authorities; considers, however, that a reflection on the equitable access for citizens to services should be included in the debate on the territorial cohesion;

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19. Notes that the Green Paper acknowledges the great development challenges of three particular types of regions with specific geographical features: mountainous regions, island regions and sparsely populated regions; without diminishing the significant role that territorial cohesion can play in addressing the problems of those regions, expresses the view that territorial cohesion should not be a policy exclusively directed towards regions with geographical handicaps; considers, however, that special consideration should be given on how to offset their handicaps and enable them to convert regional potential into assets and real opportunities and stimulate development, which is vital for the European Union as a whole;

20. Notes also that other regions face specific policy challenges in terms of economic and social development, accessibility and competitiveness; those challenges include the outermost regions established in Article 299(2) of the EC Treaty, border regions, peripheral regions, coastal regions, as well as regions experiencing depopulation; considers, in particular, that the specific feature of remoteness should be recognised as a particular geographical feature that calls for special policy considerations for those regions; notes the specific challenges that the small island Member States, Cyprus and Malta, also face in their development;

21. Believes that territorial cohesion should not be limited to the effects of EU regional policy on the territory of the European Union, but should also focus on the territorial dimension of other sectoral EU policies with a strong territorial impact; stresses, in the context of territorial cohesion, the importance of improving synergies between the different EU policies in order to coordinate and maximise their territorial impact on the ground; notes, however, that all EU policies will always keep their autonomy, and that this process does not imply the subordination of one policy to another;

#### ***Recommendations for the future of territorial cohesion***

22. Expects that a clear and sufficiently flexible definition of territorial cohesion should result from the public consultation, which will be commonly agreed, shared and understood by all stakeholders on the ground and provide clarity and transparency in regard to the concept; notes, in this respect, the proposal for a definition put forward by the French Council Presidency; considers, however, that territorial cohesion must be subject to the principle of subsidiarity in all areas; also believes that, in order better to define and understand territorial cohesion, common definitions of concepts such as 'territory', 'rural area' and 'mountain area' should also be established;

23. Considers that a number of elements should be central to the future definition of territorial cohesion, including the notion that territorial cohesion extends beyond economic and social cohesion and that its horizontal nature and integrated approach encourages action across territories and boundaries; believes that territorial cohesion aims at reducing disparities between Member States and regions and should ensure the harmonious and sustainable development of geographical areas with different characteristics and specificities by assessing how EU cohesion and other sectoral policies can be best tailored to their situation; stresses that any future definition should also make clear that territorial cohesion should focus strongly on good governance, also with regard to partnership between public, private and civil society players, providing citizens of the Union with fair opportunities in terms of living conditions and quality of life;

24. Strongly urges the Commission to proceed with the publication of a White Paper on territorial cohesion, following the end of its consultation process; believes that a White Paper would be instrumental in clearly defining and consolidating the notion of territorial cohesion and its added value for cohesion policy, and would propose concrete provisions and policy actions in order to help solve the growing problems that EU regions are facing, which should subsequently be introduced in the post-2013 legislative package on Structural Funds and the related financial framework; believes that an initial statement on possible budgetary and financial implications of territorial cohesion should also be included in such a White Paper;

25. Welcomes the publication of the Commission Report on Regions 2020; calls on the Commission to incorporate the findings and analyses of that working document into its White Paper on Territorial Cohesion, in particular in connection with the description of economic, social and territorial cohesion;

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26. Considers that the three concepts of concentration, connection and cooperation, on which the Green Paper's analysis on territorial cohesion was based, need to be further developed and translated into concrete policy options; urges the Commission to explain how those concepts will be integrated into the post-2013 legislative framework;

27. Calls for a significant reinforcement of the European Territorial Cooperation Objective for the next programming period; is convinced of the added value to the European Union of that objective, not least because of the direct involvement of regional and local authorities in the planning and implementation of the relevant programmes of cross-border, trans-national and interregional cooperation; considers, however, that this should not be done to the detriment of the other two objectives; to that end, also stresses the importance of the integrated development of sea basins as well as the cross-border dimension and the relevant operational programmes of the European Neighbourhood Policy, which is particularly significant in view of future EU enlargements;

28. Is of the opinion that territorial cohesion should develop as a horizontal principle and should underpin all EU policies and actions; believes that the evolution of the principles of sustainable development and environmental protection should serve as an example for how to integrate territorial cohesion in the future development of all relevant EU policies, as it must appear in all policy areas connected with cohesion; considers, however, that the horizontal dimension of territorial cohesion should not result in its limitation to a generalised, abstract framework of values; calls on the European Union to take all the necessary initiatives to translate territorial cohesion into legislative and policy proposals;

29. Recalls the importance of mainstreaming the gender perspective, equal opportunities and the special needs of persons with disabilities and senior citizens at every stage in the implementation and assessment of the EU cohesion policy;

30. Stresses the need to elaborate, in the context of territorial cohesion, additional qualitative indicators with the purpose of better designing and implementing the corresponding policies on the ground, taking into account the different territorial specificities; calls on the Commission, therefore, to draw up, without delay, the necessary studies and to develop the possibility of defining new, reliable indicators and the way in which they are to be integrated into the system for assessing regional disparities;

31. Notes that GDP has been the only criterion for determining the eligibility of regions under Objective 1 (Convergence), while other indicators can already be employed for regions eligible under the Regional Competitiveness and Employment Objective; stresses its concern at the fact that the undeniable increase in convergence between countries often masks the increasing number of differences between and within regions, and on that ground insists on the need for in-depth consideration of the merit of GDP as the main criterion regarding eligibility from the Structural Funds;

32. Considers that the problem of intra-regional disparities within NUTS II regions can be better observed at the NUTS III level; calls on the Commission, therefore, to examine the extent to which the problem of the internal disparities within NUTS II areas can be countered in the future by also defining assisted areas at the NUTS III level; stresses, in the context of territorial cohesion, the importance for the Member States to determine which territorial unit corresponds to the appropriate level of intervention during the designing and implementation of Structural Funds programmes; recommends, for this purpose, a spatial analysis of the entire EU territory at the beginning of each programming period;

33. Believes that in order better to coordinate the territorial impact of sectoral EU policies, there needs to be a better understanding and measurement of those impacts; urges the Commission, therefore, to proceed with a territorial impact assessment of those policies, and to extend the existing impact assessment mechanisms, such as the Strategic Environmental Assessment, to territorial aspects; calls on the Commission also to present concrete ways of creating synergies between those territorial and sectoral policies and to proceed with an assessment of the contribution of Lisbon-Gothenburg strategies on territorial cohesion;



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34. Reiterates its long-standing request for the development of a comprehensive EU strategy for regions with specific geographical features, which will enable them better to address the problems and challenges that they are facing; believes that an EU strategy should emphasise the territorial dimension of cohesion policy and be concerned on how to adapt EU policies to the specific needs and assets of those territories; stresses that the implementation of such a strategy is an essential condition for the economic and social development of those territories; believes that the elaboration of new indicators for the purpose of better describing the situation and problems on the ground is very important for the successful implementation of an EU strategy in this field;

35. Stresses, however, that the elaboration of additional indicators and the conduct of territorial assessments should not lead to more bureaucracy or further delays in the implementation of new policies and actions in support of territorial cohesion; stresses the need for direct results resulting from the incorporation of territorial cohesion in the next set of Structural Funds programmes;

36. Recalls the important role played by small and medium-sized enterprises (SMEs) and micro enterprises as well as craft businesses in economic, social and territorial cohesion and points to their importance for enhancing competitiveness and employment in the regions; therefore, invites the Commission to carry out a specific analysis of the impact and effectiveness of the Structural Funds and EU policies aimed at SMEs in the regions, as well as of the administrative and financial difficulties encountered by those SMEs;

37. Calls on the Commission, the Member States and the regions, furthermore, to pursue an active policy that supports innovation and competitiveness of enterprises and allows for mutual cooperation between businesses, the public sector, schools and universities, and to ensure that organisations representing SMEs can participate directly in defining territorial policies;

38. Urges the Member States to intensify their efforts to meet the objectives of the heading 4 of the First Action Programme for the implementation of the Territorial Agenda of the European Union in creating knowledge on territorial cohesion and sustainable spatial planning, building perspectives and analysing impacts and acknowledges the central role played by ESPON in this process;

39. Notes that climate change will have significant repercussions for territorial cohesion; requests that the Commission proceed with an analysis of the negative effects of climate change in different regions, given that the impact is expected to vary across the European Union; considers that territorial cohesion should take due account of climate change objectives and stimulate sustainable development patterns in EU territories; acknowledges, however, that the fight against climate change should also largely be addressed in other EU policies;

40. Notes with great interest that the Fifth Progress Report, for the first time, makes specific reference to 'transition regions', which are situated between 'convergence regions' and 'competitiveness and employment regions'; acknowledges the need to deal separately with those regions that are now scattered as 'phasing in' or 'phasing out' regions between the two Objectives; calls on the Commission, in the context of territorial cohesion, to establish a more comprehensive system of gradual transitional assistance to regions that will soon be above the 75 % GDP threshold, in order to provide them with a clearer status and more security in their development; considers that a transitional system also needs to be established for Member States dropping out of the Cohesion Fund;

41. Considers that taking an integrated approach will have a greater chance of success if the regional and local authorities, as well as stakeholders, including economic, social and other partners in accordance with Article 11 of Council Regulation (EC) No 1083/2006 of 11 July 2006 laying down general provisions on the European Regional Development Fund, the European Social Fund and the Cohesion Fund <sup>(1)</sup>, who can provide an overall view and understanding of the needs and specificities of a given territory, are involved from the beginning in the designing and implementation of the development strategies of each territory; calls on the Commission to draw up guidelines to help Member States, as well as regional and local authorities to implement the integrated approach in the most efficient way and to establish effective partnerships in the development of future strategies for the territories concerned;

<sup>(1)</sup> OJ L 210, 31.7.2006, p. 25.

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42. Recognises that territorial cohesion should lead to improved governance of cohesion policy; agrees with the view that different territorial scales are needed for different problems and that, therefore, the establishment of real partnerships between all the parties involved in regional and local development at EU, national, regional and local level, is a precondition for the process of designing territorial cohesion and calls on the Commission and the Member States to make all efforts to develop such a multi-level territorial governance; considers that territorial cohesion should focus on identifying the appropriate territorial level for addressing each policy or measure in a way that is as close as possible to the citizen;

43. Emphasises that EU policies, and more particularly the EU cohesion policy, have transformed governance from an often centralised system into an increasingly integrated, multi-level system; calls on stakeholders, public authorities and citizens to establish a formal system of territorial governance, based on a multi-sectoral, territorial and bottom-up integrated approach, in order to respond in a coherent and effective way to a single need of its citizens or users, in an area corresponding to this need; recalls, in this respect, the successful experiences of EU initiatives, such as Urban I and Urban II for urban areas and Leader in rural areas;

44. Recalls that problems in implementing structural policy are due in part to the excessive rigidity and complexity of procedures and that, consequently, consideration should be given to simplifying those procedures and clearly dividing responsibilities and competences between the European Union, the Member States and regional and local authorities; considers that territorial governance will depend strongly on the establishment of such clear rules; reiterates its call to the Commission to come forward without delay with a set of concrete proposals to that effect;

45. Recommends that, in light of the increasing importance that territorial cohesion has acquired in the context not only of regional but also of other sectoral EU policies, the informal structures that have long been governing territorial cohesion and spatial planning in the Council should be replaced by formal ministerial meetings, which should convene the Ministers responsible for regional policy in the European Union; believes that such an institutional development in the Council would ensure a better flow of information as well as the rapid development of the territorial cohesion policy;

46. Urges the Member States to start reflecting now on how better to consolidate and implement the notion of territorial cohesion in their national programmes and policies; considers, in this context, that the basic principles of polycentric development and urban-rural partnership, as well as the full implementation of Natura 2000 should already be integrated in their regional planning;

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47. Instructs its President to forward this resolution to the Council and the Commission.

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## Urban dimension of cohesion policy

P6\_TA(2009)0164

### European Parliament resolution of 24 March 2009 on the urban dimension of cohesion policy in the new programming period (2008/2130(INI))

(2010/C 117 E/12)

The European Parliament,

- having regard to Articles 158 and 159 of the EC Treaty,
- having regard to the First Action Programme for the Implementation of the Territorial Agenda of the European Union ('the First Action Programme'), adopted at the Informal Council of Ministers responsible for spatial planning and development held in Ponta Delgada (Azores) on 23-24 November 2007,
- having regard to the Territorial Agenda of the EU - Towards a More Competitive and Sustainable Europe of Diverse Regions ('the Territorial Agenda') and the Leipzig Charter on Sustainable European Cities ('the Leipzig Charter'), which were both adopted at the Informal Council of Ministers responsible for spatial planning and urban development held in Leipzig on 24-25 May 2007,
- having regard to the 'Bristol Accord' adopted at the Informal Council of Ministers on sustainable communities held in Bristol on 6-7 December 2005,
- having regard to the 'Urban *acquis*' adopted at the Informal Council of Ministers responsible for territorial cohesion, held in Rotterdam on 29 November 2004,
- having regard to the New Charter of Athens 2003, proclaimed at the European Council of Town Planners in Lisbon on 20 November 2003 and its vision for the future of European cities,
- having regard to the 'Lille Action Programme' adopted at the Informal Council of Ministers responsible for urban affairs held in Lille on 3 November 2000,
- having regard to the European Spatial Development Perspective (ESDP), adopted at the Informal Council of Ministers responsible for spatial planning held in Potsdam on 11 May 1999,
- having regard to the Charter of European Cities and Towns towards Sustainability as approved at the European Conference on Sustainable Cities and Towns in Aalborg, Denmark on 27 May 1994,
- having regard to the Commission Communication of 6 October 2008 entitled 'Green Paper on Territorial Cohesion: Turning territorial diversity into strength' (COM(2008)0616),
- having regard to the Commission Communication of 19 June 2008 entitled 'Fifth progress report on economic and social cohesion: Growing regions, growing Europe' (COM(2008)0371),
- having regard to the Commission Communication of 14 May 2008 entitled 'The results of the negotiations concerning cohesion policy strategies and programmes for the programming period 2007-2013' (COM(2008)0301),
- having regard to the Commission Communication of 30 May 2007 entitled 'Fourth Report on Economic and Social Cohesion' (COM(2007)0273),

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- having regard to the Guide from the Commission on ‘The urban dimension in Community policies for the period 2007 – 2013’ adopted on 24 May 2007,
  - having regard to the Working Paper of the Commission on ‘The territorial and urban dimension in the national strategic reference frameworks and operational programmes (2007 – 2013): A first assessment’ from May 2007,
  - having regard to the Commission Communication of 13 July 2006 entitled ‘Cohesion Policy and cities: the urban contribution to growth and jobs in the regions’ (COM(2006)0385),
  - having regard to the Council Decision 2006/702/EC of 6 October 2006 on Community Strategic Guidelines on Cohesion <sup>(1)</sup>,
  - having regard to the Commission Communication of 5 July 2005 entitled ‘Cohesion Policy in Support of Growth and Jobs: Community Strategic Guidelines, 2007-2013’ (COM(2005)0299),
  - having regard to the Commission Communication of 14 June 2002 entitled ‘The programming of the Structural Funds 2000-2006: an initial assessment of the Urban Initiative’ (COM(2002)0308),
  - having regard to the Commission Communication of 6 May 1997 entitled ‘Towards an urban agenda in the European Union’ (COM(1997)0197),
  - having regard to the results of the European Spatial Planning Observatory Network (ESPON) 2006 Programme and the adopted ESPON 2013 Programme,
  - having regard to the results of the Urban Pilot Projects (1989-1999), Community initiative URBAN I (1994-1999) and URBAN II (2000-2006),
  - having regard to the information from the database of the Urban Audit that provides statistics with 330 indicators on 358 European cities,
  - having regard to its resolution of 21 February 2008 on the follow-up of the Territorial Agenda and the Leipzig Charter: Towards a European Action Programme for Spatial Development and Territorial Cohesion <sup>(2)</sup>,
  - having regard to its resolution of 10 May 2007 on housing and regional policy <sup>(3)</sup>,
  - having regard to its resolution of 13 October 2005 on the urban dimension in the context of enlargement <sup>(4)</sup>,
  - having regard to Rule 45 of its Rules of Procedure,
  - having regard to the report of the Committee on Regional Development (A6-0031/2009),
- A. whereas it is recognised that whilst urban issues fall under the responsibility of national, regional, and local authorities, urban areas nevertheless play a key role in the effective implementation of the Lisbon and Gothenburg Strategies and are therefore viewed as a high priority in cohesion policy, for which the EU institutions have a responsibility,

<sup>(1)</sup> OJ L 291, 21.10.2006, p. 11.

<sup>(2)</sup> Texts adopted, P6\_TA(2008)0069.

<sup>(3)</sup> OJ C 76 E, 27.3.2008, p. 124.

<sup>(4)</sup> OJ C 233 E, 28.9.2006, p. 127.

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- B. whereas the EU's objectives as set out in the Leipzig Charter are to ensure an integrated approach to urban development policy implementation in order to create high quality urban spaces, to modernise transport, energy, public utilities and information networks, and to encourage life-long learning, education and innovation particularly in deprived inner cities and areas,
- C. whereas both the drawing up of a flexible, adaptable and dynamic 'check list' for the implementation of the Leipzig Charter, as a basic condition for accounting for the variety of needs of diverse European cities and towns, as already launched under the French Presidency, and the further drawing up of integrated urban development plans by each Member State may constitute a useful additional basis for shedding light on the various situations and consequently undertaking clearly targeted initiatives,
- D. whereas a distinction needs to be made between cities and urban areas,
- E. whereas although 80 % of the 492 million EU inhabitants live in cities, the European Union being characterised by its polycentric development, there are however some significant differences between Member States regarding the population distribution in urban, suburban and rural areas and also problems related to the rather scarce representation of the urban population's interests and needs in the Structural Funds' operational programmes,
- F. whereas urban areas are responsible for generating 70 to 80 % of the EU's GDP and cities are recognised as centres of innovation and drivers of regional, national and EU development,
- G. whereas, however, cities are also responsible for over 75 % of world energy consumption and produce 80 % of greenhouse gases as a result of energy production, traffic, industry and heating,
- H. whereas the trend towards urbanisation is compounded by internal migration towards capital cities and other metropolises, and whereas the resulting population growth causes an immense burden on the growing cities, which have to deal with increased needs in terms of waste management, the provision of housing, education and employment opportunities, and whereas this growing tendency towards urbanisation poses an enormous challenge to rural areas, which have to deal with the loss of human capital, the labour force, consumers and students,
- I. whereas the recent unprecedented enlargement of the EU has resulted in an exceptional increase in regional disparities and the addition of a large number of cities suffering from urban decay,
- J. whereas despite the fact that there are diverse political, institutional and constitutional arrangements in the Member States, EU urban areas are facing common challenges and also have common opportunities to address them, which underlines the need for detailed statistical data on the one hand and on the other hand for mutual cooperation and exchange of good practices, in order for European cities to be able to face worldwide competition,
- K. whereas EU spatial development faces the challenges of economic restructuring, strong fluctuations in the labour market, inaccessible and congested public transport, limited useable territory exacerbated by urban sprawl, a declining and ageing population, the depopulation of rural areas and small towns and cities in favour of large urban centres, social exclusion, high and rising crime rates, 'ghetto-isation' of certain city districts, low household income, a worsening of the quality of life in deprived areas, insufficient numbers of parks and recreation areas, environmental pollution, water, waste and residue management control and the need for secure energy supplies and efficient energy use,
- L. whereas coordinated governance using new electronic technologies and in particular e-governance with all relevant stakeholders could significantly reduce existing problems and might lead to urban expansion being addressed in an integrated manner in cooperation with and taking account of suburban areas bordering rural regions and in line with modern approaches to urban planning, such as smart growth, new spatial planning and intelligent urbanism,

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- M. whereas urban development activities are particularly favourable as regards the participation of small and medium-sized enterprises (SMEs), particularly in the services sector, and cohesion policy has become increasingly oriented towards promoting the competitive advantage of cities,
- N. whereas SMEs, and in particular small and micro enterprises, craftsmen and traders, are vital to maintaining activity in urban centres and maintaining a balance in city districts, and whereas urban policies on transport, business activities, property transactions and the increasing cost of housing, or conversely a lack of balanced policy-making in these areas, have often led to both the disappearance of economic activities and personal service occupations becoming increasingly rare,
- O. whereas the partnership between urban and rural areas still needs to be strengthened, since urban areas have an important role to play in the harmonious and integrated development of their peripheries, in order to achieve territorial cohesion and balanced regional development,
1. Stresses the importance of sustainable urban development and the contribution of urban areas to regional development, and calls on the Commission regularly to evaluate, measure, benchmark and discuss the impact of EU policies on the economic, and social situation, particularly issues relating to education and culture, and the health, transport, environmental and security situation in urban areas;
  2. Regrets that Member States are encouraged but not obliged to promote sustainable urban development as a strategic priority; consequently, expresses concern that the urban dimension is inadequately taken into account by some Member States in the implementation of cohesion policy and calls on the Commission and Member States in cooperation with regional and local authorities to analyse and evaluate the impact of mainstreaming the URBAN Initiative and regularly to monitor and examine the effects of the implementation of EU funds in urban areas;
  3. Highlights the positive experience of the URBAN Community initiative concerning partnership, the integrated approach and the bottom-up principle, which contributed significantly to the effectiveness and 'accuracy of fit' of the projects supported; calls for these achievements in the urban dimension of structural funding to be taken into account and for similar mechanisms to be introduced into the mainstream funding available for sustainable urban development, thereby enabling a larger number of cities to benefit from these achievements;
  4. Expresses the view that it would be inappropriate and even problematic to adopt a common definition of 'urban areas' and of the term 'urban' in general, as it is difficult to bring under the same umbrella the diversity of situations in Member States and regions, and hence takes the view that any obligatory definition and designation of urban areas should be left to Member States in accordance with the principle of subsidiarity based on European common indicators;
  5. Calls on the Member States to take all necessary measures to support their capital cities and other metropolises in their efforts to deal with the challenges arising from urbanisation and the resulting population increase, in areas of waste management, housing, employment and education; at a more general level, considers that demographic fluctuations generate challenges for both urban and rural areas related to the labour market and additionally to the fields of education and retraining of former workers affected by unemployment, and also related to the depopulation of rural areas;
  6. Considers, in this context, and given that it is evident that the various constitutional arrangements of the Member States are not, by their very nature, compatible with a harmonising approach, despite the efficiency of the various levels of governance, that it would be useful for Member States to define, through a process of public consultation, on a case-by-case basis, the urban dimension, as they perceive it, in order to strengthen internal harmonisation and improve interaction with the Commission;

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7. Points out that the Member States have the possibility of delegating to the cities the management of Structural Funds geared to the implementation of measures aimed at achieving sustainable urban development; considers that sub-delegation presents a double added value: on the one hand it would be much more efficient for regional and European growth that cities take responsibility from planning to the implementation of action taken, while responding to strictly local challenges and on the other hand, it would represent a major tool for improving the administrative capacity of local management; regrets, however, the fact that the possibility of sub-delegation, possibly by means of global grants to municipal authorities within the operational programmes financed by the European Regional Development Fund (ERDF), has so far not been fully utilised and is convinced that a clear role for urban areas as intermediary structures should be envisaged and encouraged in the context of the multi-level governance approach in the next programming period, and is of the opinion that the urban dimension and sub-delegation in regional policy should be mandatory; nonetheless, sub-delegation must not be allowed to lead to the fragmentation of regional policy, and therefore the method used for sub-delegation must be carefully defined;
8. Highlights the importance of an integrated approach to urban planning; proposes that any public urban development support should be based on integrated urban development plans; calls for the integrated approach to be made a binding condition, as soon as possible but no later than the next programming period, for granting and implementing Structural Funds and also for receiving loans from the European Investment Bank; calls on the Commission to draw up guidelines comprising recommendations and examples of good practice concerning integrated urban development plans and to encourage also the exchange of best practices between national, regional and local authorities;
9. Urges the Member States to prioritise, within their national strategic reference frameworks and operational programmes, funding for projects which implement sustainable urban management plans;
10. Recommends that sustainable urban management plans include at least some of the following elements: a waste management plan, noise maps and action plans, local air pollution and environmental programmes, forecasts for population growth, requests for new areas for development, reclamation of abandoned sites and buildings, regeneration of neighbourhoods in decline and de-industrialised areas, availability and accessibility of public services, urban structure and the proportion of green areas, facilities for people with disabilities, upgrading the cultural, historical and natural heritage, estimating water and energy requirements and efficient use of water and energy, availability of public transport, effective traffic management, integration of vulnerable groups (migrants, minorities, people with few qualifications, people with disabilities, women, etc.), availability of decent housing at affordable prices, and plans to combat crime;
11. Believes that only if sufficient resources are available for sustainable urban development will it be efficient to draw up integrated urban development plans and consequently recommends that available resources be concentrated on specific actions; proposes a minimum level of structural fund expenditure, which must be determined, per inhabitant of the urban area, per programming period, in such a way that setting aside that amount will not constitute an unrealistic burden for the regions;
12. Identifies an urgent need to reinforce the administrative capacity of both vertical and horizontal urban governance and draws to the attention of the Member States the pressing need to adopt an integrated approach in implementing urban development policy (which deals with questions fundamentally linked to the daily life of citizens, such as transport services, public services, quality of life, employment and local economic activities, security, etc.) by involving in this effort national governments together with regional and local authorities and all other relevant public and private stakeholders, on the basis of the partnership principle;
13. Recognises the difficulty for urban authorities in reconciling the domains of the European Social Fund (ESF) funding whilst pursuing economic and social development and ERDF funding whilst planning physical infrastructure investments; believes that the 'one programme, one fund' principle should be reviewed and that local and regional authorities should make better use of the synergies of ERDF and ESF funding and reinforce integrated funding; in the long term, invites the Commission to study the possibility of merging the two funds, if this could ensure the simplification of procedures;

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14. Supports the idea of the principle of revolving JESSICA funds and its potential for economic growth in urban areas and also believes that in the next programming period, regional policy needs to take advantage of using, to a greater extent, financial engineering mechanisms such as revolving funds, offering favourable loans, rather than relying solely on grants, as is the case at present;
  15. Notes the urban development potential of the private sector and believes that the use of Public Private Partnerships should be systematically envisaged and encouraged for the establishment of innovative financing schemes and projects in order to tackle the major economic and social problems of urban areas, notably for the construction of infrastructure and for housing; emphasises that this requires a clear, transparent code of conduct, particularly regarding the activities of public authorities, which have to take, according to the subsidiarity principle, the strategic decisions on the choice of service provision methods, drawing up specifications, and also on maintaining a certain degree of control;
  16. Highlights the implementation and administrative aspects of the urban dimension and calls for further efforts in order to simplify the implementation rules of cohesion policy and the overall reduction of excessive bureaucracy as regards the management and control of the funds and individual projects;
  17. Notes that apart from cohesion policy, there are other Community policies that also provide financial support to urban areas and thus calls on the Commission to develop and propose greater coordination of the policies involved that would bring together all EU resources allocated to urban areas to secure in practice the implementation of the integrated approach, whilst always taking cohesion policy into account;
  18. Believes that the governance structures in place in the Member States are still ill adapted to encouraging horizontal cooperation and strongly urges the Commission to promote the principle of a cross-sectoral management structure;
  19. Calls for existing financial, human and organisational resources to be used more efficiently in order to create and strengthen the networks established by towns and cities in the field of sustainable urban development, as they play an important part in territorial cooperation; in that context, stresses the need for infrastructure which helps maintain particular characteristics (e.g. historical), modernisation (e.g. innovation poles), economic growth (e.g. SMEs) and seasonal activities and calls on the Commission to strengthen the position of urban areas in the Regions for Economic Change Initiative;
  20. Notes that appropriate implementation of regional development policy and a sustainable territorial development strategy require a balance between policies that concern urban, suburban and rural areas and consequently affect the development of real regional cohesion, and reiterates the fact that rural development policy has a significant spatial impact and that there is insufficient integration of urban and rural development policies; underlines the need for real synergy between these policies culminating in real development potential and the promotion of attractiveness and competitiveness areas; calls on the Member States and regions to use the urban-rural partnership instrument in order to achieve the goal of balanced spatial development;
  21. Calls on the Commission to further develop and regularly update the Urban Audit and at the same time provide information on the situation on the 'urban - rural divide' for all Member States in order to have a clear picture of the situation and to identify the specific needs for balanced urban and rural development;
  22. Recommends that the Commission and Member States establish an EU High Level Group on Urban Development and apply the open method of coordination to urban development policy at EU level;
  23. Instructs its President to forward this resolution to the Council and the Commission and the governments and parliaments of the Member States.
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Tuesday 24 March 2009

## Implementation of the Structural Funds Regulation 2007-2013

P6\_TA(2009)0165

### European Parliament resolution of 24 March 2009 on the implementation of the Structural Funds Regulation 2007-2013: the results of the negotiations on the national cohesion strategies and the operational programmes (2008/2183(INI))

(2010/C 117 E/13)

The European Parliament,

- having regard to the EC Treaty and in particular Articles 2 and 3(2) thereof,
- having regard to the Commission Communication of 14 May 2008 on the results of the negotiations concerning cohesion policy strategies and programmes for the programming period 2007-2013 (COM(2008)0301),
- having regard to Council Regulation (EC) No 1083/2006 of 11 July 2006 laying down general provisions on the European Regional Development Fund, the European Social Fund and the Cohesion Fund <sup>(1)</sup> (General Regulation on the ERDF, the ESF and the Cohesion Fund),
- having regard to Council Decision 2006/702/EC of 6 October 2006 on Community strategic guidelines on cohesion <sup>(2)</sup> (Strategic guidelines on cohesion),
- having regard to the Results of the negotiation of Cohesion Policy strategies and programmes 2007-2013 – Fact sheets by Member State,
- having regard to the Fourth Report on Economic and Social Cohesion (COM(2007)0273) (The Fourth Cohesion Report),
- having regard to the proposal for a Council regulation amending Regulation (EC) No 1083/2006 on the European Regional Development Fund, the European Social Fund and the Cohesion Fund concerning certain provisions relating to financial management (COM(2008)0803),
- having regard to the proposal for a regulation of the European Parliament and of the Council amending Regulation (EC) No 1080/2006 on the European Regional Development Fund as regards the eligibility of energy efficiency and renewable energy investments in housing (COM(2008)0838),
- having regard to the proposal for a regulation of the European Parliament and of the Council amending Regulation (EC) No 1081/2006 on the European Social Fund to extend the types of costs eligible for a contribution from the ESF (COM(2008)0813),
- having regard to its resolution of 21 October 2008 on governance and partnership at national and regional levels and a basis for projects in the sphere of regional policy <sup>(3)</sup>,
- having regard to Rule 45 of its Rules of Procedure,
- having regard to the report of the Committee on Regional Development and the opinions of the Committee on Industry, Research and Energy and the Committee on Women's Rights and Gender Equality (A6-0108/2009),

<sup>(1)</sup> OJ L 210, 31.7.2006, p. 25.

<sup>(2)</sup> OJ L 291, 21.10.2006, p. 11.

<sup>(3)</sup> Texts adopted, P6\_TA(2008)0492.

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- A. whereas the Commission has published the abovementioned Communication on the basis of the results of negotiations with Member States on the National Strategic Reference Frameworks and Operational Programmes,
- B. whereas, according to Article 158 of the Treaty, in order to strengthen its economic and social cohesion, the Community aims to reduce disparities between the levels of development of the various regions and the backwardness of the least favoured regions or islands, including rural areas,
- C. whereas the last two enlargements of the European Union generated a substantial widening of regional disparities in the Community that need to be addressed appropriately in order to promote harmonious, balanced and sustainable development,
- D. whereas the recent reports on cohesion highlight a trend towards a worsening of territorial disparities between EU regions and, at sub-regional level, disparities characterised by phenomena such as spatial segregation, which have resulted in the emergence of a certain kind of ghettoisation, and the continued decline of some remote and predominantly agricultural areas,
- E. whereas in October 2006 the Council adopted the abovementioned Strategic guidelines on cohesion, as an indicative framework for the Member States for the preparation of the National Strategic Reference Frameworks and Operational Programmes for the period 2007-2013,
- F. whereas the three priorities laid down in the Strategic guidelines on cohesion refer to making Europe and its regions more attractive places in which to invest and work, improving knowledge and innovation for growth and creating more and better jobs,
- G. whereas translating these priorities into operational programmes should enable regions to face the challenges of globalisation, structural, demographic and climate change and to strengthen sustainable development,
- H. whereas there are significant differences in the ways Member States have implemented the abovementioned priorities in their operational programmes, depending on which regional development objective, convergence or regional competitiveness and employment any specific region comes under,
- I. whereas Member States which joined the Union before 1 May 2004 were required by the General Regulation on the ERDF, the ESF and the Cohesion Fund to earmark 60 % of the total expenditure for the 'convergence' objective and 75 % for the regional competitiveness and employment objective to priorities related to the Lisbon Strategy, and whereas Member States which joined the Union on or after 1 May 2004 were advised to adopt the same approach,
- J. whereas sustainability, prevention of any kind of discrimination, good governance and application of the partnership principle, together with a strong institutional and administrative capacity, are essential to the successful implementation of cohesion policy,
- K. whereas cohesion policy must be strong and flexible enough to be able to play an important role in the Union's efforts to counteract the effects of the present global economic crisis,
  - 1. Acknowledges the efforts made by all Member States to incorporate the three priorities laid down in the Strategic guidelines on cohesion, which correspond to the objectives of the Lisbon agenda, into their operational programmes;
  - 2. Notes the fairly slow start made to the new programming period in many Member States, which might jeopardise the effective use of the funding; expresses, however, confidence that commitments made during the negotiation and approval process of operational programmes will be respected for the benefit of the regions and of the Union as a whole;

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***Mitigating regional disparities***

3. Takes note of the determination of Member States to address the specific territorial needs arising from their geographical location and economic and institutional development, by drawing up strategies to diminish intra-regional and inter-regional imbalances; recalls, in this context, the measures proposed by Member States to face particular development challenges of regions with specific geographical features, such as mountain regions, islands, the outermost regions, remote border towns, regions suffering from depopulation and border regions; reiterates the fact that economic and environmentally sound development, as well as the reduction of regional disparities remain the principal goals of EU regional policy;

4. Regrets that the principles of sustainability, equality of opportunity and non-discrimination, as well as partnership, have been insufficiently applied and documented in many National Strategic Reference Frameworks and Operational Programmes; is critical of the fact that the Commission has none the less approved Operational Programmes with such deficits and has not insisted on improvements by Member States or regions;

5. Stresses that past experience has shown that convergence between countries may mask a widening gap between and within regions; notes furthermore that these regional and local disparities can be observed in a number of areas, such as employment, productivity, income, education levels and innovation capacity; stresses the importance of the territorial dimension of cohesion in overcoming these problems;

***Cohesion policy delivering the Lisbon agenda***

6. Appreciates the efforts made by the national authorities to ensure that the average allocation of expenditure for the achievement of the Lisbon agenda constitutes 65 % of the available funds in the convergence regions and 82 % in the regional competitiveness and employment regions, which is in fact more than was initially requested;

7. Is convinced that much more investment is required in this area; considers that, in the light of the mid-term review of the implementation of the Structural Funds, stronger EU guidelines and increased financial resources must be allocated to serve these objectives and specifically that at least 5 % of structural funding should be required to be spent on improving the energy efficiency of existing homes; in this respect, calls on the Commission to follow up on the Conclusions of the Competitiveness Council of 9 and 10 October 2008 on energy efficiency; underlines the key role and development potential that renewable energies represent for EU regions, both to create jobs and to foster sustainable local development;

8. Encourages regions in their efforts to achieve the Lisbon objectives through thorough and effective implementation of their operational programmes; also calls on the Commission to closely monitor their implementation in order to ensure the translation of the objectives into practice and to inform Parliament about the problems encountered;

9. Considers the financial resources earmarked for the trans-European energy networks insufficient, since they are vital for the completion of the internal energy market;

10. Points to the important role played by small firms and micro-enterprises, particularly craft enterprises, in economic, social and territorial cohesion, through their important contribution to growth and employment; calls therefore for an active policy to support all forms of innovation in these enterprises and urges the Commission to create opportunities for mutual cooperation between businesses, the public sector, schools and universities, in order to create regional innovation clusters in the spirit of the Lisbon Strategy;

***Responding to globalisation and structural change***

11. Appreciates the fact that all Member States devoted a significant amount of their total financial allocations to investments in research and development and innovation, in developing a knowledge-based service economy and in promoting entrepreneurship and business-support services, as well as in assisting companies and workers to adapt to new conditions; notes that, for most of the Union's convergence regions, ensuring accessibility remains a significant problem, as they face a lack of transport infrastructure;

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12. Believes that industrial policy has to be supported through the Structural Funds in order to increase the competitiveness of Member States and the Union; therefore supports the priority in the cohesion policy to unlock business potential, particularly that of SMEs;

***Demographic change and more inclusive labour markets***

13. Congratulates Member States on their efforts to prioritise investments aimed at increasing labour participation, ensuring equal opportunities and therefore endorsing the measures supported by the ESF and the PROGRESS programme (2007-2013), which are designed to help eliminate discrimination and improve the situation of women in the labour market; appreciates the Member States' measures aimed at improving skills, fighting poverty and social exclusion, in their programmes financed by the ESF; stresses that it is important and necessary to continue efforts to support employment in the face of the growing economic crisis, taking particular account of the special needs of people with disabilities and senior citizens at every stage in the implementation and assessment of cohesion policy;

14. Supports the 'partnership principle' implemented by the Commission in the cohesion policy and calls on the Commission to involve local and national women's organisations in its negotiation and implementation;

***Responding to the challenges of sustainable development, climate change and energy***

15. Considers that measures aimed at protecting the environment, combating climate change and promoting energy efficiency should be incorporated into all operational programmes and appreciates the commitments made by Member States in order to address these issues, by allocating approximately one third of the total cohesion policy budget to them; considers, however, that the specific allocations for combating climate change and promoting energy efficiency are insufficient to meet real needs;

16. Considers that the development of poles of competitiveness under the Structural Funds is essential, since they offer considerable potential for creating well paid jobs and generating growth, but also for reducing pressure on large conurbations; in this respect welcomes the continuation of the URBAN programme, taking the view that the revitalisation of urban areas and the rehabilitation of ageing urban infrastructures is required;

17. Stresses that the Structural Funds Regulations state that the Member States and the Commission shall ensure that equality between women and men and the integration of the gender perspective are promoted during the various stages of implementing the funds;

18. Calls on the Member States to inform citizens, local authorities and non-governmental and women's organisations fully about financing possibilities, in particular as regards information on specific programmes, eligibility for co-financing from the Structural Funds, the co-financing rules, the rules on reimbursement, and where to find calls for proposals in the framework of the programming period 2007-2013;

19. Calls on the Member States to ensure that excessive administrative obstacles do not deter non-governmental organisations from applying for project-financing, in particular those dedicated to supporting women in economically disadvantaged circumstances, immigrant women, women who are members of an ethnic minority, women with disabilities, women with dependants, and women who are the victims of violence or torture;

20. Notes that there is a substantial difference between the way EU-15 and EU-12 Member States allocated resources in the environmental protection field and recognises the need for the new Member States to devote significantly more resources to achieving the Union's environmental, climate and biodiversity objectives as laid down in the Community acquis;

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21. Stresses the importance of consolidating capacities for cooperation and effective absorption of the funds available, using all possible means, including exchange of best practices, information campaigns, common actions, exchanges of new technology and development of partnerships, since this will contribute to the efficient implementation of the cooperation programmes under way and in particular an increase in the absorption capacity of the new Member States;

22. Considers that in times of economic crisis Member States should capitalise on the notion of achieving synergies between environmental protection and job creation stipulated in the Strategic Guidelines on Cohesion and allocate more resources into projects that promote green economy, green jobs and green innovation;

#### ***Reinforcing multi-level governance and partnership***

23. Considers that multi-level governance and the partnership principle are key elements of the legitimacy of operational programmes, their transparency, and their effectiveness during the programming phase and especially during the implementation process; welcomes, therefore, the efforts made by all Member States, in accordance with their specific institutional frameworks and traditions, to strengthen the partnership principle in their programmes for the current period, in accordance with Article 11 of the General Regulation on the ERDF, the ESF and the Cohesion Fund; recommends especially to the new Member States which have little experience in building up effective partnerships to consistently reinforce the partnership and transparency principle while implementing the operational programmes;

24. Calls on the Member States to avoid excessive delay in the reimbursement of the costs of completed projects, noting that the insolvency caused by such a practice frequently prevents the recipients - mainly local authorities and non-profit-making organisations - from pursuing further activities specific to their area of action;

25. Points out that the delays in implementing structural policy are due in part to the excessive rigidity of procedures and that these procedures should therefore be streamlined, introducing a clear division of responsibilities and competences between the EU, the Member States and regional and local authorities;

26. Calls on the Member States to closely cooperate with the regional and local authorities already during the planning phase of the National Strategic Reference Frameworks in order to guarantee optimal implementation of the national strategies and to fully live up to the ideals behind multi-level government;

27. Stresses the need to promote cooperation between the private and public sectors in the form of public-private partnerships to make it possible to carry out many key projects to boost the effects of investment;

28. Notes that an assessment is required of the coordination and complementarity of Structural Fund programmes with rural development programmes; notes that experience on the ground indicates that synergies between the two programmes are not being exploited sufficiently;

#### ***Building institutional capacities***

29. Appreciates the increased awareness of the importance of reinforcing institutional and administrative capacity for the effective implementation of public policies and for the management of EU funds; calls for substantial efforts to be made, in all convergence regions, to strengthen institutional capacity and to increase the professionalism of public authorities;

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30. Stresses the need also to aim cohesion policy at rural areas, since territorial cohesion can only be achieved by developing an urban/rural balance;

***Mainstreaming successful policies, enhancing knowledge and spreading good practices***

31. Particularly appreciates the integration by the new Member States of the results of the URBAN and EQUAL Community Initiatives into the operational programmes for the 2007-2013 period; approves the efforts made by Member States to put in place integrated plans for sustainable urban development, as towns and cities are the seats of industries, responsible for economic growth and job creation; furthermore, considers that the full potential of the European Territorial Cooperation programmes, as well as the Jessica, Jaspers, Jeremie and Jasmine instruments, should be exploited in order to speed-up development and achieve higher growth rates;

32. Calls on the Member States to take account of the impact on women and the gender dimension in relation to all Structural Fund projects;

***Conclusions***

33. Considers that no value judgements can be made regarding the way Member States have decided to implement the framework provided by the Strategic guidelines on cohesion in drawing up their national strategic reference frameworks and operational programmes; appreciates that all Member States have made considerable efforts, at all stages, to achieve cohesion policy priorities, in the context of their specific needs and constraints;

34. Considers that transparency in the allocation of funding and administrative simplification facilitating the access of potential beneficiaries of the Structural Funds to information are key preconditions for achieving the overall objectives of cohesion policy;

35. Calls on the Member States to strengthen the procedures they put in place in order to ensure that a fully operational integrated approach is applied for the implementation of cohesion policy, thus ensuring that all aspects of any particular operational programme are duly considered;

36. Encourages the Commission in its efforts to ensure that Member States operate efficient control systems in order to be able to apply sound financial management to Community expenditure;

37. Notes that the current global economic crisis has created a new situation in all Member States that requires re-evaluation and the possible adaptation of investment priorities; welcomes the Commission's abovementioned proposals for amending the Regulations in order to meet the needs of the Union in these exceptional circumstances and reiterates its view that cohesion policy is central to economic recovery, throughout the whole of the territory of the Union; consequently rejects any attempt to renationalise the policy;

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38. Instructs its President to forward this resolution to the Council and the Commission, and to the governments and parliaments of the Member States.

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## **A European initiative for the development of micro-credit in support of growth and employment**

P6\_TA(2009)0166

### **European Parliament resolution of 24 March 2009 with recommendations to the Commission on a European initiative for the development of micro-credits in support of growth and employment (2008/2122(INI))**

(2010/C 117 E/14)

*The European Parliament,*

- having regard to the Commission Communication of 20 December 2007 on A European initiative for the development of micro-credit in support of growth and employment (COM(2007)0708),
- having regard to its resolution of 11 July 2007 on financial services policy (2005-2010) - White Paper <sup>(1)</sup>, in particular paragraph 35 thereof,
- having regard to Commission Recommendation 2003/361/EC of 6 May 2003 concerning the definition of micro, small and medium-sized enterprises <sup>(2)</sup>,
- having regard to the Commission Communication of 20 July 2005 on Common Actions for Growth and Employment: The Community Lisbon Programme (COM(2005)0330),
- having regard to the Commission Communication of 5 July 2005 on Cohesion Policy in Support of Growth and Jobs: Community Strategic Guidelines, 2007-2013 (COM(2005)0299),
- having regard to the Commission Communication of 11 December 2007 on Member States and Regions delivering the Lisbon strategy for growth and jobs through EU cohesion policy, 2007-2013 (COM(2007)0798),
- having regard to the Commission Communication of 11 December 2007 entitled Proposal for a Community Lisbon Programme 2008-2010 (COM(2007)0804),
- having regard to Decision No 1639/2006/EC of the European Parliament and of the Council of 24 October 2006 establishing a Competitiveness and Innovation Framework Programme (2007 to 2013) <sup>(3)</sup>,
- having regard to the Commission Communication of 25 June 2008 entitled 'Think Small First' - A 'Small Business Act' for Europe (COM(2008)0394),
- having regard to Directive 2006/48/EC of the European Parliament and of the Council of 14 June 2006 relating to the taking up and pursuit of the business of credit institutions (recast) <sup>(4)</sup> and the Commission proposal of 1 October 2008 for a directive of the European Parliament and of the Council amending Directives 2006/48/EC and 2006/49/EC as regards banks affiliated to central institutions, certain own funds items, large exposures, supervisory arrangements, and crisis management (COM(2008)0602),

<sup>(1)</sup> OJ C 175 E, 10.7.2008, p. 392.

<sup>(2)</sup> OJ L 124, 20.5.2003, p. 36.

<sup>(3)</sup> OJ L 310, 9.11.2006, p. 15.

<sup>(4)</sup> OJ L 177, 30.6.2006, p. 1.

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- having regard to Directive 2005/60/EC of the European Parliament and of the Council of 26 October 2005 on the prevention of the use of the financial system for the purpose of money laundering and terrorist financing <sup>(1)</sup>,
  - having regard to Commission Regulation (EC) No 1998/2006 of 15 December 2006 on the application of Articles 87 and 88 of the Treaty to *de minimis* aid <sup>(2)</sup>,
  - having regard to Commission Regulation (EC) No 1535/2007 of 20 December 2007 on the application of Articles 87 and 88 of the EC Treaty to *de minimis* aid in the sector of agricultural production <sup>(3)</sup>,
  - having regard to Directive 2004/17/EC of the European Parliament and of the Council of 31 March 2004 coordinating the procurement procedures of entities operating in the water, energy, transport and postal services sectors <sup>(4)</sup>,
  - having regard to Directive 2004/18/EC of the European Parliament and of the Council of 31 March 2004 on the coordination of procedures for the award of public works contracts, public supply contracts and public service contracts <sup>(5)</sup>,
  - having regard to its declaration of 8 May 2008 on microcredit <sup>(6)</sup>,
  - having regard to Article 192, second paragraph, of the EC Treaty,
  - having regard to Rules 39 and 45 of its Rules of Procedure,
  - having regard to the report of the Committee on Economic and Monetary Affairs and the opinions of the Committee on Budgets, the Committee on Industry, Research and Energy, the Committee on Legal Affairs and the Committee on Women's Rights and Gender Equality (A6-0041/2009),
- A. whereas the Commission's current definition of micro-credit is a loan of EUR 25 000 or less and Recommendation 2003/361/EC provides that a microenterprise is one that employs fewer than 10 persons and whose annual turnover or annual balance sheet total does not exceed EUR 2 000 000; whereas those definitions do not seem to be pertinent for all national markets, and do not allow a clear distinction to be drawn between micro-credits and micro-loans to microenterprises, micro-credit for non-bankable borrowers and micro-credit for bankable microenterprises,
- B. whereas difficult access to appropriate forms of finance is frequently referred to as a very important barrier to entrepreneurship, and there is a significant potential demand for micro-credit in the European Union that is currently not met,
- C. whereas the Commission has not taken up the requests made in Parliament's resolution of 11 July 2007 to draw up an action plan for micro-financing, to coordinate different policy measures, and to make optimal use of best practices in the European Union and in third countries,
- D. whereas in 2008, for the second successive year, Parliament approved appropriations to fund a pilot project entitled 'Promoting a more favourable environment for micro-credit in Europe', and whereas, although that the above-mentioned Commission Communication of 20 December 2007 fails to refer to those appropriations, they might usefully be earmarked for the formation of own capital which can serve as start-up capital,

<sup>(1)</sup> OJ L 309, 25.11.2005, p. 15.

<sup>(2)</sup> OJ L 379, 28.12.2006, p. 5.

<sup>(3)</sup> OJ L 337, 21.12.2007, p. 35.

<sup>(4)</sup> OJ L 134, 30.4.2004, p. 1.

<sup>(5)</sup> OJ L 134, 30.4.2004, p. 114.

<sup>(6)</sup> Texts adopted, P6\_TA(2008)0199.



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- E. whereas several features distinguish micro-credit from ordinary credit, including credit for small and medium-sized enterprises, whereas businesses seeking ordinary credit are generally served by different types of financial institutions, and whereas the importance of the ultimate aim - to include all citizens in the formal financial system - should be borne in mind,
- F. whereas micro-credit entails higher operational costs, due to the small size of the loan, the lack of (sufficient) collateral, and high handling costs,
- G. whereas the business of micro-credit has innovative and subjective elements, such as alternative or no collateral requirements and non-traditional credit worthiness evaluation, and is often granted not only for profit-making, but serves also a cohesion purpose, by trying to (re-)integrate disadvantaged people into society,
- H. whereas micro-credits are, by definition, small but the possibility of 'recycling' them (granting a further such loan after repayment) due to their generally short maturity multiplies their impact; whereas regard should be had to the objective of reintegrating the recipients into the traditional banking system,
- I. whereas a range of providers can offer micro-credit or facilitate access to finance, such as informal financial services providers (authorised P2P lending), member-owned organisations (for example credit unions), non-governmental organisations, mutual and provident societies, community development financial institutions, guarantee banks and funds and savings, cooperative and commercial banks, and whereas cooperation between those various providers could be beneficial,
- J. whereas there is a need to recognise the unique structure of financial services providers existing across the European Union such as credit unions which are non-bank financial institutions mobilising members' deposits for micro-lending and those unique structures should not exclude them a priori from relevant micro-credit funding programmes,
- K. whereas the current financial crisis and its possible repercussions in the economy as a whole demonstrate the disadvantages of complex financial products and the need to consider ways of enhancing efficiency and having in place all possible channels for providing financing when businesses have reduced access to capital due to liquidity crunch, in particular in economically and socially disadvantaged regions, and, at the same time, stress the importance of institutions that focus their business on local development and that have a strong local connection and offer inclusive banking services to all economic actors,
- L. whereas entrepreneurship should be fostered,
- M. whereas the utmost efforts should be made to reduce the regulatory burden on microenterprises to the strict minimum and the Commission is asked to act accordingly,
- N. whereas interest rate caps can deter lenders from providing micro-credit if such restrictions prevent them from covering their lending costs,
- O. whereas supporting micro-credit should play a prominent role in the revised Lisbon Strategy,
- P. whereas in a not-insignificant number of cases those willing to access funds under the EU cohesion policy in order to set up small family businesses, might face difficulties in providing the required co-financing,
- Q. whereas disadvantaged people, such as the (long-term) unemployed, welfare dependants, immigrants, ethnic minorities such as the Roma, people active in the informal economy or living in deprived rural areas, and women, who want to establish a microenterprise should be the focus of an EU initiative on micro-credit,

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- R. whereas although private involvement should be assured to the extent possible, public intervention in the micro-credit business is necessary,
  - S. whereas several EU initiatives that entail elements of support for micro-credit exist, and a streamlined and more focused approach, combining such initiatives to form a single system, would be beneficial,
  - T. whereas access to business support (such as training, coaching and capacity building) for founders of microenterprises is essential, and training should be mandatory for micro-credit borrowers, and whereas consumer financial education and responsible lending should be an important part of the policies of all micro-finance institutions (MFIs),
  - U. whereas the potential beneficiaries of micro-credits should have the benefit of proper legal advice with regard, inter alia, to the conclusion of the credit agreement, setting up a business, debt collection, the acquisition and exploitation of intellectual and industrial property rights, particularly when the micro-business concerned intends or has the potential to do business in other Member States of the European Union,
  - V. whereas access to credit data of potential borrowers would facilitate the provision of micro-credit,
  - W. whereas research and the exchange of best practices regarding micro-credits should be promoted, e.g. as regards innovative techniques for the granting, safeguarding and risk mitigation of micro-credits, the extent to which and with which target groups such approaches work in an EU context,
  - X. whereas the role of intermediaries should be looked into with a view to preventing abuses, as well as considering alternative ways to establish credibility with borrowers (for example, through peer-support groups),
  - Y. whereas an EU framework for non-bank MFIs should be established, and the Commission should develop the mechanism for the support of micro-credit which remains neutral among those micro-credit providers,
  - Z. whereas people who have no permanent address or personal identification documents should not be excluded from obtaining micro-credit by legislation on the prevention of money laundering and terrorist financing,
  - AA. whereas the EC competition rules should be adapted with a view to reducing barriers for the granting of micro-credit,
  - AB. whereas EC rules on public procurement should assist micro-credit borrowers,
1. Requests the Commission to submit to Parliament on the basis of Article 44, Article 47(2) or Article 95 of the EC Treaty, a legislative proposal or proposals covering the matters dealt with in the detailed recommendations below;
  2. Confirms that the recommendations respect the principle of subsidiarity and the fundamental rights of citizens;
  3. Considers that, where appropriate, the financial implications of the requested proposal or proposals should be covered by EU budgetary allocations;
  4. Instructs its President to forward this resolution and the accompanying detailed recommendations to the Commission, the Council and the governments and parliaments of the Member States.
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## ANNEX

**ANNEX TO THE RESOLUTION: DETAILED RECOMMENDATIONS ON THE CONTENT OF THE PROPOSAL(S)  
REQUESTED****1. Recommendation 1: on awareness-raising as regards micro-credit**

*The European Parliament considers that the legislative act(s) to be adopted should aim to regulate the following:*

- (a) The Commission should provide for the introduction of the concept of micro-credit in relevant statistics and legislation on financial institutions. Statistics on micro-credit should take into account the per capita GDP figures in the Member States and distinguish between the self-employed or family-based enterprises and those with employees from outside the family in order to enable positive discrimination in favour of the former.
- (b) The Commission should invite the Member States to standardise the statistical presentation of micro-credits, including the collection and analysis of data broken down according to gender, age and ethnic origin;
- (c) The Commission should elaborate a communication strategy with a view to promoting self-employment as an alternative to wage earning and, in particular, as a way of escaping unemployment for disadvantaged target groups.
- (d) The Commission should invite Member States to implement tax incentives for private involvement in the micro-credit business.
- (e) The Commission should invite Member States to restrict the application of interest-rate caps to consumer loans; however Member States should be able to apply a mechanism by which extraordinary high interest rates can be excluded.
- (f) The Commission should analyse - in the light of the last sub-prime crisis - the advantages and disadvantages of direct micro-credit formats as against securitised credit facilities.
- (g) The Commission should require Member States specifically to analyse and report on their efforts and results as regards micro-credit in their annual reports on their national reform programmes in connection with the integrated guidelines for growth and jobs of the revised Lisbon Strategy. The Commission should expressly address micro-credit in its Annual Progress Report.

**2. Recommendation 2: on EU funding**

*The European Parliament considers that the legislative act(s) to be adopted should aim to regulate the following:*

- (a) The Commission should provide for the (co-)financing of projects relating to the following, provided that such financing is specifically targeted at promoting the availability of micro-credit for all persons and enterprises without direct access to credit, which are usually defined by Member States, within their jurisdiction, as disadvantaged target groups (such as the Roma people, immigrants, people living in deprived rural areas, people with precarious work situations, and women):
  - (i) the provision by national or EU funds of guarantees for providers of micro-credit;
  - (ii) the provision of business support services as additional services for micro-credit borrowers, either by the providers of micro-credit or by third parties, which is to include mandatory targeted training with regular assessments for micro-credit borrowers, with the possibility that such training could be financed under the Structural Funds;
  - (iii) research and the exchange of best practices in the operational field, e.g. as regards alternative collateral requirements, non-traditional credit worthiness evaluation methods, scoring systems and the role of intermediaries;
  - (iv) the creation of a website on which potential recipients of micro-credits can present their projects to those willing to lend money to support them; and
  - (v) the creation of an EU-wide database comprising positive and negative credit data on micro-credit borrowers.

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- (b) To avoid duplication, the Commission should:
  - (i) appoint a single coordination entity where all EU financing activities concerning micro-credit are pooled; and
  - (ii) (co-)finance projects only where they can be combined with the retention of social security entitlements, such as unemployment benefit and income support, on the basis of the analysis of the business services provider, who should take into account the achievements of the business and the national minimum living standard.

### **3. Recommendation 3: on a harmonised EU framework for bank and non-bank MFIs**

*The European Parliament considers that the legislative act(s) to be adopted should aim to regulate the following:*

The Commission should propose legislation to provide an EU-wide framework for bank and non-bank MFIs. The non-bank MFI framework should include:

- (a) a clear definition of micro-credit providers, providing that they do not take deposits, and therefore do not constitute financial institutions under Directive 2006/48/EC;
- (b) the ability to conduct credit-only activities;
- (c) the ability to conduct on-lending; and
- (d) harmonised, risk-based rules as regards authorisation, registration, reporting and prudential supervision.

### **4. Recommendation 4: on Directive 2005/60/EC**

*The European Parliament considers that the legislative act(s) to be adopted should aim to regulate the following:*

The Commission should, while reviewing Directive 2005/60/EC, ensure that the provisions laid down in that directive do not constitute obstacles preventing people who have no permanent address or personal identification documents from accessing micro-credit, by allowing for a special exemption in the provisions regarding customer due diligence.

### **5. Recommendation 5: on the EC competition rules**

*The European Parliament considers that the legislative act(s) to be adopted should aim to regulate the following:*

- (a) The Commission should, while reviewing the *de minimis* rules, provide for:
    - (i) the differentiation of the *de minimis* limits between Member States when it comes to financial support for micro-credit providers;
    - (ii) the abolition of the discrimination of *de minimis* aid granted to an undertaking in the agricultural sector if the aid is granted in connection with micro-credit; and
    - (iii) a reduction of the administrative burden if the aid is granted in connection with micro-credit.
  - (b) The Commission should specify that the role of micro-credit providers and, if applicable, the public support that such institutions receive are in line with the EC competition rules.
  - (c) The Commission should implement rules that allow for the preferential treatment of goods and services provided by micro-credit borrowers in public procurement procedures.
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Wednesday 25 March 2009

**The ABB-ABM method as a management tool for allocating budgetary resources**

P6\_TA(2009)0173

**European Parliament resolution of 25 March 2009 on the ABB-ABM method as a management tool for allocating budgetary resources (2008/2053(INI))**

(2010/C 117 E/15)

*The European Parliament,*

- having regard to Rule 45 of its Rules of Procedure,
  - having regard to the report of the Committee on Budgets (A6-0104/2009),
- A. whereas Activity Based Management (ABM), Activity Based Budgeting (ABB), and the Strategic Planning and Programming (SPP) cycle were adopted by the EU institutions following the White Paper on reform in 2000 ('Kinnock reforms'), as part of a new drive towards a more performance-oriented management of the Commission and of EU programmes in general,
- B. whereas these concepts, in practice, were thus introduced during the Prodi Commission and its five-year strategic objectives for 2000-2005, comprising both an annual SPP cycle and a corresponding ABM-ABB cycle on the resource side,
- C. whereas the ultimate goal of all this was undoubtedly to make sure that scarce resources emanating from the tax-payer would be used in the best way possible to reach a set of agreed political priorities by better linking policies and the resource allocation process, which meant that the EU institutions would have to put mechanisms in place to achieve this in an unbureaucratic and efficient way,
- D. whereas at the same time the reform aimed at more efficient management and implementation, greater freedom to act, and a clearer definition of personal accountability and responsibility,
- E. whereas the budgetary authority naturally attached the highest importance to best use of scarce resources and now considers that the time has come to take stock of developments so far and to give new impetus to some further improvements that could endow the EU institutions with performance-oriented systems of high quality,
- F. whereas considerable positive changes have already taken place in terms of the overall approach and 'mind-set' concerning these issues but, at the same time, considerable scope for further improvements in the management of existing resources still exists,

**General**

1. Considers that the implementation of ABM-ABB has been a success and has brought about an important cultural change in the Commission whilst at the same time helping to clarify personal responsibilities and accountability, and making management more effective, result oriented and transparent;
2. Points out that there is still real danger of bureaucratisation of the Commission through the proliferation of burdensome rules and cumbersome procedures; therefore calls for further development of procedures and management at all levels in the Commission;
3. Considers that the five-year strategic objectives of the Commission - ultimately the political base for its overall programming - and their annual translation into the Annual Policy Strategy (APS), should be much better linked to the multiannual financial framework (MFF), with a view to streamlining the timing and adoption of these into one coherent strategy with the corresponding resources and therefore believes that the MFF should itself be of five years' duration;

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4. Is of the opinion that currently, EU programmes are being scrutinised extensively with regard to controls and legality, but, unfortunately, that the same amount of attention is not given to the actual results achieved over their agreed period; considers that much greater attention should be paid to results achieved when evaluating the overall annual performance of the Commission, including in the discharge procedure;

### **Responsibilities**

5. Emphasises that a clear identification and division of responsibilities are of crucial importance for achieving results in EU policies and good value for money in the budget; stresses that political responsibility lies with the Commissioners; also stresses that vis-à-vis the Parliament, they are also fully responsible for the implementation of sound and effective management in their respective departments and in the Commission as a whole; stresses that good relations between the institutions in a spirit of mutual confidence and openness are crucial elements for success;

6. Considers it of utmost importance that, as the Executive responsible for implementation, the Commission has enough means and room for manoeuvre, but that it should report very clearly on the objectives achieved and the use of allocated financial and human resources; considers less important - from the point of view of a budgetary authority - exactly how the goals were achieved and how the Commission worked internally; therefore advocates a correspondingly greater degree of freedom in that regard; calls on the Commission to analyse the current ABB-SPP cycle in order to ensure that it is consistent in this regard and to present any relevant proposals for change;

7. Considers that the Commission should establish clear quantitative and qualitative indicators to measure the achievement of policy and administrative objectives and should make them comparable over time;

8. Recalls that a level of management and administrative responsibility, as defined through the relevant provisions in the Staff Regulations and through the principle of sound financial management in the Financial Regulation, also lies with Directors General of Commission DGs (delegated authorising officers), in terms of efficient, effective and, of course, legally correct implementation of programmes and policies;

9. Considers that, in most areas, the issue of a clear chain of responsibility, which has neither too many levels nor is too bureaucratic, can still be the cause of a lack of 'ownership' for specific issues in the Commission and would like some clear guidelines in this respect as concerns the implementation of programmes/budget and how the question of ABM and ABB influences this topic;

10. In this respect, welcomes further work to clarify the responsibility of individual actors and enhance the sense of responsibility within the organisation; also considers, in this respect, that the effective use and integration of ABM-ABB as a 'tool for success', rather than an administrative burden, can be of crucial importance; calls on the Commission to continue this process and present any relevant proposals to take it forward;

### **Feedback**

11. Considers that the practical presentation and synthesis of results and allocated resources used in Annual Activity Reports (AARs) is still lagging behind when compared to the time spent on administrative tasks presenting the goals and requested resources in the preparatory stages, i.e. APS, Annual Management Plans and Activity Statements; in this respect, considers that further development is necessary in which the Commission's collective services take 'ownership' of this process in a positive way;

12. Underlines the real need to obtain improved, user-friendly reports on results for the Parliament to execute its budgetary, legislative and auditing tasks; considers that a more concise version of the relevant AARs and their Synthesis Report including results and costs should be made available to Parliament and Council in the annual budgetary procedure;

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13. Considers that it is a serious shortcoming that, until now, the APS, and the parallel budgetary information feeding into the preliminary draft budget (PDB), have introduced new priorities without identifying any 'negative priorities' and that, in consequence, the whole cycle tends to add one priority after another without taking any political decision as to issues that, given the limited resources available from the tax-payer, need to be scaled down in order to give way to the most crucial priorities; stresses that this is in clear contradiction of the basic principles of the reform; notes with concern that the strict limits of the MFF leave very little room for manoeuvre;

14. Takes note of the proposals to improve the coherence between Annual Management Plans and the Activity Statements published with the PDB so that the administrative burden of the SPP process is reduced while maintaining the link between objectives and measured 'outputs'; believes that the Annual Management Plan needs to be reformed and asks the Commission to act swiftly;

15. Is thus still not convinced that the SPP-ABM process sufficiently takes into account 'lessons learned' and previous results and how these are fed back into the system for the coming years; points out that this is also linked to how the vast array of studies and evaluations carried out by the Commission are taken into account and influence, as they rightly should, the resource allocation process; proposes therefore to more clearly demand a link to programme reviews and the budgetary process in the terms of reference of the evaluations; proposes further to include in the AAR a chapter on the lessons learned;

16. Believes the SPP-ABM cycle should also include an assessment of risks related to the achievement of set policy objectives;

17. As a practical proposal to improve the performance of EU programmes, considers it necessary that the current management and budgetary cycles be better used when preparing the new budget; in technical terms this means that for the current procedure (Budget 2010), the AARs and their Synthesis report for 2008, containing the results on whether the objectives were fulfilled or not, must be available in time and more extensively used throughout the Commission's proposals made during 2009; stresses its wish that there should be 'systematic consequences' as a result of how previous priorities and goals are progressing; criticises the fact that, from one year to another, there is not enough focus on what has been done with regard to these and how that should reflect on the following years;

18. Welcomes a certain improvement in Activity Statements which are provided with the PDB to justify the requested resources; deplores the fact, however, that information is still sometimes not of the quality required to motivate, say, a budget increase and, also, regrets that so far the budgetary authority has not really seen fit to reward 'good performers' and, conversely, to maintain or even reduce the budgets of those departments that supply inadequate results;

#### ***Within the Commission***

19. Considers that the long-term objectives and plans, i.e. the MFF and the five-year strategic objectives as well as APS also need to be better explained and linked to the work of individual DGs and services as an important part of motivating these staff and making them feel part of, and contributors to, the overriding objectives of the organisation as a whole; asks the Commission, therefore, to link more clearly the positive and negative priorities in the Annual Management Plans and AARs to the overall multiannual and strategic objectives;

20. Also believes that, by and large, these strategic objectives are unfortunately not subject to any real attempt of evaluation in terms of progress; believes that, for example, a mid-term review on how the strategic goals have been met could be implemented and that each DG could feed into that process by indicating what actions have been undertaken, what resources have been used, and how this has contributed to fulfilling the overall goals; stresses that, in order to achieve this practicably, the objectives and indicators used to measure performance would also need to be defined in that strategic context as far as possible;

21. Emphasises that such involvement, ultimately, is also key to responsible management of resources at the operational levels and, for example, also a key part in motivating units to look for efficient work practices, find savings when possible, co-operate with other departments etc;

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22. Considers that ABB-ABM must be developed in such a way that greater transparency and explanations concerning the division of responsibilities between central and decentralised functions in the Commission can be available and, importantly, provide clear guidance as to the numbers and costs for staff/resources devoted to administrative support and coordination functions including support for the ABB-ABM cycle itself and, in this way, contributing to finding the right balance between a centralised and decentralised approach;

#### **Concluding remarks**

23. Requests the Commission to better integrate and streamline the SPP-ABM cycle so that the actual results of the implementation of policies and activities can be taken into due consideration when allocating human and financial resources; emphasises that this should also result in the identification of possible 'negative priorities';

24. Believes greater consideration should be given to making the Annual Policy Strategy an exercise by which the results of previous years are systematically taken into account, thereby also contributing to reducing the administrative burden on the Commission;

25. Stresses that simplifications and improvements in presentation should also be made to the content of the SPP-ABM key documents, such as Commission's Annual Activity and Synthesis Reports, to make them better match the Budgetary and Discharge Authority's needs;

26. Insists that this move should not result in an increased administrative workload; asks the Commission therefore to carry out a detailed analysis of the administrative costs of the SPP-ABM cycle, in order to identify possible administrative simplifications, and to monitor closely the appropriateness of the allocation of human resources, especially to programming and budgeting activities;

27. Asks the Commission to report back to the Parliament on the results of such analyses in the next screening report, as well as on the actions implemented and progress made in respect of the requests made in this resolution before Parliament's first reading on Budget 2010;

28. Believes that more emphasis should be placed on establishing quality criteria to which performance information should comply;

29. Further asks the Commission to keep the Parliament informed of the actions taken to assess and improve organisational efficiency and effectiveness, particularly regarding the division of administrative support and coordination functions between central and operational levels within the Commission;

30. Stresses that there should be a clearer connection between AARs, APS and the Commission's PDB and that the alignment between programming and budgeting activities should be promoted with a multi-annual perspective, through a better link between the MFF, the Commission's Strategic Plan and the APS;

31. Considers that these improvements would make ABB-ABM an effective instrument in view of a budget for results and foster a culture of responsibility and accountability within the Commission;

32. Believes that Parliament should review how it uses the performance information from the SPP-ABM documents to strengthen its dialogue with the Commission;

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33. Instructs its President to forward this resolution to the Council and the Commission.

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## Mid-term Review of the 2007-2013 Financial Framework

P6\_TA(2009)0174

### European Parliament resolution of 25 March 2009 on the Mid-Term Review of the 2007-2013 Financial Framework (2008/2055(INI))

(2010/C 117 E/16)

*The European Parliament,*

- having regard to the EC Treaty and in particular Articles 268 to 280 thereof,
- having regard to the ongoing ratification process of the Treaty of Lisbon,
- having regard to the Interinstitutional Agreement (IIA) of 17 May 2006 between the European Parliament, the Council and the Commission on budgetary discipline and sound financial management <sup>(1)</sup>,
- having regard to its resolution of 8 June 2005 on Policy Challenges and Budgetary Means of the enlarged Union 2007-2013 <sup>(2)</sup>,
- having regard to the Commission working document of 3 November 2008 on Reforming the Budget, Changing Europe (SEC(2008)2739),
- having regard to the results of the Conference on Reforming the Budget, Changing Europe hosted by the Commission on 12 November 2008,
- having regard to its resolutions of 13 December 2007 on the 2008 draft general budget of the European Union (all sections) <sup>(3)</sup> and of 18 December 2008 on the 2009 draft general budget of the European Union (all sections) <sup>(4)</sup>,
- having regard to its resolution of 29 March 2007 on the future of the European Union's own resources <sup>(5)</sup>,
- having regard to its resolution of 12 December 2007 on the amended proposal for a decision of the European Parliament and of the Council amending the Interinstitutional Agreement of 17 May 2006 on budgetary discipline and sound financial management as regards the multiannual financial framework <sup>(6)</sup>,
- having regard to its position of 4 December 2008 on the proposal for a regulation of the European Parliament and of the Council establishing a facility for rapid response to soaring food prices in developing countries <sup>(7)</sup>,
- having regard to its resolution of 21 February 2008 on the fourth report on economic and social cohesion <sup>(8)</sup>,

<sup>(1)</sup> OJ C 139, 14.6.2006, p. 1.

<sup>(2)</sup> OJ C 124 E, 25.5.2006, p. 373.

<sup>(3)</sup> OJ C 323 E, 18.12.2008, p. 454.

<sup>(4)</sup> Texts Adopted, P6\_TA(2008)0622.

<sup>(5)</sup> OJ C 27 E, 31.1.2008, p. 214.

<sup>(6)</sup> OJ C 323 E, 18.12.2008, p. 263.

<sup>(7)</sup> Texts Adopted, P6\_TA(2008)0576.

<sup>(8)</sup> Texts Adopted, P6\_TA(2008)0068.

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- having regard to its resolution of 12 March 2008 on the CAP 'Health Check' <sup>(1)</sup>,
  
  - having regard to the conclusions of the European Councils of 15-16 December 2005, 21-22 June 2007 and 11-12 December 2008,
  
  - having regard to the response by the European Court of Auditors to the Commission's communication 'Reforming the Budget, Changing Europe' (SEC(2007)1188),
  
  - having regard to Rule 45 of its Rules of Procedure,
  
  - having regard to the report of the Committee on Budgets and the opinions of the Committee on Foreign Affairs, the Committee on Development, the Committee on Budgetary Control, the Committee on Industry, Research and Energy, the Committee on Regional Development and the Committee on Agriculture (A6-0110/2009),
- A. whereas the European Parliament, the Council and the Commission agreed on the IIA of 17 May 2006 on budgetary discipline and sound financial management ('IIA of 17 May 2006') following intense negotiations based on the European Parliament's negotiating position of 8 June 2005, which was based on an in-depth analysis of the needs in order to identify political priorities, and on the agreement achieved by the Member States in 2005,
- B. whereas the IIA of 17 May 2006 provides that the Commission will report on the functioning of the IIA by the end of 2009 and invites the Commission to undertake a full wide-ranging review covering all aspects of EU spending, including the Common Agricultural Policy and resources, including the UK rebate, and to report in 2008-2009,
- C. whereas the Commission launched a wide public consultation in September 2007, to which more than 300 contributions were made, and hosted a conference 'Reforming the Budget, Changing Europe' on 12 November 2008 which marked the first step of the review process,
- D. whereas the Commission intends to present a Communication outlining the main orientations that should design the next financial framework at the latest in Autumn 2009 and should present a report on the functioning of the IIA of 17 May 2006 (step two of the process) while the proposals for the next multiannual financial framework (MFF) and IIA will be made by the next Commission (step three) in the course of 2010,
- E. whereas the ratification process of the Treaty of Lisbon is not yet completed,
- F. whereas the financial provisions of the Treaty of Lisbon provide that the MFF will have legally binding status under the Treaty on the Functioning of the European Union and have a duration of 'at least 5 years',
- G. whereas the Treaty of Lisbon provides for an extension of competences of the European Union, the consequences of which might be reflected in a number of new policies for which appropriate legal bases and financing might be necessary,
- H. whereas the institutions should ensure that the calendar of the next financial framework allows for democratic legitimacy and matching of the Commission and Parliament mandates as far as possible, considering a possible prolongation and adjustment of the current MFF until 2015/2016,
- I. whereas the designation of a new Commission and the hearings due to take place in this context should be an opportunity for the newly elected Parliament to question and evaluate the new Commissioners on their respective policy priorities and the budgets deemed necessary for that purpose,

<sup>(1)</sup> Texts Adopted, P6\_TA(2008)0093.

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J. whereas the mid-term evaluation of the ongoing legislative programmes, due in 2010-2011, should represent a major basis for a future assessment of ongoing programmes and future priorities, and should be duly taken into account in the context of a possible prolongation and adjustment of the current financial framework until the end of 2015/2016,

1. Recalls that Parliament has intensively contributed to the setting-up of the 2007-2013 MFF and IIA of 17 May 2006 while, in parallel, allowing the continuity of Community legislation through the launching of a huge number of multiannual programmes; thinks that most of the recommendations of the Parliament's report are still valid because they were based on a bottom-up approach that linked tasks and promises with the necessary budgetary means; in this context, is of the opinion that some broad principles and orientations based on past experience should be transmitted to the incoming Parliament;

#### ***A three-step approach***

2. Welcomes the initiative taken by the Commission in organising a broad open consultation seeking to find new ideas and emerging trends; recalls, however, that, within the bounds of the institutional prerogatives which each institution enjoys, Parliament is entitled to explore other solutions and lines of thought on the basis of consultations and hearings it has planned itself;

3. Considers that, over the last two years following the entry into force of the current MFF (2007-2013) and of the IIA of 17 May 2006, some progress has been made on the three pillars developed by Parliament in its resolution of 17 May 2006 on the conclusion of an interinstitutional agreement <sup>(1)</sup>: matching political priorities and financial needs, modernising the budget structure and improving the quality of implementation of the EU budget; notes nevertheless that there is still space for improvement like fulfilling the then agreed '*déclaration d'assurance*' (DAS), simplification of rules and improvement of the use of already provided-for but highly under-implemented funds;

4. Recalls its awareness of the fact that a number of deficits remained unresolved in the final agreement - such as the introduction of regional and national management declarations; stresses that the need for additional financing for EU political priorities, notably for Galileo, the European Institute of Technology and the food facility arose and a solution was found through the use of the existing instruments of the IIA of 17 May 2006; notes that the Council itself has been unable to implement the European Council's agreement seeking to allocate EUR 5 000 000 000 from the EU budget to the economic recovery and support programme; believes that further adjustments within the current MFF and IIA based on a sufficient and ambitious review will be necessary;

5. Points out that a distinction should be made between the review of certain programmes within the current MFF based on the mid-term evaluation of legislation to take place in 2010-2011, the existing challenges resulting from the insufficient financing of heading 4 and heading 1a, and the new challenges such as energy, climate change, citizenship, freedom, security and justice, the fight against organised trans-border crime, Common Foreign and Security Policy (CFSP) and other policies linked to the new competences provided by the Treaty of Lisbon and the preparation of the new MFF; stresses that a prolongation of the present MFF makes an ambitious mid-term review an even more necessary precondition;

6. Stresses that the current context and a number of uncertainties linked to the ratification process of the Treaty of Lisbon on the one hand, and, on the other, the end of the current parliamentary term, the outcome of the European elections and the setting-up of the new Commission in the current economic context, will not permit detailed positions aiming at an ambitious review to be taken in the coming months; stresses, though, that an ambitious review should be an urgent priority for the new Parliament and Commission;

<sup>(1)</sup> OJ C 297 E, 7.12.2006, p. 182.

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7. Is therefore of the opinion that a realistic mid-term review should develop in three steps:
- (a) (i) resolving deficits and left-overs in the context of the annual budgetary procedures, if possible through more flexibility and, if necessary, using part of the margin left below the own resources ceiling,
  - (ii) assessment of the mid-term evaluation,
  - (b) (i) preparation of a possible adjustment and prolongation of the current MFF until 2015/2016 in order to allow for a smooth transition for a system of an MFF of five years' duration which gives to each Parliament and each Commission, during each of their respective terms of office, the political responsibility for each MFF,
  - (ii) possible adjustments and prolongation of the current programmes as provided for by legislation (2010-2011) in line with the possible prolongation of the MFF, as already demanded several times by Parliament,
  - (c) preparation of the next MFF starting in 2016/2017; this phase will be the responsibility of the Parliament elected in 2014;

### **General principles**

8. Recalls that the own-resources ceiling represents 1,31 % of EU GNI in commitments and 1,24 % of EU GNI in payments; also recalls that every year significant margins are left below the ceiling set up by the financial framework, notably in payments (EUR 8 300 000 000 in 2007, EUR 13 000 000 000 in 2008, EUR 7 800 000 000 in 2009); moreover recalls that huge margins exist between the MFF ceiling and the ceiling of the EU own resources <sup>(1)</sup> (EUR 36 600 000 000 in 2010, EUR 44 200 000 000 in 2011, EUR 45 000 000 000 in 2012 and EUR 50 600 000 000 in 2013) <sup>(2)</sup>;

9. Confirms its position as expressed in its abovementioned resolution of 29 March 2007 in which it stressed that 'the political link between the reform of revenue and a review of expenditure is inevitable and perfectly reasonable'; believes that the two processes should be run in parallel with the aim of merging them in a global and integrated reform for a new system of EU financing and spending at the latest for the MFF starting in 2016/2017, which would require the preparatory work, including ratification, to be done beforehand; calls for consideration of a system whereby benefits and burdens between the Member States come to a generally more adequate level;

10. Believes that the general magnitude of EU resources must not be affected by the current world economic crisis, even if the Member States' GNI will cease to follow an ever increasing curve; is therefore convinced that EU spending should concentrate on policies with a clear European added value, fully in line with the principles of subsidiarity proportionality and solidarity; recalls that in a time of crisis this added value is measured largely in terms of the fundamental principle of solidarity between European peoples;

11. Stresses that sound financial management, improved management by the Member States and the Commission matching political priorities and financial needs should remain a priority for the coming years, and that this objective should be pursued through prior identification of positive and negative priorities rather than through self-imposed ceilings, therefore believes that the MFF should have a greater degree of flexibility; emphasises that the challenges facing the EU (with crises in food, energy and the financial sectors) are of a magnitude rarely seen in its history; considers that a truly European response to these crises requires international legislative and budgetary measures;

<sup>(1)</sup> Council Decision 2000/597/EC, Euratom of 29 September 2000 on the system of the European Communities' own resources (OJ L 253, 7.10.2000, p. 42).

<sup>(2)</sup> 1.24 % own resources ceiling vs. MFF ceiling based on 2009 estimated EU 27 GNI.

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12. Believes, since the Union's policy priorities are in a state of constant evolution as a result of globalisation, demographic change, technological development, the need to ensure secure and diverse sources of energy supply, and climate change, that it is essential that EU spending be re-evaluated and optimised in order to achieve the highest value added and most effective EU action;

13. Is convinced that more flexibility within and across headings is an absolute necessity for the functioning capacities of the Union not only to face the new challenges of the EU but also to facilitate the decision-making process within the Institutions; expects the Commission in its forthcoming proposals, based on Declaration No 1 of the IIA of 17 May 2006, to take relevant initiatives in this sense;

14. Recalls that Point 21 of the IIA lays down that 'in the event of unforeseen circumstances the financial framework may, on a proposal from the Commission, be revised in compliance with the own-resources ceiling'; once again criticises the irrational behaviour of the Council which repeatedly opposes the use of this possibility of revision;

15. Reiterates its will to see a concrete and rapid improvement of the Member States' and the Commission's implementation of EU policies and of the cohesion policy in particular; firmly expects the joint commitment made by the Commission and the Council on behalf of the Member States in November 2008 to simplify the procedures (notably of the Management Control Systems (MCS)) in order to accelerate payments, and to produce a positive effect in the coming budgets; is ready to take political and administrative measures, should the current situation remain unchanged; suggests that simplification of procedures must be a priority also in other areas, for example research and innovation and SME policy;

16. Notes that high priority should be given to effective management of EU spending; notes, further, that it is particularly important that allocations of funds are based on objective criteria and on a continuous evaluation of their performance; considers that strong and efficient Public-Private Partnerships (PPP) should be fostered in this respect;

17. Regrets the slow progress of the debate on reforming the EU budget financing system, which has become even more urgent as a result of the economic crisis; regrets in particular that the opportunity of establishing a system for auctioning greenhouse gas emission rights was not seized so as to launch a fundamental political debate on allocation of the new public resources created by EU decisions; urges that this debate be launched in the context of the mid-term review of the current MFF;

18. Notes that a large proportion of the Union's objectives have been taken into account by the Member States in their national budgets; insists that the appropriations thus mobilised be recorded and published in each Member State to make it easier to gauge the effort made by each one and assess the amounts for which provision needs to be made in the EU budget in fields where Member States' efforts need to be encouraged or complemented;

#### ***Specific observations***

19. Is determined to find appropriate financing for the new or additional policies which might follow from the possible entry into force of the Treaty of Lisbon (such as energy and space policies, research under heading 1a; judicial cooperation under heading 3a; youth, sport, information and communication policy, public health under heading 3b; humanitarian aid, European External Action Service under heading 4);

20. Recalls that headings 1a, 3 and 4 are already under-financed in the current MFF; stresses that additional policies should not change the balance between the main categories of the current MFF nor jeopardise the existing priorities; stresses also that, should some Member States continue to insist on a '1 % approach', there will be no budgetary way to finance new priorities which should not be acceptable for the Council and not at all acceptable for Parliament;

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21. Considers that providing the Union with the means to fulfil its political ambition in the areas of energy security and the fight against climate change should be part of a short-term review, independent of the entry into force of the Treaty of Lisbon; is ready to examine the possibility of the creation of a specific fund for that purpose; stresses that this must also be a top priority for the next MFF, preferably through a global agreement on how to finance climate change policies; considers, with a long-term perspective, the creation of a new category bundling all budget-relevant policies in the fight against climate change;
22. Stresses the need for policy coherence in this respect and points to the need to carry out a climate change proofing of all major programmes including agriculture, cohesion programmes, transport and energy networks, and development programmes;
23. Reiterates its readiness to enter into negotiations with the Council on the Commission proposals to finance energy and network projects (broadband) in the context of the EU Recovery Plan;
24. Stresses that the current context of economic slowdown should not be used as a pretext to delay but on the contrary be seen as an opportunity to increase investments in green technologies;
25. Insists on pursuing the target of an increase of Research and Innovation expenditure to 3 % of EU GNI by the year 2010; stresses that scientific research, scientific infrastructure, technological development and innovation are at the heart of the Lisbon Strategy and key factors for growth, job creation, sustainable development and EU competitiveness;
26. Underlines the potential of education, culture and youth programmes to bring Europe closer to its citizens and to foster cultural diversity as well as mutual understanding, apart from the role that education plays in reaching the Lisbon targets and in matching skills with the new challenges and opportunities that arise from the financial and economic crisis and from climate change;
27. Recalls that heading 4 'The EU as a global partner' remains chronically under-financed; asks the Commission to make proposals: for financing with a long-term perspective to help reach the Millennium Development Goals; for commitments resulting from an international climate change agreement independent of development aid; for preventing conflicts and promoting human rights and fundamental freedoms; for a credible neighbourhood policy; and for CFSP/ESDP (subject to adequate discharge procedures), in order to avoid recurrent and endless negotiations with the Council during the annual budgetary procedures; highlights that new needs should be financed with additional resources;
28. Recalls the commitments made by the Member States in 2005 in view of reaching the target of 0,7 % of EU GNI for the official development assistance (ODA) in 2015; believes that the support of the EU budget can be a useful incentive to help the Member States to keep to this goal; reiterates its will to integrate the European Development Fund into the general budget so as to enhance transparency with its parliament-accompanied and -controlled decision-making procedures;
29. Invites the Parliament elected in 2009, for reasons of transparency, to incorporate funds currently operating outside the budget into the regular budget structure;

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30. Instructs its President to forward this resolution to the Council and Commission.
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Wednesday 25 March 2009

**EC-Cariforum States Economic Partnership Agreement**

P6\_TA(2009)0175

**European Parliament resolution of 25 March 2009 on the Economic Partnership Agreement between the Cariforum States, of the one part, and the European Community and its Member States, of the other part**

(2010/C 117 E/17)

*The European Parliament,*

- having regard to its resolutions of 25 September 2003 on the Fifth Ministerial Conference of the World Trade Organisation (WTO) in Cancún <sup>(1)</sup>, of 12 May 2005 on the assessment of the Doha Round following the WTO General Council Decision of 1 August 2004 <sup>(2)</sup>, of 1 December 2005 on the preparations for the sixth Ministerial Conference of the World Trade Organisation in Hong Kong <sup>(3)</sup>, of 23 March 2006 on the development impact of Economic Partnership Agreements (EPAs) <sup>(4)</sup>, of 4 April 2006 on the assessment of the Doha Round following the WTO Ministerial Conference in Hong Kong <sup>(5)</sup>, of 1 June 2006 on trade and poverty: designing trade policies to maximise trade's contribution to poverty relief <sup>(6)</sup>, of 7 September 2006 on the suspension of negotiations on the Doha Development Agenda <sup>(7)</sup> (DDA), of 23 May 2007 on Economic Partnership Agreements <sup>(8)</sup>, of 12 July 2007 on the TRIPS Agreement and access to medicines <sup>(9)</sup>, of 12 December 2007 on Economic Partnership Agreements <sup>(10)</sup> and its position of 5 June 2008 on the proposal for a Council regulation applying a scheme of generalised tariff preferences for the period from 1 January 2009 to 31 December 2011 and amending Regulations (EC) No 552/97, (EC) No 1933/2006 and Commission Regulations (EC) No 964/2007 and (EC) No 1100/2006 <sup>(11)</sup>,
- having regard to its resolution of 26 September 2002 on its recommendation to the Commission concerning the negotiation of Economic Partnership Agreements with the African, Caribbean and Pacific (ACP) countries and regions <sup>(12)</sup>,
- having regard to its resolution of 5 February 2009 on the development impact of Economic Partnership Agreements (EPAs) <sup>(13)</sup>,
- having regard to the Economic Partnership Agreement between the Cariforum States, of the one part, and the European Community and its Member States, of the other part,
- having regard to the Joint Declaration on the signing of the Economic Partnership Agreement,
- having regard to the Partnership Agreement between the members of the African, Caribbean and Pacific (ACP) Group of States of the one part, and the European Community and its Member States, of the other part, signed in Cotonou on 23 June 2000 (the Cotonou Agreement),
- having regard to the conclusions of the General Affairs and External Relations Council of April 2006, October 2006, May 2007, October 2007, November 2007 and May 2008,

<sup>(1)</sup> OJ C 77 E, 26.3.2004, p. 393.

<sup>(2)</sup> OJ C 92 E, 20.4.2006, p. 397.

<sup>(3)</sup> OJ C 285 E, 22.11.2006, p. 126.

<sup>(4)</sup> OJ C 292 E, 1.12.2006, p. 121.

<sup>(5)</sup> OJ C 293 E, 2.12.2006, p. 155.

<sup>(6)</sup> OJ C 298 E, 8.12.2006, p. 261.

<sup>(7)</sup> OJ C 305 E, 14.12.2006, p. 244.

<sup>(8)</sup> OJ C 102 E, 24.4.2008, p. 301.

<sup>(9)</sup> OJ C 175 E, 10.7.2008, p. 591.

<sup>(10)</sup> OJ C 323 E, 18.12.2008, p. 361.

<sup>(11)</sup> Texts adopted, P6\_TA(2008)0252.

<sup>(12)</sup> OJ C 273 E, 14.11.2003, p. 305.

<sup>(13)</sup> Texts adopted, P6\_TA(2009)0051.

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- having regard to the Commission Communication of 23 October 2007 on Economic Partnership Agreements (COM(2007)0635),
  - having regard to the General Agreement on Tariffs and Trade (GATT), in particular Article XXIV thereof,
  - having regard to the Ministerial Declaration of the Fourth Session of the WTO Ministerial Conference, adopted on 14 November 2001 in Doha,
  - having regard to the Ministerial Declaration of the Sixth Session of the WTO Ministerial Conference, adopted on 18 December 2005 in Hong Kong,
  - having regard to the report and recommendations of the Task Force on Aid for Trade, adopted by the WTO General Council on 10 October 2006,
  - having regard to the United Nations Millennium Declaration of 8 September 2000, which sets out the Millennium Development Goals (MDGs) as criteria collectively established by the international community for the elimination of poverty,
  - having regard to the Gleneagles Communiqué, adopted by the G8 on 8 July 2005,
  - having regard to Rule 108(5) in conjunction with Rule 103(2) of its Rules of Procedure,
- A. whereas from 1 January 2008 the EU's previous trade relationship with the ACP countries – which gave the latter preferential access to EU markets on a non-reciprocal basis – no longer complied with the rules of the WTO,
- B. whereas EPAs are WTO-compatible agreements aimed at supporting regional integration and promoting the gradual integration of the ACP economies into the world economy, thereby fostering their sustainable social and economic development and contributing to the overall effort to eradicate poverty in the ACP countries,
- C. whereas EPAs should be used to build a long-term relationship whereby trade supports development,
- D. whereas the current financial and economic crisis means that trade policy will be more important than ever to the developing world,
- E. whereas the country and regional impact of the complex and wide-ranging commitments included in the agreements could be very substantial,
- F. whereas the EPA will inevitably condition the scope and content of future agreements made between Cariforum and other trading partners and the region's stance in the negotiations,
- G. whereas each of the Cariforum States has a separate liberalisation schedule, with a certain level of overlap between countries which converges over time, evolving into a regional schedule; whereas the Caribbean Community (Caricom) aims to establish a Single Market by 2015,
- H. whereas the absolute impact of trade rules established by the EPA could be much greater than the removal of tariffs,
- I. whereas improved trade rules must be accompanied by an increase in support for trade-related assistance,



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- J. whereas the aim of the EU Strategy on Aid for Trade is to support developing countries' capacity to take advantage of new trade opportunities,
- K. whereas the last sentence of Article 139(2) of the Agreement states that 'Nothing in this Agreement shall be construed as to impair the capacity of the Parties and the Signatory Cariforum States to promote access to medicines',
- L. whereas the EPA contains a Declaration on Development Cooperation but no legally binding funding commitments,
1. Stresses that EPAs cannot be regarded as satisfactory unless they achieve the following objectives: offering the ACP countries support for sustainable development, promoting their participation in world trade, strengthening the regionalisation process, revitalising trade between the European Union and ACP countries and promoting the economic diversification of ACP countries;
  2. Recalls that the EPA must be supportive of the development objectives, policies and priorities of the Cariforum States, not only in its structure and content, but also in the manner and spirit of its implementation;
  3. Points out that the EPA should contribute to the achievement of the MDGs;
  4. Calls on the Commission to clarify its stance on the stated EU objective of discouraging existing tax havens; recalls in this regard that eight out of the 14 Cariforum signatory states of the EPA are listed as tax havens by the OECD and that the Cariforum EPA provides for current account liberalisation for all residents (Article 122), capital account liberalisation for investors (Article 123), and almost unlimited cross-border activity of financial services, including the operation of 'trust services' and 'over-the-counter' trading of derivatives (Article 103, B-6);
  5. Stresses that the principal aim of the EC-Cariforum EPA is to contribute, through development goals, poverty reduction and respect for fundamental human rights, to the achievement of the MDGs;
  6. Calls on the Commission to do its utmost to restart the negotiations on the DDA and ensure that trade liberalisation agreements continue to promote development in poor countries;
  7. Is convinced that comprehensive EPAs should be complementary to an agreement on the DDA and not an alternative for ACP countries;
  8. Highlights the importance of intra-regional trade and the need for increased regional trade links in order for sustainable growth to be ensured in the region; underlines the importance of cooperation and congruency between different regional entities;
  9. Is concerned that, despite the Commission's EPA negotiating mandate, approved by the Council on 17 June 2002, which stated that during negotiations, account would be taken of the particular interests of the Community's outermost regions, and that in this respect, EPAs could in particular make provision for specific measures to assist products from these regions, with a view to their inclusion in the short term in interregional trade, pursuant to WTO provisions, the interests of the outermost regions have not been sufficiently taken into account in respect of many aspects that were communicated to the Commission by the regional councils, and that in consequence short-term inclusion of the outermost regions in interregional trade has been neglected;
  10. Encourages further lowering of tariffs between developing countries and regional groups, which today account for 15 to 25 percent of the trade value, to further promote south - south trade, economic growth and regional integration;

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11. Recalls that a genuine regional market is an essential basis for successfully implementing the EPA and that regional integration and cooperation are essential for the social and economic development of the Cariforum States;
12. Stresses that the implementation of the Agreement must pay due regard to the integration processes in Cariforum, including the aims and objectives of the Caricom Single Market and Economy (CSME) as outlined in the Revised Treaty of Chaguaramas;
13. Recognises that the Cariforum States that are members of Caricom have made commitments in subject areas not yet settled under the CSME or fully implemented, including financial services, other services, investment, competition, public procurement, e-commerce, intellectual property, free circulation of goods, and the environment; calls for due regard to the CSME in the implementation of provisions in these subject areas, in accordance with Article 4(3) of the EC-Cariforum EPA;
14. Urges the relevant countries to provide clear and transparent information about the economic and political situation and development in these countries in order to improve cooperation with the EC;
15. Calls on the Commission to clarify the actual distribution of funds throughout the ACP region arising from the pledged priority spending within the increased Aid for Trade budget;
16. Insists that, in keeping with the Paris Principles on Aid Effectiveness, aid must inter alia be demand-driven, and therefore calls on the ACP to propose the necessary additional EPA-related funds, particularly with regard to regulatory frameworks, safeguard measures, trade facilitation, support in meeting international sanitary and phytosanitary and intellectual property standards and the composition of the EPA monitoring mechanism;
17. Recalls the adoption, in October 2007, of the EU Strategy on Aid for Trade, with the commitment to increase the collective EU trade-related assistance to EUR 2 billion (2 000 000 000) annually by 2010 (EUR 1 billion from the Community, EUR 1 billion from the Member States); insists that the Cariforum States receive an appropriate and equitable share;
18. Calls on the Commission to clarify the distribution of funds throughout the region, calls on EU Member States to outline additional funding beyond 2008-2013 budget commitments;
19. Calls for an early determination and provision of an equitable share of the Aid for Trade resources; stresses that the Commission and the EU Member States should ensure that these funds represent additional resources and are not merely a repackaging of the European Development Fund (EDF) funding, that they conform to Cariforum priorities and that their disbursement is channelled through the Regional Development Fund to the greatest extent possible and is timely, predictable and in harmony with the execution schedules of national and regional strategic development plans; recommends to the Commission and the Cariforum States that they make efficient use of these funds in order to help compensate for the possible loss of customs revenues and to address competitiveness and development-enhancing needs;
20. Calls on the Commission to clarify which funds are additional to the funding of the 10th European Development Fund; calls on the Commission to ensure that all development cooperation provisions, including their funding, are put into operation expeditiously, adequately, and effectively;
21. Notes that for Bahamas, Antigua and Barbados, customs revenue loss through trade liberalisation is frontloaded; accepts that for other Cariforum States a substantial proportion of EU exports is either already free of trade barriers or the bulk of the liberalisation will occur in years 10-15 of the implementation timetable;
22. Stresses that, if necessary, substantial changes to rules of origin should accompany the duty-free, quota-free (DFQF) initiative to produce a significant increase in goods exports; in this regard welcomes the recent statements by the Commission that the Rules of Origin could be upgraded under Article 10 in line with the accumulation principle;

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23. Calls on the Commission to report regularly to Parliament on the extent of patent applications and litigation under the Patent cooperation Treaty; calls on the Commission to provide regular reports on the implementation of the technology transfer commitments in the Agreement; urges the Commission not to seek to harmonise intellectual property rights standards upwards beyond what is appropriate for the level of development of the Cariforum States; stresses the importance of assisting Cariforum countries in monitoring anti-competitive behaviour in the pharmaceutical sector;
24. Urges the negotiators of any full EPA to account fully for the transparent management of natural resources and to outline the best practices necessary for the ACP countries to make the maximum gains from such resources;
25. Urges the Commission to ensure that the provisions regarding enforcement of intellectual property rights will not be used to thwart legitimate competition from generic pharmaceutical suppliers and/or to prevent government purchasing entities from acquiring generic supplies;
26. Respects the need for a chapter on trade defence with bilateral safeguards; calls on both parties to avoid unnecessary use of these safeguards;
27. Recognises the inclusion of a development cooperation chapter in the comprehensive EPA covering cooperation on trade in goods, supply-side competitiveness, business-enhancing infrastructure, trade in services, trade-related issues, institutional capacity-building, and fiscal adjustments; calls on both parties to adhere to their agreed commitment to conclude negotiations on competition and government procurement only when adequate capacity has been built;
28. Stresses that the EPA should take into account the specific interests of small and medium-sized enterprises of both parties;
29. Calls on the application by the European Union of the Most Favoured Nation (MFN) principle among all the ACP sub-regional groups;
30. Recognises the selective application of MFN treatment to the European Union by Cariforum and other sub-regional groups;
31. Considers that taking into account the special and differential treatment provisions included in Article 5 of the EPA and, in view of achieving the goal of poverty reduction, suitable EPA development indicators should serve three key purposes: to trigger implementation of EPA commitments by Cariforum States or to qualify them for exemptions; to monitor the impact of EPA implementation on sustainable development and poverty reduction; and to monitor the implementation of EC commitments, in particular disbursement and effective delivery of pledged financial and technical assistance;
32. Highlights the need for development indicators to be used to measure expected economic and social outcomes (such as poverty reduction, better living standards and opening up of the economy) in implementing the EPA;
33. Notes the large gap between levels of public spending on agricultural subsidies and financial and technical support;
34. Notes that this disadvantages farmers in the ACP countries by decreasing their competitiveness both domestically and abroad as their products in comparison to subsidised EU and US products are more costly in real terms;
35. Therefore supports the agreed tariff line exclusions focused on agricultural goods and some processed agricultural goods given that they are based chiefly on the need to protect infant industries or sensitive products in these countries;

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36. Calls for appropriate and transparent monitoring mechanisms – with a clear role and influence – to follow the impact of EPAs with increased ACP ownership and broad stakeholder consultation;
37. Requests the Commission to support the establishment of an independent monitoring mechanism within the Cariforum States endowed with the necessary resources to undertake the analysis necessary to determine the extent to which the EPA is achieving its objectives;
38. Considers it important that implementation of the EPAs should involve the establishment of an appropriate monitoring system coordinated by the relevant parliamentary committee and involving members of the Committee on International Trade and of the Committee on Development, ensuring an adequate balance between the maintenance of the leading role of the Committee on International Trade and overall consistency on trade and development policies; considers that this parliamentary committee should operate in a flexible manner and actively coordinate its work with the ACP-EU Joint Parliamentary Assembly (JPA);
39. Highlights the crucial role of Cariforum parliaments and non-state actors in the monitoring and management of the EPA; notes that their effective involvement requires a clear and inclusive agenda between the EU and the Cariforum States;
40. Calls on the European Council to consult the regional councils of the outermost regions of the European Union in the Caribbean (Martinique, Guadeloupe and French Guiana) prior to ratification of the EPA between the Cariforum States and the Member States of the European Union;
41. Welcomes the above-mentioned Joint Declaration and the fact that a mandatory comprehensive review of the Agreement will be undertaken no later than five years after the date of signature and at subsequent five-yearly intervals, in order to determine the impact of the Agreement, including the costs and consequences of implementation; points out that the parties undertook to amend its provisions and adjust their application as necessary; calls for Parliament and the Cariforum parliaments to be involved in any revision of the EPA;
42. Instructs its President to forward this resolution to the Council, the Commission, the governments and parliaments of the Member States and of the ACP countries, the ACP-EU Council of Ministers and the ACP-EU Joint Parliamentary Assembly.

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## **EC-Côte d'Ivoire stepping stone Economic Partnership Agreement**

P6\_TA(2009)0176

**European Parliament resolution of 25 March 2009 on the stepping stone Economic Partnership Agreement between Côte d'Ivoire, of the one part, and the European Community and its Member States, of the other part**

(2010/C 117 E/18)

*The European Parliament,*

- having regard to the General Agreement on Tariffs and Trade (GATT), in particular Article XXIV thereof,
- having regard to the Partnership Agreement between the members of the African, Caribbean and Pacific (ACP) Group of States of the one part, and the European Community and its Member States, of the other part, signed in Cotonou on 23 June 2000 (the Cotonou Agreement),

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- having regard to the United Nations Millennium declaration of 8 September 2000, which sets out the Millennium Development Goals (MDGs) as criteria collectively established by the international community for the elimination of poverty,
- having regard to the Ministerial Declaration of the Fourth Session of the WTO Ministerial Conference, adopted on 14 November 2001 in Doha,
- having regard to its resolution of 25 September 2003 on the Fifth Ministerial Conference of the World Trade Organisation (WTO) in Cancún <sup>(1)</sup>,
- having regard to its resolution of 12 May 2005 on the assessment of the Doha Round following the WTO General Council Decision of 1 August 2004 <sup>(2)</sup>,
- having regard to the Gleneagles Communiqué, adopted by the G8 on 8 July 2005,
- having regard to its resolution of 1 December 2005 on the preparations for the sixth Ministerial Conference of the World Trade Organisation in Hong Kong <sup>(3)</sup>,
- having regard to the Ministerial Declaration of the Sixth Session of the WTO Ministerial Conference, adopted on 18 December 2005 in Hong Kong,
- having regard to its resolution of 23 March 2006 on the development impact of Economic Partnership Agreements (EPAs) <sup>(4)</sup>,
- having regard to its resolution of 4 April 2006 on the assessment of the Doha Round following the WTO Ministerial Conference in Hong Kong <sup>(5)</sup>,
- having regard to its resolution of 1 June 2006 on trade and poverty: designing trade policies to maximise trade's contribution to poverty relief <sup>(6)</sup>,
- having regard to its resolution of 7 September 2006 on the suspension of negotiations on the Doha Development Agenda <sup>(7)</sup> (DDA),
- having regard to the report and recommendations of the Task Force on Aid for Trade, adopted by the WTO General Council on 10 October 2006,
- having regard to its resolutions of 23 May 2007 <sup>(8)</sup> and of 12 December 2007 <sup>(9)</sup> on Economic Partnership Agreements,
- having regard to the Commission Communication of 23 October 2007 on Economic Partnership Agreements (COM(2007)0635),
- having regard to the Conclusions of the General Affairs and External Relations Council (GAERC) of April 2006, October 2006, May 2007, October 2007, November 2007 and May and June 2008,

<sup>(1)</sup> OJ C 77 E, 26.3.2004, p. 393.

<sup>(2)</sup> OJ C 92 E, 20.4.2006, p. 397.

<sup>(3)</sup> OJ C 285 E, 22.11.2006, p. 126.

<sup>(4)</sup> OJ C 292 E, 1.12.2006, p. 121.

<sup>(5)</sup> OJ C 293 E, 2.12.2006, p. 155.

<sup>(6)</sup> OJ C 298 E, 8.12.2006, p. 261.

<sup>(7)</sup> OJ C 305 E, 14.12.2006, p. 244.

<sup>(8)</sup> OJ C 102 E, 24.4.2008, p. 301.

<sup>(9)</sup> OJ C 323 E, 18.12.2008, p. 361.

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- having regard to its position of 5 June 2008 on the proposal for a Council regulation applying a scheme of generalised tariff preferences for the period from 1 January 2009 to 31 December 2011 and amending Regulations (EC) No 552/97, (EC) No 1933/2006 and Commission Regulations (EC) No 964/2007 and (EC) No 1100/2006 <sup>(1)</sup>,
  - having regard to the Interim Economic Partnership Agreement between Côte d'Ivoire, on the one part, and the European Community and its Member States, on the other part,
  - having regard to Rule 108(5) in conjunction with Rule 103(2) of its Rules of Procedure,
- A. whereas the European Union's previous trade relationship with the ACP countries until 31 December 2007 – which gave the latter preferential access to EU markets on a non-reciprocal basis – was the subject of a derogation from the general rules of the WTO,
- B. whereas EPAs are WTO-compatible agreements aimed at supporting regional integration and promoting the gradual integration of the ACP economies into the world economy, thereby fostering their sustainable social and economic development and contributing to the overall effort to eradicate poverty and create wealth in the ACP countries,
- C. whereas Interim Economic Partnership Agreements (IEPAs) are by nature WTO-compatible agreements involving substantial commitments on trade in goods aimed at preventing a disruption of ACP trade with the European Union, and should be considered as a temporary solution while negotiations to conclude a comprehensive EPA with the West African region are ongoing,
- D. whereas the trade rules embodied in the IEPA should be accompanied by an increase in support for trade-related assistance such as administrative capacity building and measures to promote good governance,
- E. whereas Côte d'Ivoire ranks 151st out of 163 in Transparency International's Corruption Perception Index 2008,
- F. whereas the aim of the EU Strategy on Aid for Trade is to support developing countries' capacity to take advantage of new trade opportunities,
- G. whereas within the EPA negotiations some ACP countries, with the aim of ensuring that all exporters are treated in the same way as the most favoured trading exporter, have sought the inclusion of a Most Favoured Nation (MFN) Clause, which sets a normal, non-discriminatory tariff on imports of goods,
- H. whereas there is limited competition between EU and ACP economies since the vast majority of EU exports mainly consist of goods ACP countries do not produce but need either for direct consumption or as inputs for domestic industry; whereas this is not the case with regard to trade in agricultural goods, where EU export subsidies represent a serious obstacle for ACP producers in the agricultural, livestock and dairy sectors, disrupting and often destroying both local and regional markets, and the EU should therefore phase out all kinds of export subsidies without delay,
- I. whereas new, improved, and more flexible rules of origin have been negotiated between the European Community and the ACP countries, and will potentially provide the ACP countries with considerable benefits if implemented appropriately and with due consideration for their reduced capacity levels,
1. Stresses that EPAs cannot be regarded as satisfactory unless they achieve three objectives: offering the ACP countries support for sustainable development, promoting their participation in world trade and strengthening the regionalisation process;
  2. Stresses that the principal aim of this agreement is to contribute, through trade and development, poverty reduction and respect for fundamental human rights, to the achievement of the MDGs;

<sup>(1)</sup> Texts adopted, P6\_TA(2008)0252.

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3. Recalls that, whilst the interim agreement is WTO-compatible and can be considered a first step in the process, it may not automatically lead to a 'full' EPA;
4. Recommends a flexible and pragmatic approach in the ongoing negotiations for a full EPA; calls on the Commission, in this context, to take into account, in particular, Côte d'Ivoire's request concerning the development aspects of the agreement; welcomes in this regard the Conclusions of the GAERC of May 2008;
5. Calls on the Commission to consider any request by Côte d'Ivoire to renegotiate any provisions on the contentious issues that it wishes to amend or withdraw;
6. Calls on the Commission to monitor closely economic developments related to the agreement; supports, therefore, the Commission's intention to review all aspects of the agreement during the negotiations for a full EPA; stresses that the full EPA should include a revision clause and an impact assessment, which should be carried out within three to five years after the signature of the agreement in order to determine its socio-economic impact, including the costs and consequences of implementation; calls for Parliament to be involved in any revision of the agreement;
7. Recalls that EPAs must be compatible with WTO rules, which do not require or forbid liberalisation commitments or regulatory obligations regarding services, intellectual property rights protection and the so-called 'Singapore issues';
8. Calls for a regulatory framework to be established during the transition from interim to full EPA with regard to services; calls for steps to be taken to ensure, where possible, that universal service provisions are in place, including for essential public services; reaffirms in this context the views set out in its resolution of 4 September 2008 on trade in services<sup>(1)</sup>;
9. Considers that a full EPA should include a section on political dialogue and the defence of human rights;
10. Expresses the hope that an accountable and democratically elected government will be in place as soon as possible in Côte d'Ivoire; welcomes, therefore, all preparations completed by the Independent Electoral Commission (CEI), but urges the CEI to make a new and realistic electoral timeline public as soon as possible; believes that Parliament's support for a full EU-Côte d'Ivoire EPA should take account of whether elections have taken place and whether a democratically elected government is in power; requests to be consulted as early as possible;
11. Commends the signatories to the agreement for facilitating progress in customs reforms within the West African region, especially considering the position held by Côte d'Ivoire in the West African region as one of its most advanced and prosperous economies, and also the leader on trade and economic development;
12. Welcomes the development of a customs union in the West African regional grouping and, in particular, the benefits to Côte d'Ivoire that would be available through the synchronisation of the West African region, leading to a wider market, increased trade and increased opportunities for the creation of economies of scale;
13. Recalls that intra-regional trade accounts for a small proportion of Côte d'Ivoire's trade and highlights the need for increased regional trade links in order for sustainable growth to be ensured in the region; calls, therefore, on the Commission duly to take into account the policies of the Economic Community of West African States (ECOWAS) regional grouping;

<sup>(1)</sup> Texts adopted, P6\_TA(2008)0407.

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14. Stresses that the potential future regional EPA with West Africa must under no circumstances endanger the cohesion or weaken the regional integration of those countries;
15. Considers that the full EPA should encourage processed exports with simpler and improved rules of origin, particularly in key sectors such as textiles, fisheries and agriculture;
16. Calls on the European Union to provide increased and adequate technical and administrative assistance to Côte d'Ivoire, including its private sector and civil society, in order to facilitate the adaptation of the country's economy following the signing of the IEPA;
17. Recalls the adoption, in October 2007, of the EU Strategy on Aid for Trade, with the commitment to increase the collective EU trade-related assistance to EUR 2 billion (2 000 000 000) annually by 2010 (EUR 1 billion from the Community, EUR 1 billion from the Member States); insists that Côte d'Ivoire receive an appropriate and equitable share; calls for an early determination and provision of the share of the Aid for Trade resources; stresses that these funds should be additional resources and not merely a repackaging of the European Development Fund (EDF) funding, that they should conform to the priorities of Côte d'Ivoire and that their disbursement should be timely, predictable and in line with the execution schedules of national and regional strategic development plans; opposes any kind of conditionality linked to the ratification of this EPA in the matter of granting European aid, and calls on the Commission to guarantee that access to the funds of the 10th EDF is kept separate from the results and pace of the negotiations;
18. Underlines the importance of a transparent management of natural resources as they are key to development; urges the negotiators of the final EPA to account fully for such a mechanism and to suggest best practices in order that Côte d'Ivoire may make the maximum gains from such resources; reaffirms in this context the views set out in its resolution of 13 March 2007 on corporate social responsibility<sup>(1)</sup> and asks the Commission to ensure that EU-based transnational companies with production facilities in ACP countries abide by core ILO standards, social and environmental covenants and international agreements to achieve a worldwide balance between economic growth and higher social and environmental standards;
19. Calls on the Côte d'Ivoire authorities to encourage and protect small and medium-sized enterprises (SMEs) in light of the signing of the IEPA; commends the IEPA for giving SMEs 15 years to adapt to the changes;
20. Believes that the development of the region's human resources is paramount for securing the gains from a revised trading system, and encourages the development of incentives to maintain and procure skilled and educated workers for the Côte d'Ivoire workforce;
21. Expresses its continued support for a full EPA between the European Community and Côte d'Ivoire; considers that the key issues that must be negotiated include:
- (i) rules for the protection of significant local 'infant industries' for development purposes;
  - (ii) the key area of intellectual property right negotiations that cover not only Western technological artefacts, but also biodiversity and traditional knowledge; furthermore, intellectual property right negotiations must not go beyond WTO rules and not demand TRIPS+ obligations from West African WTO or non-WTO members;
  - (iii) a human rights clause;

<sup>(1)</sup> OJ C 301 E, 13.12.2007, p. 45.



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- (iv) a chapter on the protection of biodiversity and the Gulf of Guinea forest, which would thus reinforce the FLEGT mechanism;
  - (v) allowing taxes in justifiable cases for development purposes;
  - (vi) the transparency of government procurement, with openness to EU contractors triggered at a point suitable for the needs of Côte d'Ivoire;
  - (vii) working visas, which must be made available to Côte d'Ivoire nationals for periods of at least 24 months to enable them to work as 'carers' and in similar professions;
22. Regrets that many products, including cement, gasoline and cars, whose lower-cost import may be essential for local entrepreneurs and infant industries further up the value chain, have been excluded from liberalisation;
23. Insists that any full EPA should include provisions on basic standards relating to good governance, transparency and respect for human rights;
24. Believes that a full EPA will completely extend its benefits to the citizens of Côte d'Ivoire if an accountable and democratically elected government is in place in this country; expresses hope, that in time, such a government will be in place in Côte d'Ivoire;
25. Considers it important that, in the implementation of EPAs, an appropriate monitoring system should be established, coordinated by the relevant parliamentary committee and involving members of the Committee on International Trade and of the Committee on Development, ensuring an adequate balance between the maintenance of the leading role of the Committee on International Trade and overall consistency on trade and development policies; considers that this parliamentary committee should operate in a flexible manner and actively coordinate its work with the ACP-EU Joint Parliamentary Assembly (JPA);
26. Calls on the Council and the Commission to inform Parliament in good time during the transitional negotiating process;
27. Calls on the Commission to provide viable alternatives that guarantee market access for those countries not wishing to commit to the full EPA;
28. Stresses, in particular, the crucial role of ACP parliaments and non-state actors in the monitoring and management of EPAs, and asks the Commission to promote their involvement in the ongoing negotiation procedures; points out that this requires a clear agenda between the EU and ACP countries, based on a participatory approach;
29. Instructs its President to forward this resolution to the Council, the Commission, the governments and parliaments of the Member States and of the ACP countries, the ACP-EU Council of Ministers and the ACP-EU Joint Parliamentary Assembly.
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## EC-Ghana stepping stone Economic Partnership Agreement

P6\_TA(2009)0177

### European Parliament resolution of 25 March 2009 on the stepping stone Economic Partnership Agreement between Ghana, of the one part, and the European Community and its Member States, of the other part

(2010/C 117 E/19)

*The European Parliament,*

- having regard to its resolutions of 25 September 2003 on the Fifth Ministerial Conference of the World Trade Organisation (WTO) in Cancún <sup>(1)</sup>, of 12 May 2005 on the assessment of the Doha Round following the WTO General Council Decision of 1 August 2004 <sup>(2)</sup>, of 1 December 2005 on preparations for the sixth Ministerial Conference of the World Trade Organisation in Hong Kong <sup>(3)</sup>, of 23 March 2006 on the development impact of Economic Partnership Agreements (EPAs) <sup>(4)</sup>, of 4 April 2006 on the assessment of the Doha Round following the WTO Ministerial Conference in Hong Kong <sup>(5)</sup>, of 1 June 2006 on trade and poverty: designing trade policies to maximise trade's contribution to poverty relief <sup>(6)</sup>, of 7 September 2006 on the suspension of negotiations on the Doha Development Agenda <sup>(7)</sup> (DDA), of 23 May 2007 on Economic Partnership Agreements <sup>(8)</sup>, of 12 December 2007 on Economic Partnership Agreements <sup>(9)</sup>, and its position of 5 June 2008 on the proposal for a Council regulation applying a scheme of generalised tariff preferences for the period from 1 January 2009 to 31 December 2011 and amending Regulations (EC) No 552/97, (EC) No 1933/2006 and Commission Regulations (EC) No 964/2007 and (EC) No 1100/2006 <sup>(10)</sup>,
- having regard to the interim Economic Partnership Agreement between Ghana, on the one part, and the European Community and its Member States, on the other part,
- having regard to the Partnership Agreement between the members of the African, Caribbean and Pacific (ACP) Group of States of the one part, and the European Community and its Member States, of the other part, signed in Cotonou on 23 June 2000 (the Cotonou Agreement),
- having regard to the Conclusions of the General Affairs and External Relations Council (GAERC) of April 2006, October 2006, May 2007, October 2007, November 2007, May 2008 and November 2008,
- having regard to the Commission Communication of 23 October 2007 on Economic Partnership Agreements (COM(2007)0635),
- having regard to the General Agreement on Tariffs and Trade (GATT), in particular Article XXIV thereof,
- having regard to the Ministerial Declaration of the Sixth Session of the WTO Ministerial Conference, adopted on 18 December 2005 in Hong Kong,
- having regard to the report and recommendations of the Task Force on Aid for Trade, adopted by the WTO General Council on 10 October 2006,

<sup>(1)</sup> OJ C 77 E, 26.3.2004, p. 393.

<sup>(2)</sup> OJ C 92 E, 20.4.2006, p. 397.

<sup>(3)</sup> OJ C 285 E, 22.11.2006, p. 126.

<sup>(4)</sup> OJ C 292 E, 1.12.2006, p. 121.

<sup>(5)</sup> OJ C 293 E, 2.12.2006, p. 155.

<sup>(6)</sup> OJ C 298 E, 8.12.2006, p. 261.

<sup>(7)</sup> OJ C 305 E, 14.12.2006, p. 244.

<sup>(8)</sup> OJ C 102 E, 24.4.2008, p. 301.

<sup>(9)</sup> OJ C 323 E, 18.12.2008, p. 361.

<sup>(10)</sup> Texts adopted, P6\_TA(2008)0252.

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- having regard to the United Nations Millennium Declaration of 8 September 2000, which sets out the Millennium Development Goals (MDGs) as criteria collectively established by the international community for the elimination of poverty,
  - having regard to the Gleneagles Communiqué, adopted by the G8 on 8 July 2005,
  - having regard to the Ministerial Declaration of the Fourth Session of the WTO Ministerial Conference, adopted on 14 November 2001 in Doha,
  - having regard to Rule 108(5) in conjunction with Rule 103(2) of its Rules of Procedure,
- A. whereas the European Union's previous trade relationship with the ACP countries until 31 December 2007 – which gave the latter preferential access to EU markets on a non-reciprocal basis – did not comply with the rules of the WTO,
- B. whereas EPAs are WTO-compatible agreements aimed at supporting regional integration and promoting the gradual integration of the ACP economies into the world economy, thereby fostering their sustainable social and economic development and contributing to the overall effort to eradicate poverty in the ACP countries,
- C. whereas WTO rules do not require EPA countries to undertake liberalisation in the areas of services, investment, government procurement, intellectual property rights, competition, trade facilitation, data protection, movement of capital or tax governance, and whereas negotiations on these issues should take place only when both parties are willing to do so; whereas the declared objectives of the EPAs of enhancing development and reducing poverty need to be met by means of progressive and properly designed trade liberalisation based on development benchmarks, which can play a role in promoting market diversity, economic growth and development,
- D. whereas the Conclusions of the General Affairs and External Relations Council of 26-27 May 2008 underlined the need for a flexible approach, while ensuring adequate progress, and called on the Commission to use all WTO-compatible flexibility and asymmetry in order to take account of different needs and levels of development in the ACP countries and regions,
- E. whereas former trade preference systems were not able to contribute to improving significantly the economic situation in these countries,
- F. whereas Interim Economic Partnership Agreements (IEPAs) are agreements on trade in goods aimed at preventing a disruption of ACP trade with the Union and they should be considered as a temporary solution while negotiations to conclude a comprehensive EPA with the West African region are ongoing,
- G. whereas the overall impact of trade rules established by the EPA could be much greater than the removal of tariffs,
- H. whereas, under Article 37(6) of the Cotonou Agreement, ACP countries have the right to explore alternatives to EPAs,
- I. whereas IEPAs are stepping stones towards full EPAs,
- J. whereas the European Union offers ACP countries 100 percent quota-free and duty-free access to EU markets, with transition periods for rice (2010) and sugar (2015),
- K. whereas capacity levels vary considerably between the different ACP countries as well as between the ACP and the European Union,

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- L. whereas there is limited competition between EU and ACP economies, since the vast majority of EU exports consist of goods that ACP countries do not produce but need either for direct consumption or as inputs for domestic industry,
- M. whereas the current financial and economic crisis means that trade policy will be more important than ever to the developing world, in order for it to take full advantage of opportunities in international trade,
- N. whereas the Most Favoured Nation (MFN) clause, which sets a normal, non-discriminatory tariff on goods imports, is included in EPA texts with the aim of ensuring that all exporters are treated the same as the most favoured trading exporter,
- O. whereas new, improved rules of origin have been negotiated between the European Community and the ACP countries and could potentially provide the ACP countries with considerable benefits if implemented appropriately and with due consideration for their reduced capacity levels,
- P. whereas the aim of the EU Strategy on Aid for Trade is to support developing countries' capacity to take advantage of new trade opportunities,
- Q. whereas the full EPA will inevitably condition the scope and content of future agreements made between the ACP countries and other trading partners, and the region's stance in the negotiations,
- R. whereas the balance of trade between the European Union and the Economic Community of West African States (ECOWAS) is equal in terms of trade between the regions,
- S. whereas Ghana is a member of ECOWAS, which is made up of 15 states; whereas the individual states vary greatly in size and GDP across the region,
- T. whereas 12 of the 15 countries that make up ECOWAS are considered Least Developed Countries (LDCs),
- U. whereas Ghana, Côte d'Ivoire and Nigeria are not classified as LDCs; whereas potential difficulties may therefore arise from unequal levels of government resources and capacity in the ECOWAS regional group due to the majority of its members being classified as LDCs,
  - 1. Reaffirms its view that, if appropriately designed, EPAs represent an opportunity to revitalise ACP-EU trading relations, promote ACP economic diversification and regional integration and reduce poverty in the ACP countries;
  - 2. Recognises the benefits that the conclusion of the IEPA between the European Community, on the one part, and the ACP countries on the other, has had for exporters, by expanding the possibilities for exports to the European Union after the expiration of the preferential tariff treatment provided for under the Cotonou Agreement on 31 December 2007, and therefore preserving and substantially expanding the export opportunities to the Union for Ghana, through both full market access and improved rules of origin;
  - 3. Welcomes the fact that the European Community is offering ACP countries full duty-free and quota-free market access to the Union for the majority of products, to support the liberalisation of trade between the ACP and the Union;
  - 4. Stresses that the EPA with Ghana must under no circumstances endanger the cohesion, or weaken the regional integration, of ECOWAS;
  - 5. Recalls that, whilst the interim agreement is WTO-compatible and can be considered a first step in the process, it may not automatically lead to a full EPA;

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6. Points out that WTO rules do not require or forbid agreements on services or the so-called 'Singapore issues';
7. Acknowledges the establishment of transition periods within the IEPA for small and medium-sized enterprises (SMEs) in order for them to adapt to the changes put in place by the agreement, and urges the authorities of the states concerned to continue to support the interests of SMEs in their negotiations on a comprehensive EPA;
8. Urges the ACP countries to further the process of liberalisation, and encourages the extension of such reforms beyond trade in goods, to increase the liberalisation of trade in services;
9. Urges the Commission not to put undue pressure on Ghana to accept liberalisation commitments in public services and the so-called 'Singapore issues';
10. Calls for the Union to provide increased and adequate assistance both to the authorities in the ACP and to the private sector in order to facilitate the transition of the economies following the signing of the IEPA;
11. Calls on the Commission and the Member States to clarify the actual distribution of funds throughout the ACP region stemming from the pledged priority spending within the increased Aid for Trade budget;
12. Recalls the adoption, in October 2007, of the EU Strategy on Aid for Trade, with the commitment to increase the collective EU trade-related assistance to EUR 2 billion (2 000 000 000) annually by 2010 (EUR 1 billion from the Community; EUR 1 billion from the Member States); insists that the West African region receive an appropriate and equitable share;
13. Calls for an early determination and provision of the share of the Aid for Trade resources; stresses that these funds should be additional resources and not merely a repackaging of European Development Fund (EDF) funding, that they should conform to Ghana's priorities and that their disbursement should be timely, predictable and in line with the execution schedules of national and regional strategic development plans; opposes any kind of conditionality linked to the EPAs in the matter of granting European aid and calls on the Commission to guarantee that access to the funds of the 10th EDF is kept separate from the results and pace of the negotiations;
14. Urges the relevant countries to provide clear and transparent information about the economic and political situation and development in these countries in order to improve cooperation with the European Union;
15. Underlines the importance of transparent management of natural resources, as they are key to development; urges the negotiators of the full EPA to account fully for such a mechanism and to outline the best practices in order that Ghana may make the maximum gains from such resources; reaffirms in this context its resolution of 13 March 2007 on corporate social responsibility: a new partnership <sup>(1)</sup> and asks the Commission to make sure that EU-based transnational companies with production facilities in ACP countries abide by core International Labour Organisation standards, social and environmental covenants and international agreements to achieve a worldwide balance between economic growth and higher social and environmental standards;
16. Highlights the importance of intra-regional trade and the need for increased regional trade links in order for sustainable growth to be ensured in the region; underlines the importance of cooperation and congruency between different regional entities;
17. Encourages a further lowering of tariffs between developing countries and regional groups, which today account for 15 to 25 percent of the value of trade, in order further to promote south-south trade, economic growth and regional integration;

<sup>(1)</sup> OJ C 301E, 13.12.2007, p. 45.

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18. Welcomes the development of a customs union in the West African group and the endeavours being made to create a monetary union, especially considering the benefits to firms that would be available through the synchronisation of the West African region, leading to a wider market, increased trade, and increased opportunities for the creation of economies of scale;
19. Calls for appropriate and transparent monitoring mechanisms - with a clear role and influence - to follow the impact of EPAs, with increased ACP ownership and broad stakeholder consultation; stresses that a comprehensive review of the IEPA must be undertaken not later than five years after the date of signature regarding its socio-economic impact, including the costs and consequences of implementation, and allowing for amendments to the provisions of the Agreement and adjustments to their application;
20. Insists that, in keeping with the Paris Principles on Aid Effectiveness, aid must be, inter alia, demand-driven, and calls on the ACP, therefore, to specify for what purpose additional EPA-related funds are needed, particularly with regard to regulatory frameworks, safeguard measures, trade facilitation, support in meeting international sanitary and phytosanitary and intellectual property standards and the composition of the EPA monitoring mechanism;
21. Calls on the Commission to do its utmost to restart the negotiations on the DDA and ensure that trade liberalisation agreements continue to promote development in poor countries;
22. Is convinced that full EPAs should be complementary to an agreement on the DDA and not an alternative for ACP countries;
23. Respects the need for a chapter on trade defence with bilateral safeguards; calls on both parties to avoid unnecessary use of these safeguards; calls on the Commission to accept, within the framework of continuous negotiations with a view to concluding a comprehensive EPA, a revision of the safeguards contained in the interim EPA in order to guarantee appropriate, transparent and quick utilisation provided that the criteria for their application are met;
24. Notes the large gap between levels of public spending on agricultural subsidies and support: whilst the EU spends EUR 55 billion per annum and the USA spends USD 55 billion per annum, since the 1980s Ghana has given no subsidies to its farmers/producers of agricultural products;
25. Believes that, despite Ghanaian agricultural products having preferential access to the EU market, the EPA cannot bring about the development of Ghanaian agricultural production unless production capacity is strengthened and modernised through technical and financial investment;
26. Notes that this disadvantages farmers in the ACP countries by decreasing their competitiveness both domestically and abroad, as their products are more costly in real terms than subsidised EU and US products;
27. Therefore supports the agreed tariff-line exclusions focused on agricultural goods and some processed agricultural goods, given that they are based chiefly on the need to protect infant industries or sensitive products in these countries;
28. Notes that Ghana has received tariff-line exclusions for chicken and other meats, tomatoes, onions, sugar, tobacco and beer;
29. Stresses that the full EPA should encourage processed exports with simpler and improved rules of origin, particularly in key sectors such as agriculture;

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30. Recognises that the IEPA already includes a development cooperation chapter (Title 2) covering development cooperation, fiscal adjustment, supply-side competitiveness, business-enhancing infrastructure, which needs to be implemented fully; stresses that, in the framework of the full regional agreement chapters on services, investments and trade-related rules must urgently be concluded; calls on both parties to adhere to their agreed commitment to conclude negotiations on competition and government procurement only once adequate capacity has been built;
  31. Stresses that any full EPA must also include provisions regarding good governance, transparency in political offices, and human rights;
  32. Points out that the EPAs should contribute to the achievement of the MDGs;
  33. Calls on the negotiating parties to include binding arrangements regarding investment, competition and public procurement, which could boost Ghana as a business and investment destination, and points out that, since these rules will be universally applied they will benefit both consumers and local public administrations;
  34. Notes the importance of input from non-state actors and other concerned stakeholders in the ECOWAS region, as well as an analysis of the effects of EPAs, which will help build the genuine partnership that is needed in monitoring EPAs;
  35. Asks for a prompt ratification procedure in order to make the benefits of the interim EPA available to the partner countries without unnecessary delay;
  36. Recommends a flexible, tailor-made and pragmatic approach in the ongoing negotiations on a full EPA; calls on the Commission, in this context, to take particular account of the request by Ghana concerning the development aspects of the agreement; welcomes in this regard the Conclusions of the GAERC of May 2008;
  37. Encourages the negotiating parties to finish the negotiations as planned during 2009; encourages the parties to take every measure to be in a position to finalise a full EPA between the ACP countries and the European Union before the end of 2009 as planned;
  38. Stresses that the full EPA should include a revision clause and a global impact assessment, which should be carried out within three to five years after the signature of the agreement; requests that the European and Ghanaian Parliaments be involved in any revision of the agreement;
  39. Stresses in particular the crucial role of ACP parliaments and non-state actors in the monitoring and management of EPAs, and asks the Commission to guarantee their involvement in the ongoing negotiation procedures; takes the view that this requires a clear agenda between the Union and ACP countries based on a participatory approach;
  40. Considers it important that, in the implementation of EPAs, an appropriate monitoring system should be established, coordinated by the relevant parliamentary committee and involving members of the Committee on International Trade and of the Committee on Development, ensuring an adequate balance between the maintenance of the leading role of the Committee on International Trade and overall consistency on trade and development policies; considers that this parliamentary committee should operate in a flexible manner and actively coordinate its work with the ACP-EU Joint Parliamentary Assembly (JPA); considers that this monitoring should start after the adoption of each interim EPA;
  41. Insists that the European Parliament must be fully informed and involved during the transitional negotiation process;
  42. Instructs its President to forward this resolution to the Council, the Commission, the governments and parliaments of the Member States and of the ACP countries, the ACP-EU Council of Ministers and the ACP-EU Joint Parliamentary Assembly.
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## EC-Pacific States Interim Partnership Agreement

P6\_TA(2009)0178

### European Parliament resolution of 25 March 2009 on the Interim Partnership Agreement between the Pacific States, on the one part, and the European Community, on the other part

(2010/C 117 E/20)

*The European Parliament,*

- having regard to its resolutions of 25 September 2003 on the Fifth Ministerial Conference of the World Trade Organisation in Cancún <sup>(1)</sup>, of 12 May 2005 on the assessment of the Doha Round following the WTO General Council Decision of 1 August 2004 <sup>(2)</sup>, of 1 December 2005 on the preparations for the sixth Ministerial Conference of the World Trade Organisation in Hong Kong <sup>(3)</sup>, of 23 March 2006 on the development impact of Economic Partnership Agreements (EPAs) <sup>(4)</sup>, of 4 April 2006 on the assessment of the Doha Round following the WTO Ministerial Conference in Hong Kong <sup>(5)</sup>, of 1 June 2006 on trade and poverty: designing trade policies to maximise trade's contribution to poverty relief <sup>(6)</sup>, of 7 September 2006 on the suspension of negotiations on the Doha Development Agenda <sup>(7)</sup> (DDA), of 23 May 2007 on Economic Partnership Agreements <sup>(8)</sup>, of 12 December 2007 on Economic Partnership Agreements <sup>(9)</sup> and its position of 5 June 2008 on the proposal for a Council regulation applying a scheme of generalised tariff preferences for the period from 1 January 2009 to 31 December 2011 and amending Regulations (EC) No 552/97, (EC) No 1933/2006 and Commission Regulations (EC) No 964/2007 and (EC) No 1100/2006 <sup>(10)</sup>,
- having regard to the Interim Economic Partnership Agreement between the Pacific States, on the one part, and the European Community, on the other part,
- having regard to the Partnership agreement between the members of the African, Caribbean and Pacific (ACP) Group of States, of the one part, and the European Community and its Member States, of the other part, signed in Cotonou on 23 June 2000 (the Cotonou Agreement),
- having regard to the Conclusions of the General Affairs and External Relations Council (GAERC) of April 2006, October 2006, May 2007, October 2007, November 2007 and May 2008,
- having regard to the Commission Communication of 23 October 2007 on Economic Partnership Agreements (COM(2007)0635),
- having regard to the General Agreement on Tariffs and Trade (GATT), in particular Article XXIV thereof,
- having regard to the Ministerial Declaration of the Fourth Session of the WTO Ministerial Conference, adopted on 14 November 2001 in Doha,
- having regard to the Ministerial Declaration of the Sixth Session of the WTO Ministerial Conference, adopted on 18 December 2005 in Hong Kong,

<sup>(1)</sup> OJ C 77 E, 26.3.2004, p. 393.

<sup>(2)</sup> OJ C 92 E, 20.4.2006, p. 397.

<sup>(3)</sup> OJ C 285 E, 22.11.2006, p. 126.

<sup>(4)</sup> OJ C 292 E, 1.12.2006, p. 121.

<sup>(5)</sup> OJ C 293 E, 2.12.2006, p. 155.

<sup>(6)</sup> OJ C 298 E, 8.12.2006, p. 261.

<sup>(7)</sup> OJ C 305 E, 14.12.2006, p. 244.

<sup>(8)</sup> OJ C 102 E, 24.4.2008, p. 301.

<sup>(9)</sup> OJ C 323 E, 18.12.2008, p. 361.

<sup>(10)</sup> Text adopted, P6\_TA(2008)0252.



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- having regard to the report and recommendations of the Task Force on Aid for Trade, adopted by the WTO General Council on 10 October 2006,
  - having regard to the United Nations Millennium Declaration of 8 September 2000, which sets out the Millennium Development Goals (MDGs) as criteria collectively established by the international community for the elimination of poverty,
  - having regard to the Gleneagles Communiqué adopted by the G8 on 8 July 2005,
  - having regard to Rule 108(5) in conjunction with Rule 103(2) of its Rules of Procedure,
- A. whereas since 1 January 2008 the European Union's previous trade relationship with the ACP countries – which gave the latter preferential access to EU markets on a non-reciprocal basis – no longer complies with the rules of the WTO,
- B. whereas EPAs are WTO-compatible agreements aimed at supporting regional integration and promoting the gradual integration of the ACP economies into the world economy, thereby fostering their sustainable social and economic development and contributing to the overall effort to eradicate poverty in the ACP countries,
- C. whereas EPAs should be used to build a long term relationship where trade supports development,
- D. whereas Interim EPAs (IEPAs) are agreements on trade in goods aimed at preventing a disruption of ACP trade with the European Union,
- E. whereas the current financial and economic crisis means that trade policy will be more important than ever to the developing world,
- F. whereas the IEPA is focused on trade in goods and WTO compatibility,
- G. whereas the WTO rules do not require or forbid EPA countries to undertake liberalisation commitments in the area of services,
- H. whereas the country and regional impact of the commitments included in the agreements could be very substantial,
- I. whereas of the 14+1 (East Timor) ACP Pacific States to date only Papua New Guinea and the Republic of the Fiji Islands have initialled the IEPA,
- J. whereas the IEPA can probably influence the scope and content of future agreements made between Papua New Guinea and the Republic of the Fiji Islands and other trading partners and the region's stance in the negotiations,
- K. whereas there is limited competition between the European Union and the Pacific States, since the vast majority of EU exports consist of goods the Pacific States do not produce but often need either for direct consumption or as inputs for domestic industry,
- L. whereas in the current political situation Fiji is under a military-led government, and any full EPA agreement should be dependent upon an agreed roadmap to democratic elections as approved by all the relevant political groups in Fiji,
- M. whereas the Council called for the urgent and full restoration of democracy as well as a return of civilian rule as soon as possible,

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- N. whereas the Pacific regional group of ACP countries is made up of 14 widely scattered island states plus East Timor with a combined population of less than 8 million people; whereas more than in any other region, the Pacific States vary in size and characteristics to a large extent, with the largest, Papua New Guinea, three thousand times larger than the smallest, Niue,
- O. whereas fisheries and fisheries-related activities and industries show the greatest potential for future export increase,
- P. whereas new trade rules must be accompanied by an increase in support for trade-related assistance,
- Q. whereas the objective of the EU strategy on Aid for Trade is to support developing countries' capacity to take advantage of new trade opportunities,
- R. whereas new and more flexible improved rules of origin have been negotiated between the European Union and the ACP countries and will result in considerable benefits if implemented appropriately and with due consideration to their reduced capacity levels,
- S. whereas the calendar for the ongoing negotiations from interim to full EPA between the European Union and the Pacific States works on the basis that the agreement will be concluded by the end of 2009;
1. Stresses that such agreements cannot be regarded as satisfactory unless they achieve three objectives: offering the ACP countries support for sustainable development, promoting their participation in world trade and strengthening the regionalisation process;
  2. Stresses that the principal aim of this agreement is to contribute, through development goals, poverty reduction and the respect of fundamental human rights, to the achievement of the MDGs, and to achieve the following objectives: offering the ACP countries support for sustainable development, promoting their participation in world trade, strengthening the regionalisation process, revitalising trade between the European Union and ACP countries and promoting the economic diversification of ACP countries;
  3. Stresses that, to achieve protection from potential negative consequences in opening the Pacific States' economies, support from the European Union must be provided in order to bring real benefits through trade preferences, and build economic and social development;
  4. Believes that this EPA must promote and increase trade, economic growth, regional integration, economic diversification and the reduction of poverty;
  5. Encourages the negotiating parties to finish the negotiations as planned during 2009; encourages the parties to take every measure to be able to finalise a comprehensive EPA between the ACP countries and the European Union before the end of 2009 as planned;
  6. Recognises the importance and benefits of reaching agreements between the European Union and its ACP Partners that are WTO compliant, for without such agreements our trade relations and their development would be massively disrupted; this has been shown in the benefits for exporters of the growth in trade to the European Union after the expiration on 31 December 2007 of the preferential tariff treatment provided for under the Cotonou Agreement;
  7. Welcomes the fact that the European Union is offering ACP countries full duty free and quota free market access into the European Union for the majority of products, to support the liberalisation of trade between the ACP countries and the European Union;

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8. Emphasises that the signing of the IEPA is a necessary step towards sustainable growth in this region as a whole, and underlines the importance of the continual negotiations towards a comprehensive agreement encouraging increased trade, investment and regional integration;
9. Acknowledges the establishment of transition periods within the IEPA for small and medium-sized enterprises (SMEs) in order for them to be able adapt to the changes put in place by the agreement, and urges the authorities of the Pacific States to continue to support the interests of SMEs in their negotiations towards a comprehensive EPA;
10. Urges the Commission not to put pressure on Pacific States to accept liberalisation commitments in services and the so-called 'Singapore issues';
11. Urges the ACP countries to further the process of liberalisation, to extend such reforms beyond trade and goods and to increase the liberalisation of trade and services;
12. Calls for a strong regulatory framework to be put in place in the event of negotiations on services to ensure that there is universal service provision and that essential public services are kept outside the negotiating framework;
13. Calls for the European Union to provide increased and adequate assistance to the authorities in the ACP countries and to the private sector in order to facilitate the transition of the economies following the signing of the IEPA;
14. Urges the relevant countries to provide clear and transparent information about the economic and political situation and development in these countries in order to improve cooperation with the Commission;
15. Urges the negotiators of any comprehensive EPA to account fully for the transparent management of natural resources and to outline the best practices necessary in order that the relevant countries may make the maximum gains from such resources;
16. Highlights the importance of intra-regional trade and the need for increased regional trade links in order for sustainable growth to be ensured in the region; underlines the importance of cooperation and congruency between different regional entities;
17. Encourages further lowering of tariffs between developing countries and regional groups, which today account for 15 to 25 % of the trade value, to further promote south - south trade, economic growth and regional integration;
18. Calls on the Commission to do its utmost to restart the negotiations on the DDA and ensure that trade liberalisation agreements continue to promote development in poor countries;
19. Is convinced that comprehensive EPAs should be complementary to an agreement on the DDA and not an alternative for ACP countries;
20. Respects the need for a chapter on trade defence with bilateral safeguards; calls on both parties to avoid unnecessary use of these safeguards and calls on the Commission to accept, within the framework of continuous negotiations with a view to concluding a comprehensive EPA, a revision of the safeguards contained in the interim EPA in order to guarantee appropriate, transparent and quick utilisation provided that the criteria for their application are met;
21. Supports the agreed tariff line exclusions focused on agricultural goods and some processed agricultural goods, given that they are based chiefly on the need to protect infant industries or sensitive products in these countries;

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22. Asks for a prompt ratification procedure in order to make the profits of the IEPA available for the partner countries without unnecessary delay;
23. Recalls that, whilst the interim agreement can be considered as a first step in the process, in legal terms it is a completely independent international agreement that may not automatically lead either to a full EPA or to all initial signatories of the IEPA signing the full EPA;
24. Calls on the Commission to offer maximum flexibility in the continued negotiations, as referred to in the conclusions on this issue by the GAERC of May 2008 and November 2008;
25. Calls on the Commission to consider requests made by the Pacific States to renegotiate for the full EPA certain contentious issues in the Interim EPA that it wishes to amend or withdraw;
26. Points out that Papua New Guinea and the Republic of the Fiji Islands have been the only members so far of the Pacific Region to enter into the agreement, with other members of the Pacific regional grouping, because of their lower levels of trade in goods with the European Union, choosing not to sign;
27. Recalls that a genuine regional market is an essential basis for successfully implementing the EPA and that regional integration and cooperation are essential for the social and economic development of the Pacific States;
28. Stresses that it is necessary to ensure that the IEPA would not reduce both political interests and public sentiment towards economic integration in the Pacific;
29. Stresses therefore that the implementation of the IEPA and negotiations for a full EPA must pay due regard to the integration processes in the Pacific region;
30. Recommends a flexible, asymmetric and pragmatic approach in the ongoing negotiations for a full EPA; calls on the Commission, in this context, particularly to take into account the requests made by the Pacific States concerned with the development aspects of the agreement; welcomes in this regard the Conclusions of the GAERC of May 2008;
31. Points out that the agreement may also have implications for relations between the Pacific region and its closest and largest trading partners, Australia and New Zealand, and that it must be ensured that the current agreement's stipulations do not act as an impediment to future trade agreements with these countries;
32. Recognises that a development cooperation chapter has been included in the comprehensive EPA covering cooperation on trade in goods, supply-side competitiveness, business enhancing infrastructure, trade in services, trade-related issues, institutional capacity building, and fiscal adjustments; calls on both parties to adhere to their agreed commitment to conclude negotiations on competition and government procurement only when adequate capacity has been built;
33. Recalls that the EPA must be supportive of the development objectives, policies and priorities of the Pacific States, not only in its structure and content, but also in the manner and spirit of its implementation;
34. Points out that the EPA should contribute to the achievement of the MDGs;
35. Recognises the selective application by the European Union of the Most Favoured Nation principle among all the ACP sub-regional groups;

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36. Recalls the adoption, in October 2007, of the EU Strategy on Aid for Trade, with the commitment to increase the collective EU trade related assistance to EUR 2 billion (EUR 2 000 000 000) annually by 2010 (EUR 1 billion from the Community, EUR 1 billion from the Member States); insists that the Pacific region receive an appropriate and equitable share;
37. Calls for an early determination and provision of the share of the Aid for Trade resources; stresses that these funds should be additional resources and not be merely repackaging of funding under the European Development Fund; that they should conform to the priorities of Papua New Guinea and the Republic of the Fiji Islands and that their disbursement should be timely, predictable and in line with the execution schedules of national and regional strategic development plans; recalls that the EPA must be supportive of the development objectives, policies and priorities of the Pacific States, not only in its structure and content, but also in the manner and spirit of its implementation;
38. Calls on the Commission, in view of the commitments made by the Council in September 2007 on the Trade Related Aspects of Intellectual Property (TRIPS) Agreement and access to medicines, not to negotiate pharmaceutical-related TRIPS-plus provisions affecting public health and access to medicines in the full EPA, to refrain from requesting adherence to or acceptance of the obligations of the Patent Cooperation Treaty and the Patent Law Treaty, to refrain from incorporating the terms of Directive 2004/48/EC<sup>(1)</sup> and to not introduce disciplines such as non-original database protection in the full EPA;
39. Expresses its continued support for a comprehensive EPA between the Community and the Pacific region, including the key area of intellectual property right negotiations that cover not only western technological artefacts, but also biodiversity and traditional knowledge;
40. Calls for appropriate and transparent monitoring mechanisms - with a clear role and influence - to follow the impact of EPAs with increased ACP ownership and broad stakeholder consultation;
41. Considers it important that, in the implementation of EPAs, an appropriate monitoring system should be established, coordinated by the relevant parliamentary committee involving Members of the Committee on International Trade and of the Committee on Development, ensuring an adequate balance between the maintenance of the leading role of the Committee on International Trade and overall consistency on trade and development policies; this parliamentary committee must operate in a flexible manner and actively coordinate with the ACP-EU Joint Parliamentary Assembly; considers that this monitoring should start after the adoption of each IEPA;
42. Stresses in particular the crucial role of ACP parliaments and the participation of non-state actors in the monitoring and management of EPAs and asks the Commission to promote their involvement in the ongoing negotiation procedures; this requires a clear agenda between the EU and ACP countries based on a participatory approach;
43. Stresses that the full EPA agreement should include a revision clause and a global assessment impact, which should be carried out within three to five years after the signature of the agreement in order to determine the socio-economic impact of the agreement, including the costs and consequences of implementation; requests that the European Parliament and the Pacific States' Parliaments should be involved in any revision of the agreement;
44. Instructs its President to forward this resolution to the Council, the Commission, the governments and parliaments of the Member States and of the ACP countries, the ACP-EU Council of Ministers and the ACP-EU Joint Parliamentary Assembly.

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<sup>(1)</sup> Directive 2004/48/EC of the European Parliament and of the Council, of 29 April 2004, on the enforcement of intellectual property rights (OJ L 157, 30.4.2004, p. 45).

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## EC-SADC EPA States Interim Economic Partnership Agreement

P6\_TA(2009)0179

### European Parliament resolution of 25 March 2009 on an Interim Economic Partnership Agreement between the European Community and its Member States, on the one part, and the SADC EPA States, on the other part

(2010/C 117 E/21)

*The European Parliament,*

- having regard to its resolution of 25 September 2003 on the Fifth Ministerial Conference of the World Trade Organisation (WTO) in Cancún <sup>(1)</sup>,
- having regard to its resolution of 12 May 2005 on the assessment of the Doha Round following the WTO General Council Decision of 1 August 2004 <sup>(2)</sup>,
- having regard to its resolution of 1 December 2005 on the preparations for the sixth Ministerial Conference of the World Trade Organisation in Hong Kong <sup>(3)</sup>,
- having regard to its resolution of 23 March 2006 on the development impact of Economic Partnership Agreements <sup>(4)</sup> (EPAs),
- having regard to its resolution of 4 April 2006 on the assessment of the Doha Round following the WTO Ministerial Conference in Hong Kong <sup>(5)</sup>,
- having regard to its resolution of 1 June 2006 on trade and poverty: designing trade policies to maximise trade's contribution to poverty relief <sup>(6)</sup>,
- having regard to its resolution of 7 September 2006 on the suspension of negotiations on the Doha Development Agenda <sup>(7)</sup> (DDA),
- having regard to its resolution of 23 May 2007 on Economic Partnership Agreements <sup>(8)</sup>,
- having regard to its resolution of 12 December 2007 on Economic Partnership Agreements <sup>(9)</sup>,
- having regard to its position of 5 June 2008 on the proposal for a Council regulation applying a scheme of generalised tariff preferences for the period from 1 January 2009 to 31 December 2011 and amending Regulations (EC) No 552/97, (EC) No 1933/2006 and Commission Regulations (EC) No 964/2007 and (EC) No 1100/2006 <sup>(10)</sup>,
- having regard to the Interim Economic Partnership Agreement between the European Community and its Member States, on the one part, and the SADC (Southern Africa Development Community) EPA States, on the other part,
- having regard to the Partnership Agreement between the members of the African, Caribbean and Pacific (ACP) Group of States of the one part, and the European Community and its Member States, of the other part, signed in Cotonou on 23 June 2000 (the Cotonou Agreement),

<sup>(1)</sup> OJ C 77 E, 26.3.2004, p. 393.

<sup>(2)</sup> OJ C 92 E, 20.4.2006, p. 397.

<sup>(3)</sup> OJ C 285 E, 22.11.2006, p. 126.

<sup>(4)</sup> OJ C 292 E, 1.12.2006, p. 121.

<sup>(5)</sup> OJ C 293 E, 2.12.2006, p. 155.

<sup>(6)</sup> OJ C 298 E, 8.12.2006, p. 261.

<sup>(7)</sup> OJ C 305 E, 14.12.2006, p. 244.

<sup>(8)</sup> OJ C 102 E, 24.4.2008, p. 301.

<sup>(9)</sup> OJ C 323 E, 18.12.2008, p. 361.

<sup>(10)</sup> Text adopted, P6\_TA(2008)0252.

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- having regard to the Conclusions of the General Affairs and External Relations Council (GAERC) of April 2006, October 2006, May 2007, October 2007, November 2007 and May 2008,
  - having regard to the Commission communication of 23 October 2007 on Economic Partnership Agreements (COM(2007)0635),
  - having regard to the General Agreement on Tariffs and Trade (GATT), in particular Article XXIV thereof,
  - having regard to the Ministerial Declaration of the Fourth Session of the WTO Ministerial Conference, adopted on 14 November 2001 in Doha,
  - having regard to Rule 108(5) in conjunction with Rule 103(2) of its Rules of Procedure,
- A. whereas since 1 January 2008 the European Union's previous trade relationship with the ACP countries – which gave the latter preferential access to EU markets on a non-reciprocal basis – no longer complies with the rules of the WTO,
- B. whereas EPAs are WTO-compatible agreements aimed at supporting regional integration and promoting the gradual integration of the ACP economies into the world economy, thereby fostering their sustainable social and economic development and contributing to the overall effort to eradicate poverty in the ACP countries,
- C. whereas the current financial and economic crisis means that trade policy will be more important than ever to the developing world,
- D. whereas former trade preference systems were not able to contribute to improving decisively the economic situation in these countries,
- E. whereas Interim EPAs (IEPAs) are agreements on trade in goods aimed at preventing a disruption of ACP trade with the European Community; whereas these agreements include a number of contentious provisions,
- F. whereas the European Union offers ACP countries 100 % quota-free and duty -free access to EU markets with transition periods for rice (2010) and sugar (2015),
- G. whereas properly designed trade liberalisation can promote market diversity, economic growth and development,
- H. whereas within the EPA negotiations some ACP countries, with the aim of ensuring that all exporters are treated as well as the most favoured trading partner, have sought the Most Favoured Nation (MFN) clause, which sets a normal, non-discriminatory tariff on imports of goods,
- I. whereas there is limited competition between the EU and ACP economies since the vast majority of EU exports consist of goods ACP countries do not produce but need either for direct consumption or as inputs for domestic industry; whereas this is not the case with regard to trade in agricultural goods, where EU export subsidies represent a serious obstacle for ACP producers in the agricultural, livestock and dairy sectors, disrupting and often destroying both local and regional markets, and the EU should therefore phase out all kinds of export subsidies without delay,
- J. whereas new improved rules of origin, notably concerning textiles, garments, fisheries and some agricultural products have been negotiated between the European Community and the SADC States, and could potentially provide the SADC States with considerable benefits if implemented appropriately and with due consideration to their reduced capacity levels; and whereas it should be stressed that, if EPAs are to encourage regional cumulation and promote investment, simpler and improved rules of origin are required to enable enterprises in ACP countries to develop processed exports and to take advantage of the new market opportunities available under the EPAs,

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1. Reaffirms its view that EPAs should be driven by the needs of ACP countries and should be designed so as to revitalise ACP-EU trading relations, promote ACP development and economic diversification, as well as regional integration, the reduction of poverty, the respect of fundamental human rights, and therefore as a whole to the achievement of the millennium development goals (MDGs);
2. Stresses that, in guaranteeing protection from potential negative consequences in opening the SADC region's economies, support from the European Union must be provided in order to bring real benefits through trade preferences and to build economic and social development;
3. Recognises the benefits that the initialling of the IEPA has had for exporters by maintaining the status quo for exports to the European Union after the expiration on 31 December 2007 of the preferential tariff treatment provided for under the Cotonou Agreement, and therefore avoiding the damage which could have been caused to ACP exporters had they been obliged to operate under less favourable trade systems;
4. Welcomes the fact that the European Community is offering ACP countries full duty-free and quota-free market access into the European Union for their products to support the liberalisation of trade between the ACP countries and the European Union;
5. Welcomes the GAERC conclusions of May, June and November 2008 which underline the need to support existing regional integration processes and promote development, and calls for the Commission to respect this mandate during the negotiations; in this respect, underlines the importance of preventing the break-up of the Southern African Customs Union (SACU);
6. Highlights the signing of the IEPA as a necessary step towards sustainable growth in the regions, and in these regions as a whole, and underlines the importance of continual negotiations towards a comprehensive agreement encouraging increased trade, investment and regional integration;
7. Calls for the European Union to provide increased and adequate assistance both to the authorities in ACP countries and to the private sector in order to facilitate the transition of the economies following the signing of the IEPA;
8. Considers that the current Interim Agreement devotes neither space nor attention specifically to the issues of food sovereignty and the right to food and does not favour agricultural and trade policy instruments which make for market regulation and the protection of sustainable family agriculture; stresses that these topics must be placed at the centre of the negotiations in order to ensure that trade policy and all the EU's other policies are consistent with the principles of food sovereignty and the right to food;
9. Calls on the Commission and the Member States to clarify the actual distribution of funds throughout the ACP region stemming from the pledged priority spending within the increased Aid for Trade budget; recalls the adoption, in October 2007, of the EU Strategy on Aid for Trade, with the commitment to increase the collective EU trade-related assistance to EUR 2 billion (EUR 2 000 000 000) annually by 2010 (EUR 1 billion from the Community, EUR 1 billion from the Member States); insists that the SADC region receive an appropriate and equitable share;
10. Calls for an early determination and provision of the share of the Aid for Trade resources; stresses that these funds should be additional resources and not be merely repackaging of funding under the European Development Fund (EDF), that they should conform to the priorities of the SADC States and that their disbursement should be timely, predictable and in line with the execution schedules of national and regional strategic development plans; opposes any kind of conditionality linked to the EPAs in the matter of granting European aid and calls on the Commission to guarantee that access to the funds of the 10th EDF is kept separate from the results and pace of the negotiations;



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11. Urges the negotiators of any full EPA to account fully for the transparent management of natural resources and to outline the best practices necessary in order that the ACP countries may make the maximum gains from such resources;
12. Calls on the Commission to make sure that EU-based transnational companies with production facilities in ACP countries abide by core ILO standards, social and environmental covenants and international agreements to achieve a worldwide balance between economic growth and higher social and environmental standards;
13. Highlights the importance of intra-regional trade and the need for increased regional trade links in order for sustainable growth to be ensured in the region; underlines the importance of cooperation and congruency between different regional entities; calls on the Commission not to undermine the regional dimension;
14. Considers it important that, in the implementation of EPAs, an appropriate monitoring system should be established, coordinated by the relevant parliamentary committee involving members of the Committee on International Trade and of the Committee on Development, ensuring an adequate balance between the maintenance of the leading role of the Committee on International Trade and overall consistency on trade and development policies; this parliamentary committee shall operate in a flexible manner and actively coordinate with the ACP-EU Joint Parliamentary Assembly; considers that this monitoring should start after the adoption of each IEPA;
15. Calls on the Commission to do its utmost to restart the negotiations on the DDA and to ensure that the trade liberalisation agreements continue to promote development in poor countries;
16. Is convinced that full EPAs should be complementary to an agreement on the DDA and not be considered as an alternative;
17. Respects the need for, and importance of, the chapter on trade defence with bilateral safeguards; calls on both parties to avoid abuse of these safeguards; calls on the Commission to accept, within the framework of the ongoing negotiations with a view to concluding a comprehensive EPA, a revision of the safeguards contained in the interim EPA in order to guarantee appropriate, transparent and quick utilisation provided that the criteria for their application are met;
18. Supports the agreed tariff line exclusions focused on agricultural goods and some processed agricultural goods given that they are based chiefly on the need to protect infant industries or sensitive products in these countries;
19. Calls for the Commission to demonstrate flexibility in addressing Angola, Namibia and South Africa's key substantive concerns on issues such as the MFN clause, as well as export taxes and infant industry protection;
20. Encourages the negotiating parties to take a flexible, asymmetric and pragmatic approach to the ongoing negotiations for a regional EPA satisfactory to both parties, without setting unrealistic deadlines and allowing SADC countries to renegotiate any provisions on contentious issues that they wish to amend or have withdrawn;
21. Notes with approval the progress made during the March 2009 technical negotiations in Swakopmund, Namibia, and welcomes the Commission's acceptance that contentious issues should be addressed prior to the signing of the Interim EPA; calls for outstanding questions, such as the MFN clause, the legal definition of the parties and residual agricultural market access issues, to be resolved in a way which enables all members of the SADC EPA group to sign the Interim EPA;

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22. Recognises that a development cooperation chapter has been included in the EU-SADC IEPA covering cooperation trade in goods, supply-side competitiveness, business-enhancing infrastructure, trade in services, trade-related issues, institutional capacity building, and fiscal adjustments; calls on both parties to adhere to their agreed commitment to conclude negotiations on competition and government procurement only when adequate capacity has been built; calls on the Commission to cooperate closely with the SADC States in order to be able to meet the objectives stated in this development cooperation chapter;
23. Stresses that any full EPA must also include provisions regarding a commonly accepted definition of good governance, transparency in political offices, and human rights, in accordance with Articles 11b, 96 and 97 of the Cotonou Agreement, as well as specific provisions for the most vulnerable groups such as local farmers and women;
24. Notes that the calendar for the ongoing negotiations concerning the transition from an interim to a final EPA between the EU and the SADC countries is based on the assumption that the agreement will be concluded by the end of 2009; urges the Commission not to put undue pressure on the SADC countries to accept liberalisation commitments and regulatory obligations regarding services and the so-called 'Singapore issues';
25. Calls for a strong regulatory framework to be put in place in the event of negotiations on services to ensure that there is universal service provision;
26. Supports the efforts of both sides to ensure the active participation of South Africa throughout the negotiating process; recognises that South Africa's involvement is key to promoting economic coherence, regional integration and further developing trade and investment relations between the region and the European Union; calls on the Commission to maintain and develop this association in negotiating a full and comprehensive EPA;
27. Notes the intention of the SADC region to participate in the creation of a new Free Trade Area with the East African Community region and the Common Market for Eastern and Southern Africa (COMESA); calls on the Commission to follow developments in order to secure full EPA compatibility;
28. Welcomes the inclusion of a review clause within the EU-SADC IEPA, which affirms that a comprehensive review of the Agreement shall be undertaken no later than five years after the date of signature, and at subsequent five-yearly intervals, including an analysis of the costs and consequences of implementation of trade commitments; if necessary, amendments to the provisions of the Agreement and adjustments to their application must be undertaken, with respect to and in accordance with the rules and procedure of the WTO;
29. Encourages the negotiating parties to finish the negotiations for a full EPA as planned during 2009;
30. Insists that the Parliament must be fully informed and involved in the transitional negotiating process; wishes that this be done through an active informal dialogue with the Council and the Commission; asks the Council to refer the matter to the Parliament as soon as possible;
31. Stresses in particular the crucial role of ACP parliaments and non-state actors in the monitoring and management of EPAs and asks the Commission to guarantee their involvement in the ongoing negotiation procedures; this requires a clear agenda between the EU and ACP countries based on a participatory approach;
32. Instructs its President to forward this resolution to the Council, the Commission, the governments and the parliaments of the Member States and of the ACP countries, the ACP-EU Council of Ministers and the ACP-EU Joint Parliamentary Assembly.
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Wednesday 25 March 2009

**EC-Eastern and Southern African States Economic Partnership Agreement**

P6\_TA(2009)0180

**European Parliament resolution of 25 March 2009 on the Interim agreement establishing a framework for an Economic Partnership Agreement between Eastern and Southern Africa States on the one part and the European Community and its Member States on the other part**

(2010/C 117 E/22)

*The European Parliament,*

- having regard to its resolutions of 25 September 2003 on the Fifth Ministerial Conference of the World Trade Organisation (WTO) in Cancún <sup>(1)</sup>, of 12 May 2005 on the assessment of the Doha Round following the WTO General Council Decision of 1 August 2004 <sup>(2)</sup>, of 1 December 2005 on preparations for the Sixth Ministerial Conference of the World Trade Organisation in Hong Kong <sup>(3)</sup>, of 23 March 2006 on the development impact of Economic Partnership Agreements (EPAs) <sup>(4)</sup>, of 4 April 2006 on the assessment of the Doha Round following the WTO Ministerial Conference in Hong Kong <sup>(5)</sup>, of 1 June 2006 on trade and poverty: designing trade policies to maximise trade's contribution to poverty relief <sup>(6)</sup>, of 7 September 2006 on the suspension of negotiations on the Doha Development Agenda <sup>(7)</sup> (DDA), of 23 May 2007 on Economic Partnership Agreements <sup>(8)</sup>, of 12 December 2007 on Economic Partnership Agreements <sup>(9)</sup>, and its position of 5 June 2008 on the proposal for a Council regulation applying a scheme of generalised tariff preferences for the period from 1 January 2009 to 31 December 2011 and amending Regulations (EC) No 552/97, (EC) No 1933/2006 and Commission Regulations (EC) No 964/2007 and (EC) No 1100/2006 <sup>(10)</sup>,
- having regard to the interim Economic Partnership Agreement between the Comoros, Madagascar, Mauritius, the Seychelles, Zimbabwe and Zambia, on the one part, and the European Community, on the other part,
- having regard to the Partnership Agreement between the members of the African, Caribbean and Pacific (ACP) Group of States, of the one part, and the European Community and its Member States, of the other part, signed in Cotonou on 23 June 2000 (the Cotonou Agreement),
- having regard to the Conclusions of the General Affairs and External Relations Council of April 2006, October 2006, May 2007, October 2007, November 2007 and May 2008,
- having regard to the Commission Communication of 23 October 2007 on Economic Partnership Agreements (COM(2007)0635),
- having regard to the General Agreement on Tariffs and Trade (GATT), in particular Article XXIV thereof,
- having regard to the Ministerial Declaration of the Fourth Session of the WTO Ministerial Conference, adopted on 14 November 2001 in Doha,
- having regard to the Ministerial Declaration of the Sixth Session of the WTO Ministerial Conference, adopted on 18 December 2005 in Hong Kong,

<sup>(1)</sup> OJ C 77 E, 26.3.2004, p. 393.

<sup>(2)</sup> OJ C 92 E, 20.4.2006, p. 397.

<sup>(3)</sup> OJ C 285 E, 22.11.2006, p. 126.

<sup>(4)</sup> OJ C 292 E, 1.12.2006, p. 121.

<sup>(5)</sup> OJ C 293 E, 2.12.2006, p. 155.

<sup>(6)</sup> OJ C 298 E, 8.12.2006, p. 261.

<sup>(7)</sup> OJ C 305 E, 14.12.2006, p. 244.

<sup>(8)</sup> OJ C 102 E, 24.4.2008, p. 301.

<sup>(9)</sup> OJ C 323 E, 18.12.2008, p. 361.

<sup>(10)</sup> Texts adopted, P6\_TA(2008)0252.

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- having regard to the report and recommendations of the Task Force on Aid for Trade, adopted by the WTO General Council on 10 October 2006,
  - having regard to the United Nations Millennium Declaration of 8 September 2000, which sets out the Millennium Development Goals (MDGs) as criteria collectively established by the international community for the elimination of poverty,
  - having regard to the Gleneagles Communiqué, adopted by the G8 on 8 July 2005,
  - having regard to Rule 108(5) in conjunction with Rule 103(2) of its Rules of Procedure,
- A. whereas the European Union's previous trade relationship with the ACP countries until 31 December 2007 – which gave the latter preferential access to EU markets on a non-reciprocal basis – did not comply with the rules of the WTO,
- B. whereas EPAs are WTO-compatible agreements aimed at supporting regional integration and promoting the gradual integration of the ACP economies into the world economy, thereby fostering their sustainable social and economic development and contributing to the overall effort to eradicate poverty and disease in the ACP countries,
- C. whereas the current financial and economic crisis means that fair and development-friendly trade policy will be more important than ever to the developing world,
- D. whereas former trade preference systems were not able to contribute to improving significantly the economic situation in these countries,
- E. whereas Interim Economic Partnership Agreements (IEPAs) are agreements on trade in goods aimed at preventing a disruption of ACP trade with the European Union,
- F. whereas IEPAs are completely independent, WTO-compatible international agreements and can be considered a first step in the process towards full EPAs,
- G. whereas the European Union offers ACP countries 100 percent quota-free and duty-free access to EU markets from year one except for rice (2010) and sugar (2015),
- H. whereas capacity levels vary considerably between ACP countries and the European Union,
- I. whereas there is limited competition between EU and ACP countries since the vast majority of EU exports mainly consist of goods which ACP countries do not produce but need either for direct consumption or as inputs for domestic industry,
- J. whereas properly designed trade liberalisation can promote market diversity, economic growth and development,
- K. whereas the Most Favoured Nation (MFN) clause, which sets a normal, non-discriminatory tariff on goods imports, has been sought by some ACP countries within EPA negotiations with the aim of ensuring that all exporters are treated as well as the most favoured trading exporter,
- L. whereas improved rules of origin have been negotiated with ACP countries, and can provide the ACP with considerable benefits if implemented appropriately and with due consideration for their reduced capacity levels,

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- M. whereas improved trade rules must be accompanied by an increase in support for trade-related assistance,
- N. whereas the aim of the EU Strategy on Aid for Trade is to support developing countries' capacity to take advantage of new trade opportunities,
- O. whereas the full EPA will inevitably condition the scope and content of future agreements concluded between the ACP countries and other trading partners, and the region's stance in the negotiations,
- P. whereas the Eastern and Southern African (ESA) group of ACP countries is made up of States which vary greatly in size and GDP across the region,
- Q. whereas the Eastern and Southern African group of ESA is made up of 5 States, with a combined population of 33.5 million, each of which varies in size and characteristics, with the largest, Madagascar, having a population 250 times that of the smallest, the Seychelles,
- R. whereas the ESA region, divided into the East African Community (EAC) group and the ESA group, can be reunited as soon as these groups are so willing,
1. Reaffirms its view that, if appropriately designed and accompanied by effective development-oriented policies, EPAs represent an opportunity to revitalise ACP-EU trading relations, promote ACP economic development and diversification, as well as regional integration, and reduce poverty in the ACP countries;
  2. Stresses that EPAs cannot be regarded as satisfactory unless they achieve three objectives: offering the ACP countries support for sustainable development, promoting their participation in world trade and strengthening the regionalisation process;
  3. Stresses that one key aim of this agreement is to contribute, through development goals, poverty reduction and respect for fundamental human rights, to achieving the MDGs;
  4. Recognises the benefits that the signing of the IEPAs between the Union and the relevant countries has had for exporters by maintaining the status quo for exports to the European Union after the expiry of the preferential tariff treatment provided for under the Cotonou Agreement on 31 December 2007, and therefore preserving and substantially expanding the opportunities for the ESA countries to export to the EU, through both full market rules and improved rules of origin;
  5. Recognises the importance of reaching agreements between the Union and its ACP partners that are WTO-compliant, for without such agreements trade relations between them and the development of the ACP partners will be massively disrupted;
  6. Welcomes the fact that the European Community is offering ESA countries full duty-free and quota-free market access to the European Union for their products to support the liberalisation of trade between the ESA countries and the Union;
  7. Highlights the signing of the IEPAs as a necessary step towards sustainable growth in the regions, and in these regions as a whole, and underlines the importance of the continual negotiations with a view to a full agreement for encouraging increased trade, investment and regional integration;

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8. Calls on the Commission to ensure that, if this is the ESA region's wish, it is able to renegotiate any provisions on the contentious issues that it wishes to amend or withdraw;
9. Welcomes the establishment of transition periods within the IEPA for small and medium-sized enterprises (SMEs) in order for them to be able to adapt to the changes put in place by the agreement, and urges the authorities of the States concerned to continue to support the interests of SMEs in their negotiations on a comprehensive EPA;
10. Points out that there is a huge imbalance between the economies of EU and ESA countries which can never be bridged, even partially, by free-trade policies alone;
11. Urges the ACP countries to further the process of liberalisation, and encourages the extension of such reforms beyond trade in goods, to also increase the liberalisation of trade in services;
12. Calls for the Union to provide increased and adequate assistance both to the authorities in the ACP and to the private sector in order to facilitate the transition of the economies following the signing of the IEPA and to ensure that measures are taken to protect vulnerable groups (elderly people, people with disabilities, single mothers) during the economic transition period;
13. Calls on the Commission and the Member States to clarify the actual distribution of funds throughout the ACP region stemming from the pledged priority spending within the increased Aid for Trade budget;
14. Calls for an early determination and provision of the share of the Aid for Trade resources;
15. Recalls the adoption, in October 2007, of the EU Strategy on Aid for Trade, with the commitment to increase the EU's collective trade-related assistance to EUR 2 billion (2 000 000 000) annually by 2010 (EUR 1 billion from the Community, EUR 1 billion from the Member States); insists that the West African Region receive an appropriate and equitable share;
16. Urges the relevant countries to provide clear and transparent information about the economic and political situation and development in these countries in order to improve cooperation with the Union;
17. Urges the negotiators of any full EPA to account fully for the transparent management of natural resources and to outline the best practices necessary in order that the ACP countries make the maximum gains from such resources, including combating potential money laundering;
18. Highlights the importance of intra-regional trade and the need for increased regional trade links in order for sustainable growth to be ensured in the region; underlines the importance of cooperation and congruency between different regional entities; calls for any agreements between the Union and countries of the ESA region not to contradict each other or impede regional integration in this wider region;
19. Calls for appropriate and transparent monitoring mechanisms - with a clear role and influence - to follow the impact of EPAs, with increased ACP ownership and broad stakeholder consultation, including consultation of civil society; stresses that a comprehensive review of the interim EPA with ESA must be undertaken not later than five years after the date of signature regarding its socioeconomic impact, including the costs and consequences of implementation, allowing for amendments to the provisions of the Agreement and adjustments to their application;

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20. Considers it important that, in the implementation of EPAs, an appropriate monitoring system should be established, coordinated by the relevant parliamentary committee involving Members of the Committee on International Trade and of the Committee on Development, ensuring an adequate balance between the maintenance of the leading role of the Committee on International trade and overall consistency on trade and development policies; considers that this parliamentary committee should operate in a flexible manner and actively coordinate its work with that of the ACP-EU Joint Parliamentary Assembly (JPA); considers that this monitoring should start after the adoption of each IEPA;
21. Stresses in particular the crucial role of ACP parliaments and non-state actors in the monitoring and management of EPAs and calls on the Commission to promote their involvement in the ongoing negotiation procedures, which requires a clear agenda for the negotiations between the EU and ACP countries based on a participatory approach;
22. Insists that, in keeping with the Paris Principles on Aid Effectiveness, aid must be, inter alia, demand-driven, and calls on the ACP, therefore, to put forward, with appropriate EU assistance where required, detailed, costed proposals of how and for what purpose additional EPA-related funds are needed, particularly with regard to regulatory frameworks, safeguard measures, trade facilitation, support in meeting international sanitary and phytosanitary and intellectual property standards and the composition of the EPA monitoring mechanism;
23. Expresses continued support for a comprehensive EPA between the European Community and the ESA countries, including the key area of intellectual property rights negotiations, which cover not only Western technological artefacts but also biodiversity and traditional knowledge;
24. Calls on the Commission to do its utmost to restart the negotiations on the DDA and ensure that the trade liberalisation agreements continue to promote development in poor countries;
25. Is convinced that full EPAs should be complementary to an agreement on the DDA and not an alternative;
26. Respects the need for, and importance of, the chapter on trade defence with bilateral safeguards; calls on both parties to avoid unnecessary abuse of these safeguards; calls on the Commission to accept, within the framework of the ongoing negotiations with a view to concluding a comprehensive EPA, a revision of the safeguards contained in the interim EPA in order to guarantee appropriate, transparent and quick utilisation provided that the criteria for their application are met;
27. Considers that the full EPA should encourage processed exports with simpler and improved rules of origin, particularly in key sectors such as textiles and agriculture;
28. Supports the agreed tariff line exclusions focused on agricultural goods and some processed agricultural goods, as they are based chiefly on the need to protect infant industries or sensitive products in these countries, and recalls the EU commitment in the context of the Doha Development Round to phase out agricultural export subsidies;
29. Notes that the calendar for the ongoing negotiations from interim to full EPA between the Union and the ESA region works on the basis that the agreement will be concluded by the end of 2009; urges the Commission not to put overambitious pressure on the ESA region to accept liberalisation and in this regard to take into consideration the ESA Parliament's views;
30. Believes that a distinction should be made between commercial and public services; stresses the need to maintain public services which address people's basic needs or which play an important role in preserving cultural diversity and exclude them from all negotiations;

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31. Notes the inclusion of a development cooperation chapter in the full EPA covering cooperation on trade in goods, supply-side competitiveness, business exchange infrastructure, trade in services, trade-related issues, institutional capacity building and fiscal adjustments; calls on both parties to adhere to their agreed commitment to conclude negotiations on competition and government procurement, taking into account the capacity of ESA countries;
  32. Stresses that any full EPA must also include provisions regarding good governance, transparency in political offices, and human rights, in accordance with Articles 11b, 96 and 97 of the Cotonou Agreement;
  33. Encourages the Commission to address the so-called 'contentious issues', such as trade coverage of the agreement, the MFN clause, export taxes, safeguards and rules of origin, in the context of the negotiations on a full regional EPA, in a manner that will be in the interest of the EU and its citizens and will support sustainable development in the EU and the ACP countries;
  34. Underlines the importance of a full EPA to support region-to-region relations through the harmonisation of trade agreements between the ACP countries and the European Community;
  35. Expresses deep concern that the current situation in Zimbabwe with regard to human rights, democracy and the economy represents a serious threat to citizens there and a heavy burden for current and future collaboration between the Union and Zimbabwe;
  36. Welcomes the development of a customs union in the ESA group and the endeavours being made towards the creation of a monetary union, especially considering the benefits to firms that would be available through the harmonisation of rules within the ESA region, leading to a wider market, increased trade and increased opportunities for the creation of economies of scale;
  37. Calls on the negotiating parties to include binding arrangements regarding public procurement, investment and competition which could boost interest in doing business with, and investing in, the ESA countries, since these rules benefit both consumers and governments locally, given that the rules will be for all and will therefore help attract business and investment;
  38. Calls for a prompt ratification procedure in order to make the benefits of the IEPA available to the partner countries without delay;
  39. Encourages the parties to finish the negotiations on a full EPA between the ESA countries and the European Community, provided that the mutual benefits of such an agreement are clearly acknowledged by both sides;
  40. Insists that Parliament must be fully informed and involved during the transitional negotiating process; wishes that this be done through an active informal triologue with the Council and the Commission; calls on the Council to refer the matter to Parliament as soon as possible;
  41. Recognises the plight of the people of the Chagos Archipelago, who have been forcibly removed from their islands and are currently living in a state of poverty in the islands of Mauritius and the Seychelles, and considers that the Union should work towards trying to find a solution for the Chagossians to allow them to return to their rightful homeland islands;
  42. Instructs its President to forward this resolution to the Council, the Commission, the governments and parliaments of the Member States and of the ACP countries, the ACP-EU Council of Ministers and the ACP-EU Joint Parliamentary Assembly.
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Wednesday 25 March 2009

**EC-EAC Partner States Economic Partnership Agreement**

P6\_TA(2009)0181

**European Parliament resolution of 25 March 2009 on the agreement establishing a framework for an Economic Partnership Agreement between the European Community and its Member States, on the one part, and the East African Community Partner States, on the other part**

(2010/C 117 E/23)

*The European Parliament,*

- having regard to its resolutions of 25 September 2003 on the Fifth Ministerial Conference of the World Trade Organisation in Cancún <sup>(1)</sup>, of 12 May 2005 on the assessment of the Doha Round following the WTO General Council Decision of 1 August 2004 <sup>(2)</sup>, of 1 December 2005 on the preparations for the sixth Ministerial Conference of the World Trade Organisation in Hong Kong <sup>(3)</sup>, of 23 March 2006 on the development impact of Economic Partnership Agreements (EPAs) <sup>(4)</sup>, of 4 April 2006 on the assessment of the Doha Round following the WTO Ministerial Conference in Hong Kong <sup>(5)</sup>, of 1 June 2006 on trade and poverty: designing trade policies to maximise trade's contribution to poverty relief <sup>(6)</sup>, of 7 September 2006 on the suspension of negotiations on the Doha Development Agenda (DDA) <sup>(7)</sup>, of 23 May 2007 on Economic Partnership Agreements <sup>(8)</sup>, of 12 July 2007 on the TRIPS Agreement and access to medicines <sup>(9)</sup>, of 12 December 2007 on Economic Partnership Agreements <sup>(10)</sup> and its position of 5 June 2008 on the proposal for a Council regulation applying a scheme of generalised tariff preferences for the period from 1 January 2009 to 31 December 2011 and amending Regulations (EC) No 552/97, (EC) No 1933/2006 and Commission Regulations (EC) No 964/2007 and (EC) No 1100/2006 <sup>(11)</sup>,
- having regard to the Economic Partnership Agreement between the European Community and its Member States, on one part, and the East African Community Partner States, on the other part,
- having regard to the Partnership Agreement between the members of the African, Caribbean and Pacific (ACP) Group of States of the one part, and the European Community and its Member States, of the other part, signed in Cotonou on 23 June 2000 (the Cotonou Agreement),
- having regard to the conclusions of the General Affairs and External Relations Council of April 2006, October 2006, May 2007, October 2007, November 2007 and May 2008,
- having regard to the Commission Communication of 23 October 2007 on Economic Partnership Agreements (COM(2007)0635),
- having regard to the General Agreement on Tariffs and Trade (GATT), in particular Article XXIV thereof,
- having regard to the Ministerial Declaration of the Fourth Session of the WTO Ministerial Conference, adopted on 14 November 2001 in Doha,
- having regard to the Ministerial Declaration of the Sixth Session of the WTO Ministerial Conference, adopted on 18 December 2005 in Hong Kong,

<sup>(1)</sup> OJ C 77 E, 26.3.2004, p. 393.

<sup>(2)</sup> OJ C 92 E, 20.4.2006, p. 397.

<sup>(3)</sup> OJ C 285 E, 22.11.2006, p. 126.

<sup>(4)</sup> OJ C 292 E, 1.12.2006, p. 121.

<sup>(5)</sup> OJ C 293 E, 2.12.2006, p. 155.

<sup>(6)</sup> OJ C 298 E, 8.12.2006, p. 261.

<sup>(7)</sup> OJ C 305 E, 14.12.2006, p. 244.

<sup>(8)</sup> OJ C 102 E, 24.4.2008, p. 301.

<sup>(9)</sup> OJ C 175 E, 10.7.2008, p. 591.

<sup>(10)</sup> OJ C 323 E, 18.12.2008, p. 361.

<sup>(11)</sup> Text adopted, P6\_TA(2008)0252.

**Wednesday 25 March 2009**

- having regard to the report and recommendations of the Task Force on Aid for Trade, adopted by the WTO General Council on 10 October 2006,
  - having regard to the United Nations Millennium Declaration of 8 September 2000, which sets out the Millennium Development Goals (MDGs) as criteria collectively established by the international community for the elimination of poverty,
  - having regard to the Gleneagles Communiqué, adopted by the G-8 on 8 July 2005,
  - having regard to Rule 108(5) in conjunction with Rule 103(2) of its Rules of Procedure,
- A. whereas EPAs should be WTO-compatible agreements aimed at supporting regional integration and promoting the gradual integration of the ACP economies into the world economy, thereby fostering their sustainable social and economic development and contributing to the overall effort to eradicate poverty in the ACP countries,
- B. whereas WTO rules do not require EPA countries to undertake liberalisation commitments in the area of services,
- C. whereas EPAs should be used to build a long-term relationship where trade supports development,
- D. whereas the current financial and economic crisis means that fair trade policy relations will be more important than ever to the developing world,
- E. whereas the Interim EPA (IEPA) is focused on trade in goods and WTO compatibility,
- F. whereas the IEPA will have a fundamental impact on the future evolution of the economic, social and environmental development and policies of the East African Community (EAC) Partner States and their trading partners in eastern and southern Africa,
- G. whereas the EAC Partner States established a customs union in 2005 and are working towards the establishment of a common market by 2010, a monetary union by 2012 and a political federation of the East African States,
- H. whereas the IEPA can probably influence the scope and content of future agreements made between the EAC States and other trading partners and the region's stance in the negotiations,
- I. whereas there is limited competition between the European Union and the ACP countries since the vast majority of EU exports consist of goods ACP countries do not produce but often need either for direct consumption or as inputs for domestic industry; whereas this is not the case with regard to trade in agricultural goods, where EU export subsidies represent a serious obstacle for ACP producers in the agricultural, livestock and dairy sectors, disrupting and often destroying both local and regional markets, and the EU should therefore phase out all kinds of export subsidies without delay,
- J. whereas the EAC Partner States have indicated that they wish to renegotiate a number of issues included in the IEPA,
- K. whereas none of the liberalisation schedules requires a country to start removing any positive tariffs until 2015; whereas the EAC Partner States have 24 years to complete the IEPA liberalisation process,
- L. whereas trade commitments must be accompanied by an increase in support for trade-related assistance,

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- M. whereas the objective of the EU Strategy on Aid for Trade is to support developing countries' capacity to take advantage of new trade opportunities, and to compensate for adjustment costs and potentially negative impacts of trade liberalisation,
- N. whereas nothing in a potential full EPA should impair the capacity of the EAC Partner States to promote access to medicines,
1. Believes that the IEPA must contribute to revitalising trade between ACP countries and the European Union, increased economic growth, regional integration, economic diversification and the reduction of poverty and the achievement of the MDGs; therefore urges flexible implementation that fully takes account of the capacity constraints of EAC Partner States;
  2. Stresses that such agreements cannot be regarded as satisfactory unless they achieve three objectives: offering the ACP countries support for sustainable development, promoting their participation in world trade, and strengthening the regionalisation process; stresses that in achieving protection from negative consequences from opening the EAC Partner States' economies, support from the European Union must be provided in order to bring real benefits through trade preferences, and building economic and social development;
  3. Reaffirms its view that, if appropriately designed, EPAs represent an opportunity to revitalise ACP-EU trading relations, promote ACP economic diversification and regional integration and reduce poverty in the ACP countries;
  4. Encourages the negotiating parties to finish the negotiations as planned during 2009; encourages the parties to take every measure to be able to finalise a comprehensive EPA between the ACP countries and the European Union before the end of 2009 as planned;
  5. Recognises the benefits that the signing of the IEPA has had for exporters by expanding the possibilities for exports to the European Union after the expiration on 31 December 2007 of the preferential tariff treatment provided for under the Cotonou Agreement, and therefore avoiding the damage which could have been caused to ACP exporters had they been obliged to operate under less favourable trade systems;
  6. Welcomes the fact that the European Union is offering ACP countries full duty-free and quota-free market access into the European Union for the majority of products;
  7. Stresses that the IEPA is an agreement on trade in goods aimed at preserving and substantially expanding the export opportunities to the European Union for the EAC Partner States, both through full market access and improved rules of origin;
  8. Emphasises that the signing of the IEPA is a necessary step towards sustainable growth in this region as a whole, and underlines the importance of continuing negotiations towards a comprehensive agreement encouraging increased trade, investment and regional integration;
  9. Recalls that EPAs should be compatible with the WTO rules, which do not require or forbid liberalisation commitments or regulatory obligations regarding services, intellectual property rights protection and the so-called 'Singapore issues';
  10. Calls for a regulatory framework to be put in place during the transition from an interim to a full EPA with regard to services; calls for steps to ensure, where possible, that universal service provisions are in place, including for essential public services; reaffirms in this context the views set out in its resolution of 4 September 2008 on trade in services <sup>(1)</sup>;

<sup>(1)</sup> Texts adopted, P6\_TA(2008)0407.

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11. Recalls that a genuine regional market is an essential basis for successfully implementing the IEPA and that regional integration and cooperation are essential for the social and economic development of the EAC Partner States;
12. Requests that any agreements between the European Union and countries of the eastern and southern Africa region must not contradict each other or impede regional integration in this wider region;
13. Acknowledges the establishment of transition periods within the IEPA for small and medium-sized enterprises (SMEs) in order for them to be able to adapt to the changes put in place by the agreement, and urges the authorities of the EAC Partner States to continue to support the interests of SMEs in their negotiations towards a comprehensive EPA;
14. Calls for the European Union to provide increased and adequate assistance to the authorities in ACP countries and to the private sector in order to facilitate the transition of their economies following the signing of the IEPA;
15. Therefore supports the agreed tariff line exclusions focused on agricultural goods and some processed agricultural goods given that they are based chiefly on the need to protect infant industries or sensitive products in these countries;
16. Calls on the Commission to clarify the actual distribution of funds throughout the ACP region stemming from the pledged priority spending within the increased Aid for Trade budget;
17. Urges the relevant countries to provide clear and transparent information about the economic and political situation and development in these countries in order to improve cooperation with the Commission;
18. Recognises that a development cooperation chapter has been included in the comprehensive EPA covering cooperation on trade in goods, supply-side competitiveness, business-enhancing infrastructure, trade in services, trade-related issues, institutional capacity-building, and fiscal adjustments; calls on both parties to adhere to their agreed commitment to conclude negotiations on competition and government procurement only when adequate capacity has been built;
19. Recalls that the EPA must be supportive of the development objectives, policies and priorities of the EAC Partner States, not only in its structure and content, but also in the manner and spirit of its implementation;
20. Recalls the adoption, in October 2007, of the EU Strategy on Aid for Trade, with the commitment to increase the collective EU trade related assistance to EUR 2 billion (EUR 2 000 000 000) annually by 2010 (EUR 1 billion from the Community, EUR 1 billion from the Member States); insists that the EAC Partner States receive an appropriate and equitable share;
21. Calls for an early determination and provision of the share of the Aid for Trade resources; stresses that these funds should be additional resources and not merely a repackaging of EDF funding, that they should conform to EAC priorities and that their disbursement should be timely, predictable and in line with the execution schedules of national and regional strategic development plans; opposes any kind of conditionality linked to the EPAs in the matter of granting European aid and calls on the Commission to guarantee that access to the funds of the 10th EDF is kept separate from the results and pace of the negotiations;
22. Calls on the Commission to clarify how funds are distributed throughout the region, calls on the Member States to outline additional funding beyond the 2008-2013 budget commitments;

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23. Calls on the Commission, in view of the commitments made by the Council in September 2007 on the Trade-Related Aspects of Intellectual Property Rights (TRIPS) Agreement and access to medicines, not to negotiate pharmaceutical-related TRIPS+ provisions affecting public health and access to medicines in the full EPA, to refrain from requesting adherence to or acceptance of the obligations of the Patent Cooperation Treaty and the Patent Law Treaty, to refrain from incorporating the terms of Directive 2004/48/EC on the enforcement of intellectual property rights, and not to introduce disciplines such as non-original database protection in the full EPA;
24. Urges the negotiators of any full EPA to account fully for the transparent management of natural resources and to outline the best practices necessary in order that the ACP countries make the maximum gains from such resources;
25. Stresses that any comprehensive EPA must also include provisions regarding good governance, transparency in political offices, and human rights;
26. Highlights the importance of intra-regional trade and the need for increased regional trade links in order for sustainable growth to be ensured in the region; underlines the importance of cooperation and congruency between different regional entities;
27. Encourages further lowering of tariffs between developing countries and regional groups, which today account for 15 to 25 % of the trade value, to further promote south - south trade, economic growth and regional integration;
28. Calls on the Commission to do its utmost to restart the negotiations on the DDA and ensure that trade liberalisation agreements continue to promote development in poor countries;
29. Is convinced that comprehensive EPAs should be complementary to an agreement on the DDA and not an alternative for ACP countries;
30. Respects the need for a chapter on trade defence with bilateral safeguards; calls on both parties to avoid unnecessary use of these safeguards; calls on the Commission to accept, within the framework of the ongoing negotiations with a view to concluding a comprehensive EPA, a revision of the safeguards contained in the interim EPA in order to guarantee appropriate, transparent and quick utilisation, provided that the criteria for their application are met;
31. Asks for a prompt ratification procedure in order to make the profits of the IEPA available for the partner countries without unnecessary delay;
32. Recalls that, whilst the IEPA can be considered as a first step in the process, in legal terms it is a completely independent international agreement that may not necessarily lead to a full EPA;
33. Stresses that the possible assent by Parliament to the IEPA does not predetermine Parliament's position concerning the assent to a potential full EPA, since the procedure of conclusion relates to two different international agreements;
34. Recalls that the EAC is the only region in which all members have joined the IEPA and offered identical liberalisation schedules; points out that these need to be assessed regularly and revised if they prove too burdensome to implement;
35. Points out that the IEPA will probably influence relations between the region and its closest trading partners and it must be ensured that the current agreement's stipulations help to facilitate future trade agreements;
36. Calls on the Commission to consider requests made by the East African Community to renegotiate for the full EPA certain contentious issues in the Interim EPA that it wishes to amend or withdraw;

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37. Urges the ACP countries to further the process of liberalisation and encourages the extension of such reforms beyond trade and goods and an increase in the liberalisation of trade and services;
38. Points out that the EPA should contribute to the achievement of the MDGs;
39. Notes that within the EPA negotiations some ACP countries, with the aim of ensuring that all exporters are treated as well as the most favoured trading partner, have sought the MFN clause, which sets a normal, non-discriminatory tariff on imports of goods;
40. Welcomes the fact that new, improved and more flexible rules of origin have been negotiated between the European Union and the ACP countries, and could potentially provide the ACP countries with considerable benefits if implemented appropriately and with due consideration to their reduced capacity levels;
41. Stresses that exports of mining and wood products should not disturb the fragility of an ecosystem that plays a key role for the African continent, and that the EPA should provide for mechanisms to reward environmental services provided by the EAC Partner States;
42. Considers it important that in the implementation of EPAs, an appropriate monitoring system should be established, coordinated by the relevant parliamentary committee involving members of the Committee on International Trade and of the Committee on Development, ensuring an adequate balance between the maintenance of the leading role of the Committee on International Trade and an overall consistency on trade and development policies; this parliamentary committee should operate in a flexible manner and actively coordinate with the ACP-EU Joint Parliamentary Assembly; considers that this monitoring should start after the adoption of each IEPA;
43. Stresses in particular the crucial role of ACP parliaments and non-state actors in the monitoring and management of EPAs and asks the Commission to guarantee their involvement in the ongoing negotiation procedures; this requires a clear agenda between the EU and ACP countries based on a participatory approach;
44. Calls for appropriate and transparent monitoring mechanisms – with a clear role and influence – to follow the impact of EPAs with increased ACP ownership and broad stakeholder consultation;
45. Welcomes the inclusion of a review clause within the IEPA, which affirms that a comprehensive review of the agreement shall be undertaken no later than five years after the date of signature, and at subsequent five-yearly intervals, including an analysis of the costs and consequences of implementation of trade commitments; if necessary, amendments to the provisions of the agreement and adjustments to their application must be undertaken with respect to and in accordance with the rules and procedures of the WTO;
46. Calls on the Council to consult the Parliament before taking a decision on the provisional application of international agreements – as is the case for the EPAs – when the assent procedure is required, in view of the possibility that Parliament might subsequently reject the international agreement, with the consequence that its provisional application would have to be ended;
47. Instructs its President to forward this resolution to the Council, the Commission, the governments and parliaments of the Member States and of the ACP countries, the ACP-EU Council of Ministers and the ACP-EU Joint Parliamentary Assembly.
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**EC-Central Africa stepping-stone Economic Partnership Agreement**

P6\_TA(2009)0182

**European Parliament resolution of 25 March 2009 on the stepping-stone Economic Partnership Agreement between the European Community and its Member States, of the one part, and Central Africa, of the other part**

(2010/C 117 E/24)

*The European Parliament,*

- having regard to its resolutions of 25 September 2003 on the Fifth Ministerial Conference of the World Trade Organisation (WTO) in Cancún <sup>(1)</sup>, of 12 May 2005 on the assessment of the Doha Round following the WTO General Council Decision of 1 August 2004 <sup>(2)</sup>, of 1 December 2005 on preparations for the Sixth Ministerial Conference of the World Trade Organisation in Hong Kong <sup>(3)</sup>, of 23 March 2006 on the development impact of Economic Partnership Agreements (EPAs) <sup>(4)</sup>, of 4 April 2006 on the assessment of the Doha Round following the WTO Ministerial Conference in Hong Kong <sup>(5)</sup>, of 1 June 2006 on trade and poverty: designing trade policies to maximise trade's contribution to poverty relief <sup>(6)</sup>, of 7 September 2006 on the suspension of negotiations on the Doha Development Agenda <sup>(7)</sup> (DDA), of 23 May 2007 on Economic Partnership Agreements <sup>(8)</sup>, of 12 December 2007 on Economic Partnership Agreements <sup>(9)</sup> and its position of 5 June 2008 on the proposal for a Council regulation applying a scheme of generalised tariff preferences for the period from 1 January 2009 to 31 December 2011 and amending Regulations (EC) No 552/97, (EC) No 1933/2006 and Commission Regulations (EC) No 964/2007 and (EC) No 1100/2006 <sup>(10)</sup>,
- having regard to the stepping-stone Economic Partnership Agreement between the European Community and its Member States, of the one part, and Central Africa, of the other part,
- having regard to the Partnership Agreement between the members of the African, Caribbean and Pacific (ACP) Group of States, of the one part, and the European Community and its Member States, of the other part, signed in Cotonou on 23 June 2000 (the Cotonou Agreement),
- having regard to the Conclusions of the General Affairs and External Relations Council (GAERC) of April 2006, October 2006, May 2007, October 2007, November 2007 and May 2008,
- having regard to the Commission Communication of 23 October 2007 on Economic Partnership Agreements (COM(2007)0635),
- having regard to the General Agreement on Tariffs and Trade (GATT), in particular Article XXIV thereof,
- having regard to the Ministerial Declarations adopted at the Fourth Session of the WTO Ministerial Conference on 14 November 2001 in Doha and the Sixth Session of the WTO Ministerial Conference on 18 December 2005 in Hong Kong,
- having regard to the Joint Strategy on Aid For Trade adopted by the Council of the European Union on 15 October 2007,

<sup>(1)</sup> OJ C 77 E, 26.3.2004, p. 393.

<sup>(2)</sup> OJ C 92 E, 20.4.2006, p. 397.

<sup>(3)</sup> OJ C 285 E, 22.11.2006, p. 126.

<sup>(4)</sup> OJ C 292 E, 1.12.2006, p. 121.

<sup>(5)</sup> OJ C 293 E, 2.12.2006, p. 155.

<sup>(6)</sup> OJ C 298 E, 8.12.2006, p. 261.

<sup>(7)</sup> OJ C 305 E, 14.12.2006, p. 244.

<sup>(8)</sup> OJ C 102 E, 24.4.2008, p. 301.

<sup>(9)</sup> OJ C 323 E, 18.12.2008, p. 361.

<sup>(10)</sup> Texts adopted, P6\_TA(2008)0252.

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- having regard to the report and recommendations of the Aid for Trade Task Force, adopted by the WTO General Council on 10 October 2006,
  - having regard to the United Nations Millennium Declaration of 8 September 2000, which sets out the Millennium Development Goals (MDGs) as criteria collectively established by the international community for the elimination of poverty,
  - having regard to the community undertakings on Official Development Assistance (ODA) given in the 'Monterrey Consensus', adopted on 22 March 2002 by the United Nations at the International Conference on Financing for Development, in the Gleneagles Communiqué, adopted by the G8 on 8 July 2005, in the Conclusions of the Council and the Representatives of the Governments of the Member States meeting within the Council on EPAs, adopted on 27 May 2008 in Addis Ababa, and in the Doha Declaration on Financing for Development, adopted on 2 December 2008 by the United Nations at the Follow-up International Conference on Financing for Development to Review the Implementation of the Monterrey Consensus,
  - having regard to the Accra Agenda for Action, adopted on 4 September 2008 by the States participating in the Third High-Level Forum on Aid Effectiveness,
  - having regard to Rule 108(5) in conjunction with Rule 103(2) of its Rules of Procedure,
- A. whereas, as it was not possible to conclude a regional agreement with all the countries of Central Africa before the end of 2007, the European Community and Cameroon initialled a stepping-stone Economic Partnership Agreement on 17 December 2007; whereas this agreement was signed on 15 January 2009 in Yaoundé,
- B. whereas the primary objectives of that agreement, as with all the EPAs, must be sustainable economic and social development and the eradication of poverty, as well as support for regional integration and promotion of the participation of the ACP economies in the global economy,
- C. whereas the Commission is still negotiating a parallel agreement with all the Central African States,
- D. whereas account should be taken of the diversity of the economic and social profiles of the eight Central African States, six of which are landlocked and five of which are least developed countries (LDCs) benefiting from free access to the European market under the 'Everything But Arms' initiative,
- E. whereas the opening-up of these countries to European exports needs to be accompanied by development aid and substantial technical assistance,
- F. whereas the Commission and the Member States each undertook in October 2007 to provide an additional EUR 1 billion (EUR 1 000 000 000) annually under the Aid for Trade initiative in order to help developing countries improve their trade capacity, whether or not they have signed EPAs, and whereas the region of Central Africa should therefore receive a fair and equitable proportion of this sum,
- G. whereas there is so far limited competition between the EU and Cameroonian economies, as EU exports consist of goods Cameroon does not produce but needs either for direct consumption or as inputs for domestic industry; whereas this is not the case with regard to trade in agricultural goods, where EU export subsidies represent a serious obstacle for ACP producers in the agricultural, livestock and dairy sectors, disrupting and often destroying both local and regional markets, and the EU should therefore phase out all kinds of export subsidies without delay; whereas the possible increase of EU exports to Cameroon following the Interim EPA (IEPA) should not hinder local production and infant industries, since EPAs should contribute to the diversification of ACP economies,



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1. Stresses that these agreements cannot be regarded as satisfactory unless they achieve the following objectives: offering the ACP countries support for sustainable development; promoting their participation in world trade; strengthening the regionalisation process; revitalising trade between the European Union and ACP countries; and promoting the economic diversification of ACP countries;
2. Stresses, in particular, the original *raison d'être* of these agreements, namely development, poverty reduction and contributing to the achievement of the MDGs;
3. Believes that achieving these objectives will require targeted protection of the ACP countries from certain possible negative consequences resulting from the implementation of EPAs, providing support to help them gain real benefit from trade preferences and promoting their economic and social development; calls on the Commission and the Member States to provide increased and adequate assistance to facilitate economic transition following the initialling of the IEPAs;
4. Encourages the negotiating parties to finish the negotiations as planned during 2009; encourages the parties to take every possible measure to be in a position to finalise a comprehensive EPA between the ACP countries and the European Union before the end of 2009 as planned;
5. Recognises that WTO rules required the conclusion of an agreement by 31 December 2007; notes however that the Commission pushed to conclude comprehensive EPAs before that date, when limiting the agreement to goods alone would have made it possible to comply with European Community commitments to the WTO;
6. Considers that to demand 80 % liberalisation by value of trade is an interpretation of Article XXIV of the GATT that does not take sufficient account of the fact that the EU is negotiating with some of the poorest countries in the world, which have differences in their level of development and sensitive sectors;
7. Recognises the benefits that the signing of the IEPA has had for exporters, by expanding the possibilities for exports to the European Union after the expiration on 31 December 2007 of the preferential tariff treatment provided for under the Cotonou Agreement, and therefore avoiding the damage which could have been caused to ACP exporters had they been obliged to operate under less favourable trade systems;
8. Welcomes the fact that the European Union is offering ACP countries full duty-free and quota-free market access to the European Union for the majority of products, to support the liberalisation of trade between the ACP countries and the European Union;
9. Points out that, if the agreement were confirmed, major efforts as well as substantial EU aid and technical assistance would be required to bring the Cameroonian economy up to standard;
10. Believes that, despite Cameroonian agricultural products having preferential access to the European market, the EPA cannot bring about the development of Cameroonian agricultural production unless production capacity is strengthened and modernised through technical and financial investment;
11. Notes that the large gap between levels of public spending on agricultural subsidies between the EU and ACP economies disadvantages farmers in the ACP countries by decreasing their competitiveness both domestically and abroad, as their products are more costly in real terms;
12. Supports therefore the agreed tariff-line exclusions focused on agricultural goods and some processed agricultural goods, given that they are based chiefly on the need to protect infant industries or sensitive products in these countries;

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13. Considers that, in order to guarantee food security in Cameroon and in the region, a policy of long-term support for local agriculture needs to be put in place, including trade policy instruments which enable market regulation and the protection of sustainable family agriculture; considers that the potential for State intervention in this area should not be restricted; stresses that these topics must be placed at the centre of the negotiations in order to guarantee the coherence of trade policy and all the EU's policies with regard to food sovereignty and the right to food;
14. Urges the negotiators of any comprehensive EPA to account fully for the transparent management of natural resources and to outline the best practices necessary in order that the relevant countries may make the maximum gains from such resources;
15. Calls on the Commission to clarify how funds stemming from the pledged priority spending within the increased Aid for Trade budget are actually distributed throughout the ACP region;
16. Calls for early determination and provision of the share of the Aid for Trade resources; stresses that these funds should be additional resources and not merely repackaging of EDF funding, that they should conform to the priorities of the Central African region and that their disbursement should be timely, predictable and in line with the execution schedules of national and regional strategic development plans; opposes any kind of conditionality linked to the signature of EPAs in the matter of granting EU aid and calls on the Commission to guarantee that access to the funds of the 10th EDF is kept separate from the results and pace of the negotiations;
17. Believes that the timetable for committing and paying out EU funds should be respected, as agreed in the regional and national indicative programmes, since such funds are essential to accompany the ACP countries in the liberalisation process;
18. Recalls Parliament's repeated requests for the EDF to be incorporated into the EU budget; criticises the use of the EDF as the primary source of financing for the Regional EPA Fund, when additional financing was anticipated; points out that the amounts allocated under the National Indicative Programme for Cameroon and the Regional Indicative Programme are insufficient to bring the Cameroonian economy up to standard, which the signing of an EPA would entail;
19. Emphasises that EU financing must help both to bring ACP countries' economies up to standard and to offset the losses in customs revenue; calls on the Commission to indicate as soon as possible its methods for calculating the net fiscal impact of the EPAs;
20. Insists that, in keeping with the Principles set out in the Paris Declaration on Aid Effectiveness, aid must be, inter alia, demand-driven, and calls on the ACP countries, therefore, to state what additional EPA-related funds are needed, particularly with regard to regulatory frameworks, safeguard measures, trade facilitation, support in meeting international sanitary and phytosanitary and intellectual property standards and the composition of the EPA monitoring mechanism;
21. Urges the relevant countries to provide clear and transparent information about the economic and political situation and development in these countries, in order to improve cooperation with the Commission;
22. Highlights the importance of intra-regional trade and the need for increased regional trade links in order for sustainable growth to be ensured in the region; underlines the importance of cooperation and congruency between different regional entities;
23. Encourages a further lowering of tariffs between developing countries and regional groups, which today account for 15 to 25 % of the value of trade, to further promote south-south trade, economic growth and regional integration;

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24. Stresses that the future EPA with Central Africa must under no circumstances endanger the cohesion or weaken the regional integration of those countries;
25. Calls on the Commission to do its utmost to restart the negotiations on the DDA and ensure that trade liberalisation agreements continue to promote development in poor countries;
26. Is convinced that comprehensive EPAs should be complementary to an agreement on the DDA and not an alternative for ACP countries;
27. Considers that the uncertainties surrounding the outcome of the Doha Round and the settling of the dispute over bananas within the WTO require the European Union to pay special attention and take priority action to safeguard the future of the banana sector in Cameroon and the Central African region;
28. Welcomes the safeguard measures provided for in the agreement, but points out that the instruments provided for their adoption are complex, which could limit the chances of implementing them; calls on both parties to avoid unnecessary abuse of these safeguards; calls on the Commission to accept, within the framework of the ongoing negotiations with a view to concluding a comprehensive EPA, a revision of the safeguards contained in the interim EPA in order to guarantee appropriate, transparent and quick utilisation provided that the criteria for their application are met;
29. Underlines the need for a global-impact assessment of the EPA, after its implementation, by national parliaments, the European Parliament and civil society; calls for the possibility of revising the liberalisation timetable if necessary;
30. Calls for the production and export of higher value-added processed products to be supported, in particular by simplifying and making more flexible the rules of origin, which should take into account the differences in industrial development between the EU and the ACP countries and between the ACP countries themselves;
31. Acknowledges the establishment of transition periods within the IEPA for small and medium-scale enterprises (SMEs) in order for them to be able to adapt to the changes put in place by the agreement, and urges the authorities of the states concerned to continue to support the interests of SMEs in their negotiations on a comprehensive EPA;
32. Calls for the European Union to provide increased and adequate assistance to the authorities in ACP countries and to the private sector in order to facilitate economic transition following the signing of the IEPA;
33. Emphasises that the regional EPA cannot simply transpose the IEPA with Cameroon; points out that Cameroon is not representative of the diversity of the eight countries in the region, which do not have the same priorities and needs with regard to liberalisation timetables, transition periods and lists of sensitive products; calls for the regional EPA to be sufficiently flexible in order to take these specific features into account;
34. Considers that the current offer by the Central African region to liberalise 71 % of its trade over a 20-year period, with a 5-year preparatory period, is not compatible with WTO requirements, which provide for 80 % liberalisation over a 15-year period;
35. Recommends a flexible, asymmetric and pragmatic approach in the ongoing negotiations for a full EPA; calls on the Commission, in this context, to take particular account of the request by the Central African region concerning the development aspects of the agreement; welcomes in this regard the Conclusions of the GAERC of May 2008;

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36. Calls on the Commission to respond unconditionally and in a flexible way to demands by ACP countries to review contentious issues in the IEPAs, including the definition of 'substantially all trade'; the Most Favoured Nation (MFN) clause, obligations concerning the elimination of export taxes, the standstill clause and bilateral and special safeguards;
37. Calls for the Commission, in the event that Central African States which are not among the LDCs do not wish to sign an EPA, to examine all alternative possibilities in order to provide those countries with a new framework for trade which is in conformity with WTO rules;
38. Recalls that EPAs should be compatible with the WTO rules, which do not require or forbid liberalisation commitments on services or the so-called 'Singapore Issues';
39. Calls on the Commission not to include provisions on intellectual property in the EPAs, which would hinder access to essential medicines; calls on the European Union to use the EPA framework to help ACP countries apply the flexibilities provided for in the Doha Declaration on Trade-Related Aspects of Intellectual Property Rights (TRIPS) and Public Health;
40. Stresses that the EPAs should include enhanced chapters on development for the achievement of the MDGs and for the promotion and strengthening of basic social and human rights;
41. Stresses that any comprehensive EPA must also include provisions regarding good governance, transparency in political offices, and human rights;
42. Stresses that Parliament should be kept informed on a regular basis and actively participate in the EPA negotiating process; points, in this context, to Parliament's role of scrutiny and early warning, as well as the willingness of Members to trigger a more in-depth dialogue between the European institutions and representatives of the ACP countries and civil society;
43. Recommends that Parliament's timetable, while maintaining a certain degree of flexibility, should take into account the opinions of the parliaments of the ACP countries on the results of the EPA negotiations before giving its assent;
44. Calls for appropriate and transparent monitoring mechanisms - with a clear role and influence - to follow the impact of EPAs, with increased ACP ownership and broad stakeholder consultation;
45. Stresses in particular the crucial role of ACP parliaments and non-state actors in the monitoring and management of EPAs, and asks the Commission to guarantee their involvement in the ongoing negotiation procedures; takes the view that this requires a clear agenda for further negotiations, to be agreed by ACP countries and the European Union and be based on a participatory approach;
46. Considers it important that, in the implementation of EPAs, an appropriate monitoring system should be established, coordinated by the relevant parliamentary committee and involving members of the Committee on International Trade and of the Committee on Development, ensuring an adequate balance between the maintenance of the leading role of the Committee on internal trade and overall consistency on trade and development policies; considers that this parliamentary committee should operate in a flexible manner and actively coordinate its work with the ACP-EU Joint Parliamentary Assembly (JPA); considers that this monitoring should start after the adoption of each interim EPA;
47. Instructs its President to forward this resolution to the Council, the Commission, the Governments and Parliaments of the Member States and of the ACP countries, the ACP-EU Council of Ministers and the ACP-EU Joint Parliamentary Assembly.
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**EIB and EBRD annual reports for 2007**

P6\_TA(2009)0185

**European Parliament resolution of 25 March 2009 on the 2007 Annual Reports of the European Investment Bank and the European Bank for Reconstruction and Development (2008/2155(INI))**

(2010/C 117 E/25)

*The European Parliament,*

- having regard to the 2007 Annual Report of the European Investment Bank (EIB),
- having regard to the 2007 Annual Report of the European Bank for Reconstruction and Development (EBRD),
- having regard to Articles 9, 266 and 267 of the EC Treaty and the Protocol No 11 on the Statute of the EIB,
- having regard to the Agreement Establishing the EBRD of 29 May 1990,
- having regard to Articles 230 and 232 of the EC Treaty on the role of the Court of Justice,
- having regard to Article 248 of the EC Treaty on the role of the Court of Auditors,
- having regard to Council Decision 2006/1016/EC of 19 December 2006 granting a Community guarantee to the European Investment Bank against losses under loans and loan guarantees for projects outside the Community <sup>(1)</sup>,
- having regard to the Court of Justice's judgment of 6 November 2008 on the legal basis of Decision 2006/1016/EC <sup>(2)</sup>,
- having regard to Council Decision 2008/847/EC of 4 November 2008 on the eligibility of Central Asian countries under Decision 2006/1016/EC granting a Community guarantee to the European Investment Bank against losses under loans and loan guarantees for projects outside the Community <sup>(3)</sup>,
- having regard to Council Decision 97/135/EC of 17 February 1997 providing that the European Community should subscribe for extra shares as a result of the decision to double the capital of the European Bank for Reconstruction and Development <sup>(4)</sup>,
- having regard to the Capital Resources Review 3 of the EBRD in 2006 to cover the period 2006-2010,
- having regard to Commission's report to Parliament and the Council on borrowing and lending activities of the European Communities in 2007 (COM(2008)0590),
- having regard to its resolution of 22 April 2008 on the European Investment Bank's annual report for 2006 <sup>(5)</sup>,

<sup>(1)</sup> OJ L 414, 30.12.2006, p. 95.

<sup>(2)</sup> Case C-155/07, *European Parliament v. Council of the European Union*, not yet published in the *European Court Reports*.

<sup>(3)</sup> OJ L 301, 12.11.2008, p. 13.

<sup>(4)</sup> OJ L 52, 22.2.1997, p. 15.

<sup>(5)</sup> Texts adopted, P6\_TA(2008)0132.

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- having regard to its resolution of 15 February 2007 on the EIB Annual Report for 2005 <sup>(1)</sup>,
- having regard to its resolution of 16 January 2003 on the activities of the European Bank for Reconstruction and Development (EBRD) <sup>(2)</sup>,
- having regard to the resolution of the Parliamentary Assembly of the Council of Europe of 24 June 2008 on the European Bank for Reconstruction and Development: a focal partner for change in transition countries,
- having regard to the Partnership agreement between the members of the African, Caribbean and Pacific Group of States of the one part, and the European Community and its Member States, of the other part, signed in Cotonou on 23 June 2000 <sup>(3)</sup> (the Cotonou Agreement),
- having regard to the Joint statement by the Council and the representatives of the governments of the Member States meeting within the Council, the European Parliament and the Commission on European Union Development Policy: 'The European Consensus' <sup>(4)</sup>,
- having regard to the Council Conclusions of 14 May 2008 on a Western Balkans Investment Framework: strengthening the coherence of existing financing instruments for the region to underpin growth and stability,
- having regard to the Commission proposal of 21 May 2008 for a regulation amending Regulation (EC) No 1638/2006 of 24 October 2006 laying down general provisions establishing a European Neighbourhood and Partnership Instrument (COM(2008)0308),
- having regard to the Court of Justice's judgment of 10 July 2003 regarding the power of the European Anti-Fraud Office (OLAF) to investigate the EIB <sup>(5)</sup>,
- having regard to the Tripartite Agreement concluded between the Court of Auditors, the EIB and the Commission with respect to the modes for controls exercised by the Court of Auditors, provided for in Article 248(3) of the EC Treaty, and renewed in July 2007,
- having regard to the Memorandum of Understanding between the Commission, the EIB and the EBRD of 15 December 2006 in respect of cooperation in Eastern Europe and the Southern Caucasus in Russia and in Central Asia,
- having regard to the Memorandum of Understanding signed on 27 May 2008 between the European Commission and the European Investment Bank aimed at furthering coordination of the European Union external lending policies,
- having regard to the Memorandum signed on 16 September 2008 relating to the participation in the European public-private partnership expertise centre between the EIB, the Commission and national competent authorities,
- having regard to the Corporate Operational Plan 2008-2010 of the EIB as approved by the Board of Directors on 20 November 2007,
- having regard to the public consultations by the EIB on its Statement on Environmental and Social Principles and Standards in 2008,

<sup>(1)</sup> OJ C 287 E, 29.11.2007, p. 544.

<sup>(2)</sup> OJ C 38 E, 12.2.2004, p. 313.

<sup>(3)</sup> OJ L 317, 15.12.2000, p. 3.

<sup>(4)</sup> OJ C 46, 24.2.2006, p. 1.

<sup>(5)</sup> Case C-15/00, Commission of the European Communities v. European Investment Bank [2003] ECR I-7281.

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- having regard to the EBRD's Environmental and Social Policy as approved by the Board of Directors on 12 May 2008,
  - having regard to the EBRD's Energy Operations Policy as approved by the Board of Directors on 11 July 2006,
  - having regard to the EIB's Energy Review as approved by the Board of Directors on 31 January 2006,
  - having regard to the EIB's briefing note on EIB reinforced contribution to EU Energy Policy, of 5 June 2007, as endorsed by the Board of Governors in June 2007,
  - having regard to the conclusions of the Presidency of the European Council meeting in Brussels of 11 and 12 December 2008 as regards economic and financial questions,
  - having regard to the EIB's report entitled 'SME Consultation 2007/2008 - Findings and Conclusions', of May 2008, and to the subsequent modernising and strengthening of the EIB Group's support for EU SMEs,
  - having regard to the EIB Statement of Environmental and Social Principles and Standards of 18 March 2008,
  - having regard to the Council conclusions of the Ecofin Council of 7 October 2008 and 2 December 2008 on the role of the EIB in supporting SMEs,
  - having regard to the Commission communication of 29 October 2008 entitled 'From financial crisis to recovery: A European framework for action' (COM(2008)0706),
  - having regard to the Commission communication of 26 November 2008 entitled 'A European Economic Recovery Plan' (COM(2008)0800),
  - having regard to Rule 45 of its Rules of Procedure,
  - having regard to the report of the Committee on Economic and Monetary Affairs and the opinion of the Committee on Budgetary Control (A6-0135/2009),
- A. whereas the EIB was established in 1957 by the Treaty of Rome and whereas its shareholders, the Member States, subscribe a capital of EUR 165 billion,
- B. whereas the EIB has undertaken operations outside the Community in support of the Community's external policies since 1963,
- C. whereas the EBRD was established in 1991 and whereas its shareholders, comprising 61 third countries, the European Community, and the EIB, subscribe a total capital of EUR 20 billion,
- D. whereas the Member States, the European Community and the EIB together make up 63 % of the share-ownership of the EBRD,
- E. whereas the EIB's statutory objective is to contribute, by having recourse to the capital market and utilising its own resources, to the balanced and steady development of the internal market in the interest of the Community,

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- F. whereas in the present financial turmoil, with the tremendous lack of liquidity and credit for companies, the EIB should play a major role in the European and the Member States' economic recovery plans,
- G. whereas the EBRD's statutory objective is to contribute to economic progress and reconstruction and foster the transition towards open, market-oriented economies and promote private and entrepreneurial initiative in Central and Eastern European countries committed to and applying the principles of multiparty democracy, pluralism and market economics,
- H. whereas the role of the EIB as issuer of highly rated triple A bonds for the international capital markets should be emphasised and enhanced,
- I. whereas pursuant to Article 11 of the Agreement establishing the EBRD, the EBRD is required to effect at least 60 % of its investment in the private sector,
- J. whereas the agreement establishing the EBRD provides that the Board of Governors, at intervals of no more than five years, review the capital stock of the EBRD and the next review being planned for 2010,
- K. whereas a Steering Committee comprising nine wise persons was set up on 1 October 2008 to supervise and manage the evaluation of the mid-term review of the EIB's external lending mandate as provided for in the Decision 2006/1016/EC,
- L. whereas that mid-term review will have to be performed in close consultation with Parliament, on the basis of Decision 2006/1016/EC,
- M. whereas Decision 2006/1016/EC on the EIB external lending mandate provides for loans of EUR 25,8 billion to be available over the period 2007-2013, broken down by region as follows: Pre-Accession countries, including Croatia and Turkey: EUR 8,7 billion; Mediterranean countries: EUR 8,7 billion; Eastern Europe, Southern Caucasus and the Russian Federation: EUR 3,7 billion; Latin America: EUR 2,8 billion; Asia: EUR 1 billion; and the Republic of South Africa: EUR 0,9 billion,
- N. whereas the loans granted by the EIB in 2007 supporting EU policy objectives totalled EUR 47,8 billion, comprising EUR 41,4 billion in the European Union and the EFTA countries and EUR 6,4 billion in partner and accession countries,
- O. whereas the EIB's lending activity in 2007 outside the EU per geographical region was as follows: Asia and Latin America: EUR 925 million; Eastern Europe, Southern Caucasus and Russia: EUR 230 million; Mediterranean countries: EUR 1 438 million; Pre-Accession Countries: EUR 2 870 million; ACP Countries: EUR 756 million; and South Africa: EUR 113 million,
- P. whereas the annual business volume of the EBRD amounted to EUR 5,6 billion in 2007, comprising 353 projects in 29 countries of operation in Central Europe and the Baltic States <sup>(1)</sup>, South-East Europe <sup>(2)</sup>, Western CIS and the Caucasus <sup>(3)</sup>, Russia and Central Asia <sup>(4)</sup>,
- Q. whereas EBRD investments in Russia increased in 2007 to reach EUR 2,3 billion (the total portfolio in Russia reaching EUR 5,7 billion), covering 83 projects and constituting 42 % of the EBRD's annual commitments (compared to 38 % in 2006),
- R. whereas EBRD equity investments increased in 2007 from EUR 1 billion in 2006 to EUR 1,7 billion in 2007 and the equity share of the EBRD's annual business volume increased from 20 % in 2006 to 30 % in 2007,

<sup>(1)</sup> Croatia, Czech Republic, Estonia, Hungary, Latvia, Lithuania, Poland, Slovak Republic and Slovenia.

<sup>(2)</sup> Albania, Bosnia and Herzegovina, Bulgaria, FYR Macedonia, Montenegro, Romania and Serbia.

<sup>(3)</sup> Armenia, Azerbaijan, Belarus, Georgia, Moldova and Ukraine.

<sup>(4)</sup> Kazakhstan, Kyrgyz Republic, Mongolia, Tajikistan, Turkmenistan and Uzbekistan.



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- S. whereas the Board of Governors of the EBRD decided on 28 October 2008 to accept Turkey as a recipient of EBRD investments and whereas the EBRD anticipates investing EUR 450 million by the end of 2010,
- T. whereas the EIB has been financing projects in Turkey since 1965 and has invested around EUR 10 billion throughout all key sectors of Turkey's economy,
- U. whereas under the Cotonou Agreement, the EIB, in addition to lending from own resources, also finances operations in ACP countries from a risk-bearing investment facility whose funds are provided from the European Development Fund,
- V. whereas the EIB's financing strategy should contribute to the general objective of developing and consolidating democracy and the rule of law, and to the observance of international environmental agreements to which the Community or its Member States are party,
- W. whereas the Commission, the Member States, European Neighbourhood Policy (ENP) partner countries, IFI's and European regional and bilateral financial institutions are currently cooperating under the framework of a Neighbourhood Investment Facility (NIF) for additional funding for infrastructure projects mainly in energy, transport and environment sectors in the entire area of the ENP,
- X. whereas the EIB Group continues actively to support SMEs via loans as well as venture capital and loan guarantees, the latter two activities through the European Investment Fund,

#### ***The objectives and operations of the EIB***

1. Welcomes the 2007 Annual Report of the EIB, notably as regards its financing operations inside the European Union on the one hand - focusing on six policy priorities: ensuring economic and social cohesion; implementing the Innovation 2010 initiative; developing trans-European transport and access networks; supporting small and medium-sized enterprises; protecting and improving the environment; and ensuring sustainable, competitive and secure energy - and as regards the implementation of the EIB's external lending mandate in third countries on the other;
2. Welcomes the EIB's objective to address, inter alia, the climate change challenge in its financing operations inside the European Union; recalls, in this context, that there is a need to develop further environmentally friendly funding criteria, in line with the European Union's strategic goals of reducing greenhouse gas emissions; urges the EIB to focus its energy lending on energy efficiency, renewable energy and research and development investments to those two areas; additionally, calls on the EIB to establish and make public a methodology to assess the climate impact of the financed projects and to make public a set of appraisal criteria enabling the EIB to refuse projects for their negative impact on climate change;
3. Notes that the EIB is the only Treaty-based financial institution and that the majority of its operations are concentrated on projects in the Members States, while it also has an increasingly important role to play in third countries, as provided for in Decision 2006/1016/EC;
4. Notes that, in its operations in third countries, the EIB has, to date, implemented the policy objectives as set by the Council; believes that EIB lending activity must be consistent, within its areas of competence, between countries; simple in its approach between various EU actors and instruments; flexible in terms of how the European Union is able to respond to widely differing circumstances in different countries; coherent with the achievement of the Millennium Goals; and accountable both publicly and to Parliament for the use and efficiency of EU-sourced funds spent;
5. Reasserts its conviction that investments in public transport are an important aspect of the European Economic Recovery Plan; reiterates its conviction in this context that the EIB has the potential to be a key player in environmentally transforming European transport; urges the EIB, therefore, to increase substantially its support for rail, urban public transport, inter-modal transport, and transport management;

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6. Takes the view that the EIB's activities should also reflect objectives and commitments taken by the European Union in the context of the United Nations (such as the Kyoto Protocol); calls on the EIB, therefore, to report annually to Parliament on the implementation of EU and UN goals in its operations in developing countries;
7. Notes with satisfaction the systematic follow-up of Parliament's recommendations undertaken by the EIB in recent years; recommends that that follow-up be made available to the general public in context of the EIB Annual Report;
8. Urges the EIB better to monitor and to make transparent the nature and final destination of its global loans in support of SMEs;
9. Concerning the supervision of the EIB:
  - (a) recalls that the EIB, the tasks of which are politically defined, is not subject to traditional prudential supervision; considers that supervision of the EIB's working methods is, nonetheless, necessary;
  - (b) proposes that the EIB's Audit Committee be reinforced in such a way as to supplement the three members and three observers in the Committee with two members employed by national supervisory authorities;
  - (c) welcomes the technical cooperation between the EIB and the national supervisory authority in Luxembourg, but requests that that cooperation be enhanced;
  - (d) asks the Commission and Member States to explore possibilities of a broader revision of the arrangements for supervision of the EIB's financial operations, which could be executed by a future European prudential supervisory system, in order to oversee the quality of the EIB's financial situation and to ensure that its results are accurately measured and the profession's rules of good conduct observed;
10. Welcomes the development and publication of the EIB sectoral operational policies in the energy, transport, and water sectors made in 2007 and recognises them as an important step towards increasing the transparency of EIB lending operations;
11. Welcomes the review of the EIB's public disclosure policy to take account of the relevant provisions of the Aarhus Regulation <sup>(1)</sup>; welcomes the publication of the EIB's Operations Evaluations Overview report 2007 and encourages the EIB to develop the activities of its Operations Evaluation department further;
12. Welcomes the review of the EIB Statement of Environmental and Social Principles and Standards; takes the view that the EIB should allocate sufficient resources to the implementation of the revised statement and produce a report on its functioning;
13. Stresses that the EIB should pursue a zero-tolerance policy in regard to fraud and corruption and welcomes, in this respect, the review of its anti-fraud policy and its policies on fighting corruption, money-laundering and the financing of terrorism; is concerned, however, that those policies appear to remain largely passive; reiterates its calls on the EIB to include, in pursuing those policies, measures aimed at:
  - (a) an administrative debarment mechanism for companies found guilty of corruption by the EIB and other multilateral development banks;

<sup>(1)</sup> Regulation (EC) No 1367/2006 of the European Parliament and of the Council of 6 September 2006 on the application of the provisions of the Aarhus Convention on Access to Information, Public Participation in Decision-making and Access to Justice in Environmental Matters to Community institutions and bodies (OJ L 264, 25.9.2006, p. 13).

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- (b) a whistleblower protection policy; and
- (c) a reinforcement of its investigative function and an enhancement of the preventive and detective role of that function;
14. Welcomes the existence of an ad hoc ethics committee (mainly dealing with post-employment issues) and of an independent compliance officer; asks, however, to be informed of the status and work in practice of the latter;
15. Congratulates the EIB on signing in Washington in October 2007 an 'approach statement' on corporate governance in emerging markets; notes that that 'approach statement' was also signed by the development finance institutions and that it places corporate governance at the forefront of their sustainable development agenda for emerging markets;
16. Is satisfied with the approval by the EIB Management Committee of the EIB Complaints Mechanism Policy; reiterates its call on the EIB to review its internal grievance mechanism and to issue new appeal mechanism guidelines extended to all EIB-financed operations, however;
17. Notes the favourable opinion of the external audit and the conclusions of the annual report of the Audit Committee; reiterates, in the light of the current financial and economic crisis, its call for the EIB to be subject to the same prudential rules as credit establishments and to real prudential control;

#### ***The objectives and operations of EBRD***

18. Welcomes the 2007 Annual Report of the EBRD, notably with regard to the fact that EBRD investment activities were focused on countries at an early or intermediate stage of transition and welcomes its progress in financing projects under its Sustainable Energy initiative, for which energy projects of EU interest should be given priority;
19. Notes that the EBRD primarily operates in third countries, but that some operations continue also to remain important in Member States;
20. Notes, furthermore, that the international and regional context of the role of the EBRD is now very different from what it was in 1991 and that the EBRD's mandate needs to be applied in that new environment, as the EBRD responds to market conditions and shifts further south and east;
21. Recognises also that the operating environment is becoming increasingly challenging as the business climate has become more difficult as local counterpart experience is tending to decrease and integrity concerns are tending to become more frequent;
22. Considers that the EBRD has to strengthen its technical assistance and consultancy activities to promote good governance standards and ensure adequate management of the projects at local level in the EU neighbourhood countries;
23. Welcomes the progress made by the EBRD in introducing gender mainstreaming in 2008; urges both banks to strengthen gender mainstreaming in their institutional structures and external policies;

#### ***Cooperation between the EIB and the EBRD, and with other international, regional and national financial institutions***

24. Notes that the EIB and the EBRD are increasingly financing operations in the same geographical regions outside the European Union, such as in Eastern Europe, Southern Caucasus, Russia, the Western Balkans, and, in the near future, also Turkey;

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25. Points out that in countries of common operation, there are currently three different types of cooperation between the EIB and the EBRD: for Eastern Europe there is a Memorandum of Understanding, which places the EBRD in the lead and provides for joint investment as a general rule; in the Western Balkans there is a move away from competition or parallel operations to cooperation through the pooling of funds; and, recently, elsewhere, as in the case of cooperation in Turkey, there is an agreement based on the definition of specific and common areas of competence, with the leading bank to be determined on a case-by-case basis;

26. Notes that the objectives, expertise and modus operandi of the two banks are different and that a line cannot simply be drawn between lending operations to the public and private sectors; points out that there are increasingly common areas on which both banks develop skills such as in the financing of SMEs, energy and climate change, and private-public partnership (PPP) projects; highlights, in this regard, the need for enhanced cooperation;

27. Takes the view that the activities of the EIB and the EBRD in the countries of common operation should not compete, but should, rather, be complementary, be based on each bank's comparative advantages, and avoid duplication costs for the client;

28. Recommends, therefore, in order to achieve better structured cooperation between the EIB and the EBRD in countries of common operation, that:

- (a) both banks improve their functional division of labour on a path towards greater specialisation in order to focus on their respective skills and strengths;
- (b) the EIB specialise more in the financing of larger-scale private and public infrastructures and projects, including PPP investments and foreign direct investments from EU companies, and the EBRD specialise more in smaller-scale investments, institution building, privatisation, trade facilitation, financial markets, and direct equity investments, in order to promote corporate governance standards;
- (c) a definition be adopted of types of projects, sectors and products that are of potential interest to both banks, where they could enhance common pools of knowledge and resources, such as SME financing, and where they could enhance investments to combat climate change, e.g. to encourage energy from renewable sources and diminish greenhouse gas emissions; a pragmatic and case-by-case approach be adopted in those areas of common interest, with a lead institution on each project of co-financing, with the objective of avoiding duplication, and on the basis of a pre-requisite of mutual recognition of procedures; EU standards be taken into account in this context by projects that receive funding, for example with regard to combating climate change or respecting social rights, irrespective of whether the EIB or the EBRD is the lead institution;
- (d) clear mechanisms of cooperation be implemented in both institutions, both top-down and on the ground;
- (e) both banks make a concrete proposal on more consistent cooperation, including a reflection on common standards, to the benefit of their shareholders, stakeholders and beneficiary countries;
- (f) both banks regularly report to the Commission on their cooperation;
- (g) the Commission report annually to Parliament and the Council on the assessment of the impact and effectiveness of EIB and EBRD financing operations as well as their respective contribution to the fulfilment of the external policy objectives of the European Union, and on their mutual cooperation as well as with other financial institutions; and
- (h) annual hearings of the Presidents of both banks together with the Commissioner for Economic and Monetary Affairs be organised in Parliament;

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29. Recommends in a longer term perspective that the shareholders of the EIB consider an increase of the EIB' ownership of the EBRD, for instance in the context of a capital increase or, if a shareholder of the EBRD is considering a withdrawal, of its ownership in the bank; considers that this may, in the longer term, support better coherence of policies and specialisation of the two banks both from a functional and a geographical point of view;

30. Is of the opinion that any overlap of the European Union's external assistance instruments should be avoided; calls for enhanced cooperation with regional and national development institutions or agencies in the European Union, in order to provide for efficient funding by avoiding overlaps and duplications and ensuring a coherent approach and better visibility of the EU impact; supports the possibility of mutual delegation and recognition of procedures in this respect;

31. Recalls the importance of the agreement stipulated in the 'The European Consensus', which provides that there should be a strengthening of the synergies between the programmes supported by the EIB and other financial institutions and those financed by the Community in order to guarantee a maximum impact for the beneficiary countries; stresses the need to take particular account of the interests of the beneficiaries when so doing;

32. Recognises that the EIB and the EBRD need to work together with other international or regional financial institutions, such as the World Bank, the Asian Development Bank, and the African Development Bank, in order to make greater effects in regions further away from the European Union and to avoid unwanted overlaps and duplications in funding activities; considers, however, that the EIB should play a predominant role regarding the promotion of the European Union's environmental, social and development objectives among multinational development banks and institutions;

33. Notes that multinational development banks and institutions have a positive impact on the developing world; considers it to be necessary to further analyse that impact and to consider further activities in the context of the objectives and operations of the European Development Fund (EDF); suggests that the financing of land ownership conditional on environmental and social objectives could be an eligible investment cost under the EIB external mandate, as it is key for endogenous development, especially in African countries;

#### ***The global financial turmoil and implications for the EIB and the EBRD***

34. Stresses the important role which the European Economic Recovery Plan has assigned to the EIB, especially with regard to the enhanced financing for SMEs, energy from renewable sources, and clean transport; welcomes the decision to increase EIB lending volume by 30 % (EUR 15 billion) in 2009 and 2010 and the decision to increase the subscribed capital of the EIB by EUR 67 billion to EUR 232 billion, in line with the Lisbon Strategy; however, urges Member States to further increase the EIB capital in such a way as to ensure that its lending capacity matches the mid-term financial needs for industries and business where necessary to support green and sustainable jobs; stresses those additional funds should aim to achieve long-term effects; considers that enlarged responsibilities necessitate both adequate human and financial resources and increased transparency and accountability of the EIB's operations;

35. Encourages the reinforcement of risk-sharing arrangements between commercial banks and the EIB in providing financing for SMEs; calls, however, for vigilance with regard to the use made of EIB loans by commercial banks and calls for a code of conduct between commercial banks and the EIB in this respect; notes also that the list of EIB intermediate banks needs to be up-dated;

36. Is of the opinion that the EIB and the Commission should accelerate the implementation of projects in the Member States as well as in the sectors which are most severely affected by the crisis; considers, in that context, that it is important to mobilise the expertise of the technical assistance programmes like Jaspers, Jeremie, Jessica and Jasmine, in order to speed up the distribution of structural aid;

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37. Notes that the European Union asked the EIB to accelerate support for PPP projects as a response to the financial crisis; urges the EIB and the EBRD to carry out such projects only where they are affordable and bring real benefits; considers, in this respect, that improvements in information disclosure, value for money and affordability assessment practices are needed;

38. Calls on Member States fully to exploit the instruments of venture capital, global loans, and micro-credit facilities offered by the EIB programs and facilities;

39. Notes that EIB borrowing and lending activity both inside and outside the European Union has progressively increased and today constitutes the main EU-level tool for borrowing and lending; notes, furthermore, that there has been a great demand, including from Asia, for bonds issued by the EIB; calls on the EIB and its governors, therefore, to maximise that borrowing potential by issuing, in particular, euro-denominated bonds on the global market in order to support long-term objectives and to mitigate the economic slowdown both inside the European Union and in its neighbouring countries as a public policy-driven bank;

40. Strongly calls on the Commission and the EIB to investigate jointly how the credit crunch in the real economy can be overcome with the help of new innovative financial instruments;

41. Welcomes the decision of the EBRD to increase its annual business volume in 2009 by about 20 % to approximately EUR 7 billion in order to mitigate the current financial and economic crisis and notes that half of the EUR 1 billion in extra spending in 2009 is earmarked for central and Eastern Europe;

42. Stresses that in the current period of tight credit conditions the role of the two banks is highlighted both inside and outside the European Union; calls on both banks to keep their commitments with regard to third countries even in economic difficult times;

43. Suggests that after carefully studying the effects of the financial crisis on the real economy, the EIB should be invited to enhance its support to the new Member States; furthermore points to the importance of involving the private sector in re-stabilising those economies; welcomes the enhanced EBRD activities in the new Member States and the recent Joint International Financial Institution Action Plan in support of Banking Systems and Lending to the Real Economy in Central and Eastern Europe, by the EBRD, EIB, the European Investment Fund and the World Bank Group to support the banking system and the real economy in Central and Eastern Europe; recommends, however, that a review of the definition of the 'transition countries' and an evaluation of the withdrawal of EBRD activities within the European Union be undertaken in due time;

44. Notes with satisfaction that the exposure of the EIB and the EBRD to the financial turmoil is rather limited, even though the EBRD posted its first loss in this decade in 2008, as a result of the decline in the equity markets;

***The implications of the ruling of the Court of Justice on the external mandate of the EIB***

45. Welcomes the Court of Justice's judgment of 6 November 2008 on the legal basis of Decision 2006/1016/EC;

46. Recommends rapid agreement between Parliament, the Council and the Commission following the ruling of that judgment, with the aim of guaranteeing full respect for Parliament's prerogatives on the one hand, and continuity of the external financial operations of the EIB on the other; stresses, therefore, that this rapid agreement serves as a temporary solution with a precise end-date, until the mid-term review in 2010;

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47. Takes the view it is vital to adopt a decision replacing Decision 2006/1016/EC in accordance with the judgment of the Court of Justice and recognises that the current mid-term review of the external lending activity of the EIB and cooperation arrangements, which must be completed in 2010, must provide an opportunity for a genuine broad debate on the objectives of the Union and the resources made available to the EIB, in which Parliament will play its full role as a co-legislator; invites the Commission to take into account fully the recommendations expressed in this resolution when drafting a new proposal for a decision on the EIB's external lending mandate following the mid-term review;

48. Recommends that the Steering Committee finalise its work in early 2010 and invites the Chairman of the Committee to report on its conclusions to Parliament and the Council soon thereafter; looks forward to the conclusions of the Steering Committee and requests the committee to take into account the recommendations included in this resolution and in Parliament's earlier resolutions; requests that the Steering Committee inform Parliament regularly of its progress;

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49. Instructs its President to forward this resolution to the Council, the Commission, the European Investment Bank, the European Bank for Reconstruction and Development and the governments and parliaments of the Member States.

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## Future of the automotive industry

P6\_TA(2009)0186

### European Parliament resolution of 25 March 2009 on the future of the automotive industry

(2010/C 117 E/26)

*The European Parliament,*

- having regard to the Presidency Conclusions of the Lisbon European Council of 23 and 24 March 2000,
- having regard to the Communication of President Barroso of 2 February 2005 entitled 'Working together for growth and jobs – A new start for the Lisbon Strategy' (COM(2005)0024),
- having regard to the conclusions of the final report of CARS 21 High-Level Group of 12 December 2005 and the CARS 21 Mid-Term Review High-Level Conference conclusions of 29 October 2008,
- having regard to its resolution of 15 January 2008 on CARS 21: A Competitive Automotive Regulatory Framework <sup>(1)</sup>,
- having regard to the Presidency Conclusions of the European Council of 15 and 16 October 2008,
- having regard to the Commission Communication of 29 October 2008 entitled 'From financial crisis to recovery: A European framework for action' (COM(2008)0706),

<sup>(1)</sup> OJ C 41 E, 19.2.2009, p. 1.

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- having regard to the Commission Communication of 26 November 2008 entitled A European Economic Recovery Plan (COM(2008)0800),
  - having regard to its position adopted at first reading on 17 December 2008 with a view to the adoption of Regulation of the European Parliament and of the Council setting emission performance standards for new passenger cars as part of the Community's integrated approach to reduce CO<sub>2</sub> emissions from light-duty vehicles <sup>(1)</sup>,
  - having regard to the Council and Commission statements of 4 February 2009 on the impact of the financial crisis on the car industry,
  - having regard to the Competitiveness Council conclusions of 5 and 6 March 2009 on the automotive industry,
  - having regard to the Commission Communication of 25 February 2009 entitled Responding to the crisis in the European automotive industry (COM(2009)0104),
  - having regard to the conclusions of the meeting of the European Ministers for Industry with the Vice-President of the Commission, Mr Günter Verheugen, on the situation in the automotive sector, held in Brussels on 16 January 2009,
  - having regard to the statistics published on 29 January 2009 by the Association of European car manufacturers on vehicle sales in 2008,
  - having regard to Rule 103(4) of its Rules of Procedure,
- A. whereas Europe is facing an exceptional and deep financial and economic crisis and high rates of unemployment, with the loss of thousands of jobs in all the relevant industrial sectors,
- B. whereas the European financial market is currently not functioning properly, notably with regard to its lending activities,
- C. whereas the European automotive industry and its supply chain industry are particularly hit by the impact of the current crisis, being a key sector of the European economy contributing to employment, innovation and the competitiveness of the whole economy,
- D. whereas in the European Union the automotive sector has a structural overcapacity, and whereas 2009 is expected to witness a further significant drop in vehicle demand and consequent drop in production, inevitably raising pressure on employment and investment levels in the European Union,
- E. whereas the European automotive sector is the largest private investor in research and development (R&D) in the European Union, and European passenger car and commercial vehicle manufacturers must sustain high levels of investment in the light of regulatory and market requirements, in particular with regard to ensuring the transition to a low-emission fleet,
- F. whereas the legislative packages on renewable energy and climate change, adopted in December 2008, will play a fundamental role in encouraging green investments aimed at energy savings in the automotive industry,
- G. whereas the European automotive industry employs 12 million workers directly and indirectly, that is 6 % of the employed population in the European Union, and millions of those jobs are today at risk, many of which are highly skilled-jobs which should not be lost,

<sup>(1)</sup> Texts adopted, P6\_TA(2008)0614.



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- H. whereas there is significant potential for job creation through greener technologies in the automotive sector,
- I. whereas the European automotive industry is key to the EU economy because of its multiplier effect for other sectors and industries, and in particular the existence of hundreds of thousands of small and medium-sized enterprises (SMEs),
- J. whereas some Member States have started to adopt national measures to support the automotive industry,
- K. whereas primary responsibility for dealing with the crisis lies with the industry,
- L. whereas the Commission is currently negotiating further trade liberalisation in the framework of the Doha Round and a free trade agreement with South Korea,
1. Recognises that the automotive industry has been put under intense pressure by the current economic and financial crisis, reflected in particular in a severe fall in demand for motor vehicles but also in its production overcapacity, difficulties in accessing credit financing and structural problems predating the crisis;
  2. Underlines that the crisis is on a European level; draws attention, therefore, to the importance of coherent and coordinated initiatives between Member States for the European automotive industry, and calls for a genuine European framework for action providing concrete steps to enable the necessary decisive measures to be taken both at EU and Member State levels;
  3. Notes with increasing concern that some short-term measures adopted at national level by Member States could contribute to the distortion of competition within the single market, damaging long-term competitiveness, and calls therefore on Member States to ensure that further measures are coherent, efficient and coordinated;
  4. Welcomes in this context the temporary framework for State aid assessment established as part of the European Economic Recovery Plan;
  5. Welcomes the Commission's efforts to provide an effective political response to the difficulties of General Motors Europe and its suppliers by coordinating the efforts of the Member States concerned, including the organisation of the ministerial meeting held on 13 March 2009 and the search for an equitable and fair solution to the issue of intellectual property rights;
  6. Calls on the Council and Commission to accelerate, simplify and increase financial support for the automotive industry, notably through the European Investment Bank (EIB), and by allowing State guarantees for low-interest loans; urges the Council and Commission to ask for a simplification of the administrative procedure for loan applications; considers that this financial support, notably via loans, should help to stimulate demand for new vehicles, to the benefit of economic growth, the environment and road safety;
  7. Insists that the EIB give sufficient attention to the SMEs connected to the automotive sector so that they maintain access to credit and urges Member States to increase the EIB's lending capacity in order to match the mid-term financial needs of the automotive industry;
  8. Insists that all financial or fiscal measures, including scrapping schemes, must support and accelerate the necessary technological transformation of the sector, particularly in the area of energy efficiency of engines and the reduction of emissions, in full compliance with recently adopted legislation;

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9. Reaffirms that policies, both at EU and national levels, should contribute to tackling the restructuring and reconversion phase that the automotive industry and its supply chain industry are facing, due to a very competitive business environment, and calls on the industry to develop a coherent business strategy and to implement such adjustments in a socially responsible way, in close cooperation with trade unions;
  10. Underlines the need to fully include trade unions in the discussions in progress and asks the Commission to support a real European social dialogue for this industry, especially within the context of the current crises;
  11. Asks the Commission to ensure best use of the European Funds available in support of jobs, such as the Cohesion Fund, Structural Funds, Social Fund and Globalisation Adjustment Fund, within the context of the balanced implementation of all the 'Lisbon priorities' and to facilitate, improve and speed up access to such Funds; considers that those Funds should contribute to training and retraining schemes for workers at an early stage, wherever and whenever working-time restrictions are to be applied;
  12. Reaffirms that the automotive industry needs continuous investment in R&D programmes delivering the best possible solutions for quality, safety and environmental performance to achieve a sustainable competitive framework, and therefore invites the Commission in that context to facilitate, improve and speed up the access to EU support instruments for R&D and innovation, such as the Seventh Framework Programme for research and technological development;
  13. Calls on the Commission to draw up guidelines and recommendations for measures encouraging a coordinated approach to fleet renewal, such as scrapping schemes and other market incentives, having positive and short-term effects on consumer demand for new motor vehicles and aimed at reinvigorating the automotive leasing market; calls on the Commission to monitor national measures already implemented in this context to avoid distortions on the internal market;
  14. Confirms the need to deepen the dialogue and on-going discussions with third countries and the main EU trading partners on the future of the automotive sector, and calls therefore on the Commission to monitor closely developments in non-EU countries, notably in the United States and Asia, to guarantee a level playing-field at international level, refraining from protectionism and discriminatory measures in the global automotive market;
  15. Calls on the Commission to secure a balanced and fair deal between the European Union and South Korea before the conclusion of the Free Trade Agreement;
  16. Welcomes the CARS 21 process, which sets out a long-term industrial policy at European level; calls on the Commission to continually implement, monitor and review this long-term strategy plan with a view to ensuring the future competitiveness of and sustainable employment in the European automotive industry;
  17. Calls on the Commission to fully apply better regulation principles and therefore to carry out a thorough assessment of the impact of future Community legislation on motor vehicles, in line with the recommendations of CARS 21, thus ensuring legal certainty and predictability in the automotive sector;
  18. Instructs its President to forward this resolution to the Council, the Commission and the governments and parliaments of the Member States.
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## White Paper on damages actions for breach of the EC antitrust rules

P6\_TA(2009)0187

### European Parliament resolution of 26 March 2009 on the White Paper on damages actions for breach of the EC antitrust rules (2008/2154(INI))

(2010/C 117 E/27)

The European Parliament,

- having regard to the Commission White Paper of 2 April 2008 on Damages actions for breach of the EC antitrust rules (COM(2008)0165) (White Paper),
  - having regard to its resolution of 25 April 2007 on the Green Paper on Damages actions for breach of the EC antitrust rules <sup>(1)</sup>,
  - having regard to the Commission Communication of 13 March 2007 on EU Consumer Policy strategy 2007-2013: empowering consumers, enhancing their welfare, effectively protecting them (COM(2007)0099),
  - having regard to Council Regulation (EC) No 1/2003 of 16 December 2002 on the implementation of the rules on competition laid down in Articles 81 and 82 of the Treaty <sup>(2)</sup>, Commission Regulation (EC) No 773/2004 of 7 April 2004 relating to the conduct of proceedings by the Commission pursuant to Articles 81 and 82 of the EC Treaty <sup>(3)</sup> and Council Regulation (EC) No 139/2004 of 20 January 2004 on the control of concentrations between undertakings (the EC Merger Regulation) <sup>(4)</sup>,
  - having regard to the Commission Notice on immunity from fines and reduction of fines in cartel cases <sup>(5)</sup> and Commission Regulation (EC) No 622/2008 of 30 June 2008 <sup>(6)</sup> on the conduct of settlement procedures in cartel cases,
  - having regard to Rule 45 of its Rules of Procedure,
  - having regard to the report of the Committee on Economic and Monetary Affairs and the opinions of the Committee on the Internal Market and Consumer Protection and the Committee on Legal Affairs (A6-0123/2009),
- A. whereas competition policy enhances the European Union's economic performance and makes a decisive contribution towards the achievement of the Lisbon Strategy goals,
- B. whereas the Court of Justice of the European Communities has ruled, with a view to guaranteeing the full effectiveness of Article 81 of the Treaty, that individuals and undertakings may bring proceedings for damages for a breach of the EC competition rules,
- C. whereas actions for damages are only one element of an effective system of private enforcement and whereas alternative dispute resolution mechanisms are, in appropriate circumstances, an efficient alternative to collective redress mechanisms, offer fair and quick out-of-court settlements, and should be encouraged,

<sup>(1)</sup> OJ C 74 E, 20.3.2008, p. 653.

<sup>(2)</sup> OJ L 1, 4.1.2003, p. 1.

<sup>(3)</sup> OJ L 123, 27.4.2004, p. 18.

<sup>(4)</sup> OJ L 24, 29.1.2004, p. 1.

<sup>(5)</sup> OJ C 298, 8.12.2006, p. 17.

<sup>(6)</sup> OJ L 171, 1.7.2008, p. 3.

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- D. whereas the issues addressed in the White Paper concern all categories of victim, all types of breach of Articles 81 and 82 of the EC Treaty, and all sectors of the economy,
- E. whereas any proposal to introduce collective redress mechanisms for breaches of the EC competition rules should accompany, and not replace, the alternative forms of protection which already exist in some Member States (such as representative actions and test cases),
- F. whereas the aim of private-law actions for damages must be to compensate the victim fully for the harm suffered and whereas the principles of non-contractual liability that prohibit unjust enrichment and multiple recovery of compensation on the one hand, and that avoid punitive damages on the other must be respected,
- G. whereas the enforcement of competition law by the Commission and Member States' competition authorities falls within the scope of public law and whereas relatively few private actions for damages are brought before national courts although several Member States have taken, or will take, measures to facilitate the prosecution of actions for damages by private individuals in the event of a breach of the EC competition rules,
- H. whereas bringing private actions for damages should complement and support, but not replace, the enforcement of competition law by the competition authorities and whereas the staffing and funding of the competition authorities must be boosted, so that breaches of the EC competition rules can be prosecuted more effectively,
- I. whereas no matter how a dispute is resolved, it is essential that procedures and safeguards are put in place to ensure that all parties receive fair treatment and that, at the same time, there is no abuse of that system, such as has occurred in other legal systems, in particular in the United States,
- J. whereas with regard to any proposal that does not fall within the exclusive competence of the Community, the Commission must respect the principles of subsidiarity and proportionality,
1. Welcomes the White Paper and stresses that the EC competition rules and, in particular, their effective enforcement, require that victims of breaches of the EC competition rules must be able to claim compensation for the damage suffered;
  2. Notes that the Commission has not so far specified a legal basis for its proposed measures, and that further consideration must be given to identifying a legal basis for the proposed interventions into national proceedings for non-contractual damages and national procedural law;
  3. Takes the view that several obstacles to effective redress for victims of breaches of the EC competition rules, such as mass and dispersed damage, information asymmetries and other problems encountered in prosecuting actions for damages, occur not only in proceedings relating to EC competition law, but also in areas such as product liability and other consumer-related actions;
  4. Recalls that individual consumers but also small businesses, especially those who have suffered dispersed and relatively low-value damage, are often deterred from bringing individual actions for damages by the costs, delays, uncertainties, risks and burdens involved; stresses, in this context, that collective redress, which allows the aggregation of individual actions for damages for breaches of the EC competition rules and enhances victims' ability to obtain access to justice, is an important deterrent; welcomes, in this respect, the Commission's proposals that mechanisms be set up to improve collective redress while avoiding excessive litigation;

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5. Points out that at the end of 2008 the Commission's Directorate General on Health and Consumers published the results of two studies on collective redress mechanisms in the Member States and possible barriers to the internal market resulting from Member States' differing legislation; points out also that the Commission published a green paper on the Community's possible options for action in the field of consumer protection law and has announced the publication of another policy paper in 2009; stresses that measures at Community level must not lead to arbitrary or unnecessary fragmentation of procedural national laws and that, therefore, careful consideration should be given to whether, and if so to what extent, a horizontal or integrated approach should be chosen to facilitate out-of-court settlements and the prosecution of actions for damages; calls on the Commission, therefore, to undertake an examination of the possible legal bases and how to proceed in a horizontal or integrated way though not necessarily with a single horizontal instrument, and to refrain, in the meantime, from presenting any collective redress mechanism for victims of breaches of the EC competition rules without allowing Parliament to participate in the adoption of such a mechanism in the course of the codecision procedure;

6. Notes that actions for damages for breaches of the EC competition rules should be treated consistently with other non-contractual claims in so far as possible, is of the opinion that a horizontal or integrated approach could cover procedural rules that are common to collective redress mechanisms in different areas of law, and stresses that this approach must not delay or avoid the development of proposals and measures identified as necessary for the full enforcement of EC competition law; notes, furthermore, the more advanced analysis of civil competition law redress and the advanced framework for competition authorities, including the European Competition Network, and that, at least in regard to some issues, this justifies moving forward rapidly, taking into account that some of the measures envisaged could be extended to non-competition law sectors; takes the view that such sectoral measures could already be proposed with regard to the particular complexities and difficulties encountered by victims of breaches of the EC competition rules;

7. Notes that achieving a once-and-for-all settlement for defendants is desirable to reduce uncertainty and exaggerated economic effects that are capable of impacting on employees, suppliers, subcontractors and other innocent parties; calls for an evaluation and a possible introduction of an out-of-court settlement procedure for mass claims that can either be initiated by the parties before taking legal action or that can be ordered by the court before which an action is brought; considers that such a settlement procedure should aim for an out-of-court settlement of the dispute, subject to seeking judicial approval of a settlement agreement, which can be declared binding upon all the victims who have participated in the settlement procedure; stresses that such a procedure must neither entail an undue prolongation of proceedings, nor promote the unfair settlement of claims; calls for the Commission to seek ways of achieving greater certainty including evaluating whether any subsequent claimants should, in principle, be expected to benefit from no more than the outcome of such a settlement procedure;

8. Takes the view that direct and indirect purchasers should have available to them, for the prosecution of their stand-alone or follow-up claims, individual, collective or representative actions, which can also be brought in the form of a 'test' case, but that in order to avoid multiple actions by a single party for the same cause of action, the selection of one such action should preclude a party from participating in another, either simultaneously or subsequently; considers that in the event that different parties launch separate actions, attempts should be made for those actions to be joined or tried in sequence;

9. Takes the view that in order to avoid abusive litigation the power to prosecute in representative actions should be made available in the Member States to state bodies such as the Ombudsman or to qualified entities such as consumer associations in accordance with Article 3 of Directive 98/27/EC of the European Parliament and the Council of 19 May 1998 on injunctions for the protection of consumer interests<sup>(1)</sup>, and that an ad-hoc authorisation to pursue such representative actions should primarily be considered for trade associations which arrange proceedings for actions for damages for companies;

<sup>(1)</sup> OJ L 166, 11.6.1998, p. 51.

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10. Asks that only a clearly delimited group of people be eligible to take part in collective redress actions, and that the identification of the members of that group in the case of a collective opt-in claim and the identification in the case of representative actions brought by qualified entities that were designated in advance or authorised on an ad hoc basis must take place within a clear period of time without unnecessary delay while complying with existing legislation that provides for a later date; stresses that only the damage actually suffered should be compensated; notes that in the case of a successful action the compensation sought must be paid to the identified group of people or their nominee and that qualified entities may be compensated only for the costs they have incurred in the course of pursuing the action and may not, either directly or indirectly, be a nominee to receive damages;

11. Stresses that in the event of a successful stand-alone claim, subsequent proceedings by the authorities for a breach of the EC competition rules are not excluded; also reiterates that in order to encourage undertakings to compensate the victims of illicit behaviour as quickly and effectively as possible, the competition authorities are asked to take account of the compensation paid or to be paid when determining the fine that is to be imposed upon the defendant undertaking; notes that this should, however, not interfere either with the victim's right to full compensation of the damage suffered or with the need to maintain the deterrent objective of fines, and that it should not result in lengthy and uncertain settlement finality for companies; calls on the Council and the Commission explicitly to incorporate into Regulation (EC) No 1/2003 those fining principles and further improve and specify them in order to comply with the requirements of the general legal principles;

12. Observes that some prima facie assessment of the merits of a collective action should form a preliminary stage and stresses that claimants in collective redress actions must not be in a better or worse position than individual claimants; calls for the application in the context of collective redress mechanisms of the principle that the party bringing the action must provide evidence for its claim, subject to the applicable national law providing for a lighter burden of proof or easier access to information and evidence held by the defendant;

13. Calls for the Commission to be required, in the follow-up to an investigation, to allow victims of breaches of the EC competition rules access to the necessary information for prosecuting actions for damages and stresses that Article 255 of the EC Treaty and Regulation (EC) No 1049/2001 provide for a right of access to documents of the institutions, which may be refused only under the conditions set out in that Regulation, notably in Article 4 thereof; considers, therefore, that the Commission must interpret Regulation (EC) No 1049/2001 accordingly, or propose an amendment thereof; stresses that when the authorities grant access to documents, particular attention must be paid to protecting business and company secrecy of the defendant or third parties and notes that guidelines are needed regarding the treatment of leniency applications;

14. Believes that a national court should not be bound by a decision of the national competition authority of another Member State without prejudice to rules that provide for the binding effect of decisions that were adopted by a member of the European Competition Network, applying Articles 81 or 82 of the Treaty and in relation to the same subject-matter; observes that training and exchange programmes should lead to the convergence of decisions so that acceptance of another national competition authority's decision should become the norm;

15. Stresses that a culpable act must always be a prerequisite for an action for damages, and that a breach of the EC competition rules must, at the least, be negligent unless national law provides that there is an automatic implication or rebuttable presumption of fault in the case of a breach of the EC competition rules, ensuring the consistent and coherent enforcement of competition law;

16. Welcomes the fact that compensation is designed to make good losses and lost profit, including overcharges and interest, and calls for this definition of damages to be established for collective redress mechanisms at Community level;

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17. Welcomes the Commission's work on a non-binding guidance framework for the calculation of damages which could usefully include guidance on the information required to establish the calculation and their application in alternative dispute resolution mechanisms whenever possible;
18. Notes that developing a common Community approach to passing on has merit and approves the admissibility of passing on as a defence, that evidence for such a defence must always be provided by the defendant, and that the courts have the option of recourse to established national rules on the link between causality and liability in order to reach just decisions in individual cases; suggests that guidelines be proposed concerning the extent to which the indirect purchaser and, in particular, the last indirect purchaser may rely on the rebuttable presumption that an illegal overcharge was passed down in its entirety to the level of that indirect purchaser;
19. Welcomes the fact that in the case of continuous or repeated infringements, limitation periods are to begin on the day when the infringement ceases or when the victim can reasonably be expected to have knowledge of the infringement, whichever the later; stresses that rules on limitation periods also serve to create legal certainty and that in the event of a failure to bring a public or private action, a limitation period of five years must apply; also welcomes the fact that the limitation period for stand-alone actions is to be based on national law, and calls for this to apply also to follow-up actions; notes that Member States' laws regulating the suspension or interruption of the limitation period are not to be affected;
20. Welcomes the fact that the Member States are to determine their own rules on the allocation of costs; considers that it is for the Member States to evaluate whether or not to ensure that the asymmetry of resources between the complainant and the defendant in legal proceedings does not deter the bringing of well-founded actions for damages and observes that access to justice must also be balanced by strong measures to prevent abuse by, inter alia, frivolous, vexatious or 'blackmailing' actions;
21. Points out that the application of the leniency programme makes a major contribution towards uncovering cartels, thus enabling private actions for damages to be brought in the first place and calls for ways of maintaining the attractiveness of the application for leniency programme to be examined; stresses that despite the importance of the application of the leniency programme, full exemption of cooperative witnesses from joint and several liability is contrary to the system and rejects such exemption categorically as prejudicial to many victims of breaches of the EC competition rules;
22. Calls on the Commission, in order not to undermine but to facilitate the right of victims to bring actions for damages, as a priority, to avoid abandoning cartel and competition proceedings and to bring all those that are significant to a proper conclusion with a clear decision;
23. Insists that Parliament must be involved, in the framework of the codecision procedure, in any legislative initiative in the area of collective redress;
24. Calls for any legislative proposal to be preceded by an independent cost-benefit analysis;
25. Instructs its President to forward this resolution to the Council and Commission, the governments and parliaments of the Member States and the social partners at Community level.
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Thursday 26 March 2009

## **An EU-India Free Trade Agreement**

P6\_TA(2009)0189

### **European Parliament resolution of 26 March 2009 on an EU-India Free Trade Agreement (2008/2135(INI))**

(2010/C 117 E/28)

*The European Parliament,*

- having regard to the India-EU Strategic Partnership Joint Action Plan of 7 September 2005, in particular the section on developing trade and investment, and its revised version,
- having regard to the joint statement of the 4th EU-India Business Summit on 29 November 2003 and especially the EU-India Joint Initiative for enhancing trade and investment,
- having regard to the conclusions of the 9th meeting of the India-EU round table in Hyderabad on 18-20 September 2005,
- having regard to the Report of the EU-India High Level Trade Group to the 7th EU-India Summit in Helsinki on 13 October 2006,
- having regard to the joint statement of the 9th EU-India Summit in Marseille on 29 September 2008,
- having regard to the joint statement of the 9th EU-India Business Summit in Paris on 30 September 2008,
- having regard to the World Trade Organisation (WTO) decision on the Agreement on Trade Related Aspects of Intellectual Property Rights (TRIPS) and Public Health adopted on 29 November 2005,
- having regard to its position of 1 December 2005 on the proposal for a regulation of the European Parliament and of the Council on compulsory licensing of patents relating to the manufacture of pharmaceutical products for export to countries with public health problems <sup>(1)</sup>,
- having regard to the Memorandum of Understanding on Bilateral Co-operation between the Office of the Controller General of Patents, Designs and Trade Marks and the European Patent Office, signed on 29 November 2006,
- having regards to the Organisation for Economic Cooperation and Development (OECD) Guidelines on Multinational Enterprises and the International Labour Organisation (ILO) Tripartite Declaration of Principles Concerning Multinational Enterprises and Social Policy,
- having regard to the Commission communication of 22 March 2006 entitled 'Implementing the Partnership for Growth and Jobs: Making Europe a pole of excellence on Corporate Social Responsibility' (COM (2006)0136),
- having regard to the OECD Employment Statistics 2008/2007,
- having regard to the Commission communication of 5 February 2008 entitled 'A special place for Children in EU External Action' (COM(2008)0055),

<sup>(1)</sup> OJ C 285 E, 22.11.2006, p. 79.



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- having regard to the 2004 US-India Agreement: 'The Next Step Towards a Strategic Partnership' and the Civil Nuclear Deal negotiated during President George W. Bush's State Visit to India on 2 March 2006,
- having regard to its resolution of 4 April 2006 on the assessment of the Doha Round following the WTO Ministerial Conference in Hong Kong <sup>(1)</sup>,
- having regard to the Ministerial Declaration of the Fourth Session of the WTO Ministerial Conference, adopted on 14 November 2001 in Doha and in particular its paragraph 44 on Special and Differential Treatment (SDT),
- having regard to the EU-India Energy Summit held in New Delhi on 6 April 2006,
- having regard to the 3rd EU- India Energy Panel on 20 June 2007,
- having regard to its resolution of 29 September 2005 on EU-India relations: A Strategic Partnership <sup>(2)</sup>,
- having regard to the study on Human Rights and Democracy Clauses in the EU's International Agreements commissioned by Parliament's Subcommittee on Human Rights <sup>(3)</sup>,
- having regard to the Commission communication of 4 October 2006 entitled 'Global Europe' Competing in the World. A contribution to the EU's Growth and Jobs Strategy (COM(2006)0567),
- having regard to the Commission's report on the 2007 Customs seizures of counterfeit goods at the EU's external border published on 19 May 2008,
- having regard the qualitative analysis of a potential Free Trade Agreement (FTA) between the EU and India by the Centre for the Analysis of Regional Integration at Sussex,
- having regard to the Economic Analysis on the economic impact of a potential free trade agreement between the EU and India commissioned by the Centre d'études prospectives et d'informations internationales (CEPII) and the Centre d'initiatives et de recherches européennes en Méditerranée(CIREM) of 15 March 2007,
- having regard to the Global Analysis report and Draft Interim report for the Trade Sustainability Impact Assessment of the FTA between the European Union and the Republic of India conducted by ECORYS,
- having regard its resolution of 28 September 2006 on The European Union's economic and trade relations with India <sup>(4)</sup>,
- having regard to its resolution of 12 July 2007 on The TRIPS Agreement and access to medicines <sup>(5)</sup>,
- having regard to its resolution of 14 February 2006 on the human rights and democracy clause in European Union agreements <sup>(6)</sup>,
- having regard to its resolution of 1 February 2007 on the human rights situation of the Dalits in India <sup>(7)</sup>,

<sup>(1)</sup> OJ C 293 E, 2.12.2006, p. 155.

<sup>(2)</sup> OJ C 227 E, 21.9.2006, p. 589.

<sup>(3)</sup> DGExP/B/PolDep/Study/2005/06.

<sup>(4)</sup> OJ C 306 E, 15.12.2006, p. 400.

<sup>(5)</sup> OJ C 175 E, 10.7.2008, p. 591.

<sup>(6)</sup> OJ C 290 E, 29.11.2006, p. 107.

<sup>(7)</sup> OJ C 250 E, 25.10.2007, p. 87.

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- having regard to its resolution of 22 May 2007 on Global Europe - external aspects of competitiveness <sup>(1)</sup>,
  - having regard to its resolution of 4 September 2008 on Trade in services <sup>(2)</sup>,
  - having regard to its resolution of 10 July 2008 on allegation of mass graves in Indian-administered Kashmir <sup>(3)</sup>,
  - having regard to its resolution of 24 September 2008 on the preparation of the EU-India Summit (Marseille, 29 September 2008) <sup>(4)</sup>,
  - having regard to the India Country Strategy Paper (2007-2013),
  - having regard to the visit to New Delhi by the European Parliament Delegation (composed of members of Parliament's Committee on International Trade) in November 2008,
  - having regard to Rule 45 of its Rules of Procedure,
  - having regard to the report of the Committee on International Trade and the opinions of the Committee on Foreign Affairs and the Committee on Development (A6-0131/2009),
- A. whereas the European Union should continue to give priority to a rule-based multilateral trading system, established through the WTO, which offers the best prospects for fair and equitable international trade by establishing appropriate rules and ensuring compliance with them,
- B. whereas a successful and balanced conclusion of the Doha Development Agenda (DDA) is of crucial importance to both the European Union and India, and whereas such an agreement does not preclude bilateral WTO+ agreements which can be complementary to multilateral rules,
- C. whereas political relations with India are based on the 2004 Strategic Partnership, on the 2005 Joint Action Plan adopted at the EU-India Summit in September 2005 and revised at the 9th EU-India Summit in Marseille and on the 1994 Cooperation Agreement; whereas the FTA should build and expand upon the cooperation already foreseen in Article 24 of the Cooperation Agreement,
- D. whereas, the European Union is India's largest source of Foreign Direct Investment (FDI), with EUR 10,9 billion (10 900 000 000) invested in 2007; the European Union accounted for 65 % of all FDI flows into India in 2007; whereas India's FDI into the European Union increased from EUR 500 million in 2006 to EUR 9,5 billion in 2007,
- E. whereas India was the European Union's 17th most important trading partner in 2000 and ranked 9th in 2007; whereas between 2000 and 2006, EU trade in goods with India grew by around 80 %,
- F. whereas India's trade and regulatory environment still remains comparatively restrictive; whereas in 2008 the World Bank ranked India 122 (out of 178 economies) in terms of 'ease of doing business',
- G. whereas as stated in the 2007/2008 United Nations Development Programme's Human Development Report, India ranks 128 on the Human Development Index (out of 177 countries), 35 % of the Indian population lives on less than USD 1 a day and 80 % on less than USD 2 a day; whereas India ranks 62nd on the human poverty index for developing countries among 108 developing countries for which the index has been calculated; whereas India has one of the highest incidences of child labour,

<sup>(1)</sup> OJ C 102 E, 24.4.2008, p. 128.

<sup>(2)</sup> Texts adopted, P6\_TA(2008)0407.

<sup>(3)</sup> Texts adopted, P6\_TA(2008)0366.

<sup>(4)</sup> Texts adopted, P6\_TA(2008)0455.

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- H. whereas economic imbalances between India's States, and therefore an unbalanced distribution of wealth and national income, require the adoption of sound complementary economic policies, including tax harmonisation and focusing capacity building efforts on the poorest States, enabling them to use funds,
- I. whereas India is the single largest beneficiary of the Generalised System of Preferences (GSP) scheme; whereas the European Union's preferential imports from India increased in value to EUR 11,3 billion in 2007 compared to EUR 9,7 billion in 2006,
- J. whereas both parties reaffirm their commitment to tariff reductions, further liberalisation of establishment and trade in services,
- K. whereas market access needs to be accompanied by transparent and adequate rules and standards to ensure that trade liberalisation is beneficial,
- L. whereas market access is being hampered by non-tariff barriers to trade (NTBs) such as health and safety requirements or technical barriers, quantitative restrictions, conformity procedures, trade defence mechanisms, customs procedures, internal taxation, and a failure to adopt international norms and standards,
- M. whereas even more account should be duly taken of the elements on recognition, suitable and effective protection, implementation and enforcement of Intellectual Property Rights (IPRs), including patents, trade or service marks, copyright and similar rights, geographical indications (including marks of origin), industrial design and integrated circuit topography,
- N. whereas India is one of the major sources of counterfeit medicines seized by the customs services of the Member States, accounting for 30 % of the total; whereas substandard and counterfeit medicines promote drug resistance, and increase morbidity and mortality,
- O. whereas Article 1(1) of the Cooperation Agreement provides for respect for human rights and democratic principles; whereas it constitutes an essential element of the agreement,
- P. whereas according to the 2008 Global Hunger Index, India ranks 66 out of 88 nations (developing countries and countries in transition); whereas the India Hunger Index found that not a single State in India falls in the 'low hunger' or 'moderate hunger' categories; twelve States fall in the 'alarming' category; and four States – Punjab, Kerala, Haryana and Assam – fall in the 'serious' category,
- Q. whereas the FTA should include commitments on social and environmental standards and sustainable development and effective implementation of internationally agreed standards in the social and environmental domain as a necessary condition to support the promotion of decent work through effective domestic implementation of ILO core labour standards,
- R. whereas India has not signed the Non-Proliferation Treaty (NPT); whereas the Nuclear Suppliers Group lifted the embargo on India's nuclear trade and the US-India Nuclear Co-operation Agreement was approved by the US Congress,
- S. whereas a Horizontal Aviation Agreement was signed at the 9th EU-India Summit in Marseille and India was ranked 11th in terms of passenger traffic between the EU and non- EU countries; whereas the European Union and India adopted a revised Joint Action Plan extending the strategic partnership of 2005 to new areas, and whereas the European Business and Technology Centre in India has now been established,

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### **General issues**

1. Believes that the FTA should be balanced and compatible with WTO rules and obligations; considers that a successful DDA remains the European Union's trade priority and that negotiations with India on the FTA be thus complementary to multilateral rules;
2. Recalls that the EU-India Strategic Partnership is based on common principles and shared values, as reflected in the 1994 EC-India Cooperation Agreement and the 2005 Joint Action Plan; the new competitiveness-driven FTA should complement the 1994 Cooperation Agreement, to which it should be legally and institutionally linked;
3. Welcomes the outcome of the 9th EU-India Summit and the revised Joint Action Plan; encourages the negotiating parties to keep consulting with key stakeholders; recalls the pledge of the European Union and India to accelerate FTA talks and to make substantive and efficient progress towards the early conclusion of an ambitious and balanced, broad-based trade and investment agreement; is disappointed with the slow pace of negotiations; calls for both parties to conclude a comprehensive, ambitious and balanced FTA by the end of 2010;
4. Encourages Indian Federal and State Governments to synchronise policies and procedures to allow for potential gains to be maximised;
5. Based on the complementarities of both economies, points to the future potential for an increase in EU-India trade and investment and business opportunities arising from the FTA; considers the EU-India FTA overall as a win-win scenario but recommends that an evaluation be carried out of the existing sector-specificities; furthermore, emphasises that the FTA should ensure that increasing bilateral trade brings benefits to the widest number of people and contributes to India's achievement of the Millennium Development Goals (MDGs), including preventing environmental degradation;
6. Encourages the parties also to address the potential disadvantages of the FTA and the ways in which human development and gender equality may be adversely affected by the rapid opening of markets;
7. Asks the Commission to include an ambitious sustainable development chapter as an essential part of the FTA and subject to the standard dispute settlement mechanism;

### **Trade in goods**

8. Welcomes the results of many free trade simulations which show that the FTA would increase overall exports and imports for both the European Union and India; stresses that at the existing average growth rate, bilateral trade is expected to exceed EUR 70,7 billion by 2010 and EUR 160,6 billion by 2015;
9. Notes that India's average applied tariffs have decreased to levels that are now comparable to those of other Asian countries, notably, India's average applied tariff which is now 14,5 % compared to an EU average of 4,1 %;
10. Considers it important that the FTA confirms the provisions of the Agreement on Technical Barriers to Trade and the Sanitary and Phytosanitary Agreement; calls on the Commission in this regard to address outstanding issues such as animal welfare;
11. Notes that India is concerned about the lack of harmonisation of microbiological standards in the European Union, the implications of REACH, costly certificates for exporting fruit to the EU and costly conformity procedures for the CE mark, and stresses that these issues must be resolved in the FTA; calls on both parties to ensure that regulation and NTBs are managed in such a way that overall trade is not hampered; calls on both the European Union and India to work more closely in their different working groups towards a more transparent framework for technical regulations and standards; furthermore calls on the Commission to provide technical assistance to support Indian producers in their efforts to reach EU standards, in particular concerning the health, environmental and social dimensions of production, thus creating win-win situations;

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12. Acknowledges that India's standards regime is still evolving; calls on the Bureau of Indian Standards and the Central Drugs Standard Control Organisation to raise their standards in line with international standards and to increase transparency in the formulation of standards by improving their testing and certification procedures is concerned about the implementation and monitoring of sanitary and phytosanitary measures and standards; calls on the Commission to provide adequate support to strengthen capacity and boost qualified human resources within Indian regulatory bodies;

13. Stresses that the FTA includes a binding state-to-state dispute settlement mechanism, provisions on mediation on NTBs, on anti-dumping and countervailing duty measures and a general exception clause based on Article XX and XXI of the General Agreement on Tariffs and Trade (GATT);

#### ***Trade in services, establishment***

14. Recognises that services are the fastest growing sector of the Indian economy; notes that India has offensive interests in liberalisation of Mode 1 and Mode 4 in the General Agreement on Trade in Services (GATS); notes that the European Union would like to complete liberalisation in market access and national treatment in Mode 3 in most services;

15. Points out that service liberalisation must in no way hinder the right to regulate services, including public services;

16. Notes that according to the Federation of Indian Chambers of Commerce and Industry bilateral trade in services is expected to exceed EUR 246,8 billion by 2015, by the time the FTA in services will be implemented;

17. Notes that trade in services between the European Union and India is relatively unbalanced; the EU exports 1.5 % of its services to India, while India exports 9,2 % of its total exports to the European Union;

18. Encourages India to develop appropriate data protection legislation which would enable India to achieve the status of a country with an adequate level of protection thereby allowing or enabling the transfer of personal data from the European Union on the basis of and in compliance with EU legislation;

19. Notes that India is the fifth largest telecom services market in the world and that the telecom market has grown at a rate of about 25 % per year over the last 5 years; welcomes the relaxation of foreign ownership restrictions in telecoms, but regrets that domestic policy restraints still remain; calls therefore for a relaxation of the licensing restrictions on service providers and for the removal of uncertainty concerning the policy on tariff and interconnect regimes, and stresses the need to replace the old laws governing the sector with new forward-looking legislation that incorporates cyber laws and new licensing; considers that the telecom and IT sectors are major drivers of the Indian economy and that India is to be made a hub for telecom manufacturing by facilitating telecom specific Special Economic Zones; stresses that there are enormous opportunities in the manufacturing sector;

20. Concerning the satellite sector, calls on India to engage in dialogue with, and open its market to, EU companies in order to:

- (a) better support national development objectives and meet ever-increasing domestic demand for direct to home television and broadband services, and
- (b) overcome security concerns about mobile satellite services with new technical solutions that provide national authorities with more than adequate control over mobile satellite communications;

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21. Welcomes the Indian pledge to allow foreign law firms to operate in India as this opening will bring significant benefits for the Indian economy and legal profession, as well as for European law firms, who have expertise in international law, and for their clients; calls on the Commission to explore with Indian authorities the opportunity and the scope of liberalisation of legal services in the FTA;

22. Notes that the full ambition of the FTA cannot be fulfilled without commitments in Mode 4; stresses that there are huge benefits from nationwide and EU-wide accreditation of professional qualifications and agreements on mutual recognition and licensing requirements within professional services in both the EU and India, which could be easily covered by the FTA; nevertheless requests a thorough analysis in relation to the individual Member States;

23. Encourages India to gradually liberalise the banking and insurance sectors;

24. Encourages India to ensure that the upcoming revised draft postal bill will not reduce current market access opportunities for express service providers, and invites the Commission to seek full commitments from India on express services as well as on self-handling for express cargo carriers at airports, with a view to safeguarding market access opportunities also in the future;

25. Requests from India a more open approach in granting visas to citizens and business professionals and politicians from Member States, with multiple entries and a minimum one-year duration;

#### **Investment**

26. Calls on the Commission to incorporate a chapter on investment in the FTA which could make provision for a system of a single point of information for investors;

27. Welcomes the establishment of the European Business and Technology Centre in New Delhi which aims to enhance business-to-business and technology cooperation between India and the Member States;

28. Recalls that in order for investment to be beneficial it needs to be accompanied by well-designed rules and regulations; reaffirms in this context its resolution of 13 March 2007 on corporate social responsibility: a new partnership <sup>(1)</sup>; therefore calls on the Commission to advocate rules for transnational companies in the FTA, designed to ensure that investors respect core ILO standards, social and environmental covenants and international agreements, so as to achieve a balance between economic growth and higher social and environmental standards;

29. Recalls that, while FTA investment chapters are often accompanied by commitments to liberalise capital movements and renounce capital controls, such clauses should be approached with extreme caution, given the importance of capital controls – especially for developing countries – in mitigating the impact of the financial crisis; urges the EU to promote in international forums greater corporate responsibility among foreign undertakings established in India, and at the same time advocates that an agreement be reached with the Indian Government to set up an effective system for monitoring workers' rights within domestic and foreign companies based in India;

30. Calls on the Commission to incorporate in the FTA a chapter on investment, being a significant part thereof, thereby enabling the process of investing in each other's markets to become much smoother by promoting and protecting investment deals while exploring immediate opportunities; proposes that such an investment agreement could provide for the setting-up of a system of single-point of information for investors in both economies, explaining to them the differences in investment rules and practices and providing information on all legal aspects;

<sup>(1)</sup> OJ C 301 E, 13.12.2007, p. 45.

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**Public procurement**

31. Regrets that India is not willing to include public procurement in the FTA; calls on the Commission to negotiate effective and transparent procurement systems; calls on India to apply transparent and fair procedures when awarding public contracts and to grant access to public procurement systems for European businesses;

**Trade and competition**

32. Encourages the implementation of the new Indian competition law; believes that the European Union should incorporate Articles 81 and 82 of the EC Treaty in the FTA so as to secure commitments on competition policy;

**Intellectual property rights, industrial and commercial policy**

33. Welcomes India's firm commitment to a strong IPR regime and to the use of TRIPS flexibilities to meet its public health obligations, particularly in relation to access to medicines; encourages its rigorous implementation and enforcement; calls on the Commission and the Indian authorities concerned to coordinate actions to address effectively the fight against counterfeiting and, in particular, against counterfeit medicines;

34. Calls on the European Union and India to ensure that commitments under the FTA do not preclude access to essential medicines whilst India is developing its capacity from a generic to a research-based industry;

35. Calls on the European Union and India to support measures and initiatives such as prize funds, patent pools and other alternative mechanisms in order to support access to and innovation in medicines, particularly for neglected diseases;

**Trade and sustainable development**

36. Recognises that a substantial development chapter is an essential part of any FTA and subject to the standard dispute mechanism;

37. Calls on the European Union and India to ensure that trade and FDI are not encouraged at the cost of lowering environmental, core labour or occupational health and safety legislation and standards, while allowing the adequate monitoring of observation of such standards;

38. Asks for the ratification and effective application of the basic conventions of the ILO;

39. Is concerned about the use of child labour in India, which is very often exploited in unsafe and unhealthy conditions; asks the Commission to address the issue during the negotiations on the FTA and asks the Indian Government to maximise its efforts to remove the underlying causes in order to end this phenomenon;

40. Acknowledges the introduction of a new Indian child labour law, implemented in 2006, which bans children under 14 from working as domestic servants or on food stalls, and calls on the European Union to continue to encourage India to ratify the ILO Convention 182 on the Worst Forms of Child Labour and Conventions 138 concerning the Minimum Age for Admission to Employment and 98 on the Right to Organise and Collective Bargaining, which would signify a positive step towards the eventual abolition of child labour;

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41. Underscores that the European Union should press the Indian Government to tackle the issue of bonded labour, which affects millions of people – largely from the Dalit and Adivasi community (indigenous tribes and peoples) – in India; observes that it is believed that this issue is not being adequately addressed due to a lack of administrative and political will;

42. Urges the EU to include a provision in its FTA with India which ensures that EU companies making use of Special Economic Zones cannot be exempted from respecting fundamental labour rights or other labour rights based on ILO Conventions that have been ratified by India;

43. Stresses that human rights and democracy clauses constitute an essential element of the FTA; is concerned by the continuing persecution of religious minorities and human rights defenders in India and the current human rights and security situation in Indian-administered Kashmir;

44. Calls on the Council, the Commission and India to ensure that the FTA is not harmful to disadvantaged groups such as Dalits and Adivasis, and that the potential benefits of the FTA reach all members of society;

45. Welcomes the commitments made by the European Union and India to cooperate in civil nuclear research; notes that India is not a signatory to the NPT and was given a waiver by the Nuclear Suppliers Group; calls on India to sign the NPT;

#### ***The European Parliament's role***

46. Expects the Council and the Commission to present the FTA to Parliament for assent under the second subparagraph of Article 300(3) of the EC Treaty;

47. Asks the Council and the Commission to confirm India's commitment to negotiating an EU-FTA with the incoming Indian Government after the forthcoming general election;

#### ***Other considerations***

48. Notes the rapid rise in inflation in India; recognises that, in order for India to remain competitive as a growing trading partner with the European Union, it will require substantial investment in infrastructure and a vast increase in power generation capacity; welcomes the government's plan to spend USD 500 billion in this area over the next five years, and calls on private and public bodies to cooperate fully in this huge project;

49. Welcomes the opening by the Indian Prime Minister of the new Srinagar railway line between Baramulla and Qazigund, which provides many thousands of new jobs for local people; believes that economic initiatives such as this will enhance the prospects of a more prosperous and peaceful future for the Kashmiri people;

50. Welcomes India's progress in becoming a donor as well as a beneficiary of development aid;

51. Values progress in cooperation on research and development, including through the EU-funded Framework Programme; welcomes the large numbers of Indian students studying at European universities through the Erasmus Mundus programme;

52. Points out that, if economic cooperation between the European Union and India is based on the Union's system of universal values, it may set a standard for cooperation with other countries;



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53. Welcomes the launching of the special action for EU-India cultural cooperation for the period 2007-2009, especially in the area of education, student exchange, training and inter-cultural dialogue;
54. Expresses concern about rising global commodity prices and their effect on the poorest populations, including in India, which pose a challenge to stable growth and increase global inequalities; calls on the European Union and India to coordinate a comprehensive strategy to tackle this issue in an integrated manner;
55. Welcomes the fact that India has made considerable progress towards achieving universal primary education, improving poverty eradication and increasing access to safe drinking water; notes, however, that India is still off target on most of the health-related MDGs concerning such matters as infant mortality, maternal health, child malnutrition and reducing malaria, tuberculosis and HIV/AIDS; is concerned that Dalits and Adivasis (indigenous tribes and peoples) experience the least progress towards achieving the MDGs and continue to face discrimination in relation to access to housing, education, employment, health care and other services;
56. Notes that, despite sustained economic growth, vast inequalities still persist, with more than 800 million people surviving on less than USD 2 a day; is particularly concerned about the situation of underprivileged sections of the population, in particular women, children, marginalised groups and victims of discrimination such as the Dalits and Adivasis, and the rural population; stresses the need to ensure that the FTA would not restrict powers needed by the Indian Government to address poverty and inequality; calls on the Council and the Commission to work together with the Indian Government to improve the situation of those groups and to examine future cooperation as to their contribution towards ending gender and caste discrimination with reference to its above-mentioned resolution on the human rights situation of the Dalits in India;
57. Stresses that increasing environmental destruction in India is a constantly growing problem with unimaginable economic, social and environmental consequences, particularly for the large number of Indians living in poverty, and thus stresses the particular need for continued EU cooperation with India in this field;
58. Is impressed by the development effects of economic growth in some regions of India, and calls on the Commission to support research into the main patterns and underlying national and sub-national policies responsible for such effects, in order to facilitate cross-regional learning and best practices;
59. Welcomes India's commitment to increase the share of its public spending on health, and encourages this trend with a view to ensuring adequate access to effective healthcare, particularly in rural areas;
60. Considers that the EU must pay special attention to the small and medium-sized enterprise (SME) sector in India, and therefore suggests that in all development cooperation programmes between the European Union and India, SMEs could be strengthened through measures to help finance market-driven local projects proposed by citizens;
61. Welcomes the emergence of the spread of microcredit throughout India, which has gained recognition as an effective way of creating grassroots-led development;

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62. Instructs its President to forward this resolution to the Council, the Commission and the governments and parliaments of the Member States and of India.
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## Social responsibility of subcontracting undertakings in production chains

P6\_TA(2009)0190

### European Parliament resolution of 26 March 2009 on the social responsibility of subcontracting undertakings in production chains (2008/2249(INI))

(2010/C 117 E/29)

The European Parliament,

- having regard to Article 31(1) of the Charter of Fundamental Rights of the European Union,
- having regard to Articles 39, 49, 50 and 137 of the EC Treaty,
- having regard to Council Directive 94/45/EC of 22 September 1994 on the establishment of a European Works Council or a procedure in Community-scale undertakings and Community-scale groups of undertakings for the purposes of informing and consulting employees <sup>(1)</sup>,
- having regard to Directive 2002/14/EC of the European Parliament and of the Council of 11 March 2002 establishing a general framework for informing and consulting employees in the European Community <sup>(2)</sup>,
- having regard to the proposal for a directive of the European Parliament and of the Council providing for sanctions against employers of illegally staying third-country nationals (COM(2007)0249),
- having regard to its resolution of 26 October 2006 on the application of Directive 96/71/EC on the posting of workers <sup>(3)</sup> and its resolution of 11 July 2007 on the posting of workers in the framework of the provision of services <sup>(4)</sup>,
- having regard to the OECD's Guidelines for multinational enterprises,
- having regard to the ILO's tripartite declaration of principles concerning multinational enterprises and social policy,
- having regard to its resolution of 15 November 2005 on the social dimension of globalisation <sup>(5)</sup>,
- having regard to its resolution of 13 March 2007 on corporate social responsibility: a new partnership <sup>(6)</sup>,
- having regard to its resolution of 23 May 2007 on promoting decent work for all <sup>(7)</sup>,
- having regard to its resolution of 9 October 2008 on stepping up the fight against undeclared work <sup>(8)</sup>,
- having regard to its resolution of 11 July 2007 on modernising labour law to meet the challenges of the 21st century <sup>(9)</sup>,

<sup>(1)</sup> OJ L 254, 30.9.1994, p. 64.

<sup>(2)</sup> OJ L 80, 23.3.2002, p. 29.

<sup>(3)</sup> OJ C 313 E, 20.12.2006, p. 452.

<sup>(4)</sup> OJ C 175 E, 10.7.2008, p. 411.

<sup>(5)</sup> OJ C 280 E, 18.11.2006, p. 65.

<sup>(6)</sup> OJ C 301 E, 13.12.2007, p. 45.

<sup>(7)</sup> OJ C 102 E, 24.4.2008, p. 321.

<sup>(8)</sup> Texts adopted, P6\_TA(2008)0466.

<sup>(9)</sup> OJ C 175 E, 10.7.2008, p. 401.

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- having regard to the judgment of the Court of Justice of the European Communities of 12 October 2004 in Case C-60/03 *Wolff & Müller* <sup>(1)</sup>,
  - having regard to the study conducted by the European Foundation for the Improvement of Living and Working Conditions entitled 'Liability in subcontracting processes in the European construction sector',
  - having regard to Rule 45 of its Rules of Procedure,
  - having regard to the report of the Committee on Employment and Social Affairs (A6-0065/2009),
- A. whereas subcontracting can be regarded as an integral part of economic activity,
- B. whereas the unprecedented rate of economic activity over the last quarter of a century has played a major role in raising employment levels across most economies of the European Union and whereas that development has benefited large and small undertakings and has also encouraged entrepreneurship,
- C. whereas globalisation and its corollary of increased competition are bringing about changes in the ways in which undertakings organise themselves, including as regards the outsourcing of non-strategic activities, the creation of networks and increased recourse to subcontracting,
- D. whereas, as a result, the complexity of the links between parent companies and their subsidiaries and between main contractors and their subcontractors makes it more difficult clearly to perceive the diverse structures, operations and policies as well as the responsibilities or liability of the various actors in the production chain,
- E. whereas those changes have had far-reaching consequences for labour relations and sometimes make it difficult clearly to determine the branch of law applying to the relationships between the various elements of a production chain, and whereas, as a consequence, the pricing and allocation of labour is no longer governed by the industry's regulatory framework,
- F. whereas the production process in several industries nowadays takes the form of a fragmented chain of production that has lengthened and broadened, a chain constituting a logistical chain (both horizontal and vertical), as well as a value-chain of an economic and productive nature with single specialities or tasks often 'externalised' to small businesses or self-employed workers, and whereas the effect in company accounts is a substitution of direct labour costs by subcontracting, services or supplier costs based on invoices and 'commercial contracts for services',
- G. whereas subcontractors are often played off against each other and whereas, therefore, the employees of both the issuer of the invitation to tender and of the subcontractors come under pressure as regards their working conditions,
- H. whereas Parliament has previously highlighted problems associated with the falsely self-employed and whereas that problem is also in evidence in the case of subcontractors,
- I. whereas subcontracting and outsourcing to legally independent firms does not lead to independence, and companies at a lower level in the value chain, with the exception of specialised subcontractors with high-tech or other sophisticated activity, are often not in a position to act on an equal footing with main contractors,
- J. whereas, although subcontracting has many positive aspects and has allowed for increased production capacity, it is also generating some economic and social imbalances among workers and might foster a race to the bottom in working conditions, which is a matter of concern,

<sup>(1)</sup> Case C-60/03 *Wolff & Müller* [2004] ECR I-9553.

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- K. whereas subcontracting may also be carried out by pure intermediaries, manpower firms or temporary work agencies, for example, which sometimes operate as so-called letterbox companies, and whereas in many cases only a single contract is awarded or workers are hired only for that specific purpose; whereas such practices highlight the rapidly changing nature of the construction industry and other sectors in which employment relationships are often precarious,
- L. whereas, in a cross-border context, the problems linked to this precarious situation are compounded when, for example, workers are posted to a third Member State,
- M. whereas employment relations in the construction sector have been redefined and, at the same time, have reduced the direct social responsibility of the 'principal contractor', as labour has been externalised by the use of subcontractors and employment agencies, making the supply of cheap, often unskilled labour an integral part of lower level subcontracting,
- N. whereas some sectors, in particular the construction sector, have been particularly vulnerable to abuses in their often complicated subcontracting chains,
- O. whereas the basic principle of equal pay for equal work in the same place must apply to all employees, regardless of their status and the nature of their contracts, and that principle must be enforced,
1. Calls on public authorities and all stakeholders to do their utmost to increase the level of awareness among workers of their rights under the various instruments (such as labour law, collective agreements, codes of conduct) that regulate their employment relationship and working conditions in the undertakings for which they work and the contractual relationships in subcontracting chains;
  2. Calls on the Commission to raise awareness of good practices, existing guidelines and standards and social responsibility practices among undertakings, be they main contractors or subcontractors;
  3. Reiterates its invitation to the Commission to put forward a proposal on applying the decent work agenda to workers in subcontracting undertakings and, in particular, on compliance with core labour standards, social rights, employee training and equal treatment;
  4. Stresses the importance of subcontracting undertakings in production chains using new technologies in order to improve the quality of both production and jobs;
  5. Calls on national public authorities to adopt or further develop legal provisions which exclude undertakings from public procurement, where they are found to have infringed labour law, collective agreements or codes of conduct;
  6. Welcomes the adoption of a transnational legal framework, agreed between individual multinational enterprises and global union federations, designed to protect labour standards in multinational enterprises and their subcontractors and affiliates across different countries and which defines the status of the dependent worker and provides social protection irrespective of specific employment conditions;
  7. Takes note of the judgement in the case of *Wolff & Müller*, in which the Court of Justice held that the German national liability scheme did not infringe Community law but was, instead, intended to ensure the protection of workers posted abroad;
  8. Takes note of the outcome of the public consultation on the Commission's Green Paper 'Modernising labour law to meet the challenges of the 21st century' (COM(2006)0708); encourages in this regard the Commission's intention to take the necessary steps to clarify the rights and obligations of the parties involved in subcontracting chains to avoid depriving workers of their ability to make effective use of their rights;

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9. Welcomes the fact that eight Member States (Austria, Belgium, Finland, France, Germany, Italy, the Netherlands and Spain) have responded to the problems connected with the duties of subcontractors as employers by establishing national liability schemes; encourages other Member States to consider introducing similar schemes; highlights the fact, however, that implementing the rules in cross-border subcontracting processes is particularly difficult when Member States have different systems in place;
10. Stresses that the European Foundation for the Improvement of Living and Working Conditions' study states that a narrow scope of liability, such as a limitation to only one element of the chain, is one of the reasons why arrangements are ineffective;
11. Emphasises the particular challenges faced by small businesses; calls on policymakers to develop appropriate tools to raise awareness among small businesses;
12. Reminds all stakeholders that, in its resolution of 26 October 2006 on the posting of workers, Parliament called on the Commission to regulate the joint and several liability of the general or principal undertakings, in order to deal with abuses in the subcontracting and outsourcing of cross-border workers, and to set up a transparent and competitive internal market for all companies;
13. Reiterates its message by calling on the Commission to establish a clear-cut Community legal instrument introducing joint and several liability at Community level, while respecting the different legal systems in place in the Member States and the principles of subsidiarity and proportionality;
14. Calls on the Commission to launch an impact assessment on the added value and feasibility of a Community instrument on chain liability as a way of increasing transparency in subcontracting processes and of securing better enforcement of Community and national law; emphasises that such a study should be cross-sectoral;
15. Is convinced that a Community instrument on chain liability would benefit not only employees, but also Member State authorities, employers and, in particular, SMEs in their fight against the grey economy, as clear, transparent Community rules would drive dubious operators out of the market, thus improving the functioning of the internal market;
16. Notes that all measures that inform employees about their rights and support them in the exercise thereof make a vital contribution to fostering corporate social responsibility; calls on the Member States to ensure, as a matter of principle, that employees are informed of their rights; regards the social partners as having a particular responsibility in that connection;
17. Calls on the Commission to intensify its efforts to promote more and better cooperation and coordination between national administrative bodies, inspectorates, government enforcement agencies, social security authorities and tax authorities; calls, furthermore, on Member States to introduce more stringent inspection procedures and to favour closer links between national labour inspectorates, thus allowing for increased cooperation and coordination among them; calls on the Commission to develop quality standards for labour inspectorates and to carry out a feasibility study of possible arrangements for establishing a Community network of labour inspectorates;
18. Stresses the need to promote incentives for companies to make every reasonable effort in good faith to eliminate labour law infringements by subcontractors, such as systems of certification and codes of conduct, including reporting to the authorities and terminating a contract with a subcontractor which engages in illegal practice in order to avoid the possibility of being held jointly and severally liable for that infringement;
19. Invites both sides of the industry to take the lead in the promotion of cooperative subcontracting for specific one-off tasks on the one hand, and for the restriction of the multiplication of subcontracting on the other, and welcomes the development of framework agreements that define social responsibility and liability in the chain as a complement to the necessary regulation;

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20. Warns against conflicts and overlapping between, and duplication of, provisions found in codes of conduct and in labour law, codes of conduct, standards and guidelines adopted by public authorities and collective agreements in force; for this reason, emphasises the need for undertakings to adhere, as a matter of priority, to codes of conduct, standards and guidelines drafted at the level of supranational organisations (OECD, ILO), or at national or sectoral levels;
21. Reminds all stakeholders, and in particular employers, of their obligations with regard to information, consultation and participation of workers, notably those provided for in Community and national legal instruments;
22. Proposes that the possibility of reconciling family life with work be safeguarded in law at national level for workers in subcontracting undertakings in production chains and that the directives on maternity and parental leave be effectively implemented;
23. Calls on the Commission to ensure effective compliance with Directive 96/71/EC, including, if necessary, launching infringement procedures; furthermore, calls on both the Commission and the Member States to adopt measures aimed at improving access to information by posted workers, reinforcing coordination and administrative cooperation among Member States, including clarifying the role of Member States liaison offices, and solving cross-border enforcement problems that hamper the effective implementation of Directive 96/71/EC;
24. Stresses that more effective measures can be taken to counter the potential negative social consequences of subcontracting by improving enhanced social dialogue between employers' organisations and trade unions;
25. Instructs its President to forward this resolution to the Council and the Commission, and to the governments and the parliaments of the Member States.
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## Food prices in Europe

P6\_TA(2009)0191

**European Parliament resolution of 26 March 2009 on food prices in Europe (2008/2175(INI))**

(2010/C 117 E/30)

*The European Parliament,*

- having regard to Article 33 of the EC Treaty,
- having regard to the Commission Communication of 9 December 2008 entitled 'Food prices in Europe' (COM(2008)0821),
- having regard to its study of 20 October 2007 entitled 'The gap between producer prices and the prices paid by the consumer',
- having regard to the Commission study of 28 November 2006 entitled 'Competitiveness of the European Food Industry. An economic and legal assessment',
- having regard to the Commission Communication of 20 May 2008 entitled 'Tackling the challenge of rising food prices – Directions for EU action' (COM(2008)0321),

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- having regard to its Declaration of 19 February 2008 on investigating and remedying the abuse of power by large supermarkets operating in the European Union <sup>(1)</sup>,
  - having regard to the Opinion of the European Economic and Social Committee of 7 April 2005 entitled 'The large retail sector – trends and impacts on farmers and consumers' <sup>(2)</sup>,
  - having regard to the Commission Green Paper of 22 January 1997 entitled 'Vertical Restraints in EC Competition Policy' (COM(1996)0721),
  - having regard to its resolution of 25 October 2007 on rising feed and food prices <sup>(3)</sup>,
  - having regard to the ongoing 'health check' of the Common Agricultural Policy (CAP),
  - having regard to Rule 45 of its Rules of Procedure,
  - having regard to the report of the Committee on Agriculture and Rural Development (A6-0094/2009),
- A. whereas the European Union and the world have recently experienced high food-price volatility with sometimes significant price rises and ambiguous effects on the agricultural sector, with some gaining from the rise in prices and others – mostly stockbreeding farms and companies on the food-processing side – incurring much greater costs,
- B. whereas there has also been a considerable rise in agricultural production costs, as a result of the increased cost of materials such as fertilisers and phytosanitary products, and whereas despite the fact that at present prices at source have fallen steeply, this decrease is not going hand in hand with a fall, at the same level and across the same period, in production costs,
- C. whereas the fall in the prices of agricultural products, which is not matched by a fall in production costs, is putting farmers in an unsustainable financial situation, and many of them are abandoning production because it is unprofitable,
- D. whereas it has been found in various Member States that large manufacturers have set widely differing prices for the same products,
- E. whereas considerable price differences have been identified across the European Union with regard to the spread between consumer and producer prices, which in some cases cannot be explained by the costs involved in the processing, distribution and selling of products,
- F. whereas the entire supply chain must be taken into account when analysing prices and their evolution; whereas the food sector is fragmented and the supply chain highly complex, comprising many intermediaries,
- G. whereas some major processors have increased their market share in recent years,
- H. whereas in recent years there have been significant changes in the competitive structure of the food supply chain and increases in the degree of concentration among both food producers and wholesalers and retailers,

<sup>(1)</sup> Texts adopted, P6\_TA(2008)0054.

<sup>(2)</sup> OJ C 255, 14.10.2005, p. 44.

<sup>(3)</sup> OJ C 263 E, 16.10.2008, p. 621.

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- I. whereas evidence from across the European Union suggests that big supermarkets use their buying power to force down prices paid to suppliers to unsustainable levels and impose unfair conditions upon them; whereas large retailers across the European Union are fast becoming 'gatekeepers', controlling farmers' and other suppliers' access to consumers,
- J. whereas consumer prices in the European Union are on average up to five times the farm gate price; whereas farmers in Europe received approximately half of the retail price of food fifty years ago and today that proportion - in conjunction with a marked rise in the degree to which food is processed - has dropped dramatically,
- K. whereas, although the funding of the CAP has contributed over the years to securing low consumer prices, it is noticeable that consumer prices remain high or are not falling despite the fall in prices in the agricultural sector,
- L. whereas a high degree of EU self-sufficiency is strategically desirable; whereas in this framework efforts must be made to achieve a strong position for EU primary producers as our food suppliers,
- M. whereas the imbalance in bargaining power between agricultural producers and the rest of the supply chain has resulted in strong pressure being maintained on producer margins in the agricultural sector,
  1. Considers that, in accordance with the EC Treaty, it is in the EU public interest to maintain an adequate level of producer and consumer prices and to ensure fair competition, especially with regard to strategic merchandise such as agricultural and food products;
  2. Believes that, while competition provides consumers with food at competitive prices, farmers must be provided with a stable income by prices which cover their production costs and fair remuneration for their work, not least to ensure a secure supply of good-quality food;
  3. Considers that a broad series of factors influence the price transmission mechanism and the gap between producer and consumer prices; names among these factors the marketing behaviour of operators along the supply chain, including manufacturers, wholesalers and retailers, the share of non-agricultural costs (such as energy and labour), legislative and regulatory frameworks, the perishable nature of the product, the degree of product processing, marketing and handling or consumer purchasing preferences;
  4. Considers that, among factors that most influence the price transmission mechanism and the gap between consumer and producer prices, increasing concentration along the whole of the food supply chain, the degree of product processing and price rises linked to other external cost factors, as well as speculation with agricultural commodities play a determining role; reaffirms, therefore, the importance of market regulation instruments, which are more necessary than ever in the current climate;
  5. Agrees with the Commission that trends in supply and demand and operational shortcomings in the food supply chain have played a significant role in increasing food prices; stresses, however, that a significant role has also been played by speculation on the financial markets, which has created distortions in the price formation mechanism;
  6. Calls on the Commission to launch as soon as possible an investigation, in the form of a study, into the margin share in the production and distribution chains, as provided for in the 2009 budget on the basis of an earlier proposal by its Committee on Agriculture and Rural Development during the budget procedure; considers that this would be a first step towards increased transparency within the chain;
  7. Deplores the ongoing dismantling of EU intervention measures in the agricultural market, which is making a decisive contribution to the extreme volatility of prices; believes that new market management measures need to be brought in to guarantee greater stability for producers' incomes and to offer consumers acceptable prices;



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8. Believes that, within the framework of the CAP, market management measures are called for to provide stability for the agricultural sector and the agri-food market, and to maintain sustainable EU agricultural production at reasonable prices, avoiding a 'see-saw' effect on both sale prices and production factors;
9. Considers that, although the Commission's comparison between the the European Union and USA in terms of productivity is appropriate, it cannot constitute the absolute basis for the ideal measure of productivity in the food sector (particularly agricultural production and processing) in the European Union; stresses that the agriculture and food industry in the European Union differs significantly from that in the USA both in terms of the commodities and sectors which it covers and the conditions and rules by which it is governed;
10. Considers that strengthening the competitiveness and innovation capacity of the primary agricultural sector must be encouraged, as this would lead to greater diversification possibilities for primary producers in managing their holdings, and dependency on other players in the production and distribution chain would decrease;
11. Believes that the concentration of agricultural production supply by means of producers' organisations, cooperatives or other similar bodies, would make it possible to shift the balance of power within the food chain, by increasing farmers' negotiating strength, giving greater added value to their products, and shortening marketing channels to consumers;

#### ***Food market imperfections***

12. Draws attention to the fact that large market power pays off in particular in the agri-food sector, given the price inelasticity of agricultural supply on the one hand and consumer demand on the other;
13. Is concerned by marketing practices such as the selling below cost of goods in order to generate an increase in supermarket visits; supports a prohibition on the selling of food below cost and supports Member States that have already introduced such measures; wishes to see more EU action taken against such aggressive pricing measures, as well as other anti-competitive practices such as product tying or any other abuse of market dominance;
14. Believes that pricing below cost, while not viable in itself for any enterprise, can only be applied by big (diversified) enterprises for a short period of time and only to drive their competitors out of the market; considers that, in the long term, such practice benefits neither consumers nor the market as a whole;
15. Is further concerned by other instances where the trade sector makes use of its market power, including excessive payment deadlines, listing charges, slotting allowances, threats of delisting, retroactive discounts on goods already sold, unjustified contributions to retailer promotion expenses or insistence on exclusive supply;
16. Stresses that, in some Member States, both the buying and the selling side of the market tend to be equally concentrated, thus aggravating the distorting effect on the market;
17. Stresses that in light of the CAP reform and in particular decoupling, farmer decisions on what to produce will be influenced more by signals coming from the market, which must not be disrupted by overconcentration in the retail sector; believes that the increase of EU food imports is likely to reduce farm prices;
18. Draws attention to the fact that it is possible for retailers to take advantage of labels such as 'fair trade' in order to increase profit margins; calls, therefore, with a view to curbing such practices and controlling the use of such labels, for a strategy to support and develop fair trade throughout the European Union;

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19. Acknowledges that, in the short term, the effects of market concentration at the various levels of the food supply chain can lead to lower price levels for food but that, in the medium and long term, care must be taken to ensure that this does not damage free competition, drive small producers out of the market and limit consumer choice;
20. Draws attention to the fact that many SMEs in the food sector are extremely vulnerable especially if they are dependent to a great extent on one large operator; notes that large operators in the food supply chain often employ 'race to the bottom' price competitions between several suppliers and, in order to stay in business, small companies need to cut costs and margins, which translates into reduced payments to farmers, reduced market access and distribution channels for SMEs, fewer employees, and lower quality products for consumers;
21. Is worried by the increased level of speculation with food, as observed on the financial markets; calls on the Commission to launch an investigation into this matter; awaits the conclusions of the High Level Group on the Competitiveness of the Agri-Food Industry and encourages this Group to propose effective measures to address the imbalances in the market;
22. Maintains its reservations concerning the Commission's conclusions that speculation on the financial markets has not played a significant role in the process of price formation; considers that the Commission should take initiatives to strengthen monitoring of the futures markets in basic agricultural commodities;
23. Considers that the Commission is restricted at present to a partial reading of the available data since it does not take account of the possible impact of speculative investment in futures, such as:
- the increase in price for end buyers (producers and consumers) resulting from the creation of false expectations of price trends,
  - the creation of disincentives and additional uncertainty for early-stage and small producer enterprises reliant on agricultural products, resulting, possibly, in the creation of obstacles to market entry and impediments to the process of strengthening competition on certain markets,
  - the inequitable (social and geographical) redistribution of the surplus from the sale of agricultural products to the detriment of farmers/producers and to the benefit of middlemen and speculators;
24. Stresses that, in contrast to the Commission's estimation, there is a more urgent need to consider new regulatory provisions for the futures markets, as there are indications that speculation already creates problems in the pricing of basic foods and, therefore, for the markets and producer enterprises which are reliant thereon;
25. Considers that the Commission has, during the last five years, improved its supervision of cartels, both through the introduction of better competition legislation and implementation of existing legislation; considers that measures such as leniency applications, the settlement procedure and forensic IT have made an important contribution; considers, however, that there are still improvements to be made with regard both to their content and their implementation by the Member States;
26. Draws the attention of the Commissioner for Competition to Parliament's above-mentioned declaration on investigating and remedying the abuse of power by large supermarkets operating in the European Union; is disappointed that the Commission has not taken heed of this call; calls in this connection for an investigation into market concentration and cartels in the retail sector and for penalties in the event of irregularities;
27. Calls on the Commission to analyse, in its annual reports, the gap between producer and consumer prices, differences between prices in the Member States and differences in prices between various agricultural products;

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28. Notes that large-scale enterprises generate clear and well-known economic benefits (economies of scale and scope), leading to lower costs and therefore lower prices; stresses, however, that a policy to improve the food supply chain should encourage the creation of operational schemes (for example clusters, networks, and inter-branch organisations) to enable the agricultural sector to benefit from these advantages so as to put undertakings at subsequent stages in a position to withstand pressure on their profit margins;

29. Is deeply concerned that, in the survey of the main practices which cause competition problems in the food supply chain, the above-mentioned Commission Communication on food prices in Europe fails to include the abuse of the dominant position observed at the retail stage and also, to a certain extent, at the wholesale stage; considers that anti-competitive practices employed by undertakings with a large market share, such as exclusivity agreements, or a product tying obligation, constitute a serious setback in terms of fair competition in the food supply chain;

### **European Union role**

#### *Reacting to market imbalances*

30. Endorses the Commission's decision to propose an efficient EU market-monitoring system, which is able to register price trends and costs of inputs across the whole supply chain; believes that this system should ensure transparency and permit cross-border comparisons between similar products; considers that this system must be established in close cooperation with Eurostat and national statistical authorities and should work with the network of European Consumer Centres (ECC); refers to the principle that additional costs and burdens should be kept within reasonable limits;

31. Calls on the Commission to establish a Community legal framework which will include, amongst other measures, the in-depth revision of Directive 2000/35/EC of the European Parliament and of the Council of 29 June 2000 on combating late payments in commercial transactions<sup>(1)</sup> and will encourage balanced relations between the various agents in the food chain, by preventing all abusive practices and encouraging a fairer distribution of profit margins;

32. Calls on competition authorities at national and EU level to investigate and evaluate consumer prices throughout the European Union to ensure that competition rules are respected, and to ascertain the responsibility of the various operators who comprise the value chain; stresses that downward price movements must be passed on to the consumer in the short term, while upward movements must be passed on more quickly to the producer;

33. States that greater transparency regarding cost structure can be achieved through the creation of an EU-wide database, which is easily accessible to citizens, and which contains reference prices of products and inputs, together with information on the costs of energy, pay, rents, duties and taxes from across the entire European Union; calls on the Commission to draw up plans for such an electronic system, based on existing national models, such as the French 'observatoires des prix'; considers, further, that it is also necessary to create, in cooperation with the Food and Agriculture Organization of the United Nations (FAO), an international observatory for agricultural product, input and food prices in order to monitor this data better at international level;

34. Calls on the various players in the production and distribution chain to work together to develop 'best practices' or 'scoreboards' to promote price transparency for agricultural products;

35. Calls on Member State authorities and the Commission to provide detailed research and analysis into price transmission and the margins which apply between the farm gate and the final consumer price, together with an analysis of the location and number of supermarkets, their turnover, and also their specific costs in terms of logistics and energy expenditure; calls on Member State authorities and the Commission to examine whether the criteria for establishing a dominant position in a market are still adequate considering the developments in the retail market; calls for the reinstatement of a Commission task force on the food supply chain, working together with national competition authorities;

<sup>(1)</sup> OJ L 200, 8.8.2000, p. 35.

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36. Notes that one of the causes of the difference between prices at source and at destination is an imbalance in the food chain, and that, despite this, the European Union lacks adequate measures to encourage producers' organisations, through cooperatives or other organisations, to promote supply concentration; calls on the Commission to establish measures, both within the CAP and in other EU policies, to encourage such organisations, which will result in a better organisation of the market and increased negotiating strength for producers vis-à-vis the other links in the food chain;

37. Proposes that national competition authorities, which have a broad role under Community legislation with regard to monitoring the operation of competition at all stages of the food supply chain, strengthen their cooperation under the coordination of the Commission, through the open method of coordination with regard to monitoring production costs and trade, in order to ensure the proper functioning of the internal market;

38. Takes the view that, since the retail trade is influenced mainly by national legal, economic, political and cultural factors, it would be useful, within the framework of the European Competition Network (ECN) to conduct a greater exchange of information and, possibly, coordination among Member States to investigate anti-competitive practices by companies operating at intra-EU level;

39. Calls, within the framework of the Lisbon Strategy, for support to be given to national schemes aimed at reducing or withdrawing unjustified regulatory interventions in the retail sector which would restrict competition and the smooth operation of the food supply chain at consumers' expense;

40. Takes the view that the leniency programme should be employed both at national and at EU level, so that the competent competition authorities can learn about more anti-competitive practices in the food supply chain;

41. Points out that, apart from Community competition rules, there are many other policies at EU level governing the operation of the retail trade, which include, inter alia, Community single market rules and Community consumer legislation; stresses that all these policies should converge and be centrally coordinated at EU level so as to achieve the best possible results at consumer price level;

42. Stresses the fact that the responses to the current food crisis should also take place at international level; calls for the creation of an international network around the FAO to ensure sufficient world food stocks;

43. Calls on the Commission to negotiate a World Trade Organization agreement that gives the agricultural sector sufficient scope to be able to compete with third countries; considers that inclusion of non-trade concerns is of critical importance here, in order to preserve and uphold EU production standards;

44. Calls for crisis reserves and storage to be set up at EU level for certain basic foodstuffs, along the same lines as for oil products;

45. Calls for the introduction of mechanisms to combat speculation in the financial markets with agricultural commodities and financial instruments based on those commodities; supports the Commission's intention to examine what measures could be taken to contribute to a reduction in price volatility in agricultural commodity markets;

46. Calls for measures in support of cooperation between small agricultural producers so that they are able to compete with large producers, processors and retailers; considers that Member States and the European Union need to ensure the existence of various forms of commerce and avoid a total liberalisation of the food market that would lead to further concentration; calls on the Commission to launch a Green Paper on strengthening producer organisations, efficient chain approaches, and the market power of large retailers;

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47. Calls on the Commission to monitor food imports more closely for compliance with EU hygiene and environmental standards, in particular, so that imported products do not expose EU consumers to greater risks;

48. Believes that it is necessary to encourage a greater concentration of agricultural supply by supporting the various legal types of association, with a view to adjusting the balance of power within the food chain, give farmers' production added value and increase their negotiating strength vis-à-vis other commercial agents;

49. Calls for the reinstatement of a European Food Producer Consulting Service giving advice to farmers and producer organisations on product distribution, the retail market and opportunities for the production of specific products;

50. Calls for the creation of a telephone hotline for consumers and agricultural producers, where they can report instances of abuse, and where information on comparable products and prices from across the European Union can be made available; considers that this should be established and function within national ECCs;

51. Welcomes the introduction of the Consumer Market Scoreboard as a tool to better monitor the internal market and to provide more information to the consumer;

52. Is concerned about the influence of intermediaries in the final consumer price; calls on the Commission to launch an analysis of the supply chain in order to gain a better understanding of the role of each operator involved in the price formation chain;

#### ***Bringing the producer closer to the consumer***

53. Calls for the introduction of policies that sponsor wider and more direct contact between producers and consumers, such as the recently adopted European School Fruit Programme, as this can provide producers with a more relevant role in the market, while at the same time offering consumers a better and wider choice of products; one such policy would be the creation and promotion of areas for the direct marketing of products by producers;

54. Calls on the Commission to take action to facilitate mergers and cooperation between producers' organisations such as cooperatives, thus avoiding bureaucratic burdens and other restrictions, with a view to increasing the size of producers' organisations so that they can adapt to the supply conditions demanded by the globalised market;

55. Considers that wider and better information to consumers is paramount, in order to encourage confidence in the system, and all efforts should be taken towards educating and correctly informing the consumer and providing them with neutral information;

56. Requests that when information is being provided to consumers, particular stress be laid on the efforts made by EU producers to meet Community rules on the environment, food safety and animal wellbeing;

57. Stresses that consumer protection policy covers not only prices but also food variety and quality; proposes, therefore, that the Commission investigate under which operating conditions in the food supply chain, in particular in the retail sector, a loss of quality and variety in products can be observed;

58. Notes the added value of local retailer shops that provide an important contribution to bridge the gap between producers and consumers and also improve the quality of life in rural areas by creating work opportunities and reinforcing existing social links;

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59. Considers that the use of new technologies and the internet should be widely promoted; stresses that new technologies can be used to provide more information about the place, price and characteristics of the different product varieties; believes that this can better match niche demand and can offer a wider choice to the consumer; is in favour of using EU rural development, competitiveness and cohesion funds for facilitating producer access to the market through modern technology and the internet;

60. Calls for measures to be put in place that give more impetus to the concept of 'local foods', and especially actions to promote, and inform consumers on, the special characteristics of such products and their health benefits and financial advantages, as well as support for traditional markets and traditional types of commerce in which producers meet consumers directly;

61. Calls for the European Union and the Member States to give greater encouragement to the organic sector; calls, furthermore, for an ambitious policy of financial incentives to encourage this type of agricultural production and enable consumers to obtain high-quality products at reasonable prices;

62. Urges reinforcement of cooperation between producers either by following the traditional format of producer organisations or by introducing new forms of cooperation in marketing operations of farmers;

63. Calls for greater promotion of the differentiation of agricultural products as a marketing concept, which leaves room for different prices, in accordance with quality;

64. Is concerned at the fact that the negotiating strength of food producers at the expense of retailers, due to a strong brand name or product differentiation, acquires a disproportionately negative significance in the above-mentioned Commission Communication on food prices in Europe, compared to other very much more important factors such as imperfect competition or oligopolistic/monopolistic practices; takes the view that the creation of a strong brand name or product differentiation are legitimate practices and that it is only the abuse of the position which these practices may confer that constitutes unfair practice;

65. Calls for the reinforcement and streamlining of EU policies for the protection of origin and geographical indications and other certifications, which differentiate among agricultural products; welcomes, in this regard, the debate launched by the release on 15 October 2008 of the Green Paper on Agricultural Product Quality: product standards, farming requirements and quality schemes (COM(2008)0641);

66. Takes the view that the option of a special label on EU agricultural products should be explored in greater depth, based on existing models; considers that this label should guarantee compliance with EU production standards, such as fair treatment of market participants throughout the entire production and distribution chain; considers, further, that such a label would act as a stimulus to consumers, encouraging their consumption of EU products, and hence supporting EU producers;

67. Urges the Commission to evaluate the costs borne by producers in complying with Community rules on cross-compliance and the extent to which these differ between Member States, bearing in mind that those rules are more stringent than those applicable to imported products;

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68. Instructs its President to forward this resolution to the Council and the Commission.

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**Impact of extensive urbanisation in Spain on individual rights of European citizens, on the environment and on the application of EU law**

P6\_TA(2009)0192

**European Parliament resolution of 26 March 2009 on the impact of extensive urbanisation in Spain on individual rights of European citizens, on the environment and on the application of EU law, based upon petitions received (2008/2248(INI))**

(2010/C 117 E/31)

*The European Parliament,*

- having regard to the petitions received in connection with the subject-matter of this resolution, notably Petition 0609/03,
  - having regard to the right of petition enshrined in Article 194 of the EC Treaty,
  - having regard to Rule 192(1) of its Rules of Procedure,
  - having regard to the report of the Committee on Petitions and the opinion of the Committee on Legal Affairs (A6-0082/2009),
- A. whereas the petitions process provides European citizens and residents with a means of obtaining non-judicial redress for their grievances when these concern issues arising from the fields of activity of the European Union,
- B. whereas Article 6(1) of the Treaty on European Union states that '[t]he Union is founded on the principles of liberty, democracy, respect for human rights and the rule of law, principles which are common to the Member States',
- C. whereas in Article 6(2) of the EU Treaty the Union commits itself to respect fundamental rights as guaranteed by the European Convention for the Protection of Human Rights and Fundamental Freedoms (the ECHR),
- D. whereas any citizen or resident of a state signatory to the ECHR who considers that his/her human rights have been violated should approach the European Court of Human Rights in Strasbourg, bearing in mind that before bringing any proceedings before that Court he/she must exhaust all domestic remedies, as is laid down in Article 35 of the ECHR,
- E. whereas Article 7 of the EU Treaty provides for procedures whereby the Union can respond to breaches of the principles mentioned in Article 6(1) and seek solutions,
- F. whereas Article 7 of the EU Treaty also gives Parliament the right to make a reasoned proposal to the Council for determination of the question whether there is a clear risk of a serious breach by a Member State of the values on which the Union is founded,
- G. whereas Article 7 of the Charter of Fundamental Rights of the European Union guarantees the protection of privacy and family life, including the private home of citizens, and whereas Article 8 of the ECHR confers the same rights and clarifies that '[t]here shall be no interference by a public authority with the exercise of this right except such as is in accordance with the law and is necessary in a democratic society in the interests of national security, public safety or the economic well-being of the country, for the prevention of disorder or crime, for the protection of health or morals, or for the protection of the rights and freedoms of others'; whereas Parliament, the Council and the Commission have committed themselves to respecting the Charter in all their activities,

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- H. whereas the right to private property is recognised as a fundamental right of European citizens in Article 17 of the Charter of Fundamental Rights, which provides that '[e]veryone has the right to own, use, dispose of and bequeath his or her lawfully acquired possessions', that '[n]o one may be deprived of his or her possessions, except in the public interest and in the cases and under the conditions provided for by law, subject to fair compensation being paid in good time for their loss', and that '[t]he use of property may be regulated by law in so far as is necessary for the general interest',
- I. whereas Article 18 of the EC Treaty provides that '[e]very citizen of the Union shall have the right to move and reside freely within the territory of the Member States, subject to the limitations and conditions laid down in this Treaty and the measures adopted to give it effect',
- J. whereas according to Article 295, the EC Treaty 'shall in no way prejudice the rules in Member States governing the system of property ownership'; whereas, according to the case-law of the Court of Justice, that provision merely recognises the power of Member States to define the rules governing the system of property ownership; and whereas the case-law of the Court of Justice has confirmed that the competence of Member States in this respect must always be applied in conjunction with the fundamental principles of Community law, such as the free movement of goods, persons, services and capital (see the judgment of 22 June 1976 in Case C-119/75 *Terrapin v Terranova* [1976] ECR 1039),
- K. whereas, however, the Court of Justice has consistently held that, whilst the right to property forms part of the general principles of Community law, it is not an absolute right and must be viewed in relation to its social function and whereas, consequently, its exercise may be restricted, provided that those restrictions in fact correspond to objectives of general interest pursued by the Community and do not constitute a disproportionate and intolerable interference, impairing the very substance of the rights guaranteed (see the judgment of 10 December 2002 in Case C-491/01 *British American Tobacco (Investments) and Imperial Tobacco* [2002] ECR I-11453),
- L. whereas, notwithstanding that case-law, the Court of Justice has consistently held that, where national provisions fall outside the scope of Community law, there is no Community jurisdiction to assess the compatibility of those provisions with the fundamental rights whose observance the Court ensures (see, for instance, the order of 6 October 2005 in Case C-328/04 *Vajnai* [2005] ECR I-8577, paragraphs 12 and 13),
- M. whereas the first paragraph of Article 1 of the first Additional Protocol to the ECHR declares that '[e]very natural or legal person is entitled to the peaceful enjoyment of his possessions' and that '[n]o one shall be deprived of his possessions except in the public interest and subject to the conditions provided for by law and by the general principles of international law'; whereas the second paragraph of that article states that '[t]he preceding provisions shall not, however, in any way impair the right of a State to enforce such laws as it deems necessary to control the use of property in accordance with the general interest or to secure the payment of taxes or other contributions or penalties'; and whereas, at the time of ratification of the said Protocol, Spain expressed a reservation in respect of Article 1 in the light of Article 33 of the Spanish Constitution, which provides as follows: 'The right to private property and inheritance is recognised. 2. The social function of these rights shall determine the limits of their content in accordance with the law. 3. No one may be deprived of his or her property and rights, except on justified grounds of public utility or social interest and with a proper compensation in accordance with the law.',
- N. whereas Parliament considers that the obligation to cede legitimately acquired private property without due process and proper compensation and the obligation to pay arbitrary costs for unrequested and often unnecessary infrastructure development constitute a violation of an individual's fundamental rights under the ECHR and in the light of the case-law of the European Court of Human Rights (see, for instance, *Aka v. Turkey* <sup>(1)</sup>),

<sup>(1)</sup> Judgment of 23 September 1998; see also Parliament's resolution of 21 June 2007 on the results of the fact-finding mission to the regions of Andalucía, Valencia and Madrid conducted on behalf of the Committee on Petitions (OJ C 146 E, 12.6.2008, p. 340).



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- O. whereas in 2008 the Spanish authorities issued instructions regarding the application of the 1988 Coastal Law, which had been neglected for many years during which time extensive environmental damage was done to coastal areas in Spain; whereas even the current instructions do not provide for clear implementing measures to be followed by the local and regional authorities involved, and whereas many new petitions received bear witness to the retroactive contents of the instructions and the arbitrary destruction and demolition of individuals' legitimately acquired property, their rights to such property and their ability to transfer their rights by means of inheritance,
- P. whereas, in view of the actual course of the demarcation line, those affected have formed the strong impression that it has been defined arbitrarily at the expense of foreign owners, for example on the island of Formentera,
- Q. whereas the Coastal Law impacts disproportionately on individual property owners who should have their rights fully respected, and at the same time insufficiently on the real perpetrators of coastal destruction, who have in many instances been responsible for excessive urban developments along the coasts, including holiday resorts, and who had good grounds for knowing that they were invariably acting contrary to the provisions of the law in question,
- R. whereas in the course of the current parliamentary term the Committee on Petitions, acting in response to the very large number of petitions received, has conducted detailed investigations, has reported three times on the extent of the abuse of the legitimate rights of EU citizens to their legally acquired property in Spain, and has also detailed its concerns in relation to the undermining of sustainable development, environmental protection, water quality and provision, procedures concerning public procurement with regard to urbanisation contracts and insufficient control of urbanisation procedures by many local and regional authorities in Spain <sup>(1)</sup>, which matters are currently the subject of legal proceedings both in Spain and before the Court of Justice,
- S. whereas there are many examples of cases where every level of authority, from central to autonomous and local, has been responsible for setting in motion a model for unsustainable development that has had extremely serious environmental consequences, as well as economic and social repercussions,
- T. whereas Parliament has received many petitions from private individuals and from various organisations representing EU citizens, complaining about different aspects of urbanisation, and whereas it has noted that many of the issues raised in the petitions submitted in relation to urban expansion do not constitute infringements of Community law, as is evidenced by the communications to the Member States, and should be settled by exhausting the legal remedies available in the Member States concerned,
- U. whereas there is growing evidence that the judicial authorities in Spain have begun to respond to the challenge resulting from excessive urbanisation in many coastal areas, in particular by investigating and bringing charges to bear against certain corrupt local officials who, by their actions, have facilitated unprecedented and unregulated urban developments to the detriment of the rights of EU citizens, thereby damaging irretrievably the biodiversity and environmental integrity of many regions of Spain; whereas Parliament has observed, however, in response to such charges, that procedures remain outrageously slow and that the sentences handed down in many of these cases are incapable of being enforced in a way which provides any satisfaction to the victims of such abuse, and whereas this has strengthened the impression shared by many non-Spanish EU citizens affected regarding the inactivity and/or partiality of Spanish justice; whereas it is noteworthy, however, that there is also an avenue of appeal to the European Court of Human Rights, once domestic remedies have been exhausted,

<sup>(1)</sup> See the above-mentioned resolution of 21 June 2007 and the resolution of 13 December 2005 on the alleged abuse of the Valencian Land Law or Ley Reguladora de la Actividad Urbanística (LRAU – law on development activities) and its effect on European citizens (Petitions 609/2003, 732/2003, 985/2002, 1112/2002, 107/2004 and others) (OJ C 286 E, 23.11.2006, p. 225).

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- V. whereas such widespread activity, supported by irresponsible local and regional authorities through inadequate and sometimes unjustified legislation which in many cases runs counter to the objectives of several European legislative acts, has been most damaging to the image of Spain and to its broader economic and political interests in Europe, as has the lax application of the urban planning and environmental laws in force in the Spanish autonomous communities to certain urban development operations, as well as the emergence of major cases of corruption stemming from such abuse,
- W. whereas regional ombudsmen have frequently acted, in very difficult circumstances, to defend the interests of EU citizens in cases related to urbanisation abuses, although in some autonomous communities regional governments have on occasion been able to pay no heed to their efforts,
- X. whereas Article 33 of the Spanish Constitution makes reference to the rights of individuals to their property, and whereas there have been different interpretations of that article, notably as regards the provision of property for social use as opposed to the rights of individuals to their legally acquired homes and dwellings; whereas no ruling on the application of the land laws in the Valencian region has been given,
- Y. whereas Article 47 of the Spanish Constitution provides that all Spaniards have the right to enjoy decent and adequate housing, and tasks the public authorities with promoting the requisite conditions and establishing the relevant rules to make that right effective, and with regulating land use in the general interest in order to prevent speculation,
- Z. whereas the national government in Spain has a duty to apply the EC Treaty and to defend and ensure the full application of European law on its territory, irrespective of the internal organisation of the political authorities as established by the Constitution of the Kingdom of Spain,
- AA. whereas the Commission, acting pursuant to the powers conferred on it by Article 226 of the EC Treaty, has brought proceedings against Spain before the Court of Justice in a case involving the excessive urbanisation abuses which have occurred in Spain which directly concerns the implementation by the Valencian authorities of the Directive on Public Procurement <sup>(1)</sup>,
- AB. whereas the Commission, at the request of the Committee on Petitions, has launched an investigation into more than 250 urbanisation projects which have received a negative opinion from the competent water authorities and river basin authorities and which may therefore place the projects in contravention of the Water Framework Directive <sup>(2)</sup>, notably in Andalucía, Castilla-la-Mancha, Murcia and Valencia,
- AC. whereas many of those urbanisation projects are detached from consolidated urban areas and require substantial expenditure in respect of basic services such as electricity and water supplies and road infrastructure; whereas investment in those projects often includes an element of EU funding,
- AD. whereas in many documented cases of urbanisation problems in Spain the Commission has failed to act sufficiently forcefully, not only as regards enforcement of the precautionary principle underlying environmental law but also because of its lax interpretation of acts by competent local or regional authorities which have binding legal effect, such as the 'provisional approval' of an integrated urban development plan by a local authority,

<sup>(1)</sup> Directive 2004/18/EC of the European Parliament and of the Council of 31 March 2004 on the coordination of procedures for the award of public works contracts, public supply contracts and public service contracts (OJ L 134, 30.4.2004, p. 114).

<sup>(2)</sup> Directive 2000/60/EC of the European Parliament and of the Council of 23 October 2000 establishing a framework for Community action in the field of water policy (OJ L 327, 22.12.2000, p. 1).

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- AE. whereas the objective of the Strategic Environmental Impact Assessment Directive <sup>(1)</sup>, Article 3 of which explicitly covers tourism and urbanisation, is to provide for a high level of protection of the environment and to contribute to the integration of environmental considerations into the preparation and adoption of plans and programmes with a view to promoting sustainable development; and whereas the Water Framework Directive requires Member States to prevent the deterioration of their waters and to promote the sustainable use of their fresh water resources,
- AF. whereas successive fact-finding visits by the Committee on Petitions have shown that these objectives seem to be frequently misunderstood by some local and regional authorities (not just in the coastal regions) when proposing or agreeing to extensive urbanisation programmes; whereas most urbanisation plans contested by petitions involve the reclassification of rural land into land zoned for urbanisation – to the considerable economic benefit of the urbanisation agent and the developer; and whereas there are also many instances of protected land, or land which should be protected because of its sensitive biodiversity, being de-listed and reclassified, or not being listed at all, precisely to allow for urbanisation of the area concerned,
- AG. whereas such considerations compound the abuse which is felt by thousands of EU citizens who, as a result of the plans of the urbanisation agents, have not only lost their legitimately acquired property but have been forced to pay the arbitrary cost of unwanted, often unnecessary and unwarranted infrastructure projects directly affecting their property rights, the end result of which has been financial and emotional catastrophe for many families,
- AH. whereas many thousands of European citizens have, in different circumstances, bought property in Spain in good faith acting with local lawyers, town planners and architects, only to find later that they have become victims of urbanisation abuse by unscrupulous local authorities and that, as a result, their property faces demolition because their homes have been found to be illegally built and therefore worthless and unsaleable,
- AI. whereas real estate agents in Member States such as the UK, and other providers of services related to the real estate market in Spain, continue to market property in new urbanisations even when they are necessarily aware that there is a clear possibility that the project in question will not be completed or built,
- AJ. whereas the natural Mediterranean island and coastal areas of Spain have suffered extensive destruction in the last decade as cement and concrete have saturated these regions in a way which has affected not only the fragile coastal environment – much of which is nominally protected under the Habitats <sup>(2)</sup>/Natura 2000 and Birds <sup>(3)</sup> Directives, such as urbanisations in Cabo de Gata (Almería) and in Murcia – but also the social and cultural activity of many areas, which constitutes a tragic and irretrievable loss to their cultural identity and heritage as well as to their environmental integrity, and all this primarily because of the absence of supra-municipal planning or regional planning guidelines placing reasonable limits on urban growth and development, set on the basis of explicit criteria of environmental sustainability, and because of the greed and speculative behaviour of certain local and regional authorities and members of the construction industry who have succeeded in deriving massive benefits – most of which have been exported <sup>(4)</sup> – from their activities in this regard,
- AK. whereas this model of growth also has negative consequences for the tourism sector, since it has a devastating impact on quality tourism given that it destroys local values and encourages excessive urban expansion,
- AL. whereas this is a model that pillages cultural goods and ruins the values and distinct features of identity that are fundamental to Spain's cultural diversity, destroying archaeological sites, buildings and places of cultural interest, as well as the natural environment and landscape surrounding them,

<sup>(1)</sup> Directive 2001/42/EC of the European Parliament and of the Council of 27 June 2001 on the assessment of the effects of certain plans and programmes on the environment (OJ L 197, 21.7.2001, p. 30).

<sup>(2)</sup> Council Directive 92/43/EEC of 21 May 1992 on the conservation of natural habitats and of wild fauna and flora (OJ L 206, 22.7.1992, p. 7).

<sup>(3)</sup> Council Directive 79/409/EEC of 2 April 1979 on the conservation of wild birds (OJ L 103, 25.4.1979, p. 1).

<sup>(4)</sup> Note the recent reports issued by the Bank of Spain, Greenpeace and Transparency International.

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AM. whereas the building industry, having made considerable profits during the years of rapid economic expansion, has become a primary casualty of the current collapse of the financial markets, itself partly provoked by speculative ventures in the housing sector, and whereas this affects not only the companies themselves, who are now confronted with bankruptcy, but also the tens of thousands of workers in the building industry who now face unemployment because of the unsustainable urbanisation policies which were pursued and of which they now have also become victims,

1. Calls on the Government of Spain and of the regions concerned to carry out a thorough review and to revise all legislation affecting the rights of individual property owners as a result of massive urbanisation, in order to bring an end to the abuse of rights and obligations enshrined in the EC Treaty, in the Charter of Fundamental Rights, in the ECHR and in the relevant EU Directives, as well as in other conventions to which the EU is a party;

2. Calls on the Spanish authorities to abolish all legal forms that encourage speculation, such as urbanisation agents;

3. Considers that the competent regional authorities should suspend and review all new urbanisation plans which do not respect the strict criteria of environmental sustainability and social responsibility and which do not guarantee respect for the rightful ownership of legitimately acquired property, and should halt and cancel all existing developments where criteria laid down in EU law, notably as regards the award of urbanisation contracts and compliance with provisions relating to water and the environment, have not been respected or applied;

4. Requests the Spanish authorities to ensure that no administrative act that would oblige a citizen to cede legitimately acquired private property finds its legal base in a law which has been adopted after the date of construction of the property in question, since this would infringe the principle of non-retroactivity of administrative acts which is a general principle of Community law (see the judgment of the Court of Justice of 29 January 1985 in Case 234/83 *Gesamthochschule Duisburg* [1985] ECR 327) and would undermine guarantees affording citizens legal certainty, confidence and legitimate expectations of protection under EU law;

5. Calls on the Spanish authorities to develop a culture of transparency geared to informing citizens about soil management and fostering effective mechanisms for public information and participation;

6. Urges the Spanish Government to hold a public debate, with the participation of all administrative bodies, that would involve a rigorous study through the setting-up of a working committee on urban development in Spain and that would make it possible to take legislative measures against speculation and unsustainable development;

7. Urges the competent national and regional authorities to establish functioning judicial and administrative mechanisms, involving the regional ombudsmen, which are given the authority to provide ways of speeding up redress and compensation for victims of urbanisation abuse who have suffered as a result of the application of the provisions of existing legislation;

8. Requests the competent financial and commercial bodies concerned with the construction and urbanisation industry to work together with the political authorities in seeking solutions to the problems resulting from large-scale urbanisation, which has affected numerous EU citizens who have chosen to take advantage of the provisions of the EC Treaty and who have exercised their rights of establishment under Article 44 in a Member State which is not their country of origin;

9. Urges the competent national, regional and local authorities to guarantee a fair settlement for the many ongoing cases of EU citizens affected by non-completion of their houses as a result of the poor planning and coordination between institutions and construction companies;

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10. Points out that, if aggrieved parties fail to obtain satisfaction in the Spanish courts, they will have to appeal to the European Court of Human Rights, given that the alleged violations of the fundamental right to property do not come within the jurisdiction of the Court of Justice;
11. Calls on the EU institutions to provide advice and support, if requested so to do by the Spanish authorities, in order to provide them with the means to surmount effectively the disastrous impact of massive urbanisation on citizens' lives within a duly short yet reasonable time-frame;
12. Calls on the Commission, at the same time, to ensure strict respect for the application of Community law and of the objectives laid down in the Directives covered by this resolution, so that compliance therewith can be assured;
13. Expresses its deep concern and dismay that the legal and judicial authorities in Spain have encountered difficulties in dealing with the impact of massive urbanisation on peoples' lives, as evidenced by the thousands of representations received by Parliament and its responsible committee on this issue;
14. Considers it alarming that there appears to be a widespread lack of confidence among the petitioners in the Spanish judicial system as an effective means of obtaining redress and justice;
15. Expresses concern over the lack of correct transposition of the Directives on money laundering <sup>(1)</sup>, which is currently the subject of Treaty infringement proceedings and which has limited the transparency and legal pursuit of the illicit circulation of financial capital including investments in certain large-scale urbanisation projects;
16. Takes the view that persons who have bought property in Spain in good faith, only to find that the transaction has been declared illegal, should have the right to appropriate compensation through the Spanish courts;
17. Considers that if private individuals who have bought property in Spain in the knowledge of the likely illegality of the transaction concerned can be obliged to bear the costs of their risk-taking, this must apply by analogy *a fortiori* to professionals in the field; considers therefore that developers who have entered into contracts the unlawfulness of which they should have known about ought not to be entitled to compensation for plans that are abandoned due to non-compliance with national and European law, and should not have any automatic right of to recover payments already made to municipalities when these have been made in the knowledge of the likely illegality of the contract entered into;
18. Believes, nevertheless, that the absence of clarity, precision and certainty with regard to individual property rights contained in existing legislation, and the lack of any proper and consistent application of environmental law, are the root cause of many problems related to urbanisation and that this, combined with a certain laxity in the judicial process, has not only compounded the problem but has also generated an endemic form of corruption of which, once again, the EU citizen is the primary victim, but which has also caused the Spanish State to suffer significant loss;
19. Supports the conclusions reached by the Valencian Community's Ombudswoman (Síndica de Greuges) – an institution justly famed for its defence of citizens' fundamental rights – which state that owners' rights may have been affected, whether as a result of being undervalued by the developer, or by such owners having to shoulder sometimes excessive development charges unilaterally imposed by the developer;

<sup>(1)</sup> Directive 2005/60/EC of the European Parliament and of the Council of 26 October 2005 on the prevention of the use of the financial system for the purpose of money laundering and terrorist financing (OJ L 309, 25.11.2005, p. 15); Commission Directive 2006/70/EC of 1 August 2006 laying down implementing measures for Directive 2005/60/EC of the European Parliament and of the Council as regards the definition of politically exposed person and the technical criteria for simplified customer due diligence procedures and for exemption on grounds of a financial activity conducted on an occasional or very limited basis (OJ L 214, 4.8.2006, p. 29).

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20. Considers that access to information and citizens' involvement in the development process need to be guaranteed from the outset of the process, and that environmental information should be made available to citizens in a clear, simple and comprehensible form;

21. Believes that no properly delimited definition of 'general interest' has been given either in existing development legislation or by the appropriate authorities, and that this term is used to approve projects which are environmentally unsustainable, and in certain cases to circumvent negative environmental impact assessments and reports by the respective Hydrographic Confederations;

22. Recognises and supports the efforts of the Spanish authorities to protect the coastal environment and, where possible, to restore it in a way which allows bio-diversity and the regeneration of indigenous species of flora and fauna; in this specific context appeals to them to review the Coastal Law as a matter of urgency and if necessary to revise it in order to protect the rights of legitimate home-owners and those who own small plots of land in coastal areas which do not impact negatively on the coastal environment; emphasises that such protection should not be afforded to those developments which are planned as speculative ventures and do not respect the applicable EU environmental Directives; undertakes to review such petitions as have been received on this subject in the light of responses received from the competent Spanish authorities;

23. Expresses concern over the urban planning situation of the municipality of Marbella in Andalucía, where tens of thousands of homes built illegally, probably in contravention of EU legislation on environmental protection and public participation, water policy and public procurement, are about to be legalised by a new general plan for the town, resulting in an absence of legal certainty and safeguards for home buyers, property owners and citizens in general;

24. Pays tribute to, and fully supports the activities of, the regional ombudsmen ('síndics de greuges') and their staff, as well as the more assiduous public prosecutors ('fiscales') who have done a considerable amount to restore the application by the institutions affected of the correct procedures concerning these issues;

25. Also praises the activity of the petitioners, their associations and the local community associations, involving tens of thousands of Spanish and non-Spanish citizens, who have brought these issues to Parliament's attention and who have been instrumental in safeguarding the fundamental rights of their neighbours and of all those affected by this complex problem;

26. Recalls that the Environmental Impact Assessment Directive<sup>(1)</sup> and the Strategic Environmental Impact Assessment Directive<sup>(2)</sup> impose an obligation to consult the public concerned at a stage when plans are being established and drawn up, not – as so often has happened in cases brought to the attention of Parliament's Committee on Petitions – after the plans have been *de facto* agreed by the local authority; recalls, in the same context, that any substantial modification to existing plans must also respect this procedure and that plans must also be current and not statistically inaccurate or out of date;

27. Recalls also that the Commission is empowered by Article 91 of Regulation (EC) No 1083/2006<sup>(3)</sup> to interrupt the payment of structural funding, and by Article 92 to suspend such funding to a Member State or region concerned, and to establish corrections in relation to projects in receipt of funding which are subsequently deemed not to have fully complied with the rules governing the application of relevant EU legislative acts;

<sup>(1)</sup> Council Directive 85/337/EEC of 27 June 1985 on the assessment of the effects of certain public and private projects on the environment (OJ L 175, 5.7.1985, p. 40).

<sup>(2)</sup> Directive 2001/42/EC of the European Parliament and of the Council of 27 June 2001 on the assessment of the effects of certain plans and programmes on the environment (OJ L 197, 21.7.2001, p. 30).

<sup>(3)</sup> Council Regulation (EC) No 1083/2006 of 11 July 2006 laying down general provisions on the European Regional Development Fund, the European Social Fund and the Cohesion Fund (OJ L 210, 31.7.2006, p. 25).

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28. Recalls also that Parliament, as the budgetary authority, may also decide to place funding set aside for cohesion policies in the reserve if it considers this necessary in order to persuade a Member State to end serious breaches of the rules and principles which it is obliged to respect either under the Treaty or as a result of the application of EU law, until such time as the problem is resolved;
29. Reiterates the conclusions contained in its previous resolutions by calling in question the methods of designation of urbanisation agents and the frequently excessive powers often given to town planners and property developers by certain local authorities at the expense of communities and the citizens who have their homes in the area;
30. Calls once again on local authorities to consult their citizens and involve them in urban development projects in order to encourage fair, transparent and sustainable urban development where this is necessary, in the interest of local communities and not in the sole interest of property developers, estate agents and other vested interests;
31. Calls on the authorities responsible for urban development to extend development consultation processes to property-owners, with acknowledgement of receipt, whenever there are changes to the classification of their properties, and to propose to local authorities that they issue direct, personal invitations during the zoning plan or reclassification appeal proceedings;
32. Strongly condemns the illicit practice whereby certain property developers undermine by subterfuge the legitimate ownership of property by EU citizens by interfering with land registration and cadastral notifications, and calls on local authorities to establish proper legal safeguards to counter this practice;
33. Reaffirms that, where compensation is payable for loss of property, it should be awarded at a suitable rate and in conformity with the law and the case-law of the Court of Justice and of the European Court of Human Rights;
34. Recalls that the Unfair Commercial Practices Directive<sup>(1)</sup> obliges all Member States to provide appropriate means of obtaining legal redress and remedies for consumers who have been victims of such practices and to ensure that adequate sanctions are in place to counter such practices;
35. Once again calls on the Commission to initiate an information campaign directed at EU citizens buying real estate in a Member State other than their own;
36. Instructs its President to forward this resolution to the Commission and the Council, to the Government and Parliament of the Kingdom of Spain and the Autonomous Regional Governments and Assemblies, to the national and regional ombudsmen of Spain and to the petitioners.

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<sup>(1)</sup> Directive 2005/29/EC of the European Parliament and of the Council of 11 May 2005 concerning unfair business-to-consumer commercial practices in the internal market (OJ L 149, 11.6.2005, p. 22).

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## The state of transatlantic relations in the aftermath of the US elections

P6\_TA(2009)0193

### European Parliament resolution of 26 March 2009 on the state of transatlantic relations in the aftermath of the US elections (2008/2199(INI))

(2010/C 117 E/32)

The European Parliament,

- having regard to its previous resolutions on transatlantic relations, in particular its two resolutions of 1 June 2006 on improving EU-US relations in the framework of a Transatlantic Partnership Agreement <sup>(1)</sup> and on EU-US transatlantic economic relations <sup>(2)</sup>, and its resolution of 25 April 2007 on transatlantic relations <sup>(3)</sup>, as well as the most recent one of 5 June 2008 on the EU-US Summit <sup>(4)</sup>,
  - having regard to the Transatlantic Declaration on EU-US Relations of 1990 and the New Transatlantic Agenda (NTA) of 1995,
  - having regard to the outcome of the EU-US Summit held on 10 June 2008 in Brdo,
  - having regard to the conclusions of the informal meeting of the General Affairs Council held on 8 January 2009 concerning the priority areas for transatlantic cooperation during the Czech Presidency (economic and financial cooperation, energy security, preparation of the UN Conference on climate change and reinforced dialogue on the Middle East, Afghanistan and Iran),
  - having regard to the joint declarations by the 64th Transatlantic Legislators' Dialogue (TLD) held in May 2008 in Ljubljana and the 65th TLD held in December 2008 in Miami,
  - having regard to the conclusions of the European Council of 11 and 12 December 2008,
  - having regard to the Summit Declaration of the North Atlantic Council held in Bucharest on 3 April 2008,
  - having regard to its resolutions on the EU's approach towards, *inter alia*, the Middle East, Afghanistan, Iran and Iraq, on the UN and the Millennium Development Goals (MDGs) and on energy security,
  - having regard to Rule 45 of its Rules of Procedure,
  - having regard to the report of the Committee on Foreign Affairs and the opinions of the Committee on International Trade and the Committee on Economic and Monetary Affairs (A6-0114/2009),
- A. whereas the inauguration of the new US President opens up a new era in the history of the United States, has been received with great expectations in the world and has the potential to give the transatlantic partnership a new impetus,
- B. whereas the European Union is an increasingly important player on the world stage and whereas, once the Lisbon Treaty with its foreign policy tools comes into effect, the EU will be able to play a stronger and more coherent role on the international scene,

<sup>(1)</sup> OJ C 298 E, 8.12.2006, p. 226

<sup>(2)</sup> OJ C 298 E, 8.12.2006, p. 235.

<sup>(3)</sup> OJ C 74 E, 20.3.2008, p. 670.

<sup>(4)</sup> Texts adopted, P6\_TA(2008)0256.



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- C. whereas according to surveys most Europeans support the idea that the EU should assume a more prominent role on the world stage; whereas the majority of Europeans and Americans feel that the EU and the US should address international threats in partnership,
- D. whereas many Europeans expect from the new US administration a cooperative attitude in the international field and a strengthening of the EU-US relationship, based on mutual respect and mutual understanding of the partners' constraints and priorities,
- E. whereas the transatlantic partnership must remain a cornerstone of the external action of the Union,
- F. whereas the transatlantic partnership is founded on shared core values such as democracy, human rights, the rule of law and multilateralism as well as common goals such as open and integrated economies and sustainable development; whereas this foundation remains solid in spite of some differences in the last years,
- G. whereas the EU and the US play key roles in the world's politics and economy, and share responsibility for promoting peace, respect for human rights and stability and for tackling various global dangers and challenges, such as the deep financial crisis, the eradication of poverty and fulfilment of other MDGs, climate change, energy security, terrorism and nuclear proliferation,
- H. whereas in an increasingly global, complex and changing world, it is in the interest of both partners, the EU and the US, to shape the international environment together and to confront in unison common threats and challenges on the basis of international law and multilateral institutions, in particular the UN system, and to invite other partners to cooperate in this effort,
- I. whereas it is necessary to involve emerging players in responsibility for the world order, because, as the then presidential candidate Barack Obama said in Berlin in July 2008, 'no one nation, no matter how large or powerful', can defeat global challenges alone,
- J. whereas, given the importance of their relationship and their responsibility for the international order, and given the changes that both partners and the world are undergoing, it is necessary that the EU-US partnership be founded on a solid and updated basis such as a new partnership agreement,
- K. whereas the transatlantic partnership and NATO are indispensable for collective security,
- L. whereas the work of the Transatlantic Economic Council (TEC) needs to continue towards the goal of a genuine, integrated transatlantic market; whereas joint leadership is needed to conduct a decisive reform of the international economic institutions in the current crisis,
- M. whereas the gross domestic product (GDP) of the EU and the US represents more than half of the global GDP; whereas the two partners have the world's largest bilateral trade and investment partnership, with, according to the Commission, almost 14 million jobs in the EU and US dependent on transatlantic commercial and investment ties,

***Bilateral institutional issues***

1. Congratulates Barack Obama on his election as President of the United States of America; recalls his emphatic commitment to the transatlantic partnership made in his Berlin speech in July 2008, in which he said that 'America has no better partner than Europe' and added that now was the time to join together to meet the challenges of the 21st century; reiterates its invitation to President Obama to address the European Parliament in plenary during his first official visit to Europe;

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2. Calls on the Council, the EU Member States and the Commission to enhance the coordination and coherence of the EU's policy vis-à-vis the new US administration;
3. Is convinced that the EU-US relationship is the most important strategic partnership for the EU; believes that EU-US coordinated action on tackling global challenges while respecting international law and strengthening multilateralism is of fundamental importance for the international community; urges the Czech Presidency of the Council and the Commission to establish with the new US administration a common agenda of short and long-term goals with regard to both bilateral matters and global and regional issues and conflicts;
4. Warmly welcomes the upcoming summit to be held in Prague on 5 April 2009 between President Obama and the 27 EU Heads of State and Government, and hopes that that meeting will provide a strong impetus for the strengthening of the transatlantic relationship and the establishment of a common agenda;
5. Underlines that the current momentum should also be used to improve and renew the framework of the transatlantic relationship; insists on the need to replace the existing NTA of 1995 with a new Transatlantic Partnership Agreement, providing a more stable and a more up-to-date basis for the relationship;
6. Deems it appropriate for the negotiation of the new agreement to commence once the Lisbon Treaty comes into force, so that it may be completed before 2012;
7. Is convinced that the TEC, as the body responsible for enhancing economic integration and regulatory cooperation, should be included in the new agreement; welcomes the fact that the TEC is advised by a range of stakeholders, including representatives of business, and asks that a comparable role be given to representatives of the trade union movement on each side of the Atlantic;
8. Recommends that the EU-US summits take place twice a year, in order to provide the partnership with strategic direction and impetus, and that they proceed to exercise adequate oversight regarding implementation of the objectives previously identified;
9. Is of the view that the new agreement should establish a body for systematic high-level consultation and coordination in respect of foreign and security policy; recommends that this body be chaired by the High Representative/Vice-President of the Commission on the EU side and by the Secretary of State on the US side, and that it meet at least every three months, without prejudice to informal contacts; suggests that this mechanism could be called the Transatlantic Political Council (TPC);
10. Reaffirms that the new agreement should upgrade the current TLD into a transatlantic assembly, serving as a forum for parliamentary dialogue, identification of objectives and joint scrutiny of the implementation of the agreement, and for coordination of the work of both the European Parliament and the US Congress on issues of common concern, including close cooperation of committees and rapporteurs from both sides; considers that this assembly should meet in plenary twice a year and be comprised on an equal basis of both Members of the European Parliament and Members of both Houses of the US Congress; is of the view that the assembly could establish working groups to prepare the plenary meetings; reiterates that a reciprocal legislative early-warning system should be created within this assembly; believes that a steering committee should be responsible for enhancing cooperation between the legislative committees and rapporteurs of the European Parliament and the US Congress on legislation which is relevant with regard to further integration of the transatlantic market and in particular to the work of the TEC;
11. Considers that the transatlantic assembly should be kept informed by the TEC and the TPC about their activities, including the right to conduct hearings with representatives of those Councils, and that it should be able to make proposals to both Councils and to the EU-US summits; requests that, besides strengthening the role of parliamentarians within the TEC, both co-chairs of the assembly be invited to participate in the opening session of meetings of both Councils and of the EU-US summits;

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12. Invites the US Congress, in full cooperation with the European Parliament, to reflect on the possibility of setting up a US Congress liaison office in Brussels;
13. Invites Parliament's Secretary-General to proceed as a matter of the utmost urgency with the implementation of the Bureau's decision of 11 December 2006 on the deployment of an official to Washington as Liaison Officer;
14. Insists on the advantages of a joint programme of staff exchanges and invites Parliament's Secretary-General to examine with the clerks of the US House of Representatives and the Senate the feasibility of a joint memorandum on staff exchanges similar to that agreed between Parliament and the UN Secretariat;
15. Underlines that the transatlantic partnership must be backed up by a deep understanding and closer ties between the parties' civil societies; insists on the need to increase exchanges among students, academics and other civil society actors from both sides so as to ensure that present and future generations gain mutual understanding and remain committed to this partnership; considers that back-up support for this initiative should be provided from the 2010 EU budget and from the relevant US institutions' budgets so as to ensure its effective development;
16. Warmly welcomes the growing presence of organisations of American parentage in Brussels and in particular their commitment to the European Union, its institutions and a strengthened EU-US partnership; stresses that European organisations need to give a similar commitment to operate in Washington DC in order to raise the profile of the EU and that of European perspectives on transatlantic and global issues in the US political community; is aware that European institutions are often unable to match the resources available to their American counterparts; therefore suggests that funding be made available and prioritised for projects organised by European organisations which are aimed at enhancing the awareness and understanding of European issues and perspectives in the United States;
17. Calls on the EU and the US to strengthen their cooperation in the field of culture, and to continue to foster and promote the mutual benefits resulting from cultural exchanges;
18. Stresses the importance of closer cooperation in space programmes, in particular between the ESA (European Space Agency) and NASA;

### ***Global challenges***

19. Urges both partners to engage in effective multilateralism, involving emerging players in a spirit of shared responsibility for the global order, respect for international law and common problems; insists that the EU and the US increase their efforts to accomplish the UN Reform Agenda, including the reform of the UN Security Council and of other multilateral forums within the global architecture;
20. Calls on both partners to promote respect for human rights in the world as a key element of their policy; underlines the need for intensive coordination in preventive and crisis diplomacy, as well as in responding in a coordinated and efficient way to pandemics and humanitarian emergencies; calls on the new US administration to ratify and accede to the Rome Statute of the International Criminal Court; repeats its appeal for the abolition of the death penalty;
21. Calls on both partners to contribute decisively to the achievement of the MDGs, particularly in Africa, which must not be placed in jeopardy by the economic crisis, and to study possibilities for coordinated action in those areas; calls on both partners to honour their commitment to spend 0.7 % of their GDP on development cooperation;
22. Calls on both partners to jointly lead the multilateral efforts, launched at the Washington Conference on 15 November 2008, to resolve the current financial and economic crisis and to reform the international financial system, the World Bank and the IMF, involving the emerging powers, while resisting protectionism and promoting a successful conclusion of the WTO Doha round;

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23. Welcomes the strong commitment of the new US President to tackling climate change; urges the EU and the US to take the lead and to reach an ambitious post-2012 agreement at the Copenhagen Conference to be held in 2009, engaging all relevant gas-emitting countries and committing them to binding mid- and long-term targets;

24. Calls for closer cooperation between the EU and the US in the field of energy; urges that efficient coordination of their approaches towards the producing countries and strengthening diversity in supply, resources and transportation be regarded as a priority; advocates closer scientific and technological cooperation on energy and energy efficiency;

25. Draws attention to the National Intelligence Council (NIC) report entitled 'Global Trends 2025: A Transformed World', and, given the need for long-term strategic thinking on policy issues within the EU institutions, urges the Czech (from January to June 2009) and Swedish (from July to December 2009) Presidencies to strive to establish a system of analysis similar to that used by the NIC, in order to identify long-term trends from an EU perspective, working in close cooperation with the EU Institute for Security Studies; is convinced that this step will facilitate dialogue on the main strategic issues faced by the transatlantic partnership in the long term;

### **Regional issues**

26. Underlines that a peaceful and just settlement of the Middle East conflict is vital, and welcomes the fact that it will represent one of the most urgent priorities of the new US administration; asks the US administration to coordinate closely with the EU and engage in the Quartet; welcomes the early appointment of a US special envoy for the Middle East in the person of the former Senator George Mitchell; emphasises that both partners should strive for intensification of the negotiations based on the road map and the Annapolis Conference achievements, with the objective of a two-state solution; urges both partners to work closely together in order to help make the current fragile ceasefire in Gaza solid and durable, while involving the regional actors and contributing to the achievement of the goals of UN Security Council Resolution 1860 of 8 January 2009 (S/RES/1860(2009)), such as an immediate humanitarian relief for the population of Gaza and the assurance that illicit trafficking in arms and ammunition is prevented and the blockade of Gaza is lifted; calls on the transatlantic partners to support efforts for inter-Palestinian reconciliation, and points out the importance of improving the living conditions of Palestinians in both the West Bank and Gaza, including the reconstruction of Gaza;

27. Urges the EU and the US to work together in renewing strategies to promote efforts to strengthen respect for human rights and democracy in the Middle East, based on their economic and soft power in the region;

28. Underlines that the values, security and credibility of the transatlantic community are at stake in Afghanistan; urges the EU, the US, NATO and the UN to come up with a new joint strategic concept which comprehensively integrates the components of the international engagement, in order to increase security in all regions, strengthen the Afghan governmental and local institutions and aid nation-building and prosperity in close cooperation with neighbouring states; considers that the final goal must be a gradual handover of responsibility for security and stability into the hands of the Afghan authorities; recalls UN Security Council resolution 1833 of 22 September 2008 (S/RES/1833(2008)), which encourages all Afghan parties and groups to engage constructively in political dialogue and to avoid resorting to violence;

29. Calls on the EU and the US to develop a joint strategy towards Pakistan, aimed at strengthening its democratic institutions, the rule of law and its ability to fight terrorism, while encouraging Pakistan's involvement in responsibility for stability in the region, including the security of the Afghan border, and full governmental control of Pakistan's border provinces and tribal areas; welcomes the nomination of Richard Holbrooke as a single special envoy for the Pakistan-Afghan region;

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30. Underlines that the Iranian nuclear programme endangers the non-proliferation system and stability in the region and the world; welcomes the announcement by President Obama that consideration will be given to direct contacts with the Iranian side and supports the objective, pursued jointly by both partners, of finding a negotiated solution with Iran, following the dual strategy of dialogue and sanctions, in coordination with other members of the Security Council and the International Atomic Energy Agency; considers that any initiatives that one of the partners may launch concerning Iran must be closely coordinated between them in a spirit of trust and transparency; calls on the transatlantic partners to define as soon as possible a common approach towards Iran, without waiting until the issue needs to be confronted as a matter of urgency;

31. Welcomes the ratification of the US-Iraqi agreement on the presence in Iraq of US military forces; underlines the readiness of the EU to continue helping with the reconstruction of Iraq, in particular focusing on the rule of law, respect for human rights, consolidation of the state institutions and support for the economic development of Iraq and its reintegration into the world economy; calls on the partners to continue, by means of coordinated efforts, to work with the Iraqi government and the UN in order to improve stability and national reconciliation and to contribute to the unity and independence of Iraq;

32. Urges both parties to closely coordinate their policies towards Russia; conscious of Russia's relevance as a neighbouring country, of its interdependence with the EU and of its role as a major player on the regional and global level, emphasises the importance of building up with Russia constructive cooperation on challenges, threats and opportunities of mutual concern, including security matters, disarmament and non-proliferation, while respecting democratic principles, human rights standards and international law; underlines in this regard the need to enhance mutual trust between the transatlantic partners and Russia and to intensify the cooperation within the NATO-Russia Council; calls on both transatlantic partners to closely coordinate their approach towards any reform of the European security architecture, while observing the OSCE principles and maintaining the coherence of NATO; considers that developments in this architecture, which also involves international arrangements such as the Treaty on Conventional Forces in Europe, need to be addressed in dialogue with Russia and also other non-EU OSCE member countries;

33. Welcomes the recent statements by US Vice-President Joe Biden at the European Security Conference in Munich indicating that the US will continue the consultations with its NATO allies and Russia on the US missile defence system and adding that the new administration would consider the costs and efficiency of the system; notes some signals from Russia that it would suspend the plans to station short-range Iskander missiles in Kaliningrad;

34. Calls on the EU and US to develop a common strategy concerning the six eastern European countries (Moldova, Ukraine, Georgia, Armenia, Azerbaijan and Belarus), encompassed by the European Neighbourhood Policy, in order to achieve substantial and lasting results in the implementation of the new Eastern Partnership and Black Sea Synergy;

35. Urges both partners to pay special attention to Latin America and its regional organisations in particular, coordinating efforts to promote the consolidation of democracy, respect for human rights, good governance, the fight against poverty, the strengthening of social cohesion, market economies, the rule of law including the fight against organised crime and drug trafficking, and supporting regional integration as well as cooperation in respect of climate change;

36. Recommends also the promotion of a common approach to other major geopolitical players such as China, India or Japan, as well as to the various crises and problems in sub-Saharan Africa;

#### ***Defence, arms control and security matters***

37. Underlines the importance of NATO as the cornerstone of transatlantic security; welcomes the decision by the European Council in December 2008 to strengthen the strategic partnership between the EU and NATO, and calls on both partners to accelerate the creation of an EU-NATO high-level group in order to improve cooperation between the two organisations; suggests that discussions be held on the value of a Euro-Atlantic Security Strategy that could define common security concerns and interests;

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38. Emphasises the growing importance of the European Security and Defence Policy and the need to continue improving the civilian and military capabilities of Europe; welcomes the recognition by the Bucharest NATO summit held in April 2008 of the value of an enhanced European defence capability for the strengthening of transatlantic security;

39. Invites the EU and the US to adopt a common strategy in all international forums, in particular the UN, on disarmament of weapons of mass destruction and conventional weaponry; urges the new US administration to re-engage with Russia in the area of arms control and disarmament, extending the two countries' current bilateral agreements; stresses the need for closer cooperation in order to ensure progress in the run-up to the NPT Review Conference in 2010, welcomes the commitment of the new US President to ratification of the Comprehensive Nuclear-Test-Ban Treaty;

40. Underlines the importance of strengthening transatlantic cooperation in the fight against terrorism on the basis of full respect for international law and human rights, and of supporting the role of the UN in combating this threat; points out the need to cooperate closely when the lives of hostages are at risk;

41. Welcomes the decision of US President Barack Obama to close the detention facility at Guantánamo Bay, as well as other related executive orders concerning lawful interrogations and CIA detention facilities, and encourages the US administration to close down any detention centres outside the United States which are not in accordance with international law, and to put an end explicitly to the policy of extraordinary rendition; calls on the Member States, should the US administration so request, to cooperate in finding, on a case-by case basis, solutions to the issue of accepting some of the Guantánamo inmates in the EU while respecting the duty of loyal cooperation to consult each other regarding possible effects on public security throughout the EU;

42. Stresses the importance of the prompt entry into force of the EU-US Extradition and Legal Assistance Agreements, and urges those Member States that have not yet ratified them to do so as soon as possible; emphasises that the effective implementation of those agreements requires a high degree of mutual trust built on full respect by all parties of human rights obligations, defence and fair trial rights and the rule of domestic and international law;

43. Underlines that the sharing of data and information is a valuable tool in the international fight against terrorism and transnational crime, but stresses that this must take place within a proper legal framework, ensuring adequate protection of civil liberties, including the right to privacy, and that it should be based on a binding international agreement, as agreed at the 2008 EU-US Summit;

44. Welcomes the recent extension of the visa waiver programme to another seven EU Member States; however, urges the US to lift the visa regime for the remaining five Member States and to treat all EU citizens equally and on the basis of full reciprocity; asks the Commission to treat this as a priority matter with the new US administration;

45. Is of the view that close EU-US cooperation in the area of justice and home affairs is also necessary in order to gradually build a transatlantic area of freedom, security and justice;

#### ***Economic and commercial issues***

46. Urges the partners to use the full potential of the TEC in order to overcome the existing obstacles to economic integration and to achieve a unified transatlantic market by 2015; requests the Commission, on the basis of the study authorised and financed by the European Parliament in its 2007 Budget, to draw up a detailed road map of existing obstacles which need to be removed with the aim of meeting that target date;

47. Underlines the importance of using the TEC also as a framework for macro-economic cooperation between both partners, and encourages the competent monetary institutions to strengthen their coordination;

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48. Welcomes the progress that has been made over recent months in promoting transatlantic economic integration; considers, in particular, that in areas such as investment, accounting standards, regulatory issues, the safety of imported products and the enforcement of intellectual property rights, improved cooperation has already resulted in significant progress and must be continued;

49. Believes, at the same time, that transatlantic economic cooperation must be made more accountable, transparent and predictable; considers that schedules of meetings, agendas, roadmaps and progress reports must be agreed upon between the core stakeholders as early as possible and should then be published on a website;

50. Takes the view that there is great potential for the United States and the European Union to adopt joint positions and initiatives in international forums, in view of the many trade interests that they have in common, for example non-discriminatory access to raw materials on the global market, the implementation of intellectual property rights and global patent harmonisation; suggests that it is in both parties' interests to better exploit this potential;

51. Was concerned about the new trade-inhibiting US stimulus Bill, notes, however, that it has been amended to comply with WTO rules and insists on the absolute need for a mutual response to the current crisis rather than the adoption of measures to seal the EU and the US off from one another;

52. Advocates gradually integrating the financial markets through mutual recognition combined with a degree of convergence of the current regulatory frameworks and through the establishment of occasional exemptions whenever possible; recalls that the basic principles for successful integration are free access to markets, regulations that conform to international standards, uniform application of those regulations and an ongoing dialogue with market stakeholders; calls on the EU and the US authorities to avoid setting up barriers to inward investment and enacting legislation having an extra-territorial impact without prior consultation and agreement;

53. Supports the removal of barriers that hinder investment and transatlantic financial services, and favours improving the integration of EU and US markets so that they compete better with emerging markets, subject to the establishment of a satisfactory framework of prudential rules to prevent a crisis on one side of the Atlantic affecting the other;

54. Points out that the integration of financial services markets without a parallel review of the regulatory framework and supervisory standards would make it harder for the authorities to exercise effective supervision; therefore advocates the adoption of regulations that guarantee competition, ensure increased transparency and effective supervision of products, financial institutions and markets, and create common risk management models, in line with agreements reached at the G20 Summit in November 2008;

55. Acknowledges that the US supervisory authorities have made progress in implementing the Basel II agreements with regard to large banks, but criticises the discrepancies that remain to be corrected as they impose additional burdens on American subsidiaries of European banks, thereby reducing their competitiveness, and notes that there are still some issues (financial holdings and small banks) that need to be cleared up as soon as possible; encourages the US Congress, therefore, to consider a more coherent supervisory structure in the banking and insurance sectors so as to facilitate EU-US coordination;

56. Calls for greater cooperation between the supervisory bodies in supervising the activities of cross-border financial institutions and preventing action by financial institutions domiciled in jurisdictions that are uncooperative and less than transparent, and calls for the abolition of tax havens;

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57. Urges the EU and US authorities to regulate credit rating agencies in accordance with jointly held principles and methods so as to restore confidence in ratings and place them on a sound footing; points out however that the EU needs to develop its own regulatory framework as the extra-territorial application of US Securities and Exchange Commission standards to US agencies operating in the European market would not be acceptable;

58. Agrees with the Commission that credit originator institutions should be obliged to retain a fraction of the credit issued in order to force them to accept their share of the risks transferred; calls for this issue to be raised in the transatlantic dialogue in order to preserve equal conditions at international level and limit systemic risks on the world financial markets; considers that a code of conduct should be agreed upon for sovereign wealth funds;

59. Calls on the new Congress to modify the US regulation which provides for the scanning of 100 % of inbound cargo and urges it to work closely with the EU to ensure the implementation of a multi-layered approach based on actual risk; notes that secure trade is particularly important in an ever more integrated global economy, but considers that this blunt measure represents a potential new trade barrier, imposing significant costs on economic operators, which will not bring any benefit in terms of supply chain security;

60. Believes that the TEC could usefully organise seminars on the 100 % scanning issue in Brussels and Washington in order to foster a deeper understanding between EU and US legislators and to promote an early and mutually acceptable resolution of this problem;

61. Recommends that the next TEC meeting should discuss whether it would be helpful to integrate more technical topics into the scope of the TEC and whether greater cooperation between the EU and the US is essential in order to achieve a workable cap-and-trade-emission system; recommends that existing common international benchmarks for energy-intensive industries should be developed or integrated into the TEC process;

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62. Instructs its President to forward this resolution to the Council, the Commission, the governments and parliaments of the Member States and the President and Congress of the United States of America.

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## Strengthening security and fundamental freedoms on the Internet

P6\_TA(2009)0194

### European Parliament recommendation of 26 March 2009 to the Council on strengthening security and fundamental freedoms on the Internet (2008/2160(INI))

(2010/C 117 E/33)

*The European Parliament,*

- having regard to the proposal for a recommendation to the Council by Stavros Lambrinidis on behalf of the PSE Group on strengthening security and fundamental freedoms on the Internet (B6-0302/2008),
- having regard to the International Covenant on Civil and Political Rights, the Convention for the Protection of Human Rights and Fundamental Freedoms (ECHR) and the Charter of Fundamental Rights of the European Union, and in particular the provisions thereof relating to the protection of personal data, freedom of expression, respect for private and family life, as well as the right to liberty and security,



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- having regard to Directive 95/46/EC of the European Parliament and of the Council of 24 October 1995 on the protection of individuals with regard to the processing of personal data and on the free movement of such data, <sup>(1)</sup> to Council Framework Decision 2008/977/JHA of 27 November 2008 on the protection of personal data processed in the framework of police and judicial cooperation in criminal matters, <sup>(2)</sup> to Directive 2003/98/EC of the European Parliament and of the Council of 17 November 2003 on the re-use of public sector information, <sup>(3)</sup> to the Commission's proposal of 13 November 2007 for a Directive of the European Parliament and of the Council amending Directive 2002/22/EC on universal service and users' rights relating to electronic communications networks, Directive 2002/58/EC concerning the processing of personal data and the protection of privacy in the electronic communications sector and Regulation (EC) No 2006/2004 on consumer protection cooperation (COM(2007)0698), to Directive 2006/24/EC of the European Parliament and of the Council of 15 March 2006 on the retention of data generated or processed in connection with the provision of publicly available electronic communications services or of public communications networks <sup>(4)</sup> and to the judgment of the Court of Justice of the European Communities of 10 February 2009 in Case C-301/06 *Ireland v Parliament and Council*,
  - having regard to Council Framework Decision 2005/222/JHA of 24 February 2005 on attacks against information systems, <sup>(5)</sup> to Council Framework Decision 2001/413/JHA of 28 May 2001 on combating fraud and counterfeiting of non-cash means of payment, <sup>(6)</sup> to Council Framework Decision 2008/919/JHA of 28 November 2008 amending Framework Decision 2002/475/JHA on combating terrorism, <sup>(7)</sup> to the Commission's Communication of 22 May 2007 entitled 'Towards a general policy and the fight against cyber crime' (COM(2007)0267), as well as to the recent initiatives for the detection of serious crime and terrorism (such as the 'Check the Web' project),
  - having regard to the work undertaken within the framework of the Council of Europe, the Organisation for Economic Co-operation and Development (OECD) and the United Nations (UN), both as concerns the combating of crime and cybercrime and as concerns the protection of fundamental rights and freedoms, including on the Internet <sup>(8)</sup>,
  - having regard to the most recent judgments of the European courts and national constitutional courts in this field, and in particular the Judgment of the German Federal Constitutional Court recognising a distinct right to the protection of confidentiality and the integrity of information technology systems <sup>(9)</sup>,
  - having regard to Rule 114(3) and Rule 94 of its Rules of Procedure,
  - having regard to the report of the Committee on Civil Liberties, Justice and Home Affairs and the opinion of the Committee on Culture and Education (A6-0103/2009),
- A. whereas the evolution of the Internet proves that it is becoming an indispensable tool for promoting democratic initiatives, a new arena for political debate (for instance e-campaigning and e-voting), a key instrument at world level for exercising freedom of expression (for instance blogging) and for developing business activities, and a mechanism for promoting digital literacy and the dissemination of knowledge (e-learning); whereas the Internet has also brought with it an increasing number of opportunities for people of all ages to communicate with people from different parts of the world, for example, and has thereby expanded the scope for people to familiarise themselves with other cultures and thus enhance their understanding of other people and cultures; whereas the Internet has also extended the diversity of news sources for individuals as they are now able to tap into the flow of news from different parts of the world,

<sup>(1)</sup> OJ L 281, 23.11.1995, p. 31.

<sup>(2)</sup> OJ L 350, 30.12.2008, p. 60.

<sup>(3)</sup> OJ L 345, 31.12.2003, p. 90.

<sup>(4)</sup> OJ L 105, 13.4.2006, p. 54.

<sup>(5)</sup> OJ L 69, 16.3.2005, p. 67.

<sup>(6)</sup> OJ L 149, 2.6.2001, p. 1.

<sup>(7)</sup> OJ L 330, 9.12.2008, p. 21.

<sup>(8)</sup> E.g. Council of Europe Convention on Cybercrime of 23 November 2001; Council of Europe Convention for the Protection of Individuals with regard to Automatic Processing of Personal Data of 28 January 1981.

<sup>(9)</sup> BVerfG, 1 BvR 370/07, 27.2.2008.

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- B. whereas governments and public interest organisations and institutions should provide a suitable regulatory framework and appropriate technical means to allow citizens actively and efficiently to take part in administrative processes through e-government applications,
- C. whereas the Internet gives full meaning to the definition of freedom of expression enshrined in Article 11 of the Charter of Fundamental Rights of the European Union, especially in terms of its 'regardless of frontiers' dimension,
- D. whereas transparency, respect for privacy and an environment of trust amongst I-stakeholders should be considered indispensable elements in order to build a sustainable security vision for the Internet,
- E. whereas on the Internet, freedom of expression and privacy can at the same time be both better enhanced and more exposed to intrusions and limitations by both private and public actors,
- F. whereas, through the freedom that it provides, the Internet has also been used as a platform for violent messages such as the ones intentionally inciting terrorist attacks, as well as for websites which can specifically incite hate-based criminal acts, and whereas cybercrime threats more broadly have increased worldwide and are endangering individuals (including children) and networks,
- G. whereas these crimes must be countered effectively and decisively, without altering the fundamental free and open nature of the Internet,
- H. whereas, in a democratic society, it is the citizens who are entitled to observe and to judge daily the actions and beliefs of their governments and of private companies that provide them with services; whereas technologically advanced surveillance techniques, sometimes coupled with the absence of adequate legal safeguards regarding the limits of their application, increasingly threaten this principle,
- I. whereas individuals have the right to express themselves freely on the Internet (for instance user-generated content, blogs and social networking) and whereas Internet search engines and service providers have made it considerably easier for people to obtain information about, for example, other individuals; whereas, however, there are situations in which individuals wish to delete information held in such databases; whereas, therefore, companies must be able to ensure that individuals can have person-related data deleted from databases,
- J. whereas technological leaps increasingly allow for the secret surveillance, virtually undetectable to the individual, of citizens' activities on the Internet; whereas the mere existence of surveillance technologies does not automatically justify their uses, but whereas the overriding interest of protecting citizens' fundamental rights should determine the limits and precise circumstances under which such technologies may be used by public authorities or companies; whereas combating Internet crime and the threats to an open democratic society which certain persons and organisations constitute when they use the Internet to damage citizens' rights must not mean that Member States assume the right to intercept and monitor all data traffic on the Internet which occurs on their territory, whether that applies to their own citizens or data traffic from abroad; whereas the combating of crime must be proportionate to the nature of the crime,
- K. whereas identity theft and fraud are an increasing problem that the authorities, individual citizens and companies are only beginning to recognise, leaving major security concerns in relation to the intensified use of the Internet for a wide range of purposes, including commerce and the exchange of confidential information,
- L. whereas it should be recalled that, when dealing with rights such as freedom of expression or respect for private life, limitations to the exercise of such rights may be imposed by public authorities if they are in accordance with the law, necessary, proportionate, and appropriate in a democratic society,

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- M. whereas, on the Internet, there is a major power and knowledge divide between corporate and government entities on the one hand, and individual users on the other; whereas, therefore, a debate must be launched on necessary limitations to 'consent,' both in terms of what companies and governments may ask a user to disclose and to what extent individuals should be required to cede their privacy and other fundamental rights in order to receive certain Internet services or other privileges,
- N. whereas due to its global, open, and participatory nature, the Internet enjoys freedom as a rule, but this does not preclude the need to reflect (at national and international levels, as well as in public and in private settings) upon how the fundamental freedoms of Internet users as well as their security are respected and protected,
- O. whereas the host of fundamental rights that are affected in the Internet world include, but are not limited to, respect for private life (including the right to permanently delete a personal digital footprint), data protection, freedom of expression, speech and association, freedom of the press, political expression and participation, non-discrimination, and education; whereas the content of such rights, including their field of application and their scope, the level of protection provided by such rights and the prohibitions on abuse of such rights should be governed by the rules on the protection of human and fundamental rights guaranteed by the Constitutions of the Member States, international human rights treaties, including the ECHR, general principles of Community law and the Charter of Fundamental Rights of the European Union, and/or by other relevant rules of national, international and Community law, in their respective fields of application,
- P. whereas all the actors involved and active on the Internet should assume their respective responsibilities and engage in fora where pressing and important issues relating to Internet activity are discussed in order to seek and promote common solutions,
- Q. whereas e-illiteracy will be the new illiteracy of the 21<sup>st</sup> Century; whereas ensuring that all citizens have access to the Internet is therefore equivalent to ensuring that all citizens have access to schooling, and whereas such access should not be punitively denied by governments or private companies; whereas such access should not be abused in pursuit of illegal activities; whereas it is important to deal with emerging issues such as network neutrality, interoperability, global reachability of all Internet nodes, and the use of open formats and standards,
- R. whereas the international, multicultural and especially multi-lingual character of the Internet is not yet fully supported by the technical infrastructure and protocols of the World Wide Web,
- S. whereas in the on-going process of the 'Internet Bill of Rights,' it is important to take into account all relevant research and undertakings in the field, including recent EU studies on the topic <sup>(1)</sup>,
- T. whereas economic activity is important for the further dynamic development of the Internet, while the safeguarding of its economic efficiency should be ensured through fair competition and the protection of intellectual property rights, as necessary, proportionate and appropriate,
- U. whereas the right balance should be maintained between the re-use of public sector information which opens unprecedented opportunities for creative and cultural experimentation and exchange, and the protection of intellectual property rights,

<sup>(1)</sup> A recent study on 'Strengthening Security and Fundamental Freedoms on the Internet – an EU Policy on the Fight Against Cyber Crime' puts forward among other ideas the adoption of a non-binding Internet Bill of Rights.

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- V. whereas throughout the world, companies in the information and communications technology (ICT) sector face increasing government pressure to comply with domestic laws and policies in ways that may conflict with the internationally recognised human rights of freedom of expression and privacy; whereas positive steps have been taken, among which that taken by a multi-stakeholder group of companies, civil society organisations (including human rights and press freedom groups), investors and academics who have created a collaborative approach with the aim of protecting and advancing freedom of expression and privacy in the ICT sector, and have formed the Global Network Initiative (GNI) <sup>(1)</sup>,
- W. whereas strong data protection rules are a major concern for the EU and its citizens, and Recital 2 of Directive 95/46/EC on data protection clearly states that technology (i.e. data-processing systems) is 'designed to serve man' and must respect 'fundamental rights and freedoms, notably the right to privacy, and contribute to economic and social progress, trade expansion and the well-being of individuals',
1. Addresses the following recommendations to the Council:

***Full and safe access to the Internet for all***

- (a) participate in efforts to make the Internet an important tool for the empowerment of users, an environment which allows the evolution of 'bottom up' approaches and of e-democracy, while at the same time ensuring that significant safeguards are established as new forms of control and censorship can develop in this sphere; the freedom and protection of private life that users enjoy on the Internet should be real and not illusory;
- (b) recognise that the Internet can be an extraordinary opportunity to enhance active citizenship and that, in this respect, access to networks and contents is one of the key elements; recommend that this issue be further developed on the basis of the assumption that everyone has a right to participate in the information society and that institutions and stakeholders at all levels have a general responsibility to assist in this development, thus attacking the twin new challenges of e-illiteracy and democratic exclusion in the electronic age <sup>(2)</sup>;
- (c) urge Member States to respond to a growing information-aware society and to find ways of providing greater transparency in decision-making through increased access by their citizens to information stored by governments in order to allow citizens to take advantage of that information; apply the same principle to its own information;
- (d) ensure together with other relevant actors that security, freedom of expression and the protection of privacy, as well as openness on the Internet, are approached not as competing goals, but instead are delivered simultaneously within a comprehensive vision that responds adequately to all these imperatives;
- (e) ensure that the legal rights of minors to protection from harm, as prescribed by the UN Convention on the Rights of the Child and as reflected in EU law, are fully reflected in and across all relevant actions, instruments or decisions relating to strengthening security and freedom on the Internet;

***Strong commitment to combating cybercrime***

- (f) invite the Presidency of the Council and the Commission to reflect on and develop a comprehensive strategy to combat cybercrime, pursuant, inter alia, to the Council of Europe Convention on Cybercrime, including ways in which to address the issue of 'identity theft' and fraud at EU level in cooperation with both Internet providers and user organisations, as well as the police authorities dealing with IT-related crime and to put forward a proposal on how to create awareness campaigns and prevent such crime, while at the same time ensuring that the use of the Internet is safe and free for all; call for the creation of an EU desk for assistance to victims of identity theft and identity fraud;

<sup>(1)</sup> <http://www.globalnetworkinitiative.org/index.php>.

<sup>(2)</sup> In the document entitled 'Internet – a critical resource for all' of the Council of Europe of 17 September 2008 it is also stressed that 'ensuring and promoting equity and participation with respect to Internet is an essential step for the progress of equity and participation in the society at large'.

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- (g) encourage reflection on the necessary cooperation between private-public players in this field and on the enhancement of law enforcement cooperation, along with appropriate training for law enforcement and judicial authorities, including training on issues of fundamental rights protection; recognise the need for shared responsibility and the benefits of co-regulation and self-regulation as efficient alternatives or complementary instruments to traditional legislation;
- (h) ensure that the work undertaken in the framework of the 'Check the Web' project and the recent initiatives aimed at improving the circulation of information on cybercrime, including by the setting-up of national alert platforms and a European alert platform for reporting offences committed on the Internet (creation of a European platform for cybercrime by Europol) are necessary, proportionate and appropriate and accompanied by all the necessary safeguards;
- (i) urge Member States to update legislation to protect children using the Internet, in particular in order to criminalise grooming (online solicitation of children for sexual purposes), as defined in the Council of Europe Convention of 25 October 2007 on the Protection of Children against Sexual Exploitation and Sexual Abuse;
- (j) encourage programmes to protect children and educate their parents as set out in EU law with respect to the new e-dangers and provide an impact assessment of the effectiveness of existing programmes to date; in doing so, take particular account of the online games which primarily target children and young people;
- (k) encourage all EU computer manufacturers to pre-install child protection software that can be easily activated;
- (l) proceed to the adoption of the directive on criminal measures aimed at the enforcement of intellectual property rights, following an assessment, in the light of contemporary innovation research, of the extent to which it is necessary and proportionate, and while simultaneously prohibiting, in pursuit of that purpose, the systematic monitoring and surveillance of all users' activities on the Internet, and ensuring that the penalties are proportionate to the infringements committed; within this context, also respect the freedom of expression and association of individual users and combat the incentives for cyber-violations of intellectual property rights, including certain excessive access restrictions placed by intellectual property holders themselves;
- (m) ensure that the expression of controversial political beliefs through the Internet is not subject to criminal prosecution;
- (n) ensure that there are no laws or practices restricting or criminalising the right of journalists and the media to gather and distribute information for reporting purposes;

***Constant attention to the absolute protection and enhanced promotion of fundamental freedoms on the Internet***

- (o) consider that 'digital identity' is increasingly becoming an integral part of our 'self' and in this respect deserves to be protected adequately and effectively from intrusions by both private and public actors – thus, the particular set of data that is organically linked to the 'digital identity' of an individual should be defined and protected, and all its elements should be considered inalienable personal, non-economic and non-tradable rights; take due account of the importance of anonymity, pseudonymity and control of information flows for privacy and the fact that users should be provided with, and educated about, the means to protect it efficiently, for instance through various available Privacy-Enhancing Technologies (PETs);

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- (p) ensure that Member States that intercept and monitor data traffic, regardless of whether that applies to their own citizens or to data traffic from abroad, do so under the strict conditions and safeguards provided for by law; call on Member States to ensure that remote searches, if provided for by national law, are conducted on the basis of a valid search warrant issued by the competent judicial authorities; note that simplified procedures for conducting remote searches in comparison with direct searches are unacceptable, as they infringe the rule of law and the right to privacy;
- (q) recognise the danger of certain forms of Internet surveillance and control aimed also at tracking every 'digital' step of an individual, with the aim of providing a profile of the user and of assigning 'scores'; make clear the fact that such techniques should always be assessed in terms of their necessity and their proportionality in the light of the objectives they aim to achieve; emphasise also the need for an enhanced awareness and informed consent of users with respect to their e-activities involving the sharing of personal data (for instance in the case of social networks);
- (r) urge the Member States to identify all entities which use Net Surveillance and to draw up publicly accessible annual reports on Net Surveillance ensuring legality, proportionality and transparency;
- (s) examine and prescribe limits to the 'consent' that can be requested of and extracted from users, whether by governments or by private companies, to relinquish part of their privacy, as there is a clear imbalance of negotiating power and of knowledge between individual users and such institutions;
- (t) strictly limit, define and regulate the cases in which a private Internet company may be required to disclose data to government authorities, and further ensure that the use of that data by governments is subject to the strictest data protection standards; establish effective control and evaluation of that process;
- (u) stress the importance of Internet users being able to enhance their right to obtain the permanent deletion of their personal data located on Internet websites or on any third party data storage medium; ensure that such a decision by users is respected by Internet service providers, e-commerce providers and information society services; ensure that Member States provide for the effective enforcement of citizens' right of access to their personal data, including, as appropriate, the erasure of such data or its removal from web sites;
- (v) condemn government-imposed censorship of the content that may be searched on Internet sites, especially when such restrictions can have a 'chilling effect' on political speech;
- (w) call on the Member States to ensure that freedom of expression is not subject to arbitrary restrictions from the public and/or private sphere and to avoid all legislative or administrative measures that could have a 'chilling effect' on all aspects of freedom of speech;
- (x) recall that transfer of personal data to third countries must take place in accordance with the provisions laid down in, inter alia, Directive 95/46/EC and in Framework Decision 2008/977/JHA;
- (y) draw attention to the fact that the development of the 'Internet of things' and the use of Radio Frequency Identification (RFID) systems should not sidestep the protection of data and of citizens' rights;
- (z) call on the Member States to apply Directive 95/46/EC on personal data in relation to the Internet correctly; remind the Member States that this Directive, especially Article 8, applies regardless of the technology used for the processing of personal data and that its provisions call for Member States to provide the right to a judicial remedy and compensation for their infringement (Articles 22, 23, and 24);

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- (aa) encourage the incorporation of fundamental principles of the 'Internet Bill of Rights' into the research and development process of Internet-related instruments and applications and the promotion of the 'privacy by design' principle according to which privacy and data protection requirements should be introduced as soon as possible in the life cycle of new technological developments, assuring citizens a user-friendly environment;
- (ab) support and request the active involvement of the European Data Protection Supervisor and of the Article 29 Working Party in the development of European legislation dealing with Internet activities with a potential impact on data protection;

#### ***International undertakings***

- (ac) exhort all Internet players to engage in the on-going process of the 'Internet Bill of Rights,' which builds on existing fundamental rights, promotes their enforcement, and fosters the recognition of emerging principles; in this respect the dynamic coalition on the Internet Bill of Rights has a leading role to play;
- (ad) ensure that, in this context, a multi-stakeholder, multi-level, process-oriented initiative and a mix between global and local initiatives are considered in order to specify and protect the rights of Internet users and thereby ensure the legitimacy, accountability and acceptance of the process;
- (ae) recognise that the global and open nature of the Internet requires global standards for data protection, security and freedom of speech; in this context call on Member States and the Commission to take the initiative for the drawing up of such standards; welcome the resolution on the urgent need for protecting privacy in a borderless world, and for reaching a Joint Proposal for setting International Standards on Privacy and Personal Data Protection of the 30th International Conference of Data Protection and Privacy Commissioners held in Strasbourg, on 15–17 October 2008; urge all EU stakeholders (public as well as private) to engage in this reflection;
- (af) stress the importance of developing a real Web E-agora where Union citizens can have a more interactive discussion with policy makers and other institutional stakeholders;
- (ag) encourage the active participation of the EU in different international fora dealing with global and localised aspects of the Internet, such as the Internet Governance Forum (IGF);
- (ah) take part together with all the relevant EU actors in the establishment of a European IGF that would take stock of the experience gained by national IGFs, function as a regional pole, and relay more efficiently Europe-wide issues, positions and concerns in the upcoming international IGFs;

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\* \*

2. Instructs its President to forward this recommendation to the Council and, for information, to the Commission.
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Thursday 26 March 2009

## EU strategy for better ship dismantling

P6\_TA(2009)0195

### European Parliament resolution of 26 March 2009 on an EU strategy for better ship dismantling

(2010/C 117 E/34)

The European Parliament,

- having regard to the Commission Green Paper of 22 May 2007 on Better Ship Dismantling (COM(2007)0269),
  - having regard to its resolution of 21 May 2008 on the Green Paper on better ship dismantling <sup>(1)</sup>,
  - having regard to the Commission Communication of 19 November 2008 on an EU strategy for better ship dismantling (COM(2008)0767),
  - having regard to Articles 2 and 6 of the EC Treaty, which provide that environmental protection requirements must be integrated into the various sectors of Community policy in order to promote environmentally sustainable development of economic activity,
  - having regard to Article 175 of the EC Treaty,
  - having regard to the Basel Convention on the Control of Transboundary Movements of Hazardous Wastes and their Disposal (Basel Convention), which the United Nations approved on 22 March 1989 as a framework for the regulation of international shipments of hazardous wastes,
  - having regard to Regulation (EC) No 1013/2006 of the European Parliament and of the Council of 14 June 2006 on shipments of waste <sup>(2)</sup> (Waste Shipments Regulation),
  - having regard to the Diplomatic Conference, which will be held by the International Maritime Organisation (IMO) in May 2009, on the Convention on the Safe and Environmentally Sound Recycling of Ships (Ship Recycling Convention),
  - having regard to Rule 108(5) of its Rules of Procedure,
- A. whereas there is serious concern that without urgent regulatory action at EU level the conditions in which the dismantling of ships in South Asia is taking place, which are both environmentally destructive and degrading to humankind, will further deteriorate,
- B. whereas the Basel Convention (following the endorsement of the European Council) recognises that a ship may become waste; whereas, however, it can at the same time be defined as a ship under other international rules, in that a majority of shipowners are currently not informing the authorities of their intention to dispose of their vessels; whereas, therefore, shipowners should contribute to ensuring that information is made available with regard to their intent to dispose of their vessels and with regard to any hazardous materials on board their ships;
- C. whereas the Waste Shipments Regulation continues to be systematically disregarded and whereas the responsibility and role of flag-of-convenience states as a major barrier to combating illegal exports of toxic wastes is recognised,

<sup>(1)</sup> Texts adopted, P6\_TA(2008)0222.

<sup>(2)</sup> OJ L 190, 12.7.2006, p. 1.



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- D. whereas the number of ships going out of service following the global phase-out of single-hull oil tankers and a backlog of old vessels now being withdrawn from the market, in part due to the recession, will lead to an uncontrolled expansion of sub-standard facilities in South Asia, and will spread even further to countries in the African region, if no immediate and concrete action is taken by the EU,
- E. whereas the breaking of ships through a method known as 'beaching', whereby ships are run aground on tidal flats, has been globally condemned as being incapable of delivering safety for workers and of providing adequate protection of the marine environment from ship-borne pollutants,
1. Points out that Parliament's above-mentioned resolution, and its views expressed therein, are still valid, and stresses that these views should be reflected as far as possible in the Ship Recycling Convention which is due to be adopted in May 2009;
  2. Points to the need for ship recycling to be treated as an integral part of a ship's life cycle, with recycling requirements being taken into account at the planning stage for the construction and fitting-out of the ship;
  3. Points out that end-of-life ships should be regarded as hazardous waste, as a result of the many hazardous substances contained in such ships, and should therefore fall within the scope of the Basel Convention;
  4. Welcomes the EU strategy for better ship dismantling; stresses, however, that the Commission must rapidly move beyond feasibility studies and fully commit to action which will safeguard the effective implementation of the Waste Shipments Regulation; calls, in this respect, for tighter controls and monitoring by national port authorities and invites the Commission to present guidelines in this area;
  5. Stresses that there is no time to waste, and calls for concrete regulatory action at EU level that moves beyond the regrettably weak remedies of the IMO;
  6. Calls for an explicit prohibition on 'beaching' of end-of-life ships, and considers that any technical assistance to South Asian countries within an EU framework should further aim at the phasing out of this grossly unsustainable and seriously flawed breaking method;
  7. Urges the Commission and the Member States to negotiate entry-into-force conditions which will ensure that the Ship Recycling Convention will indeed be applicable very rapidly;
  8. Calls upon the Member States to sign the Ship Recycling Convention and to ratify it as soon as possible after an agreement is reached at IMO level;
  9. Calls upon the Commission, the Member States and ship-owners to apply without delay the main elements of the Ship Recycling Convention in order to ensure that the ships which will be sent for dismantling in the coming months and years will indeed be dealt with in a safe and environmentally sound manner;
  10. Stresses that the Ship Recycling Convention, once adopted in Hong Kong in May 2009, will have to be evaluated with regard to a level of control equivalent to the Basel Convention on the Control of Transboundary Movements of Hazardous Wastes and their Disposal, which is incorporated into the European Waste Shipments Regulation;
  11. Supports the suggestions by the Commission for measures to establish independent certification and auditing of ship dismantling facilities; considers that such measures are urgently needed and stresses that any Community funding of the shipping industry should be made conditional upon the beneficiary's use of such certified facilities; welcomes in this regard the standards developed by the European Maritime Safety Agency (EMSA) as moving in the right direction, but expects further improvements to be undertaken in the near future;

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12. Calls on the Commission to propose concrete measures, such as labelling schemes for safe and clean recycling facilities, to promote the transfer of know-how and technology in order to help dismantling sites in South Asia comply with international safety and environmental standards, and in particular with the standards which will be set by the Ship Recycling Convention; believes that this objective should also be taken into account in the wider framework of the EU's development aid policy towards the countries involved in ship dismantling;

13. Strongly encourages dialogue between the EU and the governments of South Asian countries involved in ship dismantling on the issue of labour conditions at shipbreaking yards, including the question of child labour;

14. Calls for a funding mechanism that is based on mandatory contributions from the shipping industry and is in line with the producer responsibility principle;

15. Calls upon the Commission to clearly establish that the state with jurisdiction over owners of waste is the responsible state;

16. Instructs its President to forward this resolution to the Council, the Commission, the governments and parliaments of the Member States, the governments of Turkey, Bangladesh, China, Pakistan and India, and the IMO.

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Tuesday 24 March 2009

## III

*(Preparatory acts)*

## EUROPEAN PARLIAMENT

**Agreement between the EC and Nepal on certain aspects of air services \***

P6\_TA(2009)0146

**European Parliament legislative resolution of 24 March 2009 on the proposal for a Council decision on the conclusion of the Agreement between the European Community and the Government of Nepal on certain aspects of air services (COM(2008)0041 – C6-0041/2009 – 2008/0017(CNS))**

(2010/C 117 E/35)

(Consultation procedure)

*The European Parliament,*

- having regard to the proposal for a Council decision (COM(2008)0041),
  - having regard to Articles 80(2) and 300(2), first subparagraph, first sentence, of the EC Treaty,
  - having regard to Article 300(3), first subparagraph, of the EC Treaty, pursuant to which the Council consulted Parliament (C6-0041/2009),
  - having regard to Rules 51, 83(7) and 43(1) of its Rules of Procedure,
  - having regard to the report of the Committee on Transport and Tourism (A6-0071/2009),
1. Approves conclusion of the Agreement;
  2. Instructs its President to forward its position to the Council and the Commission, and to the governments and parliaments of the Member States and the Government of Nepal.

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Tuesday 24 March 2009

## **Wheeled agricultural or forestry tractors (codified version) \*\*\*I**

P6\_TA(2009)0147

**European Parliament legislative resolution of 24 March 2009 on the proposal for a directive of the European Parliament and of the Council on certain components and characteristics of wheeled agricultural or forestry tractors (codified version) (COM(2008)0690 – C6-0414/2008 – 2008/0213(COD))**

(2010/C 117 E/36)

(Codecision procedure – codification)

*The European Parliament,*

- having regard to the Commission proposal to the European Parliament and the Council (COM(2008)0690),
  - having regard to Articles 251(2) and 95 of the EC Treaty, pursuant to which the Commission submitted the proposal to Parliament (C6-0414/2008),
  - having regard to the Interinstitutional Agreement of 20 December 1994 – Accelerated working method for official codification of legislative texts <sup>(1)</sup>,
  - having regard to Rules 80 and 51 of its Rules of Procedure,
  - having regard to the report of the Committee on Legal Affairs (A6-0130/2009),
- A. whereas, according to the Consultative Working Party of the Legal Services of the European Parliament, the Council and the Commission, the proposal in question contains a straightforward codification of the existing texts without any change in their substance,
1. Approves the Commission proposal as adapted to the recommendations of the Consultative Working Party of the Legal Services of the European Parliament, the Council and the Commission;
  2. Instructs its President to forward its position to the Council and the Commission.

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<sup>(1)</sup> OJ C 102, 4.4.1996, p. 2.

Tuesday 24 March 2009

**Community system of reliefs from customs duty (codified version) \***

P6\_TA(2009)0148

**European Parliament legislative resolution of 24 March 2009 on the proposal for a Council regulation setting up a Community system of reliefs from customs duty (codified version) (COM(2008)0842 – C6-0019/2009 – 2008/0235(CNS))**

(2010/C 117 E/37)

(Consultation procedure – codification)

*The European Parliament,*

- having regard to the Commission proposal to the Council (COM(2008)0842),
  - having regard to Articles 26, 37 and 308 of the EC Treaty, pursuant to which the Council consulted Parliament (C6-0019/2009),
  - having regard to the Interinstitutional Agreement of 20 December 1994 - Accelerated working method for official codification of legislative texts <sup>(1)</sup>,
  - having regard to Rules 80 and 51 of its Rules of Procedure,
  - having regard to the report of the Committee on Legal Affairs (A6-0129/2009),
- A. whereas, according to the Consultative Working Party of the Legal Services of the European Parliament, the Council and the Commission, the proposal in question contains a straightforward codification of the existing texts without any change in their substance,
1. Approves the Commission proposal as adapted to the recommendations of the Consultative Working Party of the Legal Services of the European Parliament, the Council and the Commission;
  2. Instructs its President to forward its position to the Council and the Commission.

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<sup>(1)</sup> OJ C 102, 4.4.1996, p. 2.

Tuesday 24 March 2009

**ECB statistics \***

P6\_TA(2009)0149

**European Parliament legislative resolution of 24 March 2009 on the recommendation for a Council Regulation amending Regulation (EC) No 2533/98 concerning the collection of statistical information by the European Central Bank (13411/2008 – C6-0351/2008 – 2008/0807(CNS))**

(2010/C 117 E/38)

(Consultation procedure)

*The European Parliament,*

- having regard to the European Central Bank recommendation to the Council (13411/2008) <sup>(1)</sup>,
  - having regard to Article 107(6) of the EC Treaty, pursuant to which the Council consulted Parliament (C6-0351/2008),
  - having regard to Rule 51 of its Rules of Procedure,
  - having regard to the report of the Committee on Economic and Monetary Affairs (A6-0119/2009),
1. Approves the European Central Bank recommendation as amended;
  2. Calls on the Council to notify Parliament if it intends to depart from the text approved by Parliament;
  3. Asks the Council to consult Parliament again if it intends to amend the European Central Bank recommendation substantially;
  4. Instructs its President to forward its position to the Council and the European Central Bank.

TEXT PROPOSED BY THE EUROPEAN CENTRAL BANK

AMENDMENT

**Amendment 1**

**Recommendation for a regulation – amending act**

**Recital 7 a (new)**

*(7a) In order to enhance transparency, the statistical data collected from financial sector institutions by the ESCB should be made publicly available but a high level of data protection should be guaranteed.*

**Amendment 2**

**Recommendation for a regulation – amending act**

**Recital 7 b (new)**

*(7b) Best practices and the relevant international recommendations should be taken into account in the development, production and dissemination of European Statistics.*

<sup>(1)</sup> OJ C 251, 3.10.2008, p. 1.

Tuesday 24 March 2009

TEXT PROPOSED BY THE EUROPEAN CENTRAL BANK

AMENDMENT

**Amendment 3****Recommendation for a regulation – amending act****Recital 8**

(8) Furthermore, it is important to ensure close cooperation between the ESCB and the European Statistical System (ESS), notably to foster exchange of confidential data between the two systems for statistical purposes, in the light of Article 285 of the Treaty and Article 5 of the Statute.

(8) Furthermore, it is important to ensure close cooperation between the ESCB and the European Statistical System (ESS) **in order to avoid duplication in statistical data collection**, notably to foster exchange of confidential data between the two systems for statistical purposes, in the light of Article 285 of the Treaty and Article 5 of the Statute.

**Amendment 4****Recommendation for a regulation – amending act****Article 1 – point 2 a (new)**

Regulation (EC) No 2533/98

Article 2 a (new)

*(2a) The following article is inserted:*

*‘Article 2a*

*Cooperation with the ESS*

**In order to minimise the reporting burden, avoid duplication, and guarantee a coherent approach to the production of European Statistics, the ESCB and the ESS shall cooperate closely, while complying with the statistical principles laid down in Article 3.’**

**Amendment 5****Recommendation for a regulation – amending act****Article 1 – point 4 – point g**

Regulation (EC) No 2533/98

Article 8 – paragraphs 11 to 13

*(g) the following paragraphs 11 to 13 are added:*

*deleted*

**‘11. Without prejudice to national provisions on the exchange of confidential statistical information other than information covered in this Regulation, the transmission of confidential statistical information between an ESCB member that collected the information and an ESS authority may take place provided that this transmission is necessary for the efficient development, production or dissemination or for increasing the quality of European Statistics within the respective spheres of competence of the ESS and the ESCB. Any transmission beyond the first transmission must be explicitly authorised by the ESCB member that collected the information.**

**12. If confidential data are transmitted between an ESS authority and an ESCB member, these data shall be used exclusively for statistical purposes and only be accessible to staff working in statistical activities within their specific domain of work.**

Tuesday 24 March 2009

TEXT PROPOSED BY THE EUROPEAN CENTRAL BANK

AMENDMENT

13. *The protection measures referred to in Article 19 of Regulation (EC) No [XX] shall apply to all confidential data transmitted between an ESS authority and an ESCB member pursuant to paragraphs 11 and 12 above, and to Article 20(1a) of Regulation (EC) No [XX]. The ECB shall publish an annual confidentiality report on the measures adopted to safeguard the confidentiality of the statistical data.*;

#### Amendment 6

##### Recommendation for a regulation – amending act

Article 1 – point 4 a (new)

Regulation (EC) No 2533/98

Article 8 a (new)

(4a) *The following article is inserted:*

*‘Article 8a*

*Cooperation between the ESS and the ESCB*

1. *Without prejudice to national provisions on the exchange of confidential statistical information other than information covered in this Regulation, the transmission of confidential statistical information between an ESCB member that collected the information and an ESS authority may take place provided that such transmission is necessary for the efficient development, production or dissemination or for increasing the quality of European Statistics, including euro area statistics, within the respective spheres of competence of the ESS and the ESCB.*

*Any further transmission beyond the first transmission shall require the explicit authorisation of the ESCB member that collected the information.*

2. *Where confidential data are transmitted between an ESS authority and an ESCB member, those data shall be used exclusively for statistical purposes and shall be accessible only to staff working in statistical activities within their specific domain of work.*

3. *The protection rules and measures referred to in Article 20 of Regulation (EC) No .../2009 of the European Parliament and of the Council of ... on European Statistics (\*) shall apply to all confidential data transmitted between an ESS authority and an ESCB member pursuant to paragraphs 1 and 2 of this Article, and to Article 21(2) of Regulation (EC) No .../2009. The ECB shall publish an annual report on the measures adopted to safeguard the confidentiality of the statistical data.*

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(\*) OJ L ...’.



Tuesday 24 March 2009

**Cosmetic products (recast) \*\*\*I**

P6\_TA(2009)0158

**European Parliament legislative resolution of 24 March 2009 on the proposal for a regulation of the European Parliament and of the Council on cosmetic products (recast) (COM(2008)0049 – C6-0053/2008 – 2008/0035(COD))**

(2010/C 117 E/39)

(Codecision procedure: recast)

*The European Parliament,*

- having regard to the Commission proposal to the European Parliament and the Council (COM(2008)0049),
  - having regard to Article 251(2) and Article 95 of the EC Treaty, pursuant to which the Commission submitted the proposal to Parliament (C6-0053/2008),
  - having regard to the Interinstitutional Agreement of 28 November 2001 on a more structured use of the recasting technique for legal acts <sup>(1)</sup>,
  - having regard to the letter of 21 November 2008 from the Committee on Legal Affairs to the Committee on the Environment, Public Health and Food Safety in accordance with Rule 80a(3) of its Rules of Procedure,
  - having regard to Rules 80a and 51 of its Rules of Procedure,
  - having regard to the report of the Committee on the Environment, Public Health and Food Safety and the opinion of the Committee on Legal Affairs (A6-0484/2008),
- A. whereas, according to the Consultative Working Party of the Legal Services of the European Parliament, the Council and the Commission, the proposal in question does not include any substantive amendments other than those identified as such in the proposal and whereas, as regards the codification of the unchanged provisions of the earlier acts together with those amendments, the proposal contains a straightforward codification of the existing texts, without any change in their substance,
1. Approves the Commission proposal as adapted to the recommendations of the Consultative Working party of the legal services of the European Parliament, the Council and the Commission and as amended below;
  2. Takes note of the Commission statements annexed to this resolution;
  3. Calls on the Commission to refer the matter to Parliament again if it intends to amend the proposal substantially or replace it with another text;
  4. Instructs its President to forward its position to the Council and the Commission.

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<sup>(1)</sup> OJ C 77, 28.3.2002, p. 1.

Tuesday 24 March 2009

**P6\_TC1-COD(2008)0035**

**Position of the European Parliament adopted at first reading on 24 March 2009 with a view to the adoption of Regulation (EC) No .../2009 of the European Parliament and of the Council on cosmetic products (recast)**

*(As an agreement was reached between Parliament and Council, Parliament's position at first reading corresponds to the final legislative act, Regulation (EC) No ...)*

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ANNEX

**Commission statements**

The Commission takes note of the concerns of Member States on the recasting of directives into regulations.

The Commission considers that, where the existing provisions of a directive are sufficiently clear, precise and detailed, they may be capable of conversion into directly applicable provisions in a regulation by way of recasting. This is true more particularly where the provisions at issue are of a technical nature and have already been fully transposed into national law by all Member States.

The Commission accepts, in the light of the different opinions expressed, that the specific case of the Cosmetics Regulation will not be used as a precedent for the interpretation of the Interinstitutional Agreement on this point.

The Commission commits to clarifying the situation regarding Internet sales of cosmetic products prior to the date of application of the regulation.

Like the European Parliament, the Commission is concerned by the fact that the cosmetic sector may be affected by counterfeiting which may increase risk for human health. Therefore, the Commission will take action in order to enhance cooperation between national competent authorities in order to fight counterfeiting.

The Commission will draft an explanatory note regarding transitional provisions and dates of application of the Regulation (in particular in view of Articles 7, 8, 10 and 12a).

On definition of nanomaterials the Commission notes that work towards a common definition of nanomaterials is still evolving. The Commission therefore confirms that in future Community legislation progress on the common definition should be taken into account and notes that the comitology procedures contained within this proposal also allow for the updating of the definition within this proposal.

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Tuesday 24 March 2009

**The placing of biocidal products on the market \*\*\*I**

P6\_TA(2009)0159

**European Parliament legislative resolution of 24 March 2009 on the proposal for a directive of the European Parliament and of the Council amending Directive 98/8/EC concerning the placing of biocidal products on the market as regards the extension of certain time periods (COM(2008)0618 – C6-0346/2008 – 2008/0188(COD))**

(2010/C 117 E/40)

(Codecision procedure: first reading)

*The European Parliament,*

- having regard to the Commission proposal to the European Parliament and the Council (COM(2008)0618),
  - having regard to Article 251(2) and Article 95 of the EC Treaty, pursuant to which the Commission submitted the proposal to Parliament (C6-0346/2008),
  - having regard to Rule 51 of its Rules of Procedure,
  - having regard to the report of the Committee on the Environment, Public Health and Food Safety (A6-0076/2009),
1. Approves the Commission proposal as amended;
  2. Calls on the Commission to refer the matter to Parliament again if it intends to amend the proposal substantially or replace it with another text;
  3. Instructs its President to forward its position to the Council and the Commission.

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**P6\_TC1-COD(2008)0188**

**Position of the European Parliament adopted at first reading on 24 March 2009 with a view to the adoption of Directive 2009/.../EC of the European Parliament and of the Council amending Directive 98/8/EC concerning the placing of biocidal products on the market as regards the extension of certain time periods**

*(As an agreement was reached between Parliament and Council, Parliament's position at first reading corresponds to the final legislative act, Directive 2009/107/EC.)*

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Tuesday 24 March 2009

## Structure and rates of excise duty applied on manufactured tobacco \*

P6\_TA(2009)0160

**European Parliament legislative resolution of 24 March 2009 on the proposal for a Council directive amending Directives 92/79/EEC, 92/80/EEC and 95/59/EC on the structure and rates of excise duty applied on manufactured tobacco (COM(2008)0459 – C6-0311/2008 – 2008/0150(CNS))**

(2010/C 117 E/41)

(Consultation procedure)

The European Parliament,

- having regard to the Commission proposal to the Council (COM(2008)0459),
- having regard to Article 93 of the EC Treaty, pursuant to which the Council consulted Parliament (C6-0311/2008),
- having regard to Rule 51 of its Rules of Procedure,
- having regard to the report of the Committee on Economic and Monetary Affairs (A6-0121/2009),
- 1. Approves the Commission proposal as amended;
- 2. Calls on the Commission to alter its proposal accordingly, pursuant to Article 250(2) of the EC Treaty;
- 3. Calls on the Council to notify Parliament if it intends to depart from the text approved by Parliament;
- 4. Asks the Council to consult Parliament again if it intends to amend the Commission proposal substantially;
- 5. Instructs its President to forward its position to the Council and the Commission.

TEXT PROPOSED BY THE COMMISSION

AMENDMENT

### Amendment 1

#### Proposal for a directive – amending act

##### Recital 2

(2) In order to ensure the proper functioning of the internal market and, at the same time, a high level of health protection, as required by Article 152 of the EC Treaty, bearing in mind that the Community is Party to the World Health Organization's Framework Convention on Tobacco Control (FCTC), different changes should be made in the matter. These changes should take account of the situation prevailing for each of the various tobacco products.

(2) In order to ensure the proper functioning of the internal market and, at the same time, a high level of health protection, as required by Article 152 of the EC Treaty, bearing in mind that the Community is Party to the World Health Organization's Framework Convention on Tobacco Control (FCTC), different changes should be made in the matter. These changes should, **where appropriate**, take account of **the smoking ban and should be complementary to the ban on tobacco advertising and to the launching of education campaigns. Account should also be taken of the need to fight against smuggling from third countries and organised crime and the establishment and enlargement of the Schengen area.**

Tuesday 24 March 2009

TEXT PROPOSED BY THE COMMISSION

AMENDMENT

**Amendment 2****Proposal for a directive – amending act****Recital 3**

(3) As regards cigarettes, the arrangements should be simplified so as to create neutral conditions of competition for *manufactures*, to reduce the partitioning of the tobacco markets **and** to underscore health objectives. To this end, the concept of the most popular price category should be replaced; the **price related** minimum requirement **should refer to the weighted average retail selling price, whereas the monetary minimum should be applicable to all cigarettes. For similar reasons**, the weighted average retail selling price should **also** serve as a reference for measuring the importance of specific excise duty within the total tax burden.

(3) As regards cigarettes, the arrangements should be simplified so as to create neutral conditions of competition for *manufacturers*, to reduce the partitioning of the tobacco markets, **to ensure equal treatment of all Member States, EU tobacco growers and tobacco industry**, to underscore health objectives, **and to comply with macroeconomic objectives, such as the low inflation target, in the light of the enlargement of the euro area and the convergence of prices.** To this end, the concept of the most popular price category should be replaced; the minimum **excise duty** requirement **for all tobacco products in all Member States should, by 1 January 2012, be expressed only as a specific component levied on each unit of tobacco.** The weighted average retail selling price should serve **only** as a reference for measuring the importance of specific excise duty within the total tax burden. **Member States with a high level of excise duty on tobacco products should adopt a policy of moderation as regards tax increase, bearing in mind the importance of convergence of the tax level within the internal market.**

**Amendment 3****Proposal for a directive – amending act****Recital 5**

(5) As regards fine-cut tobacco intended for the rolling of cigarettes, the Community minima should be expressed in such a way as to obtain effects similar to those in the field of cigarettes. To this end, it should be provided that national levels of taxation have to comply both with a minimum expressed as **percentage of the retail price and one expressed as a fixed amount.**

(5) As regards fine-cut tobacco intended for the rolling of cigarettes, the Community minima should be expressed in such a way as to obtain effects similar to those in the field of cigarettes. To this end, it should be provided that national levels of taxation have to comply with a minimum expressed as **a fixed amount levied on each unit of tobacco by 1 January 2012.**

**Amendment 7****Proposal for a directive – amending act****Article 1 – point 1**

Directive 92/79/EEC

Article 2 – paragraph 1 – subparagraph 1

1. Member States shall ensure that excise duty (**specific duty and ad valorem duty**) **on cigarettes represents at least 57 % of the weighted average retail selling price of cigarettes sold. That excise duty** shall not be less than EUR 64 per 1 000 cigarettes **irrespective of the weighted average retail selling price.**

1. **By 1 January 2012**, Member States shall ensure that excise duty shall not be less than EUR 64 per 1 000 cigarettes **for all types of cigarettes.**

Tuesday 24 March 2009

TEXT PROPOSED BY THE COMMISSION

AMENDMENT

**Amendment 8****Proposal for a directive – amending act****Article 1 – point 1**

Directive 92/79/EEC

Article 2 – paragraph 2

2. As from 1 January 2014, Member States shall ensure that excise duty (*specific duty and ad valorem duty*) on cigarettes **represents at least 63 % of the weighted average retail selling price of cigarettes sold. That excise duty shall not be less than EUR 90 per 1 000 cigarettes irrespective of the weighted average retail selling price.**

*However, Member States which levy an excise duty of at least EUR 122 per 1 000 cigarettes on the basis of the weighted average retail selling price need not comply with the 63 % requirement set out in the first subparagraph.*

2. As from 1 January 2014, **all the** Member States shall ensure that excise duty on **all categories of** cigarettes shall not be less than **EUR 75 per 1 000 cigarettes or EUR 8 more than the level per 1 000 cigarettes on 1 January 2010.**

**Amendment 9****Proposal for a directive – amending act****Article 1 – point 1**

Directive 92/79/EEC

Article 2 – paragraph 3

3. The weighted average retail selling price shall be determined at **1 January** of each year, by reference to the year n-1, on the basis of the total **releases for consumption**, and prices including all taxes.

3. The weighted average retail selling price shall be determined at **1 March** of each year, by reference to the year n-1, on the basis of the total **volume placed on the market** and prices including all taxes.

**Amendment 10****Proposal for a directive – amending act****Article 1 – point 1**

Directive 92/79/EEC

Article 2 – paragraph 5

5. Member States shall gradually increase excise duties in order to reach the requirements referred to in **paragraph 2 on the dates set in paragraphs 2 and 4 respectively.**

5. Member States shall gradually increase excise duties in order to reach the requirements referred to in **paragraph 1 by 1 January 2012.**

**Member States in which the excise duty applied on 1 January 2009 for any retail selling price category is higher than EUR 64 per 1 000 cigarettes shall not reduce their level of excise duty.**

**Amendment 11****Proposal for a directive – amending act****Article 1 – point 1**

Directive 92/79/EEC

Article 2 – paragraph 6 – subparagraph 1 a (new)

**The Commission shall calculate and publish, on the same occasion and for purposes of information, the EU floor price for cigarettes, expressed in euro or another national currency, adding the excise duty and VAT levied on a nominal packet of cigarettes of a value of EUR 0 pre-tax.**

Tuesday 24 March 2009

TEXT PROPOSED BY THE COMMISSION

AMENDMENT

**Amendment 12****Proposal for a directive – amending act****Article 1 – point 2**

Directive 92/79/EEC

Article 2a

*Article 2a is replaced by the following:**deleted***“Article 2a**

1. *Where a change in the weighted average retail selling price of cigarettes occurs in a Member State, thereby bringing the excise duty below the levels specified in paragraphs 1 and 2 of Article 2 respectively, the Member State concerned may refrain from adjusting that duty until no later than 1 January of the second year following that in which the change occurs.*

2. *Where a Member State increases the rate of value-added tax on cigarettes, it may reduce the excise duty up to an amount which, expressed as a percentage of the weighted average retail selling price, is equal to the increase in the rate of value added tax, also expressed as a percentage of the weighted average retail selling price, even if such an adjustment has the effect of reducing the excise duty to below the levels, expressed as a percentage of the weighted average retail selling price, laid down in paragraphs 1 and 2 of Article 2 respectively.*

*However, the Member State shall raise that duty again so as to reach at least those levels no later than 1 January of the second year after that in which the reduction took place.”*

**Amendment 13****Proposal for a directive – amending act****Article 2 – point 1**

Directive 92/80/EEC

Article 3 – paragraph 1 – subparagraphs 8 and 9

As from **1 January 2010**, Member States shall apply an excise duty on fine-cut smoking tobacco intended for the rolling of cigarettes of at least **38 % of the retail selling price inclusive of all taxes, and at least EUR 43 per kilogram**.

As from **1 January 2014**, Member States shall apply an excise duty on fine-cut smoking tobacco intended for the rolling of cigarettes of at least **42 % of the retail selling price inclusive of all taxes, and at least EUR 60 per kilogram**.

As from **1 January 2014**, Member States shall apply an excise duty on fine-cut smoking tobacco intended for the rolling of cigarettes of at least **EUR 50 per kilogram or 6 % more than the level per kilogram on 1 January 2012**.

As from **1 January 2012**, Member States shall apply an excise duty on fine-cut smoking tobacco intended for the rolling of cigarettes of either at least **EUR 43 per kilogram or 20 % more than the level per kilogram on 1 January 2010**.

Tuesday 24 March 2009

TEXT PROPOSED BY THE COMMISSION

AMENDMENT

**Amendment 14****Proposal for a directive – amending act****Article 2 – point 1**

Directive 92/80/EEC

Article 3 – paragraph 1 – subparagraphs 10 and 11

Member States shall gradually increase excise duties in order to reach **the** new minimum requirements **referred to in the ninth subparagraph on 1 January 2014**.

As from **1 January 2010**, the excise duty expressed **as a percentage**, as an amount per kilogram or for a given number of items shall be at least equivalent to the following:

- (a) in the case of cigars or cigarillos, **5 % of the retail selling price inclusive of all taxes or** EUR 12 per 1 000 items or per kilogram;
- (b) in the case of smoking tobaccos, other than fine-cut smoking tobacco intended for the rolling of cigarettes, **20 % of the retail selling price inclusive of all taxes, or** EUR 22 per kilogram.

Member States shall gradually increase excise duties in order to reach **those** new minimum requirements.

As from **1 January 2012**, the excise duty expressed as an amount per kilogram or for a given number of items shall be at least equivalent to the following:

- (a) in the case of cigars or cigarillos EUR 12 per 1 000 items or per kilogram;
- (b) in the case of smoking tobaccos, other than fine-cut smoking tobacco intended for the rolling of cigarettes, EUR 22 per kilogram.

**Amendment 15****Proposal for a directive – amending act****Article 3 – point 4 a (new)**

Directive 95/59/EC

Article 9 – paragraph 1 – subparagraph 3

**(4a) In Article 9(1), the third subparagraph is replaced by the following:**

**“The second paragraph may not, however, hinder implementation of national systems [...] regarding the control of price levels, the observance of imposed prices or the implementation by a Member State’s competent authority of appropriate threshold price measures applicable to all tobacco products, in the context of that Member State’s public health policy, in order to discourage tobacco consumption, especially by the young, provided that they are compatible with Community legislation.”.**

**Amendment 16****Proposal for a directive – amending act****Article 3 – point 5**

Directive 95/59/EC

Article 16 – paragraph 1

1. The specific component of the excise duty may not be less than 10 % and more than **75 %** of the amount of the total tax burden resulting from the aggregation of the following:

- (a) specific excise duty;
- (b) the proportional excise duty and the value added tax levied on the weighted average retail selling price.

1. The specific component of the excise duty may not be less than 10 %, **as from 1 January 2012**, and **may not be** more than **55 %** of the amount of the total tax burden resulting from the aggregation of the following:

- (a) specific excise duty;
- (b) the proportional excise duty and the value added tax levied on the weighted average retail selling price.



Tuesday 24 March 2009

## TEXT PROPOSED BY THE COMMISSION

The average weighted retail selling price shall be determined at **1 January** of each year, by reference to the year n-1, on the basis of the total releases for consumption, and prices including all taxes.

## AMENDMENT

The average weighted retail selling price shall be determined at **1 March** of each year, by reference to the year n-1, on the basis of the total releases for consumption, and prices including all taxes.

**1a. The specific component of the excise duty shall not be less than 10 % as from 1 January 2014 and shall not be more than 60 % of the amount of the total tax burden resulting from the aggregation of the following:**

- (a) specific excise duty; and**
- (b) the proportional excise duty and the value added tax levied on the weighted average retail selling price.**

**The average weighted retail selling price shall be determined at 1 March of each year, by reference to the year n-1, on the basis of the total releases for consumption, and prices including all taxes.**

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Wednesday 25 March 2009

## Common consular instructions: biometric identifiers and visa applications \*\*\*II

P6\_TA(2009)0167

**European Parliament legislative resolution of 25 March 2009 on the Council common position for adopting a regulation of the European Parliament and of the Council amending the Common Consular Instructions on visas for diplomatic missions and consular posts in relation to the introduction of biometrics including provisions on the organisation of the reception and processing of visa applications (5329/1/2009 – C6-0088/2009 – 2006/0088(COD))**

(2010/C 117 E/42)

(Codecision procedure: second reading)

*The European Parliament,*

- having regard to the Council common position (5329/1/2009 – C6-0088/2009),
  - having regard to its position at first reading <sup>(1)</sup> on the Commission proposal to Parliament and the Council (COM(2006)0269),
  - having regard to Article 251(2) of the EC Treaty,
  - having regard to Rule 67 of its Rules of Procedure,
  - having regard to the recommendation for second reading of the Committee on Civil Liberties, Justice and Home Affairs (A6-0143/2009),
1. Approves the common position;
  2. Notes that the act is adopted in accordance with the common position;
  3. Instructs its President to sign the act with the President of the Council pursuant to Article 254(1) of the EC Treaty;
  4. Instructs its Secretary-General to sign the act, once it has been verified that all the procedures have been duly completed, and, in agreement with the Secretary-General of the Council, to have it published in the *Official Journal of the European Union*;
  5. Instructs its President to forward its position to the Council and the Commission.

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<sup>(1)</sup> Texts adopted, 10.7.2008, P6\_TA(2008)0358.

Wednesday 25 March 2009

**Community guarantee to the European Investment Bank \*\*\*I**

P6\_TA(2009)0168

**European Parliament legislative resolution of 25 March 2009 on the proposal for a decision of the European Parliament and of the Council granting a Community guarantee to the European Investment Bank against losses under loans and loan guarantees for projects outside the Community (COM(2008)0910 – C6-0025/2009 – 2008/0268(COD))**

(2010/C 117 E/43)

(Codecision procedure: first reading)

*The European Parliament,*

- having regard to the Commission proposal to the European Parliament and the Council (COM(2008)0910),
  - having regard to Article 251 and Articles 179 and 181(a) of the EC Treaty, pursuant to which the Commission submitted the proposal to Parliament (C6-0025/2009),
  - having regard to Rule 51 of its Rules of Procedure,
  - having regard to the report of the Committee on Budgets (A6-0109/2009),
1. Approves the Commission proposal as amended;
  2. Calls on the Commission to refer the matter to Parliament again if it intends to amend the proposal substantially or replace it with another text;
  3. Instructs its President to forward its position to the Council and Commission.

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**P6\_TC1-COD(2008)0268**

**Position of the European Parliament adopted at first reading on 25 March 2009 with a view to the adoption of Decision No .../2009/EC of the European Parliament and of the Council granting a Community guarantee to the European Investment Bank against losses under loans and loan guarantees for projects outside the Community**

*(As an agreement was reached between Parliament and Council, Parliament's position at first reading corresponds to the final legislative act, Decision No 633/2009/EC.)*

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Wednesday 25 March 2009

## **The performance and sustainability of the European aviation system \*\*\*I**

P6\_TA(2009)0169

**European Parliament legislative resolution of 25 March 2009 on the proposal for a regulation of the European Parliament and of the Council amending Regulations (EC) No 549/2004, (EC) No 550/2004, (EC) No 551/2004 and (EC) No 552/2004 in order to improve the performance and sustainability of the European aviation system (COM(2008)0388 – C6-0250/2008 – 2008/0127(COD))**

(2010/C 117 E/44)

(Codecision procedure: first reading)

*The European Parliament,*

- having regard to the Commission proposal to the European Parliament and the Council (COM(2008)0388),
  - having regard to Article 251(2) and Article 80(2) of the EC Treaty, pursuant to which the Commission submitted the proposal to Parliament (C6-0250/2008),
  - having regard to Rule 51 of its Rules of Procedure,
  - having regard to the report of the Committee on Transport and Tourism and the opinion of the Committee on Industry, Research and Energy (A6-0002/2009),
1. Approves the Commission proposal as amended;
  2. Calls on the Commission to refer the matter to Parliament again if it intends to amend the proposal substantially or replace it with another text;
  3. Instructs its President to forward its position to the Council and Commission.

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### **P6\_TC1-COD(2008)0127**

**Position of the European Parliament adopted at first reading on 25 March 2009 with a view to the adoption of Regulation (EC) No .../2009 of the European Parliament and of the Council amending Regulations (EC) No 549/2004, (EC) No 550/2004, (EC) No 551/2004 and (EC) No 552/2004 in order to improve the performance and sustainability of the European aviation system**

*(As an agreement was reached between Parliament and Council, Parliament's position at first reading corresponds to the final legislative act, Regulation (EC) No ...)*

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Wednesday 25 March 2009

**Aerodromes, air traffic management and air navigation services \*\*\*I**

P6\_TA(2009)0170

**European Parliament legislative resolution of 25 March 2009 on the proposal for a regulation of the European Parliament and of the Council amending Regulation (EC) No 216/2008 in the field of aerodromes, air traffic management and air navigation services and repealing Council Directive 2006/23/EC (COM(2008)0390 – C6-0251/2008 – 2008/0128(COD))**

(2010/C 117 E/45)

(Codecision procedure: first reading)

*The European Parliament,*

- having regard to the Commission proposal to the European Parliament and the Council (COM(2008)0390),
  - having regard to Article 251(2) and Article 80(2) of the EC Treaty, pursuant to which the Commission submitted the proposal to Parliament (C6-0251/2008),
  - having regard to Rule 51 of its Rules of Procedure,
  - having regard to the report of the Committee on Transport and Tourism (A6-0515/2008),
1. Approves the Commission proposal as amended;
  2. Calls on the Commission to refer the matter to Parliament again if it intends to amend the proposal substantially or replace it with another text;
  3. Instructs its President to forward its position to the Council and Commission.

**P6\_TC1-COD(2008)0128**

**Position of the European Parliament adopted at first reading on 25 March 2009 with a view to the adoption of Regulation (EC) No .../2009 of the European Parliament and of the Council amending Regulation (EC) No 216/2008 in the field of aerodromes, air traffic management and air navigation services and repealing Directive 2006/23/EC**

*(As an agreement was reached between Parliament and Council, Parliament's position at first reading corresponds to the final legislative act, Regulation (EC) No ...)*

Wednesday 25 March 2009

## Novel foods \*\*\*I

P6\_TA(2009)0171

**European Parliament legislative resolution of 25 March 2009 on the proposal for a regulation of the European Parliament and of the Council on novel foods and amending Regulation (EC) No XXX/XXXX [common procedure] (COM(2007)0872 – C6-0027/2008 – 2008/0002(COD))**

(2010/C 117 E/46)

(Codecision procedure: first reading)

*The European Parliament,*

— having regard to the Commission proposal to the European Parliament and the Council (COM(2007)0872),

— having regard to Article 251(2) and Article 95 of the EC Treaty, pursuant to which the Commission submitted the proposal to Parliament (C6-0027/2008),

— having regard to Rule 51 of its Rules of Procedure,

— having regard to the report of the Committee on the Environment, Public Health and Food Safety and the opinions of the Committee on the Internal Market and Consumer Protection and the Committee on Agriculture and Rural Development (A6-0512/2008),

1. Approves the Commission proposal as amended;
2. Calls on the Commission to refer the matter to Parliament again if it intends to amend the proposal substantially or replace it with another text;
3. Instructs its President to forward its position to the Council and Commission.

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**Position of the European Parliament adopted at first reading on 25 March 2009 with a view to the adoption of Regulation (EC) No .../2009 of the European Parliament and of the Council on novel foods, amending Regulation (EC) No 1331/2008 and repealing Regulation (EC) No 258/97**

P6\_TC1-COD(2008)0002

(Text with EEA relevance)

THE EUROPEAN PARLIAMENT AND THE COUNCIL OF THE EUROPEAN UNION,

Having regard to the Treaty establishing the European Community, and in particular Article 95 thereof,

Having regard to the proposal from the Commission ||,

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Having regard to the opinion of the European Economic and Social Committee <sup>(1)</sup>,

Acting in accordance with the procedure laid down in Article 251 of the Treaty <sup>(2)</sup>,

Whereas:

- (1) ***In implementing Community policy and having regard to the Treaty establishing the European Community, a high level of protection of human health and consumer protection should be guaranteed and also a high level of animal welfare and environmental protection. At all times, moreover, the precautionary principle as laid down in Regulation (EC) No 178/2002 of the European Parliament and of the Council of 28 January 2002 laying down the general principles and requirements of food law, establishing the European Food Safety Authority and laying down procedures in matters of food safety <sup>(3)</sup>, should be applied.***
- (2) ***A high level of human health protection should be assured in the pursuit of Community policies and should be given priority over the functioning of the internal market.***
- (3) ***Article 13 of the Treaty on the Functioning of the European Union clarifies that the Union and the Member States shall pay full regard to the welfare requirements of animals when formulating and implementing policies, since animals are sentient beings.***
- (4) ***The standards defined in Community legislation must be applied to all foods placed on the Community market, including foods imported from third countries.***
- (5) ***The European Parliament called on the Commission, in its resolution of 3 September 2008 on the cloning of animals for food supply <sup>(4)</sup>, to submit proposals prohibiting for food supply purposes (i) the cloning of animals, (ii) the farming of cloned animals or their offspring, (iii) the placing on the market of meat or dairy products derived from cloned animals or their offspring and (iv) the importing of cloned animals, their offspring, semen and embryos from cloned animals or their offspring, and meat or dairy products derived from cloned animals or their offspring.***
- (6) ***The Commission's Scientific Committee on Emerging and Newly Identified Health Risks (SCENIHR) adopted on 28-29 September 2005 an opinion which concluded that there are 'major gaps in the knowledge necessary for risk assessment. These include nanoparticle characterisation, the detection and measurement of nanoparticles, the dose-response, fate, and persistence of nanoparticles in humans and in the environment, and all aspects of toxicology and environmental toxicology related to nanoparticles'; furthermore, the SCENIHR opinion concludes that 'existing toxicological and eco-toxicological methods may not be sufficient to address all of the issues arising in relation to nanoparticles'.***
- (7) ***Community rules on novel foods were established by Regulation (EC) No 258/97 of the European Parliament and of the Council of 27 January 1997 concerning novel foods and novel food ingredients <sup>(5)</sup> and by Commission Regulation (EC) No 1852/2001 of 20 September 2001 laying down detailed rules for making certain information available to the public and for the protection of information submitted pursuant to European Parliament and Council Regulation (EC) No 258/97 <sup>(6)</sup>. For the sake of clarity, Regulation (EC) No 258/97 should be repealed and replaced by this Regulation. The present Regulation should include measures currently governed by Regulation (EC) No 1852/2001.***

<sup>(1)</sup> OJ C 224, 30.8.2008, p. 81.

<sup>(2)</sup> Position of the European Parliament of 25 March 2009.

<sup>(3)</sup> OJ L 31, 1.2.2002, p. 1.

<sup>(4)</sup> Texts adopted, P6\_TA(2008)0400.

<sup>(5)</sup> OJ L 43, 14.2.1997, p. 1. ||

<sup>(6)</sup> OJ L 253, 21.9.2001, p. 17.

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- (8) In order to ensure continuity with Regulation (EC) No 258/97, the absence of a use for human consumption to a significant degree within the Community before the date of application of Regulation (EC) No 258/97, namely 15 May 1997, should be kept as a *criteria* for a food to be considered as novel. **A use within the Community refers to a use in the Member States, irrespective of the date of their accession to the European Union.**
- (9) The existing definition of novel food should be clarified, **with an explanation of the criteria for novelty**, and updated by replacing the existing categories with a reference to the general definition of food in Regulation (EC) No 178/2002 ¶.
- (10) **Foods with a new or intentionally modified primary molecular structure, foods consisting of, or isolated from, micro-organisms, fungi or algae, new strains of micro-organism with no history of safe use as well as concentrates of substances that naturally occur in plants should be considered as novel foods as defined in this Regulation.**
- (11) It should also be clarified that a food should be considered as novel when it is applied a production technology which was not previously used. In particular, emerging technologies in breeding and food production processes, which have an impact on food and thus might have an impact on food safety, should be covered by this Regulation. Novel food should therefore include foods derived from plants and animals, produced by non-traditional breeding techniques, and foods modified by new production processes, such as nanotechnology and nanoscience, which might have an impact on food. Foods derived from new plant varieties, or animal breeds produced by traditional breeding techniques, should not be considered as novel foods.
- (12) **The cloning of animals is incompatible with Council Directive 98/58/EC of 20 July 1998 concerning the protection of animals kept for farming purposes <sup>(1)</sup>, point 20 of the Annex of which states that natural or artificial breeding procedures which cause or are likely to cause suffering or injury to any of the animals concerned must not be practised. Food from cloned animals or their descendants must therefore not be placed on the Community list.**
- (13) **Test methods currently available are not adequate for assessing the risks associated with nanomaterials. Non-animal test methods for testing nanomaterials should be developed as a matter of urgency.**
- (14) **The European Group on Ethics in Science and New Technologies stated in its Opinion (No. 23) of 16 January 2008 on ethical aspects of animal cloning for food supply that it ‘does not see convincing arguments to justify the production of food from clones and their offspring’. The Scientific Committee of the European Food Safety Authority (EFSA) concluded in its Opinion of 15 July 2008 on animal cloning <sup>(2)</sup> that ‘the health and welfare of a significant proportion of clones ... have been found to be adversely affected, often severely and with a fatal outcome’.**
- (15) **Only nanomaterials entered in a list of approved substances should be present in food packaging, accompanied by a limit on migration into or onto the food products contained in such packaging.**
- (16) **Foods derived from cloned animals and their descendants should, however, be excluded from the scope of this Regulation. They should be dealt with in a specific regulation, adopted under the codecision procedure, and not be subject to the common authorisation procedure. Before the date of application of this Regulation, the Commission should put forward a corresponding legislative proposal. Pending the entry into force of a regulation on cloned animals, a moratorium should be imposed on the placing on the market of foods manufactured from cloned animals and their descendants.**

<sup>(1)</sup> OJ L 221, 8.8.1998, p. 23.

<sup>(2)</sup> The EFSA Journal (2008)767, p. 32.



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- (17) **Implementing** measures should be adopted to provide for **further** criteria in order to facilitate the assessment of whether a food has been used for human consumption to a significant degree within the Community before 15 May 1997. If a food has been used exclusively as, or in, a food supplement, as defined in Directive 2002/46/EC of the European Parliament and of the Council of 10 June 2002 on the approximation of the laws of the Member States relating to food supplements <sup>(1)</sup>, prior to that date, it can be placed on the market after that date for the same use without being considered as a novel food. However, that use as, or in, a food supplement should not be taken into account for the assessment of whether it has been used for human consumption to a significant degree within the Community before 15 May 1997. Therefore, other uses of the food concerned, *i.e.* other than food supplement uses, have to be authorised in accordance with this Regulation.
- (18) Reformulated food products produced from existing food ingredients available on the Community market, in particular those reformulated by changing the composition or amounts of those food ingredients, should not be considered as novel food.
- (19) **The provisions of Directive 2001/83/EC of the European Parliament and of the Council of 6 November 2001 on the Community code relating to medicinal products for human use <sup>(2)</sup> should apply where, taking into account all its characteristics, a product may fall both within the definition of ‘medicinal product’ and within the definition of a product covered by other Community legislation. In this respect, a Member State may, where it establishes in accordance with Directive 2001/83/EC that a substance is a medicinal product, restrict the placing on the market of such a product in accordance with Community law.**
- (20) Novel foods authorised under **Regulation (EC) No 258/97** should maintain their novel food status but authorisation should be required for any new uses of such foods.
- (21) Foods which are intended for technological uses or which are genetically modified should not fall within the scope of this Regulation **as long as these foods are covered by a safety evaluation and approval according to other Community legislation**. Therefore, food used solely as additives falling within the scope of Regulation (EC) No 1333/2008 of the European Parliament and of the Council of 16 December 2008 on food additives <sup>(3)</sup>, flavourings falling within the scope of Regulation (EC) No 1334/2008 of the European Parliament and of the Council of 16 December 2008 on flavourings and certain food ingredients with flavouring properties for use in and on foods <sup>(4)</sup>, extraction solvents falling within the scope of Council Directive 88/344/EEC of 13 June 1988 on the approximation of the laws of the Member States on extraction solvents used in the production of foodstuffs and food ingredients <sup>(5)</sup>, enzymes falling within the scope of Regulation (EC) No 1332/2008 of the European Parliament and of the Council of 16 December 2008 on food enzymes <sup>(6)</sup> and genetically modified food falling within the scope of Regulation (EC) No 1829/2003 of the European Parliament and of the Council of 22 September 2003 on genetically modified food and feed <sup>(7)</sup> should be excluded from the scope of this Regulation.
- (22) The use of vitamins and minerals is governed by specific sectoral food laws. The vitamins and minerals falling within the scope of Council Directive 89/398/EEC of 3 May 1989 on the approximation of the laws of the Member States relating to foodstuffs intended for particular nutritional uses <sup>(8)</sup>, Directive 2002/46/EC **and** Regulation (EC) No 1925/2006 of the European Parliament and of the Council of 20 December 2006 on the addition of vitamins and minerals and of certain other substances to foods <sup>(9)</sup> should therefore be excluded from the scope of this Regulation.

<sup>(1)</sup> OJ L 183, 12.7.2002, p. 51.

<sup>(2)</sup> **OJ L 311, 28.11.2001, p. 67.**

<sup>(3)</sup> OJ L 354, 31.12.2008, p. 16.

<sup>(4)</sup> OJ L 354, 31.12.2008, p. 34.

<sup>(5)</sup> OJ L 157, 24.6.1988, p. 28. **||**

<sup>(6)</sup> OJ L 354, 31.12.2008, p. 7.

<sup>(7)</sup> OJ L 268, 18.10.2003, p. 1. **||**

<sup>(8)</sup> OJ L 186, 30.6.1989, p. 27. **||**

<sup>(9)</sup> OJ L 404, 30.12.2006, p. 26.

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- (23) Novel foods, other than vitamins and minerals, intended for particular nutritional uses, for food fortification or as food supplements, should be assessed in conformity with the safety criteria and requirements applicable to all novel foods. At the same time they should remain subject to the rules provided for in Directive 89/398/EEC and in the specific Directives referred to in Article 4(1) thereof and in Annex I thereof, in Directive 2002/46/EC and in Regulation (EC) No 1925/2006.
- (24) **The Commission should establish** a simple and transparent procedure for **cases in which it** does not have information on human consumption before 15 May 1997 **¶**. The Member States **should be involved in this procedure. The procedure should be adopted no later than six months after the entry into force of this Regulation.**
- (25) Novel foods should be placed on the Community market only if they are safe and do not mislead the consumer. **The assessment of their safety should be based on the precautionary principle as laid down in Article 7 of Regulation (EC) No 178/2002.** In addition, they should not differ from the food that they are to replace in any way that would be nutritionally disadvantageous for the consumer.
- (26) It is necessary to apply a harmonised centralised procedure for safety assessment and authorisation that is efficient, time-limited and transparent. With a view to further harmonising different authorisation procedures of food, the safety assessment of novel foods and their inclusion in the Community list should be carried out in accordance with the procedure laid down in Regulation (EC) No 1331/2008 of the European Parliament and of the Council of 16 December 2008 establishing a common authorisation procedure for *food additives*, food enzymes and **food** flavourings <sup>(1)</sup>. **The approval of novel foods should also take into account other factors relevant to the matter under consideration, including ethical factors.**
- (27) **In order to avoid animal testing, testing on vertebrate animals for the purposes of this Regulation should be undertaken only as a last resort. This Regulation should ensure that testing on vertebrate animals is minimised and that double-testing is avoided, and should promote the use of non-animal test methods and intelligent testing strategies. Existing results from tests on vertebrate animals should be shared in the process of developing novel foods. Moreover, in accordance with Council Directive 86/609/EEC of 24 November 1986 on the approximation of laws, regulations and administrative provisions of the Member States regarding the protection of animals used for experimental and other scientific purposes <sup>(2)</sup>, tests on vertebrate animals must be replaced, restricted or refined. Implementation of this Regulation should, where possible, be based on the use of appropriate alternative testing methods. Not later than seven years after the entry into force of this Regulation., the Commission should review the rules on the data protection of results from tests on vertebrate animals and, where necessary, change those rules.**
- (28) Criteria for the evaluation of the potential risks arising from novel foods should also be laid down. In order to ensure a harmonised scientific assessment of novel foods, such assessments should be carried out by the European Food Safety Authority ('the Authority') **in cooperation with the Member States' authorities.**
- (29) **Ethical and environmental aspects must be considered as part of the risk assessment during the authorisation procedure. These aspects should be assessed by the European Group on Ethics in Science and New Technologies and the European Environment Agency respectively.**
- (30) In order to simplify procedures, applicants should be allowed to present a single application for foods regulated under different sectoral food laws. Regulation (EC) No 1331/2008 should therefore be amended accordingly.
- (31) Where appropriate and based on the conclusions of the safety assessment, post-market monitoring requirements for the use of novel foods for human consumption should be introduced.

<sup>(1)</sup> OJ L 354, 31.12.2008, p. 1.

<sup>(2)</sup> OJ L 358, 18.12.1986, p. 1.

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- (32) The inclusion of a novel food in the Community list of novel foods should be without prejudice to the possibility of evaluating the effects of the overall consumption of a substance which is added to, or used for the manufacture of that food, or of a comparable product in accordance with Article 8 of Regulation (EC) No 1925/2006.
- (33) Under specific circumstances in order to stimulate research and development within the agri-food industry, and thus innovation, **it is appropriate to protect the investment made by innovators in gathering the information and data provided in support of an application under this Regulation.** The newly developed scientific evidence and proprietary data provided in support of an application for inclusion of a novel food in the Community list should not be used to the benefit of another applicant during a limited period of time, without the agreement of the first applicant. The protection of scientific data provided by one applicant should not prevent other applicants from seeking the inclusion in the Community list of novel foods on the basis of their own scientific data. **In addition, the protection of scientific data should not prevent transparency and access to information relating to the data used in the safety assessment of novel foods. Intellectual property rights should, nevertheless, be respected.**
- (34) Novel foods are subject to the general labelling requirements laid down in Directive 2000/13/EC of the European Parliament and of the Council of 20 March 2000 on the approximation of the laws of the Member States relating to labelling, presentation and advertising of foodstuffs<sup>(1)</sup>. In certain cases it might be necessary to provide for additional labelling information, in particular regarding the description of the food, its source, or its conditions of use. Therefore, the inclusion of a novel food in the Community list may be subject to specific conditions of use or labelling obligations.
- (35) Regulation (EC) No 1924/2006 of the European Parliament and of the Council of 20 December 2006 on nutrition and health claims made on foods<sup>(2)</sup> harmonises the provisions in the Member States which relate to nutrition and health claims. Therefore, claims regarding novel foods should only be made in accordance with that Regulation. **Where an applicant wishes a novel food to carry a health claim that needs to be authorised in accordance with Article 17 or 18 of Regulation (EC) No 1924/2006 and the novel food and health claim applications both include requests for the protection of proprietary data, the periods of data protection should start together and run concurrently, where the applicant so requests.**
- (36) As regards the safety assessment and management of traditional food from third countries, their history of safe use in the third country of origin should be taken into account. The history of safe food use should not include non-food uses or uses not related to normal diets. If Member States **and/or** the Authority have not presented any reasoned safety objections, based on scientific evidence, for example information on adverse health effects, it **will** be permissible to place the food on the Community market after notification of the intention to do so, **provided that there are no ethical objections.**
- (37) The European Group on Ethics in Science and New Technologies (EGE) established by Commission Decision of 16 December 1997 (SEC(97) 2404) **should** be consulted **in justified cases** with a view to obtaining advice on ethical issues regarding **the use of new technologies and** the placing on the market of novel foods.
- (38) Novel foods placed on the Community market under Regulation (EC) No 258/97 should continue to be placed on the market. Novel foods authorised in accordance with Regulation (EC) No 258/97 should be included in the Community list of novel foods established by this Regulation. In addition, applications submitted under Regulation (EC) No 258/97, **in relation to which the initial assessment report provided for under Article 6(3) of that Regulation** has not yet been **forwarded to the Commission and in relation to which an additional assessment report is required in accordance with Article 6(3) or 6(4) of that Regulation** before the date of application of **this** Regulation, should be considered as **an application** under this Regulation. **When required to give an opinion, the Authority and the Member States should take into account the outcome of the initial assessment. Other requests submitted under Article 4 of Regulation (EC) No 258/97 before the date of application of this Regulation should be processed under the provisions of Regulation (EC) No 258/97.**

<sup>(1)</sup> OJ L 109, 6.5.2000, p. 29. ||

<sup>(2)</sup> OJ L 404, 30.12.2006, p. 9.

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- (39) Since the objectives of the action to be taken cannot be achieved by the Member States and can therefore be better achieved at Community level, the Community may adopt measures, in accordance with the principle of subsidiarity as set out in Article 5 of the Treaty. In accordance with the principle of proportionality, as set out in that Article, this Regulation does not go beyond what is necessary in order to achieve those objectives.
- (40) The Member States should lay down the rules on penalties applicable to infringements of the provisions of this Regulation and should take all measures necessary to ensure that they are implemented. The penalties provided for must be effective, proportionate and dissuasive.
- (41) The measures necessary for the implementation of this Regulation should be adopted in accordance with Council Decision 1999/468/EC of 28 June 1999 laying down the procedures for the exercise of implementing powers conferred on the Commission <sup>(1)</sup>.
- (42) In particular, power should be conferred on the Commission to establish the criteria under which foods may be considered as having been used for human consumption to a significant degree within the Community before 15 May 1997. Since those measures are of general scope and are designed to supplement this Regulation by the addition of new non-essential elements, they must be adopted in accordance with the regulatory procedure with scrutiny provided for in Article 5a of Decision 1999/468/EC.
- (43) Regulation (EC) No 882/2004 of the European Parliament and of the Council of 29 April 2004 on official controls performed to ensure the verification of compliance with feed and food law, animal health and animal welfare rules <sup>(2)</sup> lays down general rules for the performance of official controls to verify compliance with food law. Therefore, Member States are to carry out official controls in accordance with Regulation (EC) No 882/2004, in order to enforce compliance with *this* Regulation,

HAVE ADOPTED THIS REGULATION:

## Chapter I

### Introductory provisions

#### Article 1

##### Subject matter

This Regulation lays down harmonised rules for the placing of novel foods on the market in the Community with a view to ensuring a high level **of protection** of human **life and** health, **animal health and welfare, the environment and the interests of consumers** whilst ensuring **transparency and** the effective functioning of the internal market **and stimulating innovation within the agri-food industry.**

#### Article 2

##### Scope

1. This Regulation shall apply to the placing of novel foods on the market in the Community.
2. This Regulation shall, **unless otherwise provided for**, not apply to:
  - (a) foods when and insofar as they are used as:
    - (i) food additives falling within the scope of Regulation (EC) No **1333/2008**;

<sup>(1)</sup> OJ L 184, 17.7.1999, p. 23. ||

<sup>(2)</sup> OJ L 165, 30.4.2004, p. 1. ||

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- (ii) food flavourings falling within the scope of Regulation (EC) No **1334/2008**;
  - (iii) extraction solvents used in the production of foodstuffs and falling within the scope of Directive 88/344/EEC;
  - (iv) food enzymes falling within scope of Regulation (EC) No **1332/2008**;
  - (v) vitamins and minerals falling within the scope of Directive 89/398/EEC, Directive 2002/46/EC or Regulation (EC) No 1925/2006, **except for vitamin and mineral substances already approved which are obtained by production methods or using new sources that were not taken into account when they were authorised under specific legislation, where these production methods or new sources give rise to significant changes referred to in Article 3(2)(a)(iii).**
- (b) foods falling within the scope of Regulation (EC) No 1829/2003;
- (c) **foods derived from cloned animals and their descendants. Before ... (\*), the Commission shall present a legislative proposal to prohibit the placing on the market in the Community of foods derived from cloned animals and their descendants. The proposal shall be forwarded to the European Parliament and the Council.**

**3. Notwithstanding paragraph 2, this Regulation shall apply to food additives, food enzymes, flavourings and certain food ingredients with flavouring properties to which a new production process not used before 15 May 1997 is applied that gives rise to significant changes in the composition or structure of the food, such as engineered nanomaterials.**

4. Where necessary, it may be determined in accordance with the **regulatory** procedure **with scrutiny** referred to in **Article 20(3)** whether a type of food falls within the scope of this Regulation. **Where a novel food is capable of having an effect on the human body comparable to that of a medicinal product, the Commission shall seek an opinion of the European Medicines Agency (EMA) on whether it falls under Regulation (EC) No 726/2004 of the European Parliament and of the Council <sup>(1)</sup>.**

#### Article 3

#### Definitions

1. For the purposes of this Regulation, the definitions laid down in Regulation (EC) No 178/2002 shall apply.
2. The following definitions shall also apply:
  - (a) 'novel food' means:
    - (i) food that was not used for human consumption to a significant degree within the Community before 15 May 1997;
    - 
    - (ii) food of plant or animal origin when to the plant and animal is applied a non-traditional breeding technique not used before 15 May 1997, **with the exception of foods derived from cloned animals and their descendants**;

(\*) Six months after the date of publication of this Regulation.

(1) OJ L 136, 30.4.2004, p. 1.

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- (iii) food to which a new production process not used before 15 May 1997 is applied, where that production process gives rise to significant changes in the composition or structure of the food which affect its nutritional value, metabolism or level of undesirable substances;
- (iv) food containing or consisting of engineered nanomaterials not used for food production within the Community before 15 May 1997.

*The use of a food exclusively as, or in, a food supplement shall not be sufficient to show whether it was used for human consumption to a significant degree within the Community before 15 May 1997. However, where a food was used exclusively as, or in, a food supplement prior to that date, it may be placed on the Community market after that date for the same use without being considered as a novel food. Further criteria for assessing if a food was used for human consumption to a significant degree within the Community before 15 May 1997, which are designed to amend non-essential elements of this Regulation, inter alia by supplementing it, may be adopted in accordance with the regulatory procedure with scrutiny referred to in Article 20(3);*

- (b) 'traditional food from a third country' means **a natural non-engineered** novel food with a history of food use in a third country, meaning that the food in question has been, **for at least 25 years before** ... (\*), and continues to be, part of the normal diet ■ in a large part of the population of the country;
- (c) 'history of safe food use' means that the safety of the food in question is confirmed with compositional data and from experience of use and continued use **for at least 30 years** in the **customary** diet of a large part of the population of a country;
- (d) 'cloned animals' means animals produced by means of a method of asexual, artificial reproduction with the aim of producing a genetically identical or nearly identical copy of an individual animal;
- (e) 'descendants of cloned animals' means animals produced by means of sexual reproduction, in cases in which at least one of the progenitors is a cloned animal;
- (f) 'engineered nanomaterial' means any intentionally produced material that has one or more dimensions of the order of 100 nm or less or is composed of discrete functional parts, either internally or at the surface, many of which have one or more dimensions of the order of 100 nm or less, including structures, agglomerates or aggregates, which may have a size above the order of 100 nm but retain properties that are characteristic to the nanoscale.

*Properties that are characteristic to the nanoscale include:*

- (i) those related to the large specific surface area of the materials considered and/or
- (ii) specific physico-chemical properties that are different from those of the non-nanoform of the same material.

3. In view of the various definitions of nanomaterials published by different bodies at international level and the constant technical and scientific developments in the field of nanotechnologies, the Commission shall adjust and adapt point ( f ) of paragraph 2 to technical and scientific progress and with definitions subsequently agreed at international level. That measure, designed to amend non-essential elements of this Regulation, shall be adopted in accordance with the regulatory procedure with scrutiny referred to in Article 20(3).

(\*) Six months after the date of publication of this Regulation.

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## Article 4

Collection of information regarding the *classification of a novel food*

1. The Commission **shall** collect information from the Member States and/or from food business operators **or any other interested party** to determine **whether a food falls within the scope of this Regulation. Member States, business operators and other interested parties shall transmit to the Commission information on the** extent a food has been used for human consumption within the Community before 15 May 1997.
2. **The Commission shall publish those data and the conclusions drawn from the data collection and the non-confidential data supporting it.**
3. **Implementing measures on how to proceed in cases in which the Commission has no information about use for human consumption before 15 May 1997, which are designed to amend non-essential elements of this Regulation, inter alia by supplementing it, shall be adopted in accordance with the regulatory procedure with scrutiny referred to in Article 20 (3) not later than ... (\*)**.
4. Implementing measures for the application of paragraph 1, which are designed to amend non-essential elements of this Regulation, inter alia by supplementing it, may be adopted in accordance with the regulatory procedure with scrutiny referred to *Article 20(3)*.

## Chapter II

## Requirements and inclusion in the Community list of novel foods

## Article 5

## Community list of novel foods

Only novel foods included in the Community list of novel foods ('the Community list') may be placed on the market. **The Commission shall keep and publish the Community list on a publicly accessible page intended for that purpose on the website of the Commission.**

## Article 6

**Prohibition of non-compliant novel foods**

**Novel foods shall not be placed on the market if they do not comply with the provisions of this Regulation.**

## Article 7

## Conditions for inclusion in the Community list

- I. A novel food may be included in the Community list only if it meets the following conditions:
  - (a) it does not, on the basis of the scientific evidence available, pose a safety concern to the health of the consumer **and of animals, which implies that cumulative and synergistic effects as well as possible adverse effects on particular groups of the population will be taken into account in the risk assessment;**
  - (b) it does not mislead the consumer **;**

(\*) **Six months after the date of entry into force of this Regulation.**

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- (c) in the case where it is intended to replace another food, it does not differ from that food **in such a way** that its normal consumption would be nutritionally disadvantageous for the consumer;
- (d) **the opinion of the European Environment Agency concerning the extent to which the production process and normal consumption have a harmful impact on the environment shall be taken into account in the assessment;**
- (e) **the opinion of the European Group on Ethics in Science and New Technologies, concerning the extent to which there are ethical objections, shall be taken into account in the assessment;**
- (f) **a novel food that may have any adverse effects on particular groups of the population will be authorised only where specific measures preventing such adverse effects have been implemented;**
- (g) **maximum intake levels of a novel food as such or as part of another foodstuff or categories of foodstuffs will be laid down, where required in the interests of safe use;**
- (h) **cumulative effects of novel foods that are used in different foodstuffs or categories of foodstuffs have been assessed.**

2. **Foods to which production processes have been applied that require specific risk assessment methods (e.g. foods produced using nanotechnologies) may not be included in the Community list until such specific methods have been approved for use, and an adequate safety assessment on the basis of those methods has shown that the use of the respective foods is safe.**

3. **A novel food may be included in the Community list only if the competent authority has submitted an opinion establishing that the food is not harmful to health.**

Foods from cloned animals or their descendants shall not be placed on the Community list.

4. **In the event of doubt, due, for example, to insufficient scientific certainty or lack of data, the precautionary principle shall be applied and the food in question shall not be included in the Community list.**

#### Article 8

##### Content of the Community list

1. The Community list shall be updated in accordance with the procedure laid down in Regulation (EC) No 1331/2008 **and the Commission shall publish it on a dedicated page of its website.**
2. The entry of a novel food in the Community list shall include:
  - (a) a specification of the food;
  - (b) **the intended use of the food;**
  - (c) the conditions of use;
  - (d) **the date of entry of the novel food in the Community list and the date of receipt of the application;**



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- (e) *the name and address of the applicant;*
- (f) *the date and results of the last inspection according to the monitoring requirements laid down in Article 13;*
- (g) *the fact that the entry is based on newly developed scientific evidence and/or proprietary data protected in accordance with Article 15;*
- (h) *the fact that the novel food may only be placed on the market by the applicant specified in point (e), unless a subsequent applicant obtains authorisation for the food without reference to the proprietary data of the original applicant.*

3. *Post-marketing monitoring shall be required for all novel foods. All novel foods which have been allowed onto the market shall be reviewed after five years and whenever more scientific evidence becomes available. In the context of the monitoring, special attention should be paid to the categories of the population with the highest dietary intakes.*

4. *In the cases referred to in Article 2 (3) the common procedure shall be employed irrespective of the previous use or authorisation of the substance to which a standard production process was applied.*

5. *Where a novel food contains a substance which may pose a risk to human health in the event of excessive consumption, it shall require approval for use within maximum limits in certain foods or food categories.*

6. *All ingredients present in the form of nanomaterials shall be clearly indicated in the list of ingredients. The names of such ingredients shall be followed by the word 'nano' in brackets.*

7. *Products produced from animal fed with genetically modified feeding stuffs must be labelled with the words 'produced from animal fed with genetically modified feeding stuffs'.*

8. *The updating of the Community list shall be decided in accordance with the regulatory procedure with scrutiny referred to in Article 20(3).*

||

9. *Before the expiry of the period referred to in Article 15, the Community list shall be updated to amend non-essential elements of this Regulation in accordance with the regulatory procedure with scrutiny referred to in Article 20(3) so that, provided that the authorised food still meets the conditions laid down in this Regulation, the specific indications referred to in point (g) of paragraph 2 of this Article, are no longer included.*

10. *For the purposes of updating the Community list through entry of a novel food, where the novel food does not consist of or contain food subject to data protection according to Article 15 and:*

- (a) *the novel food is equivalent to existing foods, in composition, metabolism and level of undesirable substances, or*
- (b) *the novel food consists of or contains food previously approved for food use in the Community, and the new intended use can be expected not to significantly increase the intake of consumers, including consumers in vulnerable groups,*

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*the notification procedure referred to in Article 10 of this Regulation shall apply mutatis mutandis, by way of derogation from Article 7 (3) of Regulation (EC) No 1331/2008.*

#### Article 9

##### Labelling of novel foods and novel food ingredients

*Without prejudice to the provisions and requirements of Directive 2000/13/EC, all specific data on novel foods shall be indicated and labelled to ensure proper consumer information:*

- (a) all new foods placed on the market shall be sold with clearly distinctive, precise and easily legible labelling indicating that they are novel foods;*
  
- (b) all the characteristics or properties of novel foods such as their composition, nutritional value and proper use, shall appear clearly, precisely and in an easily legible and comprehensible manner on their packaging;*
  
- (c) the presence of a novel food or novel ingredient replacing a material or ingredient in a food, whether or not the food is replaced by a novel food, must be stated clearly, precisely and in an easily legible and comprehensible manner on the labelling.*

*Where a novel food contains a substance which may pose a high risk to human health in the event of excessive consumption, the consumer must be informed of this by means of clear, precise and easily legible labelling on the packaging of the food.*

#### Article 10

##### Traditional food from a third country

1. A food business operator intending to place a traditional food from a third country on the market in the Community shall notify it to the Commission, indicating the name of the food, its composition and country of origin.

The notification shall be accompanied by documented data demonstrating the history of safe food use in **any** third country.

2. The Commission shall forward the notification including the demonstration of history of safe food use referred to in paragraph 1 without delay to the Member States and the Authority **and make it publicly available on its website.**

3. Within four months from the date on which the notification provided for in paragraph 1 is forwarded by the Commission according to paragraph 2, a Member State and the Authority may inform the Commission that they have *justified* safety objections, based on scientific evidence, to the placing on the market of the traditional food concerned.

In that case, the food shall not be placed on the market in the Community and Articles 5 to 8 shall apply. The notification as referred to in paragraph 1 of this Article shall be considered as an application referred to in Article 3(1) of || Regulation (EC) No 1331/2008. **Alternatively, the applicant may choose to withdraw the notification.**

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The Commission shall inform the food business operator concerned accordingly **without undue delay and in a demonstrable manner** within **no more than** five months from the date of the notification *provided for in* paragraph 1.

4. If no *justified* safety objections, based on scientific evidence, have been raised and no information thereof has been communicated to the food business operator concerned in accordance with paragraph 3, the traditional food may be placed on the market in the Community after five months from the date of the notification in accordance with paragraph 1.

5. The Commission shall publish a list of traditional foods from third countries that may be placed on the market in the Community in accordance with paragraph 4 on a dedicated page of the Commission's website. **This page shall be accessible from and linked to the page on the Community list of novel foods referred to in Article 5.**

6. **Before ... (\*)**, detailed rules for the implementation of this Article, designed to amend non-essential elements of this Regulation, inter alia by supplementing it, **shall** be adopted in accordance with the regulatory procedure with scrutiny referred to in Article 20(3).

#### Article 11

##### Technical guidance

**Without prejudice to the provisions of Article 9(1) (a) of Regulation (EC) No 1331/2008 and before ... (\*)**, the Commission shall, where appropriate, in close cooperation with the Authority, **the food business operators and small and medium-sized enterprises** make available technical guidance and tools to assist food business operators and especially small and medium-sized enterprises in preparing and submitting applications under this Regulation. **Commission Recommendation 97/618/EC of 29 July 1997 concerning the scientific aspects and the presentation of information necessary to support applications for the placing on the market of novel foods and novel food ingredients and the preparation of initial assessment reports under Regulation (EC) No 258/97 of the European Parliament and of the Council<sup>(1)</sup> shall be available for use by applicants until replaced by revised technical guidance issued in accordance with this Article.**

**The technical guidance and tools shall be published, not later than ... (\*\*), on a publicly accessible page intended for that purpose on the website of the Commission.**

#### Article 12

##### Opinion of the Authority

In assessing the safety of novel foods, the Authority shall, **on the basis of the requirements specified in Article 6:**

- (a) **consider whether** the *new* food, **irrespective of whether or not it is intended to replace a food already existing on the market, poses any risk of harmful or toxic effects to human health**, while also taking into account the implications of any new characteristics;
- (b) take into account for traditional food from a third country, the history of safe food use.

(\*) Six months after the date of publication of this Regulation.

(<sup>1</sup>) OJ L 253, 16.9.1997, p. 1.

(\*\*) Six months after the date of entry into force of this Regulation.

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***In the event of ethical objections, an opinion shall be sought, over and above the safety assessment, from the European Group on Ethics in Science and New Technologies (EGE).***

#### Article 13

##### Obligations on the food business operators

1. The Commission **shall** impose for food safety reasons and following the opinion of the Authority, a requirement for post-market monitoring. ***This monitoring shall take place five years after the date of inclusion of a novel food in the Community list and take into account food safety aspects as well as animal health and welfare aspects and the environmental impact. Special attention shall be paid to the categories of the population with the highest dietary intakes.***

***The monitoring requirements shall also apply to novel foods already on the market, including those approved under the simplified procedure ('notification') laid down in Article 5 of Regulation (EC) No 258/97.***

***Member States shall appoint competent authorities that will be responsible for the post-marketing monitoring.***

2. The producer **and food business operator** shall forthwith inform the Commission of:

- (a) any new scientific or technical information which might influence the evaluation of the safety in use of the novel food;
- (b) any prohibition or restriction imposed by the competent authority of any third country in which the novel food is placed on the market.

***All food business operators shall notify the Commission and the competent authorities of the Member State in which they operate of any health problem of which they have been informed by consumers or consumer protection organisations.***

***The Member State's competent authority shall report to the Commission within three months of the completion of an inspection. The Commission shall submit a report to the European Parliament and the Council no later than a year after the expiry of the five-year period referred to in paragraph 1.***

3. ***In order to avoid animal testing, testing on vertebrate animals for the purposes of this Regulation shall be undertaken only as a last resort. The use of non-animal tests and intelligent testing strategies shall be promoted.***

#### Article 14

##### European Group on Ethics and new Technologies

***Where appropriate, the Commission may, on its own initiative or at the request of a Member State, consult the European Group on Ethics and new Technologies on ethical questions relating to science and new technologies of major ethical importance.***

***The Commission shall make that opinion of the European Group on Ethics and new Technologies available to the public.***

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## Chapter III

## General provisions

## Article 15

## Data protection

1. At the request of the applicant, supported by appropriate and verifiable information included in the application dossier, newly developed scientific evidence and proprietary scientific data provided to support the applications may not be used for the benefit of another application for a period of five years from the date of the inclusion of the novel food in the Community list **unless the subsequent applicant has agreed with the prior applicant that such data and information may be used, and where:**

- (a) **the scientific data and other information has been designated as proprietary by the prior applicant at the time the prior application was made; and**
- (b) **the prior applicant had exclusive right of reference to the proprietary data at the time the prior application was made; and**
- (c) **the novel food could not have been authorised without the submission of the proprietary data by the prior applicant.**

2. **Data from research projects partly or completely paid by the EC and/or public institutions and risk studies or data related to risk studies, like feeding studies, shall be published together with the application and shall be freely available for use by other applicants.**

3. **In order to avoid the repetition of studies involving vertebrates, reference by a subsequent applicant to studies on vertebrates and other studies that may prevent animal testing shall be allowed. The owner of the data may claim adequate compensation for the use of the data.**

## Article 16

## Harmonised data protection

**Notwithstanding the authorisation of a novel food pursuant to Articles 7 and 14 of Regulation (EC) No 1331/2008 or authorisation of a health claim pursuant to Articles 17, 18 and 25 of Regulation (EC) No 1924/2006, the data concerning the authorisation and the publication of the authorisation in the Official Journal shall be identical and the data protection periods shall run concurrently where authorisation is sought for a novel food and for a health claim relating to that food, and where data protection pursuant to the provisions of both Regulations is warranted and requested by the applicant.**

## Article 17

## Inspection and control measures

**In order to enforce compliance with this Regulation, official controls are to be carried out in accordance with Regulation (EC) No 882/2004.**

## Article 18

## Penalties

The Member States shall lay down the rules on penalties applicable to infringements of the provision of this Regulation and shall take all measures necessary to ensure that they are implemented. The penalties provided for must be effective, proportionate and dissuasive. The Member States shall notify those provisions to the Commission **within 12 months** at the latest and shall, **without delay**, notify it of any subsequent amendment affecting them.

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## Article 19

### *Privileges of Member States*

1. *Where a Member State, as a result of new information or a reassessment of existing information, has detailed grounds for considering that the use of a food or a food ingredient complying with this Regulation endangers human health or the environment, that Member State may either temporarily restrict or suspend the trade in and use of the food or food ingredient in question in its territory. It shall immediately inform the other Member States and the Commission thereof, giving the grounds for its decision.*

2. *The Commission, in close cooperation with EFSA, shall examine the grounds referred to in paragraph 1 as soon as possible and shall take the appropriate measures. The Member State which took the decision referred to in paragraph 1 may maintain it until those measures have entered into force.*

## Article 20

### *Committee*

1. The Commission shall be assisted by the Standing Committee on the Food Chain and Animal Health, set up by Article 58 of Regulation (EC) No 178/2002  $\parallel$ .

2. Where reference is made to this paragraph, Articles 5 and 7 of Decision 1999/468/EC shall apply having regard to the provisions of Article 8 thereof.

The period laid down in Article 5(6) of Decision 1999/468/EC shall be set at three months.

3. Where reference is made to this paragraph, Article 5a (1) to (4) and Article 7 of Decision 1999/468/EC shall apply, having regard to the provisions of Article 8 thereof.

## Article 21

### *Review*

1. No later than ... (\*) and in the light of experience gained, the Commission shall forward to the European Parliament and to the Council a report on the implementation of this Regulation and in particular of **Articles 10 and 15** , accompanied, where appropriate, by any proposals.

2. **No later than ... (\*\*) the Commission shall forward to the European Parliament and to the Council a report on all aspects of food produced from animals obtained by using a cloning technique and from their descendants followed, where appropriate, by any legislative proposals.**

The report and any proposal shall be made accessible to the public.

## Chapter IV

### Transitional and final provisions

## Article 22

### *Repeal*

Regulation (EC) No 258/97 shall be repealed with effect from the date of application of this Regulation.

(\*) *Three years and six months after the date of publication of this Regulation.*

(\*\*) *One year after the date of entry into force of this Regulation.*

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## Article 23

## Establishment of the Community list

By ... (\*) at the latest, the Commission shall establish the Community list by entering **in this list** novel foods **which are** authorised under Regulation (EC) No 258/97 **and which fall within the scope of this Regulation pursuant to Articles 2 and 3 thereof**, including any existing authorisation conditions, as appropriate.

## Article 24

## Transitional measures

|| Any request for placing a novel food on the market submitted to a Member State under Article 4 of Regulation (EC) No 258/97 **in relation to which the initial assessment report provided for under Article 6(3) of that Regulation has not yet been forwarded to the Commission before ... (\*\*)** shall be considered as an application under this Regulation. **Other requests submitted under Articles 3(4), 4 and 5 of Regulation (EC) No 258/97 before ... (\*\*)** shall be processed under the provisions of Regulation (EC) No 258/97.

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## Article 25

## Amendments to Regulation (EC) No 1331/2008

Regulation (EC) No 1331/2008 is amended as follows:

(1) The title is replaced by the following:

'Regulation (EC) No 1331/2008 of the European Parliament and of the Council of 16 December 2008 establishing a common authorisation procedure for food additives, food enzymes, food flavourings and novel foods'.

(2) In Article 1, paragraph 1, first sentence is replaced by the following:

'1. This Regulation lays down a common assessment and authorisation procedure (hereinafter referred to as the "common procedure") for food additives, food enzymes, food flavourings and sources of food flavourings used or intended for use in or on foodstuffs and novel foods (hereinafter referred to as the "substances or products"), which contributes to the free movement of foods within the Community and to a high level of protection of human health and protection of consumers' interests.'

(3) In Article 1, paragraph 2 is replaced by the following:

'2. The common procedure shall set the procedural arrangements for updating the lists of substances and products the marketing of which is authorised in the Community pursuant to Regulation (EC) No 1333/2008, Regulation (EC) No 1332/2008, Regulation (EC) No 1334/2008 and Regulation (EC) No .../2009 of the European Parliament and of the Council of ... on novel foods (hereinafter referred to as the "sectoral food laws").'

(\*) Six months from the date of entry into force of this Regulation.

(\*\*) Six months after the date of publication of this Regulation.

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- (4) In Article 1 paragraph 3, Article 2 paragraphs 1 and 2, Article 9 paragraph 2, Article 12 paragraph 1 and Article 13 the word 'substance' or 'substances' is replaced by 'substance or product' or 'substances or products'.
- (5) The title of Article 2 is replaced by the following:  
'Community list of substances or products'.
- (6) In Article 4 the following *paragraph* is added:  
  
'3. A single application relating to a substance or product may be made to update the different Community lists regulated under the different sectoral food laws in so far as the application complies with the requirements of each of the sectoral food laws.'
- (7) The following sentence is *inserted* at the beginning of Article 6, paragraph 1:  
  
'In the case of scientific grounds for safety concerns, additional information concerning risk assessment, shall be identified and requested from the applicant.'

*Article 26*

Entry into force

This Regulation shall enter into force on the twentieth day following that of its publication in the *Official Journal of the European Union*.

It shall apply *from ... (\*)*.

However, *Article 23* shall apply *from ... (\*\*)*.

This Regulation shall be binding in its entirety and directly applicable in all Member States.

Done at ||,

For the European Parliament  
*The President*

For the Council  
*The President*

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(\*) *Six months after the date of publication of this Regulation.*

(\*\*) *The date of entry into force of this Regulation.*



Wednesday 25 March 2009

**Substances that deplete the ozone layer (recast) \*\*\*I**

P6\_TA(2009)0172

**European Parliament legislative resolution of 25 March 2009 on the proposal for a regulation of the European Parliament and of the Council on substances that deplete the ozone layer (recast) (COM(2008)0505 – C6-0297/2008 – 2008/0165(COD))**

(2010/C 117 E/47)

(Codecision procedure – recast)

*The European Parliament,*

- having regard to the Commission proposal to the European Parliament and the Council (COM(2008)0505),
  - having regard to Article 251(2) and Articles 133 and 175(1) of the EC Treaty, pursuant to which the Commission submitted the proposal to Parliament (C6-0297/2008),
  - having regard to the Interinstitutional Agreement of 28 November 2001 on a more structured use of the recasting technique for legal acts <sup>(1)</sup>,
  - having regard to the letter of 17 December 2008 from the Committee on Legal Affairs to the Committee on the Environment, Public Health and Food Safety in accordance with Rule 80a(3) of its Rules of Procedure,
  - having regard to the opinion of the Committee on Legal Affairs on the proposed legal basis,
  - having regard to Rules 80a, 51 and 35 of its Rules of Procedure,
  - having regard to the report of the Committee on the Environment, Public Health and Food Safety and the opinion of the Committee on Legal Affairs (A6-0045/2009),
- A. whereas, according to the Consultative Working Party of the Legal Services of the European Parliament, the Council and the Commission, the proposal in question does not include any substantive amendments other than those identified as such in the proposal and whereas, as regards the codification of the unchanged provisions of the earlier acts together with those amendments, the proposal contains a straightforward codification of the existing texts, without any change in their substance,
1. Approves the Commission proposal as adapted to the recommendations of the Consultative Working Party of the Legal Services of the European Parliament, the Council and the Commission and as amended below;
  2. Calls on the Commission to refer the matter to Parliament again if it intends to amend the proposal substantially or replace it with another text;
  3. Instructs its President to forward its position to the Council and Commission.

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<sup>(1)</sup> OJ C 77, 28.3.2002, p. 1.

Wednesday 25 March 2009

**P6\_TC1-COD(2008)0165**

**Position of the European Parliament adopted at first reading on 25 March 2009 with a view to the adoption of Regulation (EC) No .../2009 of the European Parliament and of the Council on substances that deplete the ozone layer (recast)**

*(As an agreement was reached between Parliament and Council, Parliament's position at first reading corresponds to the final legislative act, Regulation (EC) No 1005/2009.)*

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**Economic Partnership Agreement between the EC and Cariforum \*\*\***

P6\_TA(2009)0183

**European Parliament legislative resolution of 25 March 2009 on the proposal for a Council Decision on the conclusion of the Economic Partnership Agreement between the Cariforum States, of the one part, and the European Community and its Member States, of the other part (5211/2009 – COM(2008)0156 – C6-0054/2009 – 2008/0061(AVC))**

(2010/C 117 E/48)

(Assent procedure)

*The European Parliament,*

- having regard to the proposal for a Council decision on the conclusion of the Economic Partnership Agreement between the Cariforum States, of the one part, and the European Community and its Member States, of the other part (COM(2008)0156),
  - having regard to the Economic Partnership Agreement between the Cariforum States, of the one part, and the European Community and its Member States, of the other part (5211/2009),
  - having regard to the request for assent submitted by the Council pursuant to Articles 57(2), 133(1) and (5) and 181 of the EC Treaty in conjunction with the second subparagraph of Article 300(3) thereof (C6-0054/2009),
  - having regard to Rules 75 and 83(7) of its Rules of Procedure,
  - having regard to the recommendation of the Committee on International Trade and the opinion of the Committee on Development (A6-0117/2009),
1. Gives its assent to the conclusion of the agreement;
  2. Instructs its President to forward its position to the Council, the Commission and the governments and parliaments of the Member States and of the Cariforum States.

Wednesday 25 March 2009

**Stepping-stone Agreement towards an Economic Partnership Agreement between the EC and Côte d'Ivoire \*\*\***

P6\_TA(2009)0184

**European Parliament legislative resolution of 25 March 2009 on the proposal for a Council decision concluding the stepping stone Economic Partnership Agreement between Côte d'Ivoire, of the one part, and the European Community and its Member States, of the other part (5535/2009 – COM(2008)0439 – C6-0064/2009 – 2008/0136(AVC))**

(2010/C 117 E/49)

(Assent procedure)

*The European Parliament,*

- having regard to the proposal for a Council decision (COM(2008)0439),
  - having regard to the stepping stone Economic Partnership Agreement between Côte d'Ivoire, of the one part, and the European Community and its Member States, of the other part (5535/2009),
  - having regard to the request for assent submitted by the Council pursuant to Articles 133 and 181 in conjunction with the second subparagraph of Article 300(3) of the EC Treaty (C6-0064/2009),
  - having regard to Rules 75 and 83(7) of its Rules of Procedure,
  - having regard to the recommendation of the Committee on International Trade and the opinion of the Committee on Development (A6-0144/2009),
1. Gives its assent to the conclusion of the agreement;
  2. Instructs its President to forward its position to the Council, the Commission and the governments and parliaments of the Member States and Côte d'Ivoire.

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Thursday 26 March 2009

## Food distribution to the most deprived persons in the Community (amendment of the Single CMO Regulation) \*

P6\_TA(2009)0188

European Parliament legislative resolution of 26 March 2009 on the proposal for a Council regulation amending Regulation (EC) No 1290/2005 on the financing of the common agricultural policy and Regulation (EC) No 1234/2007 establishing a common organisation of agricultural markets and on specific provisions for certain agricultural products (Single CMO Regulation) as regards food distribution to the most deprived persons in the Community (COM(2008)0563 – C6-0353/2008 – 2008/0183(CNS))

(2010/C 117 E/50)

(Consultation procedure)

The European Parliament,

- having regard to the Commission proposal to the Council (COM(2008)0563),
  - having regard to Article 37 of the EC Treaty, pursuant to which the Council consulted Parliament (C6-0353/2008),
  - having regard to Rule 51 of its Rules of Procedure,
  - having regard to the report of the Committee on Agriculture and Rural Development and the opinion of the Committee on Regional Development (A6-0091/2009),
1. Approves the Commission proposal as amended;
  2. Calls on the Commission to alter its proposal accordingly, pursuant to Article 250(2) of the EC Treaty;
  3. Calls on the Council to notify Parliament if it intends to depart from the text approved by Parliament;
  4. Asks the Council to consult Parliament again if it intends to amend the Commission proposal substantially;
  5. Instructs its President to forward its position to the Council and Commission.

TEXT PROPOSED BY THE COMMISSION

AMENDMENT

### Amendment 1

#### Proposal for a regulation – amending act Recital 1

(1) Council Regulation (EEC) No 3730/87 of 10 December 1987 laying down the general rules for the supply of food from intervention stocks to designated organisations for distribution to the most deprived persons in the Community, subsequently repealed and integrated into Council Regulation (EC) No 1234/2007, has provided a reliable source of food for distribution to the most deprived persons of the Community for more than two decades.

(1) Council Regulation (EEC) No 3730/87 of 10 December 1987 laying down the general rules for the supply of food from intervention stocks to designated organisations for distribution to the most deprived persons in the Community, subsequently repealed and integrated into Council Regulation (EC) No 1234/2007, has provided a reliable source of food for distribution to the most deprived persons of the Community for more than two decades **and has positively contributed to the cohesion of EU regions by reducing economic and social disparities between regions which have different levels of development.**

Thursday 26 March 2009

TEXT PROPOSED BY THE COMMISSION

AMENDMENT

**Amendment 2****Proposal for a regulation – amending act****Recital 2**

(2) The objectives of the Common Agricultural Policy (CAP) as defined in Article 33(1) of the Treaty include stabilising the markets as well as ensuring that supplies reach consumers at reasonable prices. Over the years the food distribution plans implemented under the scheme have successfully underpinned the fulfilment of both objectives and, by reducing the food insecurity of the most deprived persons in the Community, have proven to be an essential tool contributing to guarantee broad availability of food within the Community while reducing the intervention stocks.

(2) The objectives of the Common Agricultural Policy (CAP) as defined in Article 33(1) of the Treaty include stabilising the markets as well as ensuring that supplies reach consumers at reasonable prices. Over the years the food distribution plans implemented under the scheme have successfully underpinned the fulfilment of both objectives and, by reducing the food insecurity of the most deprived persons in the Community, have proven to be an essential tool contributing to guarantee broad availability of food within the Community while reducing the intervention stocks. ***The new Community food aid scheme for the most deprived persons should continue to guarantee the aims of the CAP and help achieve cohesion objectives by ensuring balanced, harmonious sustainable development for all regions.***

**Amendment 3****Proposal for a regulation – amending act****Recital 5**

(5) The current food distribution scheme relies on the distribution of products from Community intervention stocks supplemented, on a temporary basis, by purchases on the market. However, successive reforms of the CAP ***and favourable developments of producer prices have resulted in a progressive reduction in intervention stocks, as well as the range of products available.*** Consequently, market purchases should also be made a permanent source of supply for the scheme to complement intervention stocks, where suitable intervention stocks are not available.

(5) The current food distribution scheme relies on the distribution of products from Community intervention stocks supplemented, on a temporary basis, by purchases on the market. However, ***increasing strains in the world market for primary agricultural products and the phasing out of tools for the orientation of production and stocks applied under successive reforms of the CAP, have reduced the EU's food self-sufficiency in terms of the quantity and range of products available and its capacity to respond to the food needs of its most deprived citizens or to any food crises or international speculation. Nevertheless, the EU cannot, from one day to the next, halt a programme which has already been launched.*** Consequently, market purchases should also be made a permanent source of supply for the scheme to complement intervention stocks, where suitable intervention stocks are not available. ***Purchases on the market should be effected in a competitive manner, while encouraging the purchase of products of Community origin.***

**Amendment 4****Proposal for a regulation – amending act****Recital 6**

(6) A Community scheme cannot constitute the sole response to the growing needs for food aid in the Community. National policies implemented by public administrations and the mobilisation of civil society are equally necessary to provide food security for the most deprived. A Community scheme with a strong cohesive element might, however, serve as a model for the distribution of food to the most deprived,

(6) A Community scheme cannot constitute the sole response to the growing needs for food aid in the Community. National policies implemented by public administrations and the mobilisation of civil society are equally necessary to provide food security for the most deprived. A Community scheme with a strong cohesive element might, however, serve as a model for the distribution of food to the most deprived,

Thursday 26 March 2009

TEXT PROPOSED BY THE COMMISSION

AMENDMENT

help create synergies and encourage public and private initiatives aimed at increasing the food security of persons in need. Furthermore, given the geographical dispersion of the reduced available intervention stocks in the Member States, it can contribute to their best use. The Community scheme should therefore also be without prejudice to any such national policies.

*especially in the less developed regions*, help create synergies and encourage public and private initiatives aimed at increasing the food security of persons in need. Furthermore, given the geographical dispersion of the reduced available intervention stocks in the Member States, it can contribute to their best use. The Community scheme should therefore also be without prejudice to any such national policies.

#### Amendment 5

#### Proposal for a regulation – amending act

#### Recital 7

(7) *In order to fully benefit from the cohesive dimension of the Community scheme and reinforce the synergies thereby created, and in order to ensure proper planning, provision should be made for Member States to co-finance the food distribution programme. Maximum Community co-financing rates should be provided for and the Community financial contribution should be added to the list of measures eligible for financing by the European Agricultural Guarantee Fund (EAGF) set out in Article 3(1) of Council Regulation (EC) No 1290/2005. Higher co-financing rates should apply in the first years of application of the revised scheme in order to ensure the continued high take-up of funds, the gradual phase in of co-financing, to allow for a smooth transition and to avoid the risk of discontinuation of the scheme due to a possible lack of resources.*

*deleted*

#### Amendment 7

#### Proposal for a regulation – amending act

#### Recital 9

Experience has shown that certain improvements in the management of this scheme are desirable, in particular to provide Member States and designated organisations with a longer term perspective through multi-annual plans. The Commission should therefore establish three-year-plans for the implementation of the scheme, based on the Member States requests to be communicated to the Commission and other information considered relevant by the Commission. Member States should base their requests in terms of food products to be distributed within any three-year-plan on national food **distribution** programmes setting out their objectives and priorities for food distribution to the most deprived persons. The Commission should define an objective methodology for allocating available funds.

(9) Experience has shown that certain improvements in the management of this scheme are desirable, in particular to provide Member States and designated organisations with a longer term perspective through multi-annual plans. The Commission should therefore establish three-year-plans for the implementation of the scheme, based on the Member States requests to be communicated to the Commission and other information considered relevant by the Commission. Member States should base their requests in terms of food products to be distributed within any three-year-plan on national food **aid** programmes setting out their objectives and priorities for food distribution to the most deprived persons. The Commission should define an objective methodology for allocating available funds. ***In exceptional circumstances, and where the numbers of those in need have increased beyond what was forecast, Member States may ask the Commission to revise the plans.***

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TEXT PROPOSED BY THE COMMISSION

AMENDMENT

**Amendment 8****Proposal for a regulation – amending act****Article 2 – point 1**

Regulation (EC) No 1234/2007

Article 27 – paragraph 1

1. Products in intervention stocks shall be made available or food products shall be purchased on the market so that food products may be distributed to the most deprived persons in the Community through organisations designated by Member States.

Food products shall be purchased in the market only where intervention stocks suitable for the food distribution scheme are not available.

1. Products in intervention stocks shall be made available or food products **of Community origin** shall be purchased on the market, **with preference given to locally-produced fresh food products**, so that food products may be distributed to the most deprived persons in the Community through organisations designated by Member States.

Food products **of Community origin** shall be purchased in the market only where intervention stocks suitable for the food distribution scheme are not available.

**Amendment 9****Proposal for a regulation – amending act****Article 2 – point 1**

Regulation (EC) No 1234/2007

Article 27 – paragraph 2

2. Member States wishing to participate in the scheme shall communicate to the Commission national food **distribution** programmes, containing requests for amounts of food products to be distributed during a three-year period and other relevant information.

The three-year plan shall set out annual financial allocations by the Community per Member State **and minimum annual financial contributions of Member States**, determined by the Commission in accordance with a methodology to be set out in the implementing rules adopted in accordance with Article 43(g). Allocations for the second and third year of the programme shall be indicative. Member States participating in the scheme shall confirm every year the requests referred to in paragraph 2. Following these confirmations, the Commission shall decide each subsequent year on the definitive allocations, within the limits of the appropriations available in the budget.

2. Member States wishing to participate in the scheme shall communicate to the Commission national food **aid** programmes, containing **details of their main characteristics and objectives, the organisations concerned, the** requests for amounts of food products to be distributed during a three-year period and other relevant information.

The three-year plan shall set out annual financial allocations by the Community per Member State, determined by the Commission in accordance with a methodology to be set out in the implementing rules adopted in accordance with Article 43(g). Allocations for the second and third year of the programme shall be indicative. Member States participating in the scheme shall confirm every year the requests referred to in paragraph 2. Following these confirmations, the Commission shall decide each subsequent year on the definitive allocations, within the limits of the appropriations available in the budget.

**Amendment 10****Proposal for a regulation – amending act****Article 2 – point 1**

Regulation (EC) No 1234/2007

Article 27 – paragraph 3 – subparagraph 2

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TEXT PROPOSED BY THE COMMISSION

AMENDMENT

**Amendment 11****Proposal for a regulation – amending act****Article 2 – point 1**

Regulation (EC) No 1234/2007

Article 27 – paragraph 4 – subparagraph 3a (new)

*Those organisations shall display an information panel at distribution points, or attach a sticker to mobile distribution units, indicating that they are recipients of the Community food aid programme. This shall be the means of informing beneficiaries that they are receiving Community support.*

**Amendment 12****Proposal for a regulation – amending act****Article 2 – point 1**

Regulation (EC) No 1234/2007

Article 27 – paragraph 5 – point b

(b) keep the Commission informed *in a timely manner* on developments affecting the implementation of the food distribution programmes.

(b) keep the Commission informed on developments affecting the implementation of the food distribution programmes.

**Amendment 13****Proposal for a regulation – amending act****Article 2 – point 1**

Regulation (EC) No 1234/2007

Article 27 – paragraph 6 – subparagraph 1 – point b

(b) the cost of food products purchased on the market.

(b) the cost of food products purchased on the market *on the basis of competitive procedures*.

**Amendment 14****Proposal for a regulation – amending act****Article 2 – point 1**

Regulation (EC) No 1234/2007

Article 27 – paragraph 6 – subparagraph 2 – point b

(b) costs of transport of food products and administrative costs for the designated organisations directly linked with the implementation of the scheme.

(b) costs of transport *and storage* of food products and administrative costs for the designated organisations directly linked with the implementation of the scheme.

**Amendment 15****Proposal for a regulation – amending act****Article 2 – point 1**

Regulation (EC) No 1234/2007

Article 27 – paragraph 6 a (new)

*6a. The Member States shall set a ceiling, corresponding to the percentage of products purchased or bartered, for all transport, storage and administrative costs (including communication costs), taking account of local conditions where necessary. The financial provision shall be divided by the Member States between these three items of expenditure. All appropriations not used under this provision may be reallocated to the purchase of food.*



Thursday 26 March 2009

TEXT PROPOSED BY THE COMMISSION

AMENDMENT

**Amendment 16****Proposal for a regulation – amending act****Article 2 – point 1**

Regulation (EC) No 1234/2007

Article 27 – paragraph 7 – subparagraph 1

7. The Community shall **co-finance** the eligible costs under the scheme.

7. The Community shall **finance** the eligible costs under the scheme.

**Amendment 17****Proposal for a regulation – amending act****Article 2 – point 1**

Regulation (EC) No 1234/2007

Article 27 – paragraph 7 – subparagraph 2 – introductory part

*The Community co-financing rate shall not exceed:*

*deleted*

**Amendment 18****Proposal for a regulation – amending act****Article 2 – point 1**

Regulation (EC) No 1234/2007

Article 27 – paragraph 7 – subparagraph 2 – point a

*(a) for the three-year plan starting on 1 January 2010, 75 % of the eligible costs, or 85 % of the eligible costs in the Member States eligible for funding from the Cohesion Fund for the period 2007-2013, as listed in Annex I to Commission Decision 2006/596/EC;*

*deleted*

**Amendment 19****Proposal for a regulation – amending act****Article 2 – point 1**

Regulation (EC) No 1234/2007

Article 27 – paragraph 7 – subparagraph 2 – point b

*(b) for subsequent three year plans, 50 % of the eligible costs, or 75 % of the eligible costs in the Member States eligible for funding from the Cohesion Fund in a given year, as listed in Annex I to Decision 2006/596/EC and in subsequent decisions.*

*deleted*

**Amendment 20****Proposal for a regulation – amending act****Article 2 – point 3**

Regulation (EC) No 1234/2007

Article 184 – point 9

'(9) by **31 December 2012**, at the latest, to the European Parliament and the Council on the application of the scheme for food distribution to the most deprived persons in the Community provided for in Article 27, together with any appropriate proposals.'

'(9) by **31 December 2011**, at the latest, to the European Parliament and the Council on the application of the scheme for food distribution to the most deprived persons in the Community provided for in Article 27, together with **a proposal for a decision on continuation of the scheme after the current financing period and any other** appropriate proposals **necessary**.'

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#### **European Parliament**

#### **Tuesday 24 March 2009**

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2010/C 117 E/48	<p>Economic Partnership Agreement between the EC and Cariforum ***</p> <p>European Parliament legislative resolution of 25 March 2009 on the proposal for a Council Decision on the conclusion of the Economic Partnership Agreement between the Cariforum States, of the one part, and the European Community and its Member States, of the other part (5211/2009 – COM(2008)0156 – C6-0054/2009 – 2008/0061(AVC)) ..... 256</p>	
2010/C 117 E/49	<p>Stepping-stone Agreement towards an Economic Partnership Agreement between the EC and Côte d'Ivoire ***</p> <p>European Parliament legislative resolution of 25 March 2009 on the proposal for a Council decision concluding the stepping stone Economic Partnership Agreement between Côte d'Ivoire, of the one part, and the European Community and its Member States, of the other part (5535/2009 – COM(2008)0439 – C6-0064/2009 – 2008/0136(AVC)) ..... 257</p>	



**Thursday 26 March 2009**

2010/C 117 E/50

Food distribution to the most deprived persons in the Community (amendment of the Single CMO Regulation) \*

European Parliament legislative resolution of 26 March 2009 on the proposal for a Council regulation amending Regulation (EC) No 1290/2005 on the financing of the common agricultural policy and Regulation (EC) No 1234/2007 establishing a common organisation of agricultural markets and on specific provisions for certain agricultural products (Single CMO Regulation) as regards food distribution to the most deprived persons in the Community (COM(2008)0563 – C6-0353/2008 – 2008/0183(CNS)) ..... 258



*Key to symbols used*

- \* Consultation procedure
- \*\*I Cooperation procedure: first reading
- \*\*II Cooperation procedure: second reading
- \*\*\* Assent procedure
- \*\*\*I Codecision procedure: first reading
- \*\*\*II Codecision procedure: second reading
- \*\*\*III Codecision procedure: third reading

(The type of procedure is determined by the legal basis proposed by the Commission.)

Political amendments: new or amended text is highlighted in bold italics; deletions are indicated by the symbol ¶.

Technical corrections and adaptations by the services: new or replacement text is highlighted in italics and deletions are indicated by the symbol ||.

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