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## I

*(Resolutions, recommendations and opinions)*

## RESOLUTIONS

## EUROPEAN PARLIAMENT

**Transport applications of the Global Navigation Satellite Systems**

P7\_TA(2011)0250

**European Parliament resolution of 7 June 2011 on transport applications of Global Navigation Satellite Systems – short- and medium-term EU policy (2010/2208(INI))**

(2012/C 380 E/01)

*The European Parliament,*

- having regard to the communication of 14 June 2010 from the Commission to the Council, the European Parliament, the European Economic and Social Committee and the Committee of the Regions on an Action Plan on Global Navigation Satellite System (GNSS) Applications (COM(2010)0308),
- having regard to the Council conclusions of 1 October 2010 on that action plan (14146/2010),
- having regard to the communication of 6 October 2010 from the Commission to the Council, the European Parliament, the European Economic and Social Committee and the Committee of the Regions entitled 'Europe 2020 Flagship Initiative: Innovation Union' (COM(2010)0546),
- having regard to the Commission report of 18 January 2011 to the European Parliament and the Council, constituting the mid-term review of the European satellite radio navigation programmes (COM(2011)0005), which maintains that significant funding is needed in order to complete the satellite radio navigation infrastructure,
- having regard to Regulation (EC) No 683/2008 of the European Parliament and of the Council of 9 July 2008 on the further implementation of the European satellite navigation programmes (EGNOS and Galileo) <sup>(1)</sup>,
- having regard to Council Regulation (EC) No 1321/2004 of 12 July 2004 on the establishment of structures for the management of the European satellite radio-navigation programmes <sup>(2)</sup>,
- having regard to the Commission's Green Paper of 8 December 2006 on Satellite Navigation Applications (COM(2006)0769),

<sup>(1)</sup> OJ L 196, 24.7.2008, p. 1.<sup>(2)</sup> OJ L 246, 20.7.2004, p. 1.

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- having regard to Regulation (EU) No 912/2010 of the European Parliament and of the Council of 22 September 2010 setting up the European GNSS Agency, repealing Council Regulation (EC) No 1321/2004 on the establishment of structures for the management of the European satellite radio navigation programmes and amending Regulation (EC) No 683/2008 of the European Parliament and of the Council <sup>(1)</sup>,
  - having regard to its resolution of 29 January 2004 on the communication from the Commission to the European Parliament and the Council on the state of progress of the Galileo programme <sup>(2)</sup>,
  - having regard to Rule 48 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 (A7-0084/2011),
- A. whereas GNSS applications are now a central and indispensable feature of activity in every transport sector and whereas their efficient and effective operation makes transport safer, more environmentally friendly and economical,
- B. whereas transport applications account for 20 % of all GNSS applications by volume and 44 % by value, and whereas safety operations – mostly related to transport – account for a further 5 %,
- C. whereas the European Union cannot indefinitely remain dependent for the basic infrastructure required for the operation of GNSS on systems developed initially for other purposes by other countries,
- D. whereas EGNOS is a self-contained system to supplement GPS which is dependent on the availability of GPS signals in order to perform calculation and correction operations; whereas there will be no completely independent GNSS until Galileo has been deployed,
- E. whereas Europe's EGNOS system is designed to meet substantial and varied present and future demand from industry in Europe and worldwide, for instance as regards transport safety and traceability, in keeping with the aims of Europe's new, more proactive industrial policy, and whereas it is also compatible with and supplements GPS and the significantly more accurate Galileo system,
- F. whereas the commercial transport applications of GNSS and Galileo represent a growing global market which should be secured as far as is possible for the economic benefit of European industry and for the creation of skilled jobs,
- G. whereas GNSS will play a vital role in supporting and promoting the use of Intelligent Transport Systems (ITSs),
- H. whereas the development of GNSS applications and services is essential in order to ensure that the infrastructure investment which Galileo represents is fully exploited and that the Galileo system is developed to its full capacity,
- I. whereas investment in this sector has implications for all EU policies, and whereas its expansion and implementation will have a direct impact on the realisation of the EU 2020 Strategy and from the point of view of developing the potential of the European market in GNSS applications and services so as to create jobs and enhance Europe's competitiveness,

<sup>(1)</sup> OJ L 276, 20.10.2010, p. 11.

<sup>(2)</sup> OJ C 96 E, 21.4.2004, p. 128.

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- J. whereas the GNSS and Galileo projects bring considerable added value to European industrial policy and whereas it is essential to ensure their success,
1. Welcomes the Commission communication on an Action Plan on Global Navigation Satellite System (GNSS) Applications and the series of specific sectoral, regulatory and horizontal actions proposed therein;
  2. Agrees with the Commission that a targeted action plan is, at this point, the best option for giving a further impetus to the development and application of EGNOS and Galileo, particularly in the transport field; stresses that satellite navigation systems should ensure interoperability between different systems (including conventional systems) and should also allow intermodal use in both passenger and freight transport services;
  3. Notes that, of the 15 section-specific proposals in the action plan, nine relate directly to transport and most of the others are required in order to underpin the relevant transport applications;
  4. Calls on the Commission to ensure swift certification of EGNOS for civil aviation through the competent authorities;
  5. Agrees that actions to promote the use of EGNOS and Galileo in civil aviation are a strategic requirement for the implementation of SESAR (Single European Sky ATM Research), especially as regards its use for landing procedures and at small airports;
  6. Regrets that all of the European Union is not at this time covered by EGNOS and calls for EGNOS system coverage to be extended to southern, eastern and south-eastern Europe as a matter of priority, so as to enable the system to be used throughout Europe in every transport sector, and stresses the importance of ensuring that its coverage extends to both the MEDA countries and the Middle East and Africa;
  7. Underlines the importance of GNSS in developing ITSs; points out that ITSs can provide more efficient, cleaner and safer transport solutions, and that proper implementation of a number of ITS services requires fully operational GNSS systems;
  8. Endorses the view that EGNOS and Galileo can make an important contribution to road traffic management and that an awareness campaign in that sector is required in order to increase the use made of the opportunities it provides in relation to fee collection, eCall, online booking of safe parking sites for trucks, and real-time tracking to contribute to safer and more environmentally friendly road transport;
  9. Calls therefore on the Commission to bring forward the necessary regulatory proposals to deliver GNSS added value for safety in all forms of transport, particularly on the roads, and to help improve freight transport efficiency;
  10. Urges the Commission to intensify industrial cooperation with non-EU countries with a view to promoting the development and interoperability of EGNOS and Galileo applications and services;
  11. Agrees that the Commission should make a careful appraisal of the need to amend existing legislation on digital tachographs in order to ensure that the opportunities for positioning and speed information offered by GNSS are used appropriately;

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12. Agrees that GNSS can do much to enhance the safety and efficiency of shipping and that the Commission should take steps to increase awareness and improve knowledge of possible GNSS applications in the maritime and inland waterway sectors and to have EGNOS-based applications accepted at IMO and ICAO levels;
13. Supports the Commission's intention of launching campaigns to raise awareness among the various stakeholders so as to give European industry the confidence to invest in the commercial potential of the EU's satellite navigation projects;
14. Calls on the Commission to efficiently implement the strong awareness-raising measures set out in the Action Plan, in order to secure the extensive use of EGNOS in Europe, in all application areas, and thus ensure more complex approaches;
15. Insists that the Commission should propose, in the context of the budgetary procedure and the future multiannual financial framework (MFF), steps to ensure adequate levels of funding for GNSS research and development, as well as for implementation; stresses that EU funding in the transport sector is already sparse and that additional funding for GNSS should therefore not result in less funding for other priorities in the Common Transport Policy area; renews its call, regarding both this specific project and similar projects, such as the TEN-Ts, for the Commission to submit a multiannual financing proposal going beyond the period of the MFF, in order to provide a stable and reliable financial framework for more ambitious European projects whose scope exceeds the present bounds;
16. Calls on the Commission to consider whether revenue from commercial Galileo activities might be assigned to the EU budget;
17. Calls on the Commission to inform Parliament how the annual maintenance cost, estimated at EUR 800 million, will be financed once Galileo has become operational;
18. Calls on the Commission to come forward with a comprehensive funding strategy which in addition to adequate EU and Member State contributions, could include, *inter alia*, co-ordinated tax incentives, simplified grant application procedures, and arrangements that could channel venture capital to SMEs and facilitate the development and marketing of EGNOS and Galileo applications, in cooperation with the European Investment Bank and the European Investment Fund;
19. Calls on the Commission to ensure that the EUR 100 m likely to be underspent in payment appropriations for research within the Seventh Framework Programme is made available for the development of GNSS applications;
20. Urges the Commission to examine how simplified procedures might ensure more efficient and transparent disbursement of funding in support of research in the field of GNSS-enabled transport for all, paying special attention to the needs of disabled persons and focusing in particular on SMEs;
21. Calls on the Commission to help SMEs gain access more easily to European funding aimed at encouraging innovation related to GNSS applications, especially under the seventh and eighth framework programmes;
22. Urges the Commission to examine what data protection concerns might arise with the use of EGNOS applications and services and to do all it can to dispel these;

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23. Notes the need for investment in research into GNSS-specific applications and services, with particular regard to the special requirements of disabled people, since such investment is of decisive importance for the proper development and use of GNSS services;
24. Calls on the Commission to encourage initiatives aimed at developing sector-specific service centres, in particular for the maritime sector;
25. Regrets that the shortage of funds allocated to research and innovation for applications based on EGNOS or Galileo is considerably delaying technological progress and the growth of industrial capacity, as well as environmentally effective implementation, in the European Union and therefore urges the Commission to introduce arrangements enabling small and medium-sized enterprises to gain access to funding more readily;
26. Instructs its President to forward this resolution to the Council and the Commission.

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## International air agreements under the Treaty of Lisbon

P7\_TA(2011)0251

### European Parliament resolution of 7 June 2011 on international air agreements under the Treaty of Lisbon (2010/2207(INI))

(2012/C 380 E/02)

*The European Parliament,*

- having regard to its decision of 20 October 2010 on the revision of the framework agreement on relations between the European Parliament and the European Commission <sup>(1)</sup> (‘the Framework Agreement’),
- having regard to its resolution of 17 June 2010 on the EU-US air agreement <sup>(2)</sup>,
- having regard to its resolution of 5 May 2010 on the launch of negotiations for Passenger Name Record (PNR) agreements with the United States, Australia and Canada <sup>(3)</sup>,
- having regard to its resolution of 25 April 2007, concerning the establishment of a European Common Aviation Area <sup>(4)</sup>,
- having regard to its resolution of 14 March 2007 on the conclusion of the Air Transport Agreement between the European Community and its Member States, on the one hand, and the United States of America, on the other hand <sup>(5)</sup>,
- having regard to its resolution of 17 January 2006 on developing the agenda for the Community’s external aviation policy <sup>(6)</sup>,
- having regard to the Commission communication entitled ‘Developing the agenda for the Community’s external aviation policy’ (COM(2005)0079),
- having regard to the Treaty on the Functioning of the European Union and in particular Article 218 thereof,
- having regard to Rule 48 of its Rules of Procedure,
- having regard to the report of the Committee on Transport and Tourism (A7-0079/2011),

<sup>(1)</sup> Texts adopted, P7\_TA(2010)0366.

<sup>(2)</sup> Texts adopted, P7\_TA(2010)0239.

<sup>(3)</sup> OJ C 81 E, 15.3.2011, p. 70.

<sup>(4)</sup> OJ C 74 E, 20.3.2008, p. 506.

<sup>(5)</sup> OJ C 301 E, 13.12.2007, p. 143.

<sup>(6)</sup> OJ C 287 E, 24.11.2006, p. 84.

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- A. whereas, until the entry into force of the Treaty of Lisbon, Parliament was only consulted on the conclusion of international air agreements,
- B. whereas Parliament's consent is now required for agreements covering fields to which the ordinary legislative procedure applies,
- C. whereas, when the Commission is negotiating agreements between the Union and third countries or international organisations, Parliament shall 'be immediately and fully informed at all stages of the procedure' <sup>(1)</sup>,
- D. whereas the Framework Agreement should ensure that the Institutions' powers and prerogatives are exercised as effectively and transparently as possible;
- E. whereas, in that Framework Agreement, the Commission has committed itself to complying with the principle of the equal treatment of Parliament and the Council in respect of legislative and budgetary matters, in particular access to meetings and the forwarding of contributions or other information,

#### **Introduction**

1. Considers that comprehensive air agreements with neighbouring countries or significant global partners can deliver substantial benefits to passengers, freight operators and airlines, by means both of market access and of regulatory convergence to promote fair competition, including with regard to state subsidies and social and environmental standards;
2. Recognises that horizontal agreements, aligning existing bilateral agreements with Community law, are necessary to ensure legal certainty and provide additional benefits in terms of simplification and the assurance that all Union airlines will enjoy the same rights;
3. Points out that air safety standards are of fundamental importance for passengers, crew members and the aviation industry in general, and therefore supports the conclusion of air safety agreements with countries that have a significant aircraft manufacturing industry, given the cost savings and consistent high standards that can be achieved by minimising the duplication of assessments, tests and controls;
4. Regrets that the Council has yet to grant the Commission a mandate to negotiate a comprehensive air agreement with important trading partners such as the People's Republic of China and India; considers that this failure is becoming increasingly harmful to Union interests, particularly given the rapid growth of these economies;
5. Points out the absence of important countries, such as Japan and the Russian Federation, in the Commission's latest list of ongoing international air agreements;
6. Expresses its concerns about the ongoing issue of Siberian overflights; calls on the Commission to make all the necessary efforts, including pursuing this issue in the context of Russia's WTO accession negotiations, to avoid any distortion of competition between EU airlines;

#### **Criteria for assessing an agreement**

7. Emphasises that, in each negotiation, a judgment must be made about the benefits of an early agreement as compared with delaying in search of a more ambitious outcome;

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<sup>(1)</sup> Treaty on the Functioning of the European Union, Article 218, paragraph 10.



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8. Points out that, when assessing comprehensive agreements that are presented for consent, Parliament will seek to apply a consistent set of standards; notes, in particular, that in carrying out that assessment Parliament will focus on the extent to which: restrictions on market access and investment opportunities are relaxed in a balanced manner; incentives are provided to maintain and enhance social and environmental standards; adequate safeguards are provided for data protection and privacy; mutual recognition of safety and security standards are included; and a high level of passenger rights is ensured;

9. Considers that worldwide standards for data protection and privacy are urgently required, and that the criteria set out by Parliament in its resolution of 5 May 2010 provide an appropriate model for such an agreement; points out that the Union should play a pioneering role in the development of such worldwide standards;

10. Draws attention to the growing importance of the aviation sector's contribution to global warming, and considers that agreements should include a commitment to work together, in the framework of the International Civil Aviation Organisation, to reduce aircraft emissions, together with an objective of enhancing technical cooperation in the fields of climate science (CO<sub>2</sub> and other climate-relevant emissions into the atmosphere), research and technology development and fuel efficiency;

11. Emphasises that various aspects of aviation regulation, including noise restrictions and night flight limitations, should be determined at local level, in full compliance with the principles of fair competition and subsidiarity; asks the Commission to coordinate these issues at the European level, taking into account the national legislation of Member States and the 'balanced approach' principle, as defined by the International Civil Aviation Organisation;

12. Calls on the Commission to use air agreements to promote compliance with relevant international legislation on social rights, in particular the labour standards enshrined in the fundamental conventions of the International Labour Organization (ILO 1930-1999), the OECD Guidelines for Multinational Enterprises (1976, revised 2000) and the 1980 Rome Convention on the Law Applicable to Contractual Obligations;

13. Notes that, in the case of safety agreements, criteria include: full mutual recognition of certification practices and procedures; exchange of safety data; joint inspections; increased regulatory cooperation; and technical level consultations so as to resolve issues before they trigger the dispute settlement mechanism;

### **Procedure**

14. Stresses that, in order to be able to take its decision on whether or not to grant consent at the end of the negotiations, Parliament needs to follow the process from the beginning; considers that it is also in the interests of the other Institutions that any concerns of sufficient importance to call into question Parliament's readiness to grant consent be identified and addressed at an early stage;

15. Recalls that the 2005 Framework Agreement already committed the Commission to provide early and clear information to Parliament during the preparation, conduct and conclusion of international negotiations; notes that the revised Framework Agreement of October 2010 states, in particular, that Parliament should receive, from the outset, regularly and, where necessary, on a confidential basis, full details of the procedure in progress at all stages of the negotiations;

16. Expects the Commission to provide its responsible committee with information about the intention to propose negotiations with a view to concluding and amending international air agreements, and with the draft negotiating directives, draft negotiating texts and the document to be initialled, together with other relevant documents and information; expects Parliament's role in relation to any further amendments of an international air agreement to be explicitly stipulated in the agreement;

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17. Points out that, pursuant to Article 24 of the Framework Agreement, the information mentioned above must be forwarded to Parliament in such a way that, if necessary, it can deliver an opinion; strongly urges the Commission to report back to Parliament on how its opinions are taken into account;

18. Recognises that, when Parliament receives sensitive information about ongoing negotiations, it has an obligation to ensure that confidentiality is maintained;

19. Notes that Parliament's Rules of Procedure allow plenary 'on the basis of a report from the committee responsible [to] adopt recommendations and require them to be taken into account before the conclusion of the international agreement under consideration' (Rule 90(4));

20. Recognises that air agreements often give a substantial role to a joint committee, particularly with regard to regulatory convergence; accepts that, in many cases, this a more flexible and effective means of decision-making than seeking to include such points in the agreement itself; underlines, nevertheless, the importance of Parliament receiving full and timely information about the work of the various joint committees;

21. Calls on the Commission, with a view to maintaining the flow of information, to submit reports to Parliament regularly, and no less frequently than every three years, analysing the strengths and weaknesses of existing agreements; points out that this would enable Parliament to assess future agreements more effectively;

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

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**Seventh EU programme for research, technological development and demonstration**

P7\_TA(2011)0256

**European Parliament resolution of 8 June 2011 on the mid-term review of the Seventh Framework Programme of the European Union for research, technological development and demonstration activities (2011/2043(INI))**

(2012/C 380 E/03)

*The European Parliament,*

- having regard to the Treaty on European Union (TEU) and the Treaty on the Functioning of the European Union (TFEU), in particular the articles relating to research,
- having regard to the decision No. 1982/2006/EC of the European Parliament and of the Council of 18 December 2006 concerning the 7th Framework Programme of the European Community (or European Union, since the Treaty of Lisbon) for research, technological development and demonstration activities (2007-2013) <sup>(1)</sup>,
- having particular regard to Article 7 of the above decision on monitoring, evaluation and review of FP7,
- having regard to Article 182(2) TFEU on adaptation of the framework programme as the situation changes,
- having regard to the Commission communication of 9 February 2011 entitled ‘Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions on the Response to the Report of the Expert Group on the Interim Evaluation of the 7th Framework Programme for Research, Technological Development and Demonstration Activities and to the Report of the Expert Group on the Interim Evaluation of the Risk-Sharing Finance Facility’ (COM(2011)0052),
- having regard to the conclusions of the Interim Evaluation of the Seventh Framework Programme for Research Activities (FP7), including the risk-sharing finance facility, by the 3074th EU Council meeting on competitiveness (Internal Market, Industry, Research and Space) of 9 March 2011,
- having regard to the final report of the Expert Group ‘Interim Evaluation of the 7th Framework Programme’ of 12 November 2010,
- having regard to its resolution of 11 November 2010 on simplifying the implementation of the Research Framework Programmes <sup>(2)</sup>,
- having regard to the report of the Expert Group ‘Evaluation of the Sixth Framework Programmes for Research and Technological Development 2002-2006’ of February 2009,
- having regard to the report of the Committee of Experts ‘Towards a world class Frontier Research Organisation - Review of the European Research Council’s Structures and Mechanisms’ of 23 July 2009,
- having regard to the report of the Group of Independent Experts ‘Mid-Term Evaluation of the Risk-Sharing Financial Facility (RSFF)’ of 31 July 2010,

<sup>(1)</sup> OJ L 412, 30.12.2006, p. 1.

<sup>(2)</sup> Texts adopted, P7\_TA(2010)0401.

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- having regard to the report of the Committee of Experts 'First Interim Evaluation of the Innovative Medicines Initiative Joint Undertaking' of 20 December 2010,
  - having regard to the report of the Committee of Experts 'First Interim Evaluation of the ARTEMIS and ENIAC Joint Technology Initiatives' of 30 July 2010,
  - having regard to the independent panel report 'Interim Evaluation of the Ambient Assisted Living Joint Programme' of December 2010,
  - having regard to the opinion of the Committee of the Regions, adopted at its plenary session held on 27 and 28 January 2011, on simplifying the implementation of the Research Framework Programmes,
  - having regard to its resolution of 20 May 2010 on the implementation of the synergies of research and innovation earmarked Funds in Regulation (EC) No 1080/2006 concerning the European Fund of Regional Development and the Seventh Framework Programme for Research and Development in cities and regions as well as in the Member States and the Union <sup>(1)</sup>,
  - having regard to Special Report No 9/2007 of the European Court of Auditors of 22 November 2007 concerning 'Evaluating the EU Research and Technological Development (RTD) framework programmes – could the Commission's approach be improved?',
  - having regard to Special Report No 8/2009 of the European Court of Auditors on networks of excellence and integrated projects in Community research policy,
  - having regard to Special Report No 2/2010 of the European Court of Auditors on the effectiveness of the Design Studies and Construction of New Infrastructures support schemes under the Sixth Framework Programme for Research,
  - having regard to the opinion of the European Economic and Social Committee of 15 September 2010 on the Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions 'Simplifying the implementation of the research framework programmes',
  - having regard to Rule 48 of its Rules of Procedure,
  - having regard to the report of the Committee on Industry, Research and Energy and the opinion of the Committee on Budgets (A7-0160/2011),
- A. whereas the 7th Framework Programme of the European Community for research, technological development and demonstration activities (FP7) is the largest research support instrument in the world and represents the primary tool of European Union research policy,
- B. whereas it is necessary to allow for developments resulting from the mid-term review of FP7 in the light of the numerous changes that have taken place since it was negotiated and adopted in 2006 (new institutions, new political bodies, economic crisis), and also given the scale of the financial sums available between now and when it ends,
- C. whereas the Treaty of Lisbon introduces achievement of the European research area as a specific medium of European policy,
- D. whereas the Europe 2020 strategy makes research and innovation central to smart, sustainable and inclusive growth,
- E. whereas research is the process of converting economic power into knowledge, while innovation is the reverse process of transforming knowledge into economic power,

<sup>(1)</sup> OJ C 161 E, 31.5.2011, p. 104.

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- F. whereas the EU and its Member States must give themselves the means to respond jointly to the major societal, economic, environmental, demographic and ethical challenges facing the peoples of Europe, such as demographic ageing, health, food supply, sustainable development, the major environmental challenges etc., and whereas the resulting solutions must motivate individuals to shoulder greater responsibility for their actions,
- G. whereas investment in RDI is the best possible long-term response to the current economic and financial crisis, enabling the EU to become a society with skills that are competitive at world level,
- H. whereas Europe is competing with economic powers such as China, India, Brazil, Australia, United States of America, and Russia, and whereas our capacity to unite and coordinate our efforts, particularly in research, between the European Union and the Member States very largely determines our economic competitiveness, and hence the possibility of financing our social ambitions and meeting our commitments concerning the wellbeing of Europe's citizens and the protection of the environment,
- I. whereas R&D expenditures in Europe is low compared with other global powers, among others due to a lack of private investment and innovation friendly framework conditions; whereas the attractiveness of FP7 for the industrial sector and the use of research for the benefit of the economy are thus not fully demonstrated; whereas beyond the sums involved, there is also a clear need for better coordination and co-financing between the Union, the Member States, and the regions, with full respect for the specificities and the ethical options made by the Member States,
- J. whereas only a relatively low level of public investment in RDI is the subject of European cooperation,
- K. whereas a better relationship between the academic, research and industrial worlds is essential for research results to be better converted into products and services generating economic growth and benefits for the society as a whole,
- L. whereas FP7 should be modelled on the same general principles as European Research Area (ERA),
- M. whereas, of the EUR 54,6 billion in the programme, 25.8 billion have been committed over the first four years (2007 to 2010), i.e. 6,5 billion a year on average, and 28,8 billion remain to be committed over the last three years (2011 to 2013), i.e. 9,6 billion a year on average,
- N. whereas the years 2011 to 2013 are fragile years, requiring immediate particular attention with regard to competitiveness and social cohesion factors, of which research and innovation are essential components,
- O. whereas complexity of administrative management, considerable red tape, bureaucracy, lack of transparency, inefficiency and unjustified delays remain major handicaps for FP7 and provide important disincentives for researchers, industry and SMEs from participating in the programme and therefore achieving a quantum leap in simplification should be one of the highest priorities,
- P. whereas the target of participation of 40 % women researchers in FP7 is ambitious and the right target; whereas the current female participation of researchers in FP7 research projects is a disappointingly 25,5 %,
1. Welcomes the quality of the expert reports on the interim evaluation of FP7 and of the risk-sharing finance facility, covering the quality of activities, implementation and the results obtained, despite the general nature of the remit given to the expert groups; points out, however, that the evaluation did not cover the overall picture made up of the actions of the Member States and those of the Union;

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2. Fails to understand the delay on the part of the Commission, which published its communication on 9 February 2011 although it had an obligation to do so no later than 2010, and regrets the weakness of the Commission communication in view of current challenges, particularly the current economic crisis situation, the sums remaining to be committed under the FP7 etc.;
3. Asks the Commission to follow up in particular the ten specific recommendations made by the expert group;
4. Underlines the relative nature of the conclusions drawn by the interim evaluation, seeing that the majority of FP7 funds have not yet been allocated, projects that have been initiated are still under way and others funded under the FP7 will run beyond its term;

**Results of FP7**

5. Takes the view that, despite the fact that Europe continues to lag behind the US and is losing the lead it had over the emerging economies, the results achieved by FP7 tend to demonstrate a European added-value with regard to R&D in Europe; however, calls on Commission to step up its efforts in communicating the successful results to Member States, the scientific community and European citizens;
6. Deplores the lack of a method for evaluating how far projects funded by FP7 have advanced scientific knowledge;
7. Calls on the Commission and the Member States to boost up their communication efforts regarding FP7 (including through the use of new technologies, such as smart research information services), facilitating access to information on participation, announcing forthcoming research challenges, and disseminating of research findings; supports the Commission's initiatives to promote open access to the results of publicly funded research, where relevant and feasible in relation to intellectual property rights;
8. Welcomes the level of participation and excellence in project selection; regrets, however, that the success rate under this programme generally remains quite low and is a disincentive to apply, particularly for SMEs, which play an important role in turning research results in products and services; believes that simplification of administrative and financial rules, as well as projects and procedures that better fit SMEs' needs could improve this situation;
9. Notes that an ever-growing number of objectives and themes covered and diversification of instruments has widened the scope of FP7 and reduced its capacity to serve a specific European objective;
10. Approves the strengthening of the 'Cooperation' specific programme, which remains relevant given current scientific and technological challenges; stresses its role in developing RDI critical mass of a kind not achievable at national/regional level, thus demonstrating European added-value; believes that collaborative transnational research should remain a priority; recommends implementation of the 'Future and Emerging Technologies' scheme and extension of the use of 'roadmaps' to all thematic areas; asks for more flexibility in setting call themes and financial thresholds and ceilings, making a distinction between large and small projects; underlines that the current Cooperation programme is too narrow and the topics often too specific to address grand societal challenges; recommends that the next framework programme provides for calls with a broader thematic scope;
11. Stresses that wider interdisciplinary perspectives will also be needed to tackle the growing societal challenges effectively; underlines that social sciences and humanities play a vital role in answering the grand challenges that the EU is facing; regrets that the very specific and narrow calls in the Cooperation chapter on socio-economic sciences and humanities makes it very difficult to make new and innovation research in this area;
12. Proposes that, in order to meet the EU 2020 strategy objectives, research supported by FP7 be focussed towards addressing EU's most pressing challenges within the sectors identified in the 'Cooperation' chapter of FP7: health (including clinical and preventive research and medical technologies), food and biotechnology (including food safety), ICT, nanosciences and nanotechnologies, energy (including energy efficiency, smart grids, renewable energy, CCS, the SET-PLAN and the use of biogas), environment (including climate change, water, soil, woods and forests), sustainable transport, socio-economic sciences and humanities, space and security;

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13. Proposes the reinforcement of collaborative research such as the activities funded in the specific programme 'Cooperation'; calls for the possibility of forming smaller and medium sized projects and partner consortia that allow efficient coordination, in addition to strengthening scientific excellence; stresses that the collaborative research approach must remain the core element of the Framework Programme;

14. Welcomes, in the 'Ideas' chapter, promising results obtained by the European Research Council (ERC) and its role aimed at enhancing the visibility and attractiveness of European research; regrets the lack of private sector participation and involvement in the ERC; calls on the Commission to increase funding for the ERC (which will also increase the success rate), as well as to assess the options for further improving its structures and mechanisms, including making the ERC an independent legal entity with decision-making power, directly responsible for its own scientific strategy and administrative management, which could also be used as a pilot for greater independence of other funding agencies for R&D and innovation; supports greater transparency in the process of the appointment of the Scientific Council and in the composition of the review panels; recommends that the ERC retains a strong support for individual excellent scientists; however, calls on the ERC to also provide a possibility for support of team-based projects, always provided that such projects are formed through bottom-up processes;

15. Supports, within the framework of the 'People' chapter, the Marie Curie Actions, which are of great value to researchers in their career, secure individualised bottom-up research within a very broad range of topics, put an end to the 'brain drain', make research careers more attractive to very promising young researchers both from Europe and third countries; with a view to the relatively high oversubscription, recommends that the Marie Curie programme for mobility is continued with extended resources within FP7 to further enhance the possibilities for mobility of researchers and PhD students (including between academia and private sector or between Member States, for example by introducing a research voucher scheme with money for research following the researchers); however believes that within the Marie Curie Actions there is also room for simplification within the number of actions; regrets that most of the scientific work carried out within EU is still done under precarious working conditions;

16. Considers that in order to increase the human resources dedicated to research in Europe, it is necessary to make professional careers in this field more attractive by eliminating administrative barriers and recognising merit and training time and work at any research centre; to this end, encourages the Commission and Member States to establish a common system to evaluate the researchers' excellence and career, as well as to assess universities' performance; reaffirms the importance of investing in education, training and skills development and complementing the linkages between education, research and innovation;

17. Voices concerns regarding the heterogeneous nature of the objectives of the 'Capacities' chapter and the difficulties that result, notably with regard to international cooperation and the progress on the major Research Infrastructures (ESFRI); considers that there is a clear need for actions in favour of SMEs and innovative SMEs and calls on the Commission to at least maintain these actions and the budget associated with them, while taking steps to improve their implementation; considers that the ERA-NET and ERA-NET+ 'Infrastructure' projects and the initiatives based on Article 185 fulfil their role aimed at structuring the European Research Area (ERA);

18. Acknowledges that 'Joint Technological Initiatives' (JTIs) assist the competitiveness of European industry; regrets the legal and administrative obstacles (legal personality, financial rules and in some cases also intellectual property), which may discourage a large number of key research actors and SMEs from participating; also regrets the heterogeneous governance and legal structures and the high operating costs specific to start-up of JTIs; calls on Member States to fulfil their obligations once they have agreed to co-fund JTIs; calls on the Commission to simplify rules and funding rates for similar categories of participants in all JTIs following the FP7 model, including national co-funding; asks to be more closely involved in the political oversight of these instruments in particular for ensuring an adequate balance of participation and of activities; underlies that these initiatives should not lead to the outsourcing of public funding and should remain within the legal boundaries concerning state aid and pre-competition;



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19. Asks the Commission to give Parliament clear and detailed information on the functioning of JTIIs, stating in each case their legal status, the people who make up the governing board, and activities undertaken;
20. Recognises the more systematic use of overly open calls for proposals (bottom-up approach) to ensure a long-term capacity for research; stresses the need, however, to maintain the balance between the two approaches (bottom-up and top-down), which each meet specific needs; stresses the need to consult and work together with the researchers, the industry and civil society actors, in order to set the research agendas;
21. Believes that given, notably, the EU 2020 strategy and the objective of 'intelligent growth', it is necessary to identify common research areas among those which appear most promising in terms of concrete applications enabling the highest extent of sharing in an ethical context; points out that such areas could form part of a common research platform financed by the EU and supported by a common network for data exchange, which should be treated as being of major importance and priority interest;
22. Deplores the fact that research funding is still very fragmented in Europe, with multiple sources of funding from the Member States and the Community applying different priorities, evaluation criteria, definitions and procedures, leading to unnecessary overlap, confusion, error and lack of critical mass; asks the Commission and the Council to put the issues of cooperation and coordination between the various EU and national programmes at the top of the agenda; calls on the Commission to carry out an analysis to improve the link between European and national actions, including possible coordination in the phases of formulating calls for proposals and evaluating projects, as well as the identification of national rules or laws that hinder or complicate the financial management of international research cooperation projects; asks that calls for proposals, including those of July 2011, be issued in consultation with the Member States, not duplicating or competing with national initiatives but complementing them; in this respect, considers that the ERA-Net scheme should be strengthened as a tool to support excellence and the development of criteria for quality indicators which constitutes the basis for coordination between programmes or joint ventures; suggests that FP7 should complement the efforts of actors managing national programmes involved in joint programming in order to move the RDFPs away from project management thinking towards programme management thinking, but without neglecting the management of small projects; believes that for Joint Programming to be successful, projects should be selected on the basis of excellence, tailored to the characteristics of each sector, the coordinating role of the Commission should be strengthened, and participating Member States should honour their financial commitments; asks that the last three years of FP7 be devoted to helping structure the European Research Area;
23. Is sceptical about the fact that it is frequently only possible to fund one - and only one - proposal per call, which leads to a waste of the resources invested in preparing and evaluating excellent proposals and the non-funding of some excellent ideas; calls on the Commission to explore the possibility of funding excellent, non-selected research proposals, through an additional research budget (matching research funds) to which Member States, regional and structural funds and the private sector will contribute;
24. Underlines the importance of the direct actions of the Joint Research Centre and their contribution to sustainable development, competitiveness and the security and safety of nuclear energy;
25. Recognises the importance of the BSI (Black Sea Interconnection) project in terms of creating a regional research and education network in the greater Black Sea area and linking it to GEANT, and calls on the Commission to continue to support research projects in the BSR (Black Sea Region) such as HP-SEE, SEE-GRID, SCENE, CAREN and BSRN;
26. Calls on the Commission to ensure, in the context of FP7 and the future financial framework, an appropriate level of R&D funding for Global Navigation Satellite System (GNSS) applications and services;



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27. Stresses that all research conducted within the FP7 must be conducted in accordance with fundamental rights as expressed in the European Charter; therefore, strongly urges the Commission to immediately make all documents related to INDECT (a research project funded by the FP7 aimed at developing an automated observation system that constantly monitors web sites, surveillance cameras and individual computer systems) available and to define a clear and strict mandate for the research goal, the application and the end users of INDECT; stresses that before a thorough investigation on the possible impacts on fundamental rights is made, INDECT should not receive funding from the FP7;

#### **Participation in FP7**

28. Stresses that industry's participation rates do not appear any higher than in previous FPs, particularly under the 'Cooperation' chapter; thus calls on the Commission to carry out a detailed analysis of the Programme's capacity to better leverage private sector investment;

29. Believes that the procedures of competitive calls for additional partners should be based on the basic premise that the companies and researchers involved have the deepest knowledge of the project and which partner it needs best and that, rather than forcing them to follow the ranking lists of the evaluation experts, the Commission should evaluate a written justification of the consortium's choice;

30. Welcomes the results of FP7 in favour of SMEs, as regards both the SME-support measures in the 'Capacity' chapter, the 'Eurostars' programme and the 15 % target set in the 'Cooperation' chapter; in order to further facilitate SME participation, calls for issuing more non-thematic calls for SMEs, opening more often a call for proposals for SME specific activities (or having a permanently open call), further simplifying the rules (including the rules for the 'Eurostars' programme) and shortening the time-to-grant periods; recommends that SMEs are more actively involved in the process of exploiting the achieved results;

31. Believes that the participation of young scientists in project teams in the context of collaborative research activities by industry and science organisation should be incentivated; calls for the Commission and the Member States to take specific measures designed to increase the participation of young researchers in the framework programmes; calls on the Commission to use the mid-term review of the Seventh Framework Programme to promote the employment of young scientists by designing the rules and modes of participation in such a way as to devote a substantial portion of funding for hiring young researchers;

32. Notes with concern the relatively modest participation of certain Member States in FP7, which does not contribute to the territorial cohesion and a balanced development in Europe; is of the opinion that a better coordination, coherence and synergy between FP7 and the Structural and Cohesion Funds, as well as a better use of the People programme, could improve the participation of under-represented Member States; believes that by using the Structural Funds to strengthen research infrastructure and foster capacity building in research and innovation, all Member States can be enabled to reach a higher level of excellence (stairway to excellence); welcomes therefore the setting up of the Synergies Expert Group (SEG), set up to find synergies between FP7, the Structural Funds and the CIP; stresses, however, the absolute need to distinguish between criteria for FP7 and Structural Funds, as the principle of excellence (under the sole management and coordination by the Commission) should prevail when allocating FP7 funding in order to ensure maximum added value to RDI in Europe; points out with satisfaction that for the period 2007-2013 within the Cohesion Funds EUR 86 billion is allocated in support for innovation (25 % of the total amount), of which the allocation for core research and technological development amounts to EUR 50 billion, equal to the total budget of FP7; stresses the importance of the territorial dimension of R&D, taking the specific needs and capabilities of the territories into account when devising policies ('smart specialisation'); therefore, sees the involvement of regional and local authorities as crucial in enhancing the research and innovation capacity of their region; recommends that the present unspent funds remaining in the EU budget up until the end of 2013 and those programmed for the period 2014-2020 be even more strongly orientated towards innovation, science and research, both in terms of human resources, development and infrastructure;

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33. Welcomes the steady but timid progress towards a more balanced gender participation in FP7, since diversity is important for creativity and innovation; points out that female researchers tend to work on smaller, less profiled research projects and tasks and that a highly problematic 'glass ceiling' seems to exist for female researchers, leading to a decrease of the share of female researchers with seniority, as also indicated by the low number of female researchers selected for the ERC advanced investigator grant; agrees that measures to boost female participation should be reinforced throughout project lifecycles (with particular attention to flexible working hours, improved child-care facilities, social security provisions and parental leave) and that the Commission should reinvigorate its approach to promoting female scientists and should aim to galvanise Member States to address gender gaps; underlines that the 40 % target for female participation in the Programme and Advisory Committees should be sensitively implemented; calls on the Commission to establish a cross-cutting committee to monitor and advice on the representation of female researchers and to develop a Gender Action Plan as recommended by the FP6 Ex Post Evaluation; calls on universities and EU Institutions to promote science as an interesting field for both sexes from early stages of education on, by promoting female researchers as role models;

34. Calls for recognition at regional level of the important role played by intermediary organisations (such as chambers of commerce, the Enterprise Europe Network and regional innovation agencies) as a link between innovative SMEs in each region and the Commission;

35. Believes that the programmes should be opened up to international partners; highlights that the basic principle should be that all programmes should be open for financing also of foreign groupings (given specific competencies); rejects the notion that the Commission would be better placed than researchers to determine the choice of cooperation partners;

36. Takes the view that FP7 should affirm its international cooperation priorities; is of the opinion that the choice of target countries and subjects for international cooperation actions must be made in consultation with the Member States in order to ensure complementarities of these actions with all parties involved; reaffirms, nevertheless, that attention must be given to the cooperation with developing countries;

**Financing**

37. Takes the view that the level of financing of FP7, which is credible and necessary, must at least be maintained in order to meet the great societal challenges and recalls that investment in RDI is long-term investment and is key to achieving the objectives of the Europe 2020 strategy;

38. Believes that FP7 spending, as well as the overall research orientation, should be aligned as far as possible with the overarching policy objectives set out in the Europe 2020 strategy; believes that scientific progress on grand challenges requires medium to long-term commitment of funding instruments that support both fundamental research and collaboration with industry and other external partners;

39. Highlights the pivotal role of research infrastructures and stresses that their development and financing (based on the ESFRI-list and including the provision of laboratory equipment and instruments and their maintenance) should be better coordinated and co-financed between FP7, EIB instruments, the Structural Funds and national and regional policies; believes that duplication of research infrastructure in different Member States should be avoided and that an open and excellence-based access to research infrastructures should be enhanced; calls for efforts to boost the financing of research infrastructures within FP7, especially where there is the greatest scope for EU added value;

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40. Considers that the beneficiaries of research infrastructure financing should clearly justify their role and their use of the equipment, laboratories and research or technical staff; to this end, believes that a monitoring and inspection system which verify compliance of the agreements should be created;

41. Calls on the Member States and the EU to meet their financial commitments, including commitments for actions on the basis of Articles 185 and 187, under international research agreements;

42. Calls on the Commission – in view of the objective of devoting 3 % of GDP to a research and technological development by 2020 and recognising that research and innovation provide the only sure path to economic recovery in the EU – to consider the possibility of establishing a binding interim level of funding for research and technological development amounting to around 1 % of GDP by 2015;

### ***Role of innovation***

43. Notes a strengthening of the 'innovation' dimension in future work programmes; is of the opinion that - in order for research and innovation programmes to have a clear impact on the market and society - actions should be devised that enable the optimum exploitation and commercialisation of research results, such as addressing the potential of commercialisation of research results in specific calls or in evaluation criteria in particular areas; calls on the Commission to start financing demonstration, pilot and proof-of-concept projects before the end of FP7 and to consider a financing system to award successful projects and support their introduction on the market to complement the current up-front financing; believes, also in this respect, that close coordination is needed between FP7, the CIP and Structural Funds;

44. Notes that if FP7 is structured in such a way as to distinguish between science for science's sake, science for competition, and science for society, there is a risk that the gradual transition from basic research to applied research and innovation will be left out of consideration; points to the need to prevent the successful implementation of integrated projects being hampered by structural rigidity;

45. Believes that both FP7 and the future FP8 should make a greater contribution to the development of industry in Europe, and calls on the Commission and the Member States to encourage applied research;

46. While recognising that FP7 is primarily aimed towards research and technological development, stresses the importance of devising EU policies and programmes in such a way that synergies within the entire R&D value chain (from research and education, through innovation, to job creation) are exploited to the fullest; believes that this is the only way to attain the goals set out in the 'Innovation Union' and to accelerate Europe's transformation into a knowledge-based society; in this regard, while welcoming the current development of an innovation scoreboard, calls for a broad definition of innovation (including non-technological and employee driven innovation) and for the development of more effective models, methodologies and tools to measure and boost innovation, including through public procurement, standards setting and financial engineering;

47. Acknowledges that European Technology Platforms, JTIs and PPPs contribute towards greater industry participation and calls for their consolidation in future programmes; stresses the need to ensure adequate rules for participation (including intellectual property rules) and funding rates (including funding rates for indirect costs), as well as strive for further simplification, in order to attract a larger number of SMEs, public research institutes and smaller research organisations and with that to ensure a better balance in stakeholders' access and participation in JTIs and PPPs;

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***Follow-up to simplification measures***

48. Is concerned by the excessive administrative burden of FP7; stresses that simplification measures that do not require a change of regulation should be implemented as soon as possible, while respecting simplicity, stability, consistency, legal certainty, transparency, excellence and trust, and encourages the Commission to explore further simplification measures, including contributions in kind by applicants, as well as a further alignment with calculation and accounting methods used in national funding systems; calls on the Commission to take urgent measures to significantly shorten the time from application to grant, reduce bureaucratic procedures for preparing, submitting and assessing project (including through the use of an EU application portal based on the equivalent U.S. model), reduce the number of periodic financial status reports and auditing documents per reporting period, and find a better balance between research risk and control; stresses that a risk-averse culture of EU research funding would prevent financing of high-risk research ideas with the highest potential for breakthroughs, and therefore suggests that a trust-based approach with higher tolerance for risk and failure should be taken, as opposed to a purely results-based approach which could hamper innovative research; recommends a simplified interpretation and further clarification of the definition of eligible costs; supports the proposal to review the Financial Regulation to simplify procedures and calls for the revision and/or extended interpretation of the EU Staff Regulations on the issue of personal liability; calls for more precise, consistent and transparent procedural rules for audits, including by using less random sampling and more realistic criteria, such as the experience of participants and the background of errors and compliance;

49. Reiterates the importance of introducing, without delay, procedural, administrative and financial simplification measures into current management of FP7, such as those identified in Parliament's resolution of 11 November 2010; welcomes the Commission Decision of 24 January 2011 introducing three simplification measures, as well as the creation of the Unique Registration Facility; calls on the Commission to rapidly implement these measures in a uniform way and to investigate where additional simplification measures are still possible; regrets the serious problems of interpretation and legal uncertainty for the participants of FP7 and reiterates its wish to see current legal proceedings between the Commission and beneficiaries across all of the framework programmes settled quickly, while respecting the principle of responsible management of public money; asks the Commission to allow beneficiaries to consult the Research Clearing Committee during or after a project to clarify issues related to cost calculation, rules for participation and audits, including ex-post audits; stresses the need to preserve what works well and only change the rules which need to be adapted;

50. Calls for measures to decrease time-to-grant targeted at improving the percentage of grants signed in less than eight months by a certain percentage in 2011 and less than six months during the remaining period;

51. Warmly welcomes the recommendations to shorten the timeframe for adjudication and calls for an evaluation of existing instruments before the creation of any new instruments within the framework of FP7;

52. Proposes that the Commission help public bodies to improve their management systems by carrying out assessments without financial consequences which would encourage these bodies to take a number of actions to improve their project management and implement them within a specific deadline of less than a year;

***Risk-Sharing Finance Facility (RSFF)***

53. Takes the view that the RSFF has acted as a decisive lever in both qualitative and quantitative terms in increasing investment in RDI at a moment of crisis when the banking sector was no longer in a position to play this role, its first years resulting in EUR 8 billion in loans, generating more than EUR 20 billion in investment;

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54. Expresses concern, however, in the light of the derisory sums allocated to research infrastructures, universities and research bodies and SMEs, in particular innovative SMEs, and also given the acknowledged geographical and sectoral imbalance in loans allocated; supports, therefore, the specific recommendations made by the expert group aimed at improving participation of certain under-represented target groups, and endorses the European Council's conclusions of 4 February 2011, especially its call for all possible options to be explored with a view to the valorisation of intellectual property rights at the European level, in particular to ease SMEs' access to the knowledge market;

55. Expresses regret that RSFF projects are only running in 18 EU Member States and two associate countries, and that SMEs, universities/research bodies and research facilities are currently underrepresented in the RSFF; calls on the Commission to assess the reasons why the nine other EU Member States have not used this new facility, which has proved to contribute decisively to increasing RDI funding, and to ensure participation of all the countries concerned;

56. Calls on the Commission and Member States to investigate the publicity regarding the availability of the RSFF loans at Member State level and ensure that potential participants have adequate information and assistance to access RSFF loans, especially in those Member States whose currency is not the Euro;

57. Recommends that application of this innovative financial instrument be continued and intensified in FP7 and for the future in FP8, since it contributes to improving access to finance and leveraging private investment; stresses the need to ensure that these financial instruments are suitable for SMEs;

#### ***Overall conclusion and future orientations***

58. Calls for the use of FP7 to take account of the different consequences in each Member State of the economic crisis for the final years of the programme (2011-2013), given the considerable sums (EUR 28.8 billion over three years) still to be programmed, the objectives to be achieved for EU 2020 and preparation for a European Research Area and the Innovation Union; calls in particular for the alignment of the FP7 programme objectives with EU strategies on Resource Efficiency, Raw Materials and the Digital Agenda;

59. Believes that the remaining sums should not be diverted from research and used for other programmes or instruments that do not come within the research and innovation sector or the objectives and scope of FP7;

60. Stresses the need to enhance, stimulate and secure the financing of research and development in the Union via a significant increase in relevant expenditure from 2013 onwards; is of the opinion that this increase of funding, ideally by doubling the budget, must foster sustainable growth and competition via excellence; emphasises hereby that this increase of funds must be coupled with a more result-oriented, performance-driven approach and with a radical simplification of funding procedures; supports a further collaboration and cooperation between different EU RDI programmes, for example under the title 'Common Strategic Framework for Research and Innovation'; believes that continuity of the future programme, once established, is important for all actors involved;

61. Stresses that it is important to consider the assessment of the results obtained in each of the areas defined as political priorities for funding, and how effective they were, in order to improve the evaluation of future programmes;

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62. Instructs its President to forward this resolution to the Council, the Commission and the Member States.

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## EU-Canada trade relations

P7\_TA(2011)0257

### European Parliament resolution of 8 June 2011 on EU-Canada trade relations

(2012/C 380 E/04)

The European Parliament,

- having regard to the Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions of 9 November 2010 entitled 'Trade, Growth and World Affairs – Trade Policy as a core component of the EU's 2020 strategy' (COM(2010)0612), and to the Communication from the Commission to the Council, the European Parliament, the European Economic and Social Committee and the Committee of the Regions of 7 July 2010 entitled 'Towards a comprehensive European international investment policy' (COM(2010)0343),
- having regard to the Joint Study by the Commission and the Government of Canada entitled 'Assessing the costs and benefits of a closer EU-Canada economic partnership' of October 2008 <sup>(1)</sup> and to the Joint Report on the EU-Canada Scoping Exercise of 5 March 2009 <sup>(2)</sup>,
- having regard to the EU-Canada Summit Joint Declaration regarding a comprehensive economic partnership agreement between the European Union and Canada signed in Prague on 6 May 2009 (Council doc. 09547/2009),
- having regard to the Recommendation from the Commission to the Council of 20 December 2010 on the modification of the negotiating directives for an Economic Integration Agreement with Canada in order to authorise the Commission to negotiate, on behalf of the Union, on investment (SEC(2010)1577),
- having regard to the Report from the Commission to the European Council of 10 March 2011 entitled 'Trade and Investment Barriers Report 2011 – Engaging our strategic economic partners on improved market access: Priorities for action on breaking down barriers to trade' (COM(2011)0114),
- having regard to its earlier resolutions, in particular the resolution of 22 May 2007 on Global Europe – external aspects of competitiveness <sup>(3)</sup>, the resolution of 19 February 2008 on the EU's strategy to deliver market access for European companies <sup>(4)</sup>, the resolution of 20 May 2008 on trade in raw materials and commodities <sup>(5)</sup>, the resolution of 4 September 2008 on trade in services <sup>(6)</sup>, the resolution of 18 December 2008 on the impact of counterfeiting on international trade <sup>(7)</sup>, the resolution of 5 February 2009 on enhancing the role of European SMEs in international trade <sup>(8)</sup>, the resolution of 5 May 2010 on the EU-Canada Summit <sup>(9)</sup>, the resolution of 25 November 2010 on human rights and social and environmental standards in international trade agreements <sup>(10)</sup>, the resolution of 25 November 2010 on trade policy in the context of climate change imperatives <sup>(11)</sup>, the resolution of 25 November 2010 on corporate social responsibility in international trade agreements <sup>(12)</sup>, the resolution of 17 February 2011 on Europe 2020 <sup>(13)</sup> and the resolution of 6 April 2011 on future European international investment policy <sup>(14)</sup>,

<sup>(1)</sup> [http://trade.ec.europa.eu/doclib/docs/2008/october/tradoc\\_141032.pdf](http://trade.ec.europa.eu/doclib/docs/2008/october/tradoc_141032.pdf)

<sup>(2)</sup> [http://trade.ec.europa.eu/doclib/docs/2009/march/tradoc\\_142470.pdf](http://trade.ec.europa.eu/doclib/docs/2009/march/tradoc_142470.pdf)

<sup>(3)</sup> OJ C 102 E, 24.4.2008, p. 128.

<sup>(4)</sup> OJ C 184 E, 6.8.2009, p. 16.

<sup>(5)</sup> OJ C 279 E, 19.11.2009, p. 5.

<sup>(6)</sup> OJ C 295 E, 4.12.2009, p. 67.

<sup>(7)</sup> OJ C 45 E, 23.2.2010, p. 47.

<sup>(8)</sup> OJ C 67 E, 18.3.2010, p. 101.

<sup>(9)</sup> OJ C 81 E, 15.3.2011, p. 64.

<sup>(10)</sup> Texts adopted, P7\_TA(2010)0434.

<sup>(11)</sup> Texts adopted, P7\_TA(2010)0445.

<sup>(12)</sup> Texts adopted, P7\_TA(2010)0446.

<sup>(13)</sup> Texts adopted, P7\_TA(2011)0068.

<sup>(14)</sup> Texts adopted, P7\_TA(2011)0141.



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- having regard to the Framework Agreement for commercial and economic cooperation between the European Communities and Canada <sup>(1)</sup> and other subsequent bilateral agreements with Canada, in particular the Agreement on customs cooperation and mutual assistance in customs matters <sup>(2)</sup>, the Agreement on sanitary measures to protect public and animal health in respect of trade in live animals and animal products <sup>(3)</sup>, the Agreement on trade in wines and spirit drinks <sup>(4)</sup>, the Agreement on civil aviation safety <sup>(5)</sup> and the Agreement on air transport <sup>(6)</sup>,
  
  - having regard to the revised Framework Agreement on relations between the European Parliament and the European Commission <sup>(7)</sup>,
  
  - having regard to Articles 207(3) and 218 of the Treaty on the Functioning of the European Union,
  
  - having regard to Rules 115(5) and 110(2) of its Rules of Procedure,
- A. whereas the rule-based multilateral trading system established through the World Trade Organisation (WTO) continues to represent the most suitable framework for regulating and promoting fair and equitable trade by developing appropriate rules and ensuring compliance with those rules,
- B. whereas a successful conclusion of the Doha Development Agenda (DDA) is of crucial importance for the further development of the WTO; whereas such an agreement does not preclude bilateral agreements going beyond WTO commitments and being complementary to multilateral rules,
- C. whereas Canada is one of the EU's oldest and closest partners, being the first industrialised country with which – in 1976 – the EU signed a Framework Agreement for commercial and economic cooperation; whereas a number of bilateral agreements designed to facilitate stronger trade relations have been signed over the years,
- D. whereas the EU is Canada's second most important trading partner and Canada is currently the EU's eleventh most important trading partner (2009); whereas Canada is the EU's fourth largest source of foreign direct investment (FDI), while the EU is Canada's second largest source of FDI (2008),
- E. whereas the Joint Study of 2008 demonstrated significant potential gains for both Canada and the EU from the liberalisation of their bilateral trade,
- F. whereas the private sectors in both the EU and Canada have shown strong support for an ambitious and comprehensive economic agreement and believe that advancing a closer EU-Canada economic partnership would send a powerful pro-growth signal to investors and business within the EU and Canada as well as internationally,
- G. whereas there is a general consensus that the EU-Canada economic relationship has not yet reached its full potential and that an EU-Canada free trade agreement can strongly contribute to developing and realising this by improving trade and investment flows while removing tariffs, tariff peaks and unjustified non-tariff barriers and supporting closer cooperation particularly in the fields of regulatory cooperation, labour mobility and recognition of qualifications,

<sup>(1)</sup> OJ L 260, 24.9.1976, p. 2.

<sup>(2)</sup> OJ L 7, 13.1.1998, p. 38.

<sup>(3)</sup> OJ L 71, 18.3.1999, p. 3.

<sup>(4)</sup> OJ L 35, 6.2.2004, p. 3.

<sup>(5)</sup> OJ L 153, 17.6.2009, p. 11

<sup>(6)</sup> OJ L 207, 6.8.2010, p. 32.

<sup>(7)</sup> OJ L 304, 20.11.2010, p. 47.

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- H. whereas the ongoing negotiations on a Comprehensive Economic and Trade Agreement (CETA) aim at a very advanced agreement, exceeding in its level of ambition any trade and economic agreement negotiated either by the EU or by Canada to date, that could reinforce the already strong bilateral trade and investment relationship even further,
- I. whereas the Commission is seeking to integrate investment protection into on-going negotiations with Canada and has proposed to the Council a modification of existing negotiating directives,
- J. whereas both the EU and Canada have declared that significant progress has been made in the CETA negotiations, with the aim of achieving an agreement by the end of 2011,
1. Considers that the multilateral trading system, embodied in the WTO, remains by far the most effective framework for achieving free, fair and equitable trade on a global basis; reiterates its strong support for a successful conclusion of the DDA negotiations, which remains the EU's trade priority; believes that the EU and Canada can together contribute towards a successful conclusion of the DDA negotiations;
  2. Welcomes an agreement with Canada going beyond the WTO commitments and being complementary to multilateral rules, provided that the negotiations produce a balanced, ambitious, high-quality agreement that goes well beyond tariff reductions; calls for the reciprocity principle to be applied in the context of the legal remedies available in the event of commercial disputes and emphasises in particular the need to improve the protection of intellectual property rights including trademarks, patents and geographical indications and to obtain genuinely reciprocal access to the market, especially to services and public procurement markets (including at sub-federal level);
  3. Calls on the Commission, as a sign of good will, to drop its challenges against the Ontario Green Energy Act's local content requirements;
  4. Considers that the chapter on intellectual property should not negatively affect the production of generic medicines and must respect the TRIPS exceptions for public health;
  5. Notes that the Commission has chosen a 'negative list approach' for the liberalisation of services, but considers that this should be seen as a mere exception and not serve as a precedent for future negotiations; considers that the GATS public utilities exemption remains the most appropriate tool to guarantee universal access to public services to citizens;
  6. Expresses its concern about the continued mining of asbestos in Canada and its grave impact on workers' health; recalls that the EU has banned all use, extraction and processing of asbestos and manufacture of asbestos products; calls on Canada to take similar action in order to improve public health;
  7. On the basis of the complementarities of the two economies, points to the future potential for an increase in EU-Canada trade and investment and business opportunities arising from the CETA;
  8. Believes that the Commission's level of ambition in discussions with Canada should be balanced by an equally ambitious approach to sustainable development, in particular with respect to the level of obligations towards labour, the scope of the environment chapter and the way to address Multilateral Environmental Agreement (MEA) issues as well as the enforcement mechanism, and should support and promote initiatives to help tackle climate change, promote legally binding human rights and social and environmental standards, and promote corporate social responsibility;



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9. Welcomes the progress made in the CETA negotiations and encourages the Commission to continue to consult with key stakeholders; even though the Joint Study demonstrated significant potential gains for both Canada and the EU, calls on the Commission to carry out as soon as possible a comprehensive sustainability impact assessment evaluating the foreseeable sectoral implications and socioeconomic consequences for the EU arising from the final agreement;
10. Notes that competence for EU-Canada relations resides at the federal level alone, but, since the Canadian provinces and territories are responsible for implementing the treaty obligations that fall within their jurisdiction, considers essential, and welcomes, their participation in the CETA negotiations and encourages the provinces and territories to synchronise policies and procedures to allow potential gains to be maximised; considers that a successful negotiation should include explicit commitments from provincial and territorial governments;
11. Notes, not without concern, that the Commission submitted to the Council a proposal for modifying the negotiating directives authorising the Commission to negotiate with Canada on investment without waiting for Parliament to adopt its position on the future EU investment policy in general; calls on the Commission to take fully into account the conclusion of the European Parliament on this subject in its negotiations on investment with Canada; considers that, given the highly developed legal systems of Canada and the EU, a state-to-state dispute settlement mechanism and the use of local judicial remedies are the most appropriate tools to address investment disputes; calls on the Commission to ensure that a potential investor-to-state dispute settlement mechanism does not inhibit future legislation in sensitive policy areas, such as environmental legislation, and is embedded in broader requirements as outlined in Parliament's resolution on future European international investment policy;
12. Stresses that the investment chapter should promote high-quality investments which respect the environment and encourage good working conditions; furthermore calls for the investment chapter to respect the right of both parties to regulate, in particular in the areas of national security, the environment, public health, workers' and consumers' rights, industrial policy and cultural diversity; calls on the Commission to exclude from the scope of investment agreements sensitive sectors such as culture, education, national defence and public health;
13. Reiterates its concern about the impact of the extraction of oil sand on the global environment due to the high level of CO<sub>2</sub> emissions during its production process and the threat it poses to local biodiversity; expresses its belief that the CETA negotiations should not affect the EU's right to legislate in the fuel quality directive or inhibit the ability of the Canadian authorities to introduce future environmental standards concerning the extraction of oil sands; encourages both parties to resolve any disagreements amicably and without endangering the CETA negotiations;
14. Takes note of the recent legal developments regarding the EU's ban on seal products, in particular Canada's request to the WTO for the establishment of a formal dispute resolution panel; expects the Commission to remain firm on the EU's stance regarding the ban on seal products, and expresses its strong hope that Canada will withdraw the WTO challenge, which runs counter to positive trade relations, prior to the need for ratification of the CETA agreement by the European Parliament;
15. Draws the attention to different policies enacted by the EU and Canada regarding the regulation of Genetically Modified Organisms (GMOs); warns that the stricter regulations enacted in the EU could be challenged by private companies under the proposed CETA dispute-settlement mechanism;

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16. Considers that agriculture chapters will constitute an important issue for both parties in these negotiations; is concerned about possibly substantial concessions in the area of GMOs, milk and origin labelling; therefore stresses that the interests and the priorities in agriculture should be fully taken into account and calls on the Commission to negotiate an agreement which will be beneficial to EU and Canadian consumers and to the agricultural sectors on both sides as well, and ensure, within a balanced overall outcome, greater – but fair – competition among EU and Canadian suppliers to provide agricultural goods; welcomes in this context the initial commitment from both parties not to maintain, introduce or reintroduce agricultural export subsidies on the agricultural goods traded, this being a positive step in the interests of ambitious and fair negotiations, as well as the agreement to cooperate in WTO agricultural negotiations;

17. Calls on the Commission, with a view to ensuring the consistency of EU policies, in particular those concerning overseas countries and territories (OCTs), to make sure that the interests of OCTs in relation to their strategic products are protected in the future agreement between the EU and Canada;

18. Stresses that negotiations on sanitary and phytosanitary measures are a major issue in agricultural chapters; in this context calls on the Commission to commit itself to negotiate rules concerning them which maintain a high standard;

19. Reminds the Council and Commission that, since the entry into force of the Lisbon Treaty, the Council has been required to obtain the consent of Parliament for all international trade agreements and both the Council and the Commission have been required to keep Parliament immediately and fully informed at all stages of the procedure; calls on the Council to provide Parliament immediately with all information in the stages of the procedure for which it is responsible, in particular concerning the negotiating directives it has adopted and any modifications thereof; calls on the Council and the Commission to keep Parliament involved at all stages of the negotiations and to take Parliament's views fully into account;

20. Instructs its President to forward this resolution to the Council, the Commission, the governments and parliaments of the Member States and the federal Government and Parliament and provincial and territorial governments and parliaments of Canada.

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## Credit rating agencies

P7\_TA(2011)0258

### European Parliament resolution of 8 June 2011 on credit rating agencies: future perspectives (2010/2302(INI))

(2012/C 380 E/05)

*The European Parliament,*

- having regard to the International Organization of Securities Commissions (IOSCO) note of March 2009 on 'International cooperation in oversight of credit rating agencies',
- having regard to the Joint Forum on 'Stocktaking on the use of credit ratings' in June 2009,
- having regard to the report of the Financial Stability Board to G20 leaders entitled 'Improving financial regulation' of 25 September 2009,
- having regard to the International Monetary Fund report of 29 October 2010 entitled 'Global Financial Stability Report: Sovereigns, Funding and Systemic Liquidity',
- having regard to the declaration of the G20 Toronto Summit of 26 and 27 June 2010,

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- having regard to the report by the Financial Stability Board on 'Principles for reducing reliance on CRA ratings' of 27 October 2010,
  - having regard to the public consultation launched by the Commission on 5 November 2010,
  - having regard to Rule 48 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 Legal Affairs (A7-0081/2011),
- A. whereas it welcomes the ongoing work at global, international and European level on the regulation of credit rating agencies (CRAs),
- B. whereas CRAs are supposed to be information intermediaries, reducing information asymmetries in the capital markets and facilitating global market access, reducing information costs and widening the potential pool of borrowers and investors, thus providing liquidity and transparency to markets and helping find prices,
- C. whereas, in recent legislation, CRAs have been assigned another role which can be classified as one of 'certification', reflecting the fact that ratings are increasingly embedded in regulatory capital requirements,
- D. whereas financial operators have placed excessive reliance on the judgments made by CRAs,
- E. whereas CRAs rate three different sectors, the public sector, companies and structured finance instruments, and whereas CRAs played a significant role in the build-up to the financial crisis through the assignment of faulty ratings to structured finance instruments, which had to be downgraded on average three to four notches during the crisis,
- F. whereas Regulation (EC) No 1060/2009 was the first reaction to the financial crisis and already deals with the most pressing issues, subjecting CRAs to oversight and regulation; whereas, however, it does not address all the fundamental problems and, in fact, creates some new barriers to entry,
- G. whereas the absence of regulatory certainty in this sector is putting the proper functioning of EU financial markets at risk and therefore requires the EU Commission, before coming forward with further amendments to Regulation (EC) No 1060/2009, to identify properly the gaps in the new framework and provide an impact assessment on the range of alternatives available to fill such gaps including the possibility of further legislative proposals.
- H. whereas the credit rating industry has various problems, amongst which the most important are the lack of competition, oligolistic structures and the lack of accountability and transparency; whereas a problem of the dominant rating agencies in particular is the payment model and whereas the regulatory system's key problem is over-reliance on external credit ratings,
- I. whereas the best way to enhance competition would be to create a regulatory environment effective at promoting entry, and to undertake a deeper analysis of the current barriers to entry and other factors affecting competition,
- J. whereas, in good times, market participants tend to mistake or disregard the underlying methodology and meaning of credit ratings, which seek to pin down the probability of default,

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- K. whereas the recent developments in the euro crisis have highlighted the significant role of sovereign debt ratings and both inconsistency and pro-cyclicality in the regulatory use of ratings,
- L. whereas independence of ratings from market and political interference is paramount and must be ensured whatever the new structures and business models that may emerge and in the context of economic governance and stress tests,
- M. while ratings can and do change as a result of fundamental adjustments to risk profile or new information, they should be designed to be stable and not fluctuate on the basis of market sentiment,
- N. whereas the Basel II system has resulted in excessive reliance on external ratings, leading in some cases to banks deciding against performing autonomous assessments of their exposures,
- O. whereas recent regulation of ratings in the United States, with the Dodd-Frank Act, has opted for less regulatory reliance on agencies' judgments,

**Macro level: financial market regulation***Over-reliance*

1. Considers that, in the light of the change in the use of credit ratings, where the issuer is rated to get a preferential treatment under a regulatory framework rather than to gain access to the global capital markets, the over-reliance of the global financial regulatory system on external credit ratings has to be reduced as far as possible and in a realistic timeframe;
2. Considers that competition biases caused by the common practice that credit rating agencies assess market participants while simultaneously obtaining orders from them, have to be reduced;
3. Agrees with the principles set out by the Financial Stability Board in October 2010 giving general guidance on how to reduce reliance on external credit ratings, and welcomes the Commission's public consultation starting in November 2010; asks the Commission to review whether and how Member States use ratings for regulatory purposes in order to reduce the general over-reliance on them of the financial regulatory system;
4. Points to shortcomings in the standardised approach in the Basel regulatory framework allowing regulatory capital requirements for financial institutions to be set on the basis of external credit ratings; considers it important to establish a capital adequacy framework that ensures robust internal risk assessment, better oversight of such risk assessment, and improved access to credit-relevant information; supports in this respect the increased use of the internal-ratings-based (IRB) approach provided that it is reliable and safe and that the size, capacity and sophistication of the financial institution allow for an adequate risk assessment; considers that in order to ensure a level playing field it is important that internal models respect parameters prescribed in the EU regulation and be subject to rigorous supervisory validation; considers, at the same time, that smaller and less sophisticated players with lower capacities should be able to use external ratings, if no internal credit risk assessment is viable, provided that they fulfil appropriate due diligence requirements;

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5. Points out the importance of following the developments under Basel III and the ongoing CRD IV process in this respect;
6. Sees the need to restore investors' ability to conduct their own due diligence as a pre-requisite for enabling increased use of proprietary internal models for credit risk assessment; suggests that banks and other financial players should use proper internal risk assessments much more often;
7. Expresses the view that market participants should not invest in structured or other products if they cannot assess the underlying credit risk themselves, or alternatively that they should apply the highest risk weighting;
8. Asks the European Central Bank and the national central banks to review their use of external ratings, and urges them to build up expertise in devising their own models to assess the credit standard of eligible assets used as collateral for liquidity-providing operations, and to reduce their reliance on external ratings;
9. Asks the Commission to carefully assess the potential use of alternative instruments to measure credit risk;

*Increased capacity for supervisors*

10. Is aware of the inherent conflict of interest if market participants devise internal credit risk assessments for their own regulatory capital requirements, and hence sees the need to increase supervisors' responsibilities, capacity, powers and resources for monitoring, assessing and overseeing the adequacy of the internal models and for imposing prudential measures; considers that if an internal model cannot be appropriately assessed by the supervisor due to its complexity such a model shall not be approved for regulatory use; suggests that transparency of assumptions for independent academic assessment also has a role;

11. States that, in order to exercise its supervisory powers effectively, the European Supervisory Authority (European Securities and Markets Authority) should have the right to conduct unannounced investigations and on-site-inspections and that, when exercising its supervisory powers, the European Securities and Markets Authority should give the persons which are subject to proceedings an opportunity of being heard in order to respect their rights of defence;

*Level playing field*

12. Highlights the global nature of the credit rating industry and urges the Commission and Member States to work together with other G20 countries on a global approach, based on the highest standards, both in respect of CRA regulation and prudential and markets regulation with respect to reducing the over-reliance on external credit ratings, in order to preserve a level playing field and prevent regulatory arbitrage while keeping markets open;

13. Regards the stimulation of competition, the promotion of transparency and the question of a future pay model as the most important tasks while the question of the origin of a CRA should be secondary;

14. Reiterates that Regulation (EC) No 1060/2009 devises two systems to deal with external credit ratings from third countries and that the intention behind the endorsement regime was to allow external credit ratings from third countries deemed non-equivalent to be used in the European Union if clear responsibility was attached to an endorsing CRA;

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***Intermediate level: industry structure***

*Competition*

15. Stresses that increased competition in the sector does not automatically imply better quality of ratings and reiterates that all rating agencies must abide by the highest standards of integrity, disclosure, transparency and conflict of interest management as set out in the requirements of Regulation (EC) No 1060/2009 in order to ensure the quality of ratings and to avoid 'rating shopping';

*European Credit Rating Foundation*

16. Asks the Commission to conduct a detailed impact assessment and viability study on the costs, benefits and potential governance structure of a fully independent European Credit Rating Foundation (ECRaF) which would expand its expertise into all three sectors of ratings; believes that the Commission should consider the start-up financing costs to cover the first three to maximum five years of the ECRaF's work and that they need to be carefully assessed; stresses that any legislative proposals to that effect need to be formulated with considerable care in order to avoid undermining the parallel policy initiatives of reducing over-reliance on ratings and encouraging new CRAs to enter the market;

17. Asks the Commission to produce, together with the work referred to in paragraph 9, a detailed impact assessment, viability analysis, and cost estimate for the necessary financing in this respect; is strongly of the opinion that financing costs should under no circumstances be borne by taxpayers and considers that no further funding should be provided and that the new ECRaF should be fully self-sufficient financing its own budget after the start-up period;

18. Considers that, to ensure its credibility, the management, staff and governance structure of the new ECRaF need to be fully independent and autonomous, i.e. not bound by instructions vis-à-vis the Member States, the Commission and all other public bodies as well as the finance industry and other CRAs, and that they need to operate in accordance with amended Regulation (EC) No 1060/2009;

19. Asks the Commission to conduct a detailed investigation into the costs, benefits and governance structure of such a network of European CRAs, including considerations of how nationally active CRAs could be encouraged to move to partnership or joint-network structures in order to draw on existing resources and staffing, thus possibly enabling them to provide increased coverage and allowing them to compete with CRAs active at cross-border level; suggests that the Commission could investigate methods of supporting networks of CRAs, but takes the view that any such network should be an industry-led initiative;

20. Sees a potential need to support the initial set-up of such a network but considers that the network ought to be self-sufficient and profitable from its own revenue; asks the Commission to assess the necessity and potential means of start-up financing and possible legal structures for this project;

21. Considers that the establishment of a truly independent European Credit Rating Agency should also be explored and assessed by the Commission; asks the Commission to explore particularly the issue of its staff, which should be fully independent and the issue of its resources, which should come from fees from the private financial sector;

*Disclosure and access to information*

22. Considers that credit ratings must serve the purpose of increasing information to the market in a manner that provides investors with a consistent assessment of credit risk across sectors and countries; considers it important to enable users to better scrutinise CRAs and in this respect highlights the central role of increased transparency in their activities;

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23. Points out that, in order to enable investors to adequately assess risk and to fulfil their due-diligence and fiduciary duties, increased disclosure of information on products is necessary in the field of structured finance instruments to allow investors to make informed judgments; considers that sophisticated investors should be able to assess the underlying credits from which they can then derive the risk of a securitised product; supports the existing initiatives of the ECB and others to make more information available about structured finance instruments in this respect; calls on the Commission to assess the need to increase disclosure of information for all products in the field of financial instruments;

24. Notes that, in addition to their rating activity, most Credit Rating Agencies issue a number of outlooks, reviews, warnings and watches which do have a significant impact on the markets; is of the opinion that they should be disclosed according to predetermined criterion and protocols that ensure transparency and confidentiality;

25. Asks the Commission to propose a revision of Directive 2003/71/EC and Directive 2004/109/EC in order to ensure that sufficient accurate and complete information on structured finance instruments is more widely available;

26. Considers it vital in this respect that data protection aspects are fully considered in any potential future measure;

27. Ponders whether it would be advantageous to oblige issuers to discuss the content and method behind a structured finance instrument with a third party that is either conducting an unsolicited credit rating or devising an internal risk assessment;

28. Reiterates the obligation on the Commission in Recital (5) of the amended Regulation (EC) No 1060/2009 regarding transparency of information; asks the Commission to conduct the necessary analysis in order to present the result with potential amendments to the legislation to Parliament and Council as part of the current review of Regulation (EC) No 1060/2009 it is undertaking;

29. Notes the progress made on transparency and disclosure by CRA1 and CRA2; encourages the Commission to carry out an impact assessment of these regulations following the completion of the CRA registration process to highlight future areas where further disclosure for users may be beneficial;

30. Calls for, alongside increased transparency of the rating process and its internal auditing, stronger supervision of CRAs by EU supervisory authorities and of more intrusive supervision by national supervisory authorities of the use /dependency on ratings by financial institutions;

#### *Two obligatory ratings*

31. Is of the opinion that the Commission should consider whether, under certain circumstances, the use of two obligatory ratings is appropriate e.g. for structured finance instruments and for any external credit ratings used for regulatory purposes and whether the most conservative, meaning least favourable, external credit rating should be regarded as the reference for regulatory purpose; asks the Commission to produce an impact assessment on the potential use of two obligatory ratings;

32. Considers that the costs of both ratings should be borne by the issuer and that the first external credit rating should be by a hired CRA, at the choice of the issuer, while for the second external credit rating various options for the assignment should be considered, including the possibility of assignment by the European Securities and Markets Authority (ESMA), on the basis of specific, defined and objective criteria, taking historic performance into account and supporting the establishment of new CRAs while avoiding any distortions of competition;



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33. Points out that reputation cannot be imposed by a regulator, but that every new CRA will only become accepted if it gains credibility;

*Sovereign debt rating*

34. Is aware of the fact that market players are averse to volatile credit ratings because of the high costs involved (in related sell or buy decisions) when ratings are adjusted; considers, however, that consequently ratings tend to be procyclical and to lag behind financial market developments;

35. Notes that CRAs shall use clear criteria to score country performance, is aware of the fact that the actual rating is not a mechanical weighting of these factors; asks the industry to clarify which methodology and judgments are used to calibrate sovereign ratings and to explain deviation from these model-generated ratings and from the forecasts of the main international financial institutions;

36. Notes that, according to the IMF, ratings could explain up to almost 70 % of the CDS spreads; is concerned about the procyclical effects that ratings may have and demands a special consideration of these sensitive issues;

37. Believes that, in order to reduce the negative 'cliff effects' in prices and spreads that rating changes imply, the regulation that hardwires buy or sell decisions to ratings should be eliminated;

38. Considers that, as almost all information on sovereigns is available in the public domain, such information should be made more easily, consistently and comparably available so that larger and more sophisticated market players are incentivised to rely on their own judgment to assess sovereign credit risk;

39. Believes that, given the effects that credit ratings of sovereign debt can have on the market, transparency about the methods and the reasons for decisions as well as the liability of CRAs need to be improved in this field; calls for a study to involve in this rating the future European Foundation and the future independent European Credit Rating Agency;

40. Supports enhanced disclosure and explanation of methodologies, models and key rating assumptions adopted by credit rating agencies, also in light of the systemic impact that a downgrade on sovereign debt may produce;

***European Rating Index (EURIX)***

41. Considers that public information on the average of existing external credit ratings from accredited CRAs is valuable; suggests therefore establishing a European Rating Index (EURIX) which incorporates all ratings of registered CRAs that are available on the market;

***Micro level: business model****Payment models*

42. Supports the existence of various payment models in the industry but highlights the existence of risks of conflicts of interest which need to be addressed by appropriate transparency and regulatory means while not imposing an unwarranted model; asks the Commission, based on the recent consultation, to come forward with proposals for alternative viable payment models that involve both issuers and users; asks the Commission in this respect to pay particular attention to the potential use of the 'investor-pays' model and its advantages and disadvantages in order to make ratings less prone to conflicts of interest;



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43. Takes the view that good governance in CRAs is crucial to ensure the quality of ratings and calls for full transparency from CRAs on the governance arrangements in place;

*Accountability, responsibility and liability*

44. Highlights that ESMA is responsible for implementing and enforcing the compliance of CRAs with Regulation (EC) No 1060/2009; considers that if external credit ratings fulfil a regulatory purpose they should not be classified as mere opinions, and that CRAs should be held accountable for the consistent application of the underlying methodology of their credit ratings; recommends therefore that CRAs' exposure to civil liability in the event of gross negligence or misconduct be defined on a consistent basis across the EU and that the Commission should identify ways for such civil liability to be anchored in Member States' civil law;

45. Points out that the ultimate responsibility for an investment decision lies with the financial market participant, i.e. the asset manager, financial institution or sophisticated investor; notes that accountability will also be further supported by the central repository (CEREP) established by CRA1, which publishes data in a standardised form on the performance of ratings issued by CRAs registered within the EU, allowing investors to make their own assessment about certain CRAs, and thereby exerting more reputational pressure; points out that investors should have effective risk management capabilities subject to adequate oversight by the administration;

46. Suggests that each registered CRA should conduct an annual review to assess its past credit rating performance and should compile this information in an accountability report for the supervisor; suggests that the ESMA should carry out random checks on accountability reports on a regular basis to ensure a high quality standard in credit ratings;

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47. 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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## **Guaranteeing independent impact assessments**

P7\_TA(2011)0259

### **European Parliament resolution of 8 June 2011 on guaranteeing independent impact assessments (2010/2016(INI))**

(2012/C 380 E/06)

*The European Parliament,*

- having regard to the Lisbon Treaty and the Charter of Fundamental Rights of the European Union, which entered into force on 1 December 2009,
- having regard to the Commission communication of 8 October 2010 on Smart Regulation in the European Union (COM(2010)0543),
- having regard to its resolution of 9 September 2010 on better lawmaking – 15th annual report from the Commission pursuant to Article 9 of the Protocol on the application of the principles of subsidiarity and proportionality <sup>(1)</sup>,

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<sup>(1)</sup> Texts adopted, P7\_TA(2010)0311.

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- having regard to its resolution of 21 October 2008 on better lawmaking 2006 pursuant to Article 9 of the Protocol on the application of the principles of subsidiarity and proportionality <sup>(1)</sup>,
- having regard to its resolution of 4 September 2007 on better lawmaking 2005: application of the principles of subsidiarity and proportionality – 13th annual report <sup>(2)</sup>,
- having regard to its resolution of 10 July 2007 on minimising administrative costs imposed by legislation <sup>(3)</sup>,
- having regard to its resolution of 16 May 2006 on better lawmaking 2004: application of the principle of subsidiarity – 12th annual report <sup>(4)</sup>,
- having regard to its resolution of 20 April 2004 on assessment of the impact of Community legislation and the consultation procedures <sup>(5)</sup>,
- having regard to the Interinstitutional Agreement on better law-making concluded between Parliament, the Council and the Commission on 16 December 2003,
- having regard to the Interinstitutional Common Approach to Impact Assessments concluded between Parliament, the Council and the Commission in November 2005,
- having regard to Special Report No 3/2010 of the European Court of Auditors,
- having regard to the results of the study commissioned by the European Parliament on impact assessments in the EU Member States,
- having regard to the Commission's Impact Assessment Guidelines of 15 January 2009, and the annexes thereto (SEC(2009)0092),
- having regard to the Commission communication of 5 June 2002 on impact assessment (COM(2002)0276),
- having regard to the Framework Agreement of 20 October 2010 between Parliament and the Commission,
- having regard to the Commission communication of 28 October 2010 on an Integrated Industrial Policy for the Globalisation Era: Putting Competitiveness and Sustainability at Centre Stage (COM(2010)0614),
- having regard to the Impact Assessment Board Report for 2010 of 24 January 2011 (SEC(2011)0126),
- having regard to the letter of 16 November 2010 from the Chair of the Committee on Women's Rights and Gender Equality to the rapporteur on the experiences gained from an impact assessment conducted concerning the effect of extending maternity leave to 20 weeks,
- having regard to Rule 48 of its Rules of Procedure,
- having regard to the report of the Committee on Legal Affairs and the opinions of the Committee on Economic and Monetary Affairs, the Committee on the Environment, Public Health and Food Safety, the Committee on Industry, Research and Energy and the Committee on the Internal Market and Consumer Protection (A7-0159/2011),

<sup>(1)</sup> OJ C 15 E, 21.1.2010, p. 16.

<sup>(2)</sup> OJ C 187 E, 24.7.2008, p. 67.

<sup>(3)</sup> OJ C 175 E, 10.7.2008, p. 124.

<sup>(4)</sup> OJ C 297 E, 07.12.2006, p. 128.

<sup>(5)</sup> OJ C 104 E, 30.4.2004, p. 146.

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- A. whereas impact assessments present a systematic evaluation of the likely effects of legislative action,
- B. whereas establishing a transparent, clear, effective and high-quality regulatory environment should be a priority objective of European Union policy,
- C. whereas impact assessments make a positive contribution to the overall enhancement of the quality of EU legislation in the interest of better lawmaking,
- D. whereas the problems arising in the transposition and implementation of current EU law are partly the result of inadequately drafted legislative texts, and whereas all European legislative bodies share the responsibility for this,
- E. Whereas the Lisbon Treaty contains horizontal social and environmental clauses (Art. 9 and 11 TFEU) which have to be taken into account in defining and implementing the Union's policies and activities and require an in-depth analysis of the social and environmental impact of any proposed legislation;
- F. whereas, when adopting new laws and simplifying and recasting existing laws, impact assessments can serve to improve the evaluation of their social, economic, environmental and health effects and their compatibility with fundamental rights, and thus help reduce bureaucracy, as well as ensure the consistency of the EU's policies in reaching the overarching objectives set by the European Council,
- G. whereas the Impact Assessment Board (IAB) is considered by the Commission to be independent although it is under the authority of the President of the Commission and is composed of high-level officials from several DGs and chaired by the Deputy Secretary-General; whereas this leads to an information bias and thus to a violation of necessary neutrality,
- H. whereas Parliament has on a number of occasions expressed support for the use of independent impact assessments in the European Union,
- I. whereas the impact assessments carried out by the Commission are inconsistent in their quality level and frequently serve rather to justify a legislative proposal than to permit an objective consideration of the facts,
- J. whereas impact assessments may be used to create unnecessary bureaucratic impediments to the further development or entry into force of European legislation and policies,
- K. whereas Parliament, the Council and the Commission in the Interinstitutional Agreement of 16 December 2003, the Interinstitutional Common Approach to Impact Assessments of November 2005, and Parliament and the Commission in the Framework Agreement of 20 October 2010, undertook to set an agenda for better lawmaking, and whereas this resolution contains concrete proposals for improving impact assessments,
- L. whereas the Commission is pursuing a new kind of approach in industrial policy, whereby all political proposals with significant effects on the economy should be analysed in detail as to their impact on competitiveness,

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***General requirements for impact assessments at European level***

1. Stresses that impact assessments are an important aid to smart and better lawmaking during the whole policy cycle which the makers of EU law should exploit more often in order to help them evaluate more effectively the economic, social, environmental and health related consequences of their policy options, as well as their impact on citizens' fundamental rights, bearing in mind that cost/benefit-analysis constitutes one criterion among others;
2. Welcomes the Smart Regulation Communication, and emphasises that impact assessments should play a key role throughout the whole policy cycle, from design to implementation, enforcement, evaluation and to the revision of legislation; stresses the importance of well-considered and fully informed decision-making at the design stage of legislative proposals, because this can lead to both improved quality of outcomes and a shorter legislative process;
3. Stresses the need for thorough impact assessments as a prerequisite for high-quality legislation and correct transposition, application and enforcement;
4. Stresses that an impact assessment is in no way a substitute for political debate and the legislator's decision-making process but merely serves to help the technical preparation of a political decision;
5. Stresses that impact assessments need to be carried out in the early stages of policy development; emphasises that they should be completely independent and should always be based on an objective, reasoned analysis of potential effects;
6. Stresses that, in line with the Interinstitutional Agreement on Better Lawmaking, co-legislators have undertaken to carry out impact assessments when they consider this to be appropriate and necessary for the legislative process, prior to the adoption of any substantive amendment;
7. Considers it necessary to involve external experts from all policy areas as well as all stakeholder groups affected in the impact assessment process in order to guarantee independence and objectivity; stresses in this connection the fundamental distinction between public consultation and independent impact assessment; notes that the final outcome and the control of the methodology and quality of the impact assessment should remain with the European Union institutions in order to ensure that they are carried out to the same high standard;
8. Calls for the maximum of transparency when drawing up impact assessments, including the early publication of comprehensive Road Maps of proposed legislation to ensure equal access to the legislative procedure for all stakeholders; considers therefore also that the Commission's current consultation period should be extended to 12 weeks;
9. Takes the view that it should not be possible for impact assessments on projects or legislation sponsored by public administrations or their dependent undertakings to be approved by the administration concerned;
10. Considers that it is essential that impact assessments are scrutinised by Member States ex-ante, to assess the effects of proposed legislation on national laws and public policies; calls for greater ex-post evaluation to be carried out and for further consideration of the inclusion of mandatory correlation tables to ensure that EU legislation has been correctly implemented by Member States and has met its objectives;
11. Believes the impact assessment to be a suitable instrument for verifying the relevance of Commission proposals, and in particular compliance with the principles of subsidiarity and proportionality, and for explaining more clearly to the co-legislators and the public at large the reasons behind opting for a given measure;

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12. Stresses that the key elements of a good impact assessment are recognition of the problem, consultation of the parties concerned, definition of the objectives to be achieved and the elaboration of strategic policy options;
13. Considers it important for new legislative proposals to be accompanied by an impact assessment; notes that this may also apply to the simplification and recasting of EU law and to delegated acts and implementing acts pursuant to Articles 290 and 291 TFEU, where appropriate;
14. Regards the impact assessment as a 'living document' forming part of the lawmaking process; stresses the need to guarantee sufficient flexibility so that further impact assessments can be conducted during the lawmaking process;
15. Calls for impact assessments to not focus exclusively on cost/benefit-analysis but to take a large number of criteria into account, in accordance with the principle of an integrated approach, in order to provide the legislator with as comprehensive a picture as possible; draws attention in this context to the economic, social and environmental aspects referred to in the interinstitutional agreement of 16 December 2003 and the common approach of 2005, which are to be combined in a single evaluation; underlines, in this respect, the need to ensure consistency between policies and activities of the EU by taking all of its objectives into account and in accordance with the principle of conferral of powers as laid down in Article 7 TFEU;
16. Urges that, in connection with the impact assessment, a cost-benefit analysis – i.e. an examination of the cost-efficiency of all programmes and measures involving expenditure – should always be carried out, and potential implications for small and medium-sized enterprises (SMEs) examined; calls in this connection for the consistent application of the 'SME test' proposed in the 2008 Small Business Act; recalls in this context that in every law imposing burdens on SMEs there should be a careful evaluation of existing regulations with the aim at reducing the overall regulatory burden on SMEs;
17. Calls, in the context of impact assessments, for an intensive analysis to be carried out on all new policy proposals with significant effects on industrial competitiveness; further calls for an ex-post assessment of the impact of EU legislation on the competitiveness of the European economy; notes that the Commission in fact promised such a procedure in its communication on an Integrated Industrial Policy for the Globalisation Era;
18. Emphasises the need to learn lessons from the ex-post evaluation of existing legislation and an analysis of relevant case law of the Court of Justice, and for a proper discussion to take place on the strategic choices available in a certain policy area before new legislation is proposed;
19. Urges that impact assessments at European level should look into the European added-value in terms of what savings will result from a European solution and/or what supplementary costs would arise for the Member States in the absence of a European solution;
20. Believes that the impact on EU economic partnerships as well as the implications of choosing a specific European standard instead of an international standard should be taken into consideration in impact assessments;
21. Stresses that impact assessments must fully consider the alternatives available to the legislator, which should always include a serious examination of the option of taking no action;

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22. Stresses that impact assessments must not lead to more bureaucracy and unnecessary delays in the legislative procedure; however, impact assessments must be allowed sufficient time in order to produce a reliable result; further stresses in this connection that impact assessments should not be abused as a means of holding up unwanted legislation; urges, therefore, that the technical and administrative conditions be created to ensure that impact assessments are carried out speedily and promptly, e.g. through such instruments as framework agreements, accelerated tendering procedures and the optimal use of resources;

23. Urges, in accordance with the Best Practice principle, that use be made of experience gained in other countries where impact assessments have already been carried out for several years, in order to further improve impact assessments at EU level;

24. Calls for impact assessments to be updated during the course of the legislative process as a whole, to enable account to be taken of changes occurring during this process;

25. Stresses that impact assessments should not take place only before the adoption of a legislative text (ex-ante) but should also be carried out after its adoption (ex-post); points out that this is necessary in order to evaluate more accurately whether the objectives of a law have actually been achieved and whether a legal act should be amended or retained; stresses nevertheless that the ex-post evaluation should never replace the Commission's duty as "Guardian of the Treaties" to monitor effectively and in a timely manner the application of Union law by Member States;

26. Underlines the Commission's primary responsibility for conducting high quality impact assessments of its proposals when exercising its right of initiative in accordance with the Treaty;

***Potential for improvement at Commission level***

27. Acknowledges that the quality of Commission impact assessments has gone up in recent years, but stresses that there is further need for improvement;

28. Refers in this connection to the Commission's Impact Assessment Board (IAB) founded in 2006, which is responsible for the development of Commission impact assessments;

29. Stresses that the members of the IAB are independent only in formal terms, since they are currently appointed by and subject to the instructions of the Commission President, and cannot therefore be said to be fully independent; calls, therefore, for the members of the IAB to be scrutinized by the European Parliament and the Council prior to appointment and no longer be subject to the instructions of the Commission President; calls for the work of the IAB and experts to take place in the public remit with the highest transparency so that their independence can be verified in practice;

30. Calls also for the involvement of experts from all policy areas as well as all stakeholder groups affected in the IAB's work; call for these experts to come from outside the Commission and not be subject to instructions;

31. Calls for the early and comprehensive involvement – including by means of notification and interim reports – of the European Parliament, and in particular of its relevant committees, in the whole impact assessment process and in the work of the IAB; invites the Commission to provide Parliament and the Council with two-to-four-page summaries with the full impact assessment, including when relevant an explanation for the reasons for not carrying out an impact assessment, when submitting the legislative proposal in order to verify that all relevant issues are addressed without jeopardizing the independence of the assessment by influencing the actual evaluation;

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32. Notes that, in carrying out its impact assessments, the Commission should also consult with the Member States, because the latter must later transpose the directives into national law, and national authorities usually know better how legal provisions will work in practice;
33. Emphasises that smart regulation based on complete and objective impact assessment remains the shared responsibility of the European institutions, and that the Commission must therefore also take into account feedback received from the European Parliament, the Committee of the Regions, the European Economic and Social Committee and the Member States;
34. Notes that, before the final adoption of an impact assessment, its preliminary results must always be subjected to an external review; calls for the findings of this review to be publicly accessible;
35. Notes the criticism by the European Court of Auditors to the effect that the Commission sometimes undertakes legislative initiatives even though the impact assessment process has not been completed; further notes the criticism that not all policy options may receive the same level of attention; stresses that all policy options must be fully considered in the impact assessment process;
36. Calls, in the interest of greater transparency, for the publication of the names of all experts and other participants in the impact assessment process as well as of their declaration of interests;
37. Calls, in connection with public consultations, for the early notification of stakeholder groups concerning any planned consultation; further takes the view that stakeholder groups should be given the opportunity, as part of the public consultation process, to comment on impact assessments, and that this should take place in good time, before the Commission proposal is published;
38. Insists that the data used by the Commission be reliable and comparable;
39. Calls on the Commission, in its impact assessments, to look systematically at the administrative burden imposed by proposed legislation, and always to state clearly which of the options assessed eliminates the most administrative burdens or creates fewest new ones;
40. Notes that presenting the results of an impact assessment at the same time as a legislative proposal is unhelpful, as it gives the impression that the principal aim of the impact assessment is to justify the Commission proposal; therefore advocates the early publication of documents at every stage of the legislative process, including the publication of the Commission's final impact assessment, as approved by the IAB, before inter-service consultations begins;
41. Suggests that all completed impact assessments by the Commission should be published in a special publication series by the Commission so that they can easily be referenced and searched by the public on a dedicated website;
42. Calls for the ex-post evaluation by the Commission of legal acts adopted; reiterates nevertheless that the ex-post evaluation should never replace the Commission's above-mentioned duty to monitor the application of Union law by Member States;
43. Calls on the Commission to provide substantial comments on the impact assessments carried out by Parliament;



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***Potential for improvement at European Parliament level***

44. Calls on its committees to make more consistent use of the parliamentary impact assessment, an instrument which is already available; recalls that there is a specific budget line to cover the carrying out of impact assessments; considers recourse to a parliamentary impact assessment particularly necessary when substantive changes to the initial proposal have been introduced;

45. Further recalls that impact assessments need not form part of a time-consuming study but may also take the form of limited studies, workshops and expert hearings;

46. Takes the view that a standard citation should systematically be included by Parliament in its legislative resolutions, by which a reference is made to consideration of all impact assessments conducted by the EU institutions in the areas relevant to the legislation in question;

47. Notes that Parliament and its committees already possess the machinery with which to scrutinise the Commission's impact assessments; considers that a presentation of the impact assessment by the Commission to the relevant committees would be a valuable addition to the scrutiny undertaken in the Parliament; notes that such scrutiny may also take a number of other forms, including complementary impact assessments, more detailed analyses, the review of Commission impact assessments by external experts and the holding of special meetings with independent experts; stresses that the work of its policy departments in this area should develop in a consistent manner;

48. Stresses that Parliament impact assessments should be regarded as a corrective to the Commission's impact assessments;

49. Calls for Commission impact assessments to be examined systematically and as early as possible at parliamentary, and in particular at committee, level;

50. Stresses that the decision to carry out a parliamentary impact assessment must be taken in Parliament's relevant committee with the participation of the rapporteur; urges that its Rules of Procedure be amended so as to enable one quarter of the committee's members to order an impact assessment to be carried out;

51. Encourages all its committees, before considering a legislative proposal, to hold an in-depth discussion with the Commission on the impact assessment;

52. Stresses that impact assessments carried out during the course of the parliamentary legislative process are also important; urges that Parliament should examine the possibility of an impact assessment where substantial amendments are made at any stage of the legislative process; notes, however, that this should not lead to long delays;

53. Calls in addition for individual Members to have the scope to request small studies to provide them with relevant facts or statistics in areas relating to their parliamentary work, and suggests that such studies may be undertaken by the European Parliament's library to complement its current functions;

54. Calls therefore for Parliament to adopt plans for its library to provide members with this service; stresses that any plans should be based on the best practices of parliamentary libraries, including those of Member States, and should be carried out, according to strict rules and in full cooperation with the research function serving committees;



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***Creation of an autonomous impact assessment structure for the European Parliament, and prospects for the future***

55. Stresses the importance of a uniform impact assessment mechanism for the quality and coherence of its own policy formation;
56. Calls, therefore, for the establishment of an integrated impact assessment process within the European Parliament; proposes in this context that a common impact assessment procedure be developed on the basis of a common system and methodology used by all committees;
57. Urges that this should take place under the aegis of an autonomous structure which makes use of the Parliament's own resources, for instance by involving the library and the policy departments, and includes external experts, such as seconded officials from national impact assessment facilities, on an ad hoc basis for individual impact assessments, which would be answerable to the European Parliament through a supervisory board consisting of members;
58. Calls for the necessary administrative infrastructure to be created to this end, making sure that any such infrastructure is budget neutral, by making use of existing resources;
59. Stresses that long-term deliberations should take place on the prospects of a common approach to impact assessments by the European institutions; recalls that the interinstitutional agreement of 16 December 2003 and the interinstitutional common approach to impact assessments of November 2005 already called for a common methodological approach to impact assessments in the European institutions;
60. Regrets that the Commission opposes the idea of a common approach to impact assessment by the European institutions;
61. Notes that the Council has hitherto made very little use of impact assessment as an instrument; calls therefore on the Council too to make more intensive use of impact assessments, in line with the above-mentioned interinstitutional common approach to impact assessments, in order to improve the quality of its contribution to EU legislation; emphasises that smart regulation based on complete and objective impact assessment remains the shared responsibility of the EU institutions and of the Member States;

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

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**External dimension of social policy, promoting labour and social standards and European corporate social responsibility**

P7\_TA(2011)0260

**European Parliament resolution of 8 June 2011 on the external dimension of social policy, promoting labour and social standards and European corporate social responsibility (2010/2205(INI))**

(2012/C 380 E/07)

*The European Parliament,*

- having regard to Articles 2, 3, 6 and 21 of the Treaty on European Union,
- having regard to Articles 7, 9, 145-161, 206-209 and 215 of the Treaty on the Functioning of the European Union (TFEU),

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- having regard to Articles 5, 12, 14, 15, 16, 21, 23, 26, 27, 28, 29, 31, 32, 33, 34 and 36 of the Charter of Fundamental Rights of the European Union,
- having regard to the Universal Declaration of Human Rights (1948) and other United Nations instruments in the field of human rights, in particular the Covenants on Civil and Political Rights (1966) and on Economic, Social and Cultural Rights (1966), the Convention on the Elimination of All Forms of Racial Discrimination (1965), the Convention on the Elimination of all Forms of Discrimination against Women (1979), the Convention on the Rights of the Child (1989), the International Convention on the Protection of the Rights of All Migrant Workers and Members of Their Families (1990) and the Convention on the Rights of Persons with Disabilities (2006) <sup>(1)</sup>,
- having regard to the United Nations ‘Protect, Respect and Remedy’ Framework for business and human rights proposed by the Special Representative of the Secretary-General on human rights and transnational corporations and other business enterprises, Professor John Ruggie, endorsed unanimously by the UN Human Rights Council in 2008 (resolution 8/7), the recently released guiding principles for implementing the framework <sup>(2)</sup> and the Foreign Affairs Council conclusions of 8 December 2009 which note the important role of business in achieving full respect for human rights and reiterate the Council’s full support for the work of the UN Special Representative <sup>(3)</sup>,
- having regard to the last report by John Ruggie, the Special Representative of the Secretary-General of the United Nations, on the issue of human rights and transnational corporations and other business enterprises <sup>(2)</sup>,
- having regard to the European Social Charter, in particular Articles 5, 6 and 19 thereof <sup>(4)</sup>,
- having regard to the European Convention on the Legal Status of Migrant Workers <sup>(5)</sup>,
- having regard to the conventions of the International Labour Organisation, in particular the eight fundamental conventions on freedom of association and the effective recognition of the right to collective bargaining (Conventions Nos 87 and 98), on the elimination of all forms of forced or compulsory labour (Conventions Nos 29 and 105), on the elimination of discrimination in respect of employment and occupation (Conventions Nos 100 and 111) and on the effective abolition of child labour (Conventions Nos 138 and 182) <sup>(6)</sup>,
- having regard also to the ILO conventions on labour clauses (public contracts) (Convention No 94) and on collective bargaining (Convention No 154) <sup>(7)</sup>,
- having regard to the ILO’s Decent Work Agenda and Global Jobs Pact, adopted by a worldwide consensus on 19 June 2009 at the International Labour Conference <sup>(8)</sup>,
- having regard to the Declaration on Social Justice for a Fair Globalisation adopted by consensus of the 183 Member States of the ILO on 10 June 2008 <sup>(9)</sup>,
- having regard to the Marrakesh Agreement Establishing the World Trade Organization (WTO) <sup>(10)</sup>, and the Declaration adopted at the fourth ministerial conference held in November 2001 in Doha, in particular Paragraph 31 <sup>(11)</sup>,

<sup>(1)</sup> <http://www2.ohchr.org/english/law/>

<sup>(2)</sup> <http://www.business-humanrights.org/SpecialRepPortal/Home/Protect-Respect-Remedy-Framework>

<sup>(3)</sup> [http://www.consilium.europa.eu/uedocs/cms\\_data/docs/pressdata/EN/foraff/111819.pdf](http://www.consilium.europa.eu/uedocs/cms_data/docs/pressdata/EN/foraff/111819.pdf)

<sup>(4)</sup> <http://conventions.coe.int/Treaty/en/Treaties/Html/163.htm>

<sup>(5)</sup> [http://www.coe.int/t/dg3/migration/documentation/Default\\_conv\\_en.asp](http://www.coe.int/t/dg3/migration/documentation/Default_conv_en.asp)

<sup>(6)</sup> <http://www.ilo.org/ilolex/english/convdisp1.htm>

<sup>(7)</sup> *ibid.*

<sup>(8)</sup> <http://www.ilo.org/jobspact/about/lang-en/index.htm>

<sup>(9)</sup> [http://www.ilo.org/wcmsp5/groups/public/@dgreports/@cabinet/documents/publication/wcms\\_099766.pdf](http://www.ilo.org/wcmsp5/groups/public/@dgreports/@cabinet/documents/publication/wcms_099766.pdf)

<sup>(10)</sup> [http://www.wto.org/english/docs\\_e/legal\\_e/04-wto.pdf](http://www.wto.org/english/docs_e/legal_e/04-wto.pdf)

<sup>(11)</sup> [http://www.wto.org/english/thewto\\_e/minist\\_e/min01\\_e/mindecl\\_e.htm](http://www.wto.org/english/thewto_e/minist_e/min01_e/mindecl_e.htm)

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- having regard to the General Agreement on Trades in Services, in particular Article 1(2)(d) thereof, the so-called MODE 4 <sup>(1)</sup>,
- having regard to the report of the World Commission on the Social Dimension of Globalisation ‘A Fair Globalisation: Creating Opportunities For All’ <sup>(2)</sup>,
- having regard to the ‘Leaders’ Statement’ of the G20 summit held in Pittsburgh on 24-25 September 2009 <sup>(3)</sup>,
- having regard to the most recent updates on OECD Guidelines for Multinational Enterprises <sup>(4)</sup>,
- having regard to Regulation (EC) No 1927/2006 of the European Parliament and of the Council of 20 December 2006 on establishing the European Globalisation Adjustment Fund <sup>(5)</sup> as well as amending Regulation (EC) No 546/2009,
- having regard to Directive 96/71/EC of the European Parliament and of the Council of 16 December 1996 concerning the posting of workers in the framework of the provision of services <sup>(6)</sup> (the PWD),
- having regard to its resolution of 20 September 1996 on the Commission communication on the inclusion of respect for democratic principles and human rights in agreements between the Community and third countries <sup>(7)</sup> and its resolution of 14 February 2006 on the human rights and democracy clause in European Union agreements <sup>(8)</sup>,
- having regard to its resolution of 25 October 2001 on openness and democracy in international trade <sup>(9)</sup>, calling for the WTO to respect the fundamental social standards of the International Labour Organisation (ILO), and the EU’s acceptance of the ILO’s decisions, including any calls for sanctions in connection with serious breaches of fundamental social standards,
- having regard to its resolution of 23 May 2007 on promoting decent work for all <sup>(10)</sup>, calling for the promotion of decent work through inclusion of social standards in EU trade agreements, particularly bilateral agreements,
- having regard to its resolution of 15 November 2005 on the social dimension of globalisation <sup>(11)</sup>,
- having regard to its resolution of 5 July 2005 on the exploitation of children in developing countries, with a special focus on child labour <sup>(12)</sup>,
- having regard to its resolution of 6 July 2006 on fair trade and development <sup>(13)</sup>,
- having regard to its resolution of 22 May 2007 on ‘Global Europe - external aspects of competitiveness’ <sup>(14)</sup> in response to the Communication from the Commission to the Council and the European Parliament entitled ‘Global Europe: Competing in the World. A contribution to the EU’s Growth and Jobs Strategy’ (COM(2006)0567),

<sup>(1)</sup> WTO: GATS, Article 1(2)(d) = MODE 4.

<sup>(2)</sup> Geneva, ILO 2004; <http://www.ilo.org/fairglobalization/report/lang-en/index.htm>

<sup>(3)</sup> <http://www.pittsburghsummit.gov/mediacenter/129639.htm>

<sup>(4)</sup> [http://www.oecd.org/document/33/0,3746,en\\_2649\\_34889\\_44086753\\_1\\_1\\_1\\_1,00.html](http://www.oecd.org/document/33/0,3746,en_2649_34889_44086753_1_1_1_1,00.html)

<sup>(5)</sup> OJ L 48, 22.2.2008, p. 82.

<sup>(6)</sup> OJ L 18, 21.1.1997, p. 1.

<sup>(7)</sup> OJ C 320, 28.10.1996, p. 261.

<sup>(8)</sup> OJ C 290E, 29.11.2006, p. 107.

<sup>(9)</sup> OJ C 112E, 9.5.2002, p. 326.

<sup>(10)</sup> OJ C 102E, 24.4.2008, p. 321.

<sup>(11)</sup> OJ C 280E, 18.11.2006, p. 65.

<sup>(12)</sup> OJ C 157E, 6.7.2006, p. 84.

<sup>(13)</sup> OJ C 303E, 13.12.2006, p. 865.

<sup>(14)</sup> OJ C 102E, 24.4.2008, p. 128.

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- having regard to its resolutions of 30 May 2002 on the Commission Green Paper on promoting a European framework for corporate social responsibility <sup>(1)</sup> and of 15 January 1999 on EU standards for European enterprises operating in developing countries: towards a European Code of Conduct <sup>(2)</sup>,
- having regard to its resolution of 13 March 2007 on corporate social responsibility: a new partnership <sup>(3)</sup>,
- having regard to its resolution of 25 November 2010 on corporate social responsibility in international trade agreements <sup>(4)</sup>,
- having regard to its resolutions on economic partnership agreements with ACP regions and countries, and particularly those of 26 September 2002 <sup>(5)</sup>, 23 May 2007 <sup>(6)</sup> and 12 December 2007 <sup>(7)</sup>,
- having regard to the Council conclusions of 14 June 2010 on child labour <sup>(8)</sup>,
- having regard to the European Council conclusions of 16 September 2010 on 'A changing world: a challenge for the EU' <sup>(9)</sup>,
- having regard to the Commission Communication entitled 'The Social Dimension of Globalisation - the EU's policy contribution on extending the benefits to all' (COM(2004)0383),
- having regard to the renewed European Social Agenda of 2 July 2008 (COM(2008)0412),
- having regard to the Commission Communication entitled 'Promoting decent work for all – the EU contribution to the implementation of the decent work agenda in the world' (COM(2006)0249),
- having regard to the public consultation on disclosure of non-financial information by companies launched by DG Internal Market and Services, the Financial Reporting Unit <sup>(10)</sup>,
- having regard to the Commission Communication entitled 'Trade, Growth and World Affairs: Trade Policy as a core component of the EU's 2020 strategy' (COM(2010)0612),
- having regard to the generalised system of preferences (GSP), in force since 1 January 2009, which grants duty-free access or a tariff reduction for an increased number of products and also includes a new incentive for vulnerable countries faced with specific trade, financial or development needs <sup>(11)</sup>,
- having regard to all of the agreements between the European Union and non-member states,
- having regard in particular to the Partnership Agreement between the members of the African, Caribbean and Pacific Group of States (ACP) and the European Union, signed in Cotonou on 23 June 2000, and its revisions in 2005 and 2010 <sup>(12)</sup>,

<sup>(1)</sup> OJ C 187 E, 7.8.2003, p. 180.

<sup>(2)</sup> OJ C 104, 14.4.1999, p. 180.

<sup>(3)</sup> OJ C 301 E, 13.12.2007, p. 45.

<sup>(4)</sup> Texts adopted P7\_TA(2010)0446.

<sup>(5)</sup> OJ C 273E, 14.11.2003, p. 305.

<sup>(6)</sup> OJ C 102E, 24.4.2008, p. 301.

<sup>(7)</sup> OJ C 323E, 18.12.2008, p. 361.

<sup>(8)</sup> Council conclusions of 14.6.2010 on child labour, 10937/1/2010.

<sup>(9)</sup> European Council conclusions of 16.9.2010, EUCO 00021/1/2010.

<sup>(10)</sup> [http://ec.europa.eu/internal\\_market/consultations/2010/non-financial\\_reporting\\_en.htm](http://ec.europa.eu/internal_market/consultations/2010/non-financial_reporting_en.htm)

<sup>(11)</sup> OJ L 211, 6.8.2008.

<sup>(12)</sup> [http://ec.europa.eu/development/icenter/repository/second\\_revision\\_cotonou\\_agreement\\_20100311.pdf](http://ec.europa.eu/development/icenter/repository/second_revision_cotonou_agreement_20100311.pdf)

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- having regard in particular to the conclusion of the negotiations between the EU, Colombia and Peru on signature of a Multi-Party Trade Agreement <sup>(1)</sup>,
  - having regard to the hearing on ‘Application of Social and Environmental Standards in Trade Negotiations’ which Parliament held on 14 January 2010,
  - having regard to Rule 48 of its Rules of Procedure,
  - having regard to the report of the Committee on Employment and Social Affairs and the opinions of the Committee on Development and the Committee on International Trade (A7-0172/2011),
- A. whereas the EU’s high standards for social protection and human rights protection are decisive requisites of the European Union when negotiating on trade relations with non-member states,
  - B. whereas the protection of economic and social rights is an obligation for all Member States and all other States arising from the Universal Declaration of Human Rights of the United Nations, and whereas this includes the right of everyone to form and to join trade unions for the protection of his or her interests,
  - C. whereas the core ILO conventions are recognised internationally as a basis for fair international trade and whereas, regrettably, not all Member States totally respect them,
  - D. whereas it is in the interest of the Union to conclude bilateral trade agreements for the profit of the Union and the trading partners as long as both sides respect the rights enshrined in the Universal Declaration of Human Rights,
  - E. whereas the attitude of all Member States has clearly to reflect the principles of the European social model when social questions and cooperation among the Member States based on the open method of coordination are at stake,
  - F. whereas democracy and the rule of law require strong and free trade unions, workers’ associations and social movements, and whereas these can only exist in a democratic community where the separation of powers prevails,
  - G. whereas some developing countries say that they are under pressure to give up their comparative advantage when the Union requests compliance with international labour standards,
  - H. whereas the 2008 ILO Declaration on Social Justice for a Fair Globalisation, adopted by consensus of the 183 ILO Members, states that the violation of fundamental principles and rights at work cannot be invoked or otherwise used as a legitimate comparative advantage and that labour standards should not be used for protectionist trade purposes,
  - I. whereas some non-member countries attempt to enforce MODE4 <sup>(2)</sup> when negotiating trade agreements with the EU,

<sup>(1)</sup> <http://trade.ec.europa.eu/doclib/press/index.cfm?id=691>

<sup>(2)</sup> WTO: GATS, Article 1(2)(d) = MODE 4.

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- J. whereas many businesses shoulder their corporate social responsibility (CSR) and seek to ensure compliance with social and environmental standards within their sphere of influence, for example by acceding to the UN Global Compact or participating in voluntary industry initiatives,
- K. whereas the principles underpinning CSR, which are fully recognised at international level, whether by the OECD, the ILO or the United Nations, concern the responsible behaviour expected of undertakings and presuppose, first of all, compliance with the legislation in force, in particular in the areas of employment, labour relations, human rights, the environment, consumer interests, transparency vis-à-vis consumers and the fight against corruption;
- L. whereas the adoption of a recommendation on CSR and encouraging its respect should be a reality at EU level,
- M. whereas globalisation facilitates workers' mobility between Member States and to non-member countries,
- N. whereas the role of the ILO in setting new standards is not respected, despite the involvement of the ILO in the G20, the global recognition of the Decent Work Agenda and the inclusion of employment and decent work in Millennium Development Goal No 1,
- O. whereas unconditional respect for the right of association and effective collective bargaining should be recalled,
- P. whereas the Decent Work Agenda should be promoted,
- Q. whereas it is extremely important to prevent all sorts of wage discrimination, according to the principle of the right to equal pay for equal work claimed in Article 23 of the Universal Declaration of Human Rights,
- R. whereas the mid-term evaluation of the EU's generalised system of preferences (GSP) <sup>(1)</sup> shows that the GSP+ trade regime, which requires that the beneficiary countries ratify and effectively implement specified international conventions in the fields of human rights, core labour standards, sustainable development and good governance, had a significant positive effect on gender equality in these countries,
- S. whereas social protection of workers should be promoted,
- T. whereas the ratification and application of ILO conventions classified by the ILO as up to date have to be promoted with a view to achieving a progressively increasing coverage of the four pillars of decent work, which are employment, social protection, social dialogue and rights at work, with a special emphasis placed on the social governance conventions No 81 and No 129 on labour inspection, No 122 on employment policy and No 144 on tripartite consultations,
- U. whereas the European Social Agenda of 2 July 2008 (COM(2008)0412) called for EU Member States to make renewed efforts to ratify and apply ILO conventions classified by the ILO as up to date, with a view to setting an example to partners in the world,

<sup>(1)</sup> [http://trade.ec.europa.eu/doclib/docs/2010/may/tradoc\\_146196.pdf](http://trade.ec.europa.eu/doclib/docs/2010/may/tradoc_146196.pdf)

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- V. whereas the effective application of international labour standards is negatively affected in many countries by weak labour administrations and social partners' lack of capacity,
- W. whereas the ILO's Global Employment Trends 2011 estimates that in 2009, globally, 50,1 % of all workers, i.e. 1,53 billion, were in vulnerable employment <sup>(1)</sup> and whereas the financial and economic crisis has stopped and reversed the drop in vulnerable employment as recorded before 2008,
- X. whereas the ILO's World Social Security Report 2010 states that over 50 % of all workers have no social protection and whereas there is renewed interest in extending social protection coverage including the promotion of the social security systems,

### **General principles**

1. Recalls that the EU aims to become the leading entity in the world as regards social policy by promoting social objectives globally; emphasises the important role of the European Parliament originating from the Lisbon Treaty, which strengthens its influence significantly;
2. Recalls also that, when perusing Community policies and objectives, the horizontal social clause of Article 9 TFEU has to be taken into account, for example regarding Article 46, Article 49 TFEU or EU trade policy, the Community cannot ignore general interest requirements <sup>(2)</sup>;
3. Recalls further that Article 7 TFEU requires consistency of EU policy and that the legislator has to take into account all of the EU's objectives and has to act in accordance with the principle of conferral of powers, meaning that it has to strike the correct balance between the various objectives and/or interests when adopting an act with a specific legal basis <sup>(3)</sup>;
4. Urges Member States to comply with the core ILO conventions, especially as regards the abolition of barriers to freedom of association and collective bargaining created by encouraging bogus self-employment or forcing individuals to renounce collective agreements;
5. Calls on parties to Free Trade Agreements (FTAs) to commit themselves, in accordance with the obligations deriving from membership of the ILO and the ILO Declaration on Fundamental Principles and Rights at Work and its Follow-up, adopted by the International Labour Conference at its 86th Session in 1998, to respecting, promoting and realising, in their laws and practices, the principles concerning fundamental rights, namely:
  - (a) freedom of association and the effective recognition of the right to collective bargaining;
  - (b) the elimination of all forms of forced or compulsory labour;
  - (c) the effective abolition of child labour; and
  - (d) the elimination of discrimination in respect of employment and occupation;

<sup>(1)</sup> Vulnerable employment: the sum of own-account workers and unpaid family workers. The vulnerable employment indicator is one of the official Millenium Development Goals employment indicators under Goal 1: Eradicate extreme poverty and hunger

<sup>(2)</sup> Opinion of the EP Legal Service on the Scope of Article 9 TFEU (horizontal social provision) as requested by the chair of the EMPL committee (SJ-00004/10), paragraph 15.

<sup>(3)</sup> Idem, paragraph 8.



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***International cooperation - social alliance***

6. Recalls that the EU is seen, on a worldwide basis, as a magnet and an attractive partner because of the unique combination of economic dynamism with a social model;
7. Emphasises that the European social model offers equal opportunities in education, training and the labour market as well as equal access to social services as major pillars of economic success;
8. Considers that failure to comply with basic international social standards constitutes a form of social and environmental dumping detrimental to European enterprises and workers;
9. Asks the Commission and the Member States to cooperate with international organisations on improving the social dimension of globalisation, having as reference the European social model;
10. Stresses the importance of coherent action on social protection inside and outside the Union;
11. Suggests developing a dialogue with all interested parties stressing the importance of social issues and focusing on the implementation and enforcement of pragmatic and sustainable solutions; stresses in this respect the importance of raising the awareness of the social partners concerning their rights and obligations;
12. Considers it necessary to enhance the role of the relevant international institutions (particularly the ILO, WTO, OECD and the United Nations) and seek their cooperation in the development, implementation and promotion of basic international social standards and corresponding penalties;
13. Advocates that the Union refrains from trade agreements with countries which do not respect human rights and core labour standards;
14. Supports the creation of tools for a sustainable dialogue with partner countries that is based on mutual respect, seeks the development of partner countries' – especially developing countries' – own resources and enables them to develop economic sectors with care;
15. Calls also on the Commission, during the negotiations, to adapt the level of its requirements to the degree of development of each partner country; proposes in this context that the Commission draws up a list of additional standards, which should be introduced gradually and flexibly, taking account of the economic, social and environmental situation of the partner concerned;
16. Considers that, both in the territory of the partner country and in the Member States, the implementation of these basic standards should be subject to continuous monitoring by independent bodies and that their non-enforcement or infringement, established on the basis of predetermined criteria, should be penalised by means of effective and transparent procedures;
17. Considers that these standards should be applied in full and that neither free zones nor host country agreements can be used to escape them;
18. Asks the Commission and the Member States to cooperate with the partner countries to fight gender discrimination and all forms of violence against women and make gender equality a reality inside and outside the Union in accordance with the principles of the Millennium Development Goals and the Beijing Platform for Action; calls in this respect on the Commission and the Member States to implement measures that will significantly consolidate the juridical and social position of women to harness their potential contribution to economic and social development;

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19. Welcomes the promotion of gender equality in the developing countries and territories by means of the current and future GSP trade agreements; requests that the ratification and effective implementation of international conventions on gender equality shall be prerequisites in all external trade and economic partnership agreements;

20. Calls furthermore on the Commission and the Member States to cooperate with each other and with the partner countries to protect vulnerable groups and to fight not only gender discrimination but also discrimination on grounds of racial or ethnic origin, religion or belief, disability, age and sexual orientation; draws particular attention to people who face multiple discrimination and disadvantages in order to tackle the root causes of poverty;

21. Calls on the Commission and the Member States to make the elimination of child labour and respect for children's rights a priority in trade agreements, dialogues with other countries and in development cooperation and notes that the private sector has a key role to play in respecting children's rights; takes the view that measures to combat child labour should include the creation of decent jobs for adults while enabling children to receive a suitable education; asks furthermore for an EU child labour hotline to be set up where citizens can report all companies that make use of child labour anywhere in the world; considers that this hotline should have a small but sufficient capacity enabling it to publish an annual report on its findings;

22. Emphasises that the Union's expenditure in the context of development cooperation, association or stability agreements and trade agreements brings about unique chances to assist the partner countries in putting in place viable education, vocational training, labour market institutions and a social protection floor for greater social and economic security and, consequently, greater welfare;

23. Insists that the Commission and the Member States, in the context of development cooperation and external assistance, support the implementation of decent work programmes that reflect national needs and priorities regarding employment and social policy and are based on a tripartite agreement (employers, workers, governments); asks further the Commission and the Member States to better integrate social and employment objectives in economic and trade sectors under development cooperation and external assistance;

24. Asks the Commission and the Member States to cooperate with partner countries in improving the quality of the skills of citizens, skills that are relevant to new jobs and employment, as a catalyst for stability, prosperity, inclusive societies and good governance, especially in the EU neighbourhood;

25. Calls for the creation of social attachés in the new External Action Service to increase its efficiency in the area of social policy and, in particular, to ensure that decent work for all is implemented as a central policy objective;

26. Recognises that, although the international trend on bilateral trade agreements is gradually moving towards a greater acceptance of labour and social standards linked to trade agendas, FTAs still generally contain few references to social standards; regrets that the EU does not have a homogenous formula for a 'social clause' to be inserted in all bilateral trade agreements; urges the EU to incorporate a social clause in line with other internationally agreed and recognised standards (i.e. ILO core labour standards) into all EU external trade agreements, including those coming within the ambit of the WTO;

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27. Recalls that the existing practices of the WTO need to be made equally beneficial for both developing and developed countries;

28. Recalls that the competition policy and social policy must be combined and stresses that the European social model shall under no circumstances be weakened in favour of competitiveness and alleged economic advantages; reiterates that the European social model needs to be an example for workers protection in developing countries;

### ***Corporate Social Responsibility***

29. Recalls that the EU has set itself the objective of not only becoming a pole of excellence on corporate social responsibility but also of promoting CSR in its external policies; acknowledges the Commission's efforts in promoting CSR best practices among European companies operating abroad, but stresses that it should take better account of the importance of certifications and labels that demonstrate the compliance of enterprises with CSR principles;

30. Takes the view that CSR is a useful and non-binding form of commitment on the part of multinational companies; recommends, further, targeted promotion of CSR through, inter alia, the ISO 26000 Standard, the UN Global Compact or the OECD Guidelines for Multinational Enterprises, and by linking CSR to wider initiatives promoting decent work in a sector, in communities, at country and regional level such as the ILO Better Work and SCORE programme involving workers, employers, authorities and other relevant stakeholders;

31. Stresses that no directive regulating CSR and enforcing respect for it should be adopted at EU level;

32. Believes that the Commission should, in its future communication on the internationalisation of SMEs' activities, propose measures that help support and promote SME initiatives in the field of CSR which respect the 'think small first' principle and take account of their specific circumstances;

33. Calls on the Commission and the Member States to seek to ensure that the OECD Guidelines on Multinational Enterprise are strengthened in their current update, maintaining and enhancing their application to 'specific instances' and introducing best practice for 'National Contact Points' (NCPs), including a review of how the European Union could better undertake its obligations on NCP through the European External Action Service's delegations;

34. Points out that CSR should address new areas such as the organisation of work, equal opportunities and social inclusion, anti-discrimination measures, the development of lifelong education and training; emphasises that CSR should cover, for example, quality of work, equal pay and career prospects and the promotion of innovative projects so as to assist the shift towards a sustainable economy;

35. Requests the Commission and the Member States to encourage business enterprises domiciled in the EU to respect human rights, including economic and social rights, and the environment throughout their global operations, in particular those conducted by their subsidiaries and other related legal entities;

36. Stresses that compliance with strict environmental standards by businesses from the EU in third countries should be regarded as just as important as respect for the rights of employees, as damage to the environment almost always also jeopardises the health of employees, destroys farmland, fishing grounds and other economic resources, and thus deprives many people of the basis for their subsistence;

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37. Emphasises that, given the size of their share of international trade, European companies and their subsidiaries and subcontractors play a key role in the promotion and dissemination of social and labour standards worldwide, and that they should therefore act in accordance with European values and internationally recognised standards; considers that it would be right and proper for European enterprises which relocate their production to countries with less stringent social obligations to be held liable, including before European courts, for any damage and negative externalities affecting local populations;

38. Calls on the Commission to introduce amendments to its Proposal for a Regulation on jurisdiction and the recognition and enforcement of judgments in civil and commercial matters (2010/0383 (COD)) to enable claimants to sue a subsidiary domiciled in a third country, together with the European parent corporation, through the creation of additional grounds of jurisdiction;

39. Calls on the Commission to advocate the incorporation of a CSR dimension into multilateral trade policies, both in the international forums which have supported the concept of CSR, in particular the OECD and the ILO, and in the WTO in the post-Doha context;

40. Calls on the Commission to systematically include a chapter on sustainable development, containing a legally binding CSR clause, in the free trade and investment agreements it negotiates with third countries;

41. Proposes that this CSR clause cover compliance with the ILO's eight core conventions and four priority conventions and also provide incentives for enterprises to enter into CSR commitments and an obligation of diligence for enterprises and groups of enterprises, i.e. an obligation to take proactive measures to identify and prevent any violation of human or environmental rights, corruption or tax evasion, including in their subsidiaries and supply chains (i.e. their sphere of influence);

#### ***Workers' rights and working conditions***

42. Calls upon all Member States to respect and promote the core labour standards of the ILO, to comply with the agreements signed to date in the social field and to apply in practice the principles therein relating to workers' rights;

43. Stresses that repeated infringements of core labour standards have been reported in several countries with GSP-Plus status, but which did not however lead to the suspension of preferences; considers that the failure to enforce conditionality undermines the EU's ambition to promote social policy and core labour standards globally and goes against the principle of policy coherence development;

44. Welcomes the ILO's international labour standards supervisory system, which is unique at international level and helps to ensure that countries implement the conventions they ratify; stresses that, in the event of a problem, the ILO should assist countries through social dialogue and technical assistance;

45. Calls upon the Commission to promote closer cooperation by the WTO with the ILO, making it possible for the ILO to submit expert reports to the WTO during trade disputes, in order to achieve labour standards and decent work mainstreaming in WTO activities and prevent the jeopardising of social development;

46. Is of the opinion that Union policies should focus on individuals as well as on institutions in regard to human capital development and labour market reforms;

47. Expresses concern over the practice of some non-member countries using the MODE4 process for their trade activities; calls rather upon the Commission and the Member States to aim to structure international migration in a way that will avoid exploitation and brain drains;

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48. Supports initiatives that enhance the development of social partner dialogue and cooperation within the partner countries and transnationally and asks the Commission to further develop the existing programmes, focusing on those aiming at empowering social partners' institutional capacity for policy development and implementation;

49. Advocates the implementation of freedom of association for trade unions and the right to bargain collectively without exemption in order to enforce, improve and defend decent work conditions;

50. Recalls the EU guidelines on various human rights issues, which represent a strong political signal that these are priorities for the Union; asks the Council therefore to adopt similar guidelines based on the eight core ILO conventions, to be used as a pragmatic instrument of the EU that helps to better advance the Union's external social policy; reiterates that respect for international human rights law remains a binding obligation on all companies according to the Universal Declaration;

51. Asks the Commission and the Member States for the development of a proactive approach to address the social consequences of adjustments and restructuring related to globalisation;

***Global Economic Governance***

52. Welcomes the organisation of G20 meetings at the level of social ministers, and calls for the Commission to take an active part in them; regrets that, in general, the follow-up at EU level remains unsatisfactory;

53. Asks the Commission and the Member States to integrate employment, social and environmental policies, including gender equality aspects, into all negotiations on global economic governance structures and macro-economic dialogues;

54. Calls on the Commission and the Member States to encourage good governance in the financial, tax and judicial areas, as a way of enhancing the social dimension of globalisation;

55. Requests from the Commission a recommendation to EU Member States in favour of the implementation and ratification of ILO conventions classified by the ILO as up to date, in order to improve workers' rights and working conditions within the Union and in the partner countries, aiming at a fair and inclusive globalisation through greater coherence in the external dimension of Member States' economic and social policy; asks the Commission in the same sense to encourage the Member States to conduct regular reviews to examine the implications of economic, financial and trade policies;

56. Considers that the proliferation of international regulators creates urgent issues relating to the consistency and effectiveness of the international legal order, particularly as regards the protection of workers' rights and fundamental rights;

57. Proposes that the redefinition of global governance should be geared to greater integration of regulatory bodies into the legal order of the United Nations and greater respect for the principles espoused by its specialised agencies, particularly the ILO and WHO;

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58. 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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## Financing instrument for development cooperation

P7\_TA(2011)0261

### European Parliament resolution of 8 June 2011 on Regulation (EC) 1905/2006 establishing a financing instrument for development cooperation: lessons learned and perspectives for the future (2009/2149(INI))

(2012/C 380 E/08)

The European Parliament,

- having regard to Articles 208 to 211, and 290 and 291 of the Treaty on the Functioning of the European Union (TFEU),
- 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>(1)</sup> (Development Cooperation Instrument – DCI),
- having regard to the Millennium Declaration of 8 September 2000, setting out the Millennium Development Goals (MDGs) as criteria established collectively by the international community for the elimination of poverty,
- 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’ signed on 20 December 2005 <sup>(2)</sup>,
- having regard to the joint Declaration on Democratic Scrutiny and Coherence of External Actions and the Commission Declaration on Democratic Scrutiny and Coherence of External Actions attached to the Interinstitutional Agreement on budgetary discipline and sound financial management <sup>(3)</sup>,
- having regard to the declarations by the Commission entered in the minutes of the Council formally adopting the common position of the Council on the adoption of DCI <sup>(4)</sup>, and in particular the ‘Commission Declaration concerning Article 5 DCI’,
- having regard to letter D (2007) 303749 of 5 March 2007 from the then Chair of the Committee on Development, Josep Borrell Fontelles, to then Commissioners Ferrero-Waldner and Michel <sup>(5)</sup>,
- having regard to letter A (2007) 5238 of 26 March 2007 from then Commissioner Ferrero-Waldner to the then Chair of the Committee on Development, Josep Borrell Fontelles <sup>(6)</sup>,
- having regard to the ‘Reporting Directives for the Creditor Reporting System’ of the Development Assistance Committee of the Organisation for Economic Cooperation and Development (OECD/DAC) <sup>(7)</sup>,

<sup>(1)</sup> OJ L 378, 27.12.2006, p. 41.

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

<sup>(3)</sup> OJ C 139, 14.6.2006, p. 1.

<sup>(4)</sup> Annexed to the Communication of 24.10.2006 from the Commission to the European Parliament pursuant to the second subparagraph of Article 251(2) of the EC Treaty concerning the common position of the Council on the adoption of a Regulation of the European Parliament and of the Council establishing a financing instrument for development cooperation (COM(2006)0628).

<sup>(5)</sup> Registered as comitology document No CMT-2007-1709 – annex registered as comitology document No CMT-2007-1709-2.

<sup>(6)</sup> Registered as comitology document No CMT-2007-1709-3.

<sup>(7)</sup> DCD/DAC (2007)39/final of 4.9.2007, 145 pages.

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- having regard to the Judgment of the Court of Justice of 23 October 2007 in Case C-403/05 (*European Parliament v Commission of the European Communities*) Action for annulment of Commission decision approving a project relating to border security in the Philippines (Decision adopted on the basis of Regulation (EEC) No 443/92),
- having regard to Regulation (EC) No 1337/2008 of the European Parliament and of the Council of 16 December 2008 establishing a facility for rapid response to soaring food prices in developing countries <sup>(1)</sup>,
- having regard to the Presidency Conclusions of the European Council of 29-30 October 2009 (Doc. 15265/2009),
- having regard to the Council Decision of 26 July 2010 establishing the organisation and functioning of the European External Action Service (EEAS) <sup>(2)</sup>,
- having regard to the Communication from the Commission of 19 October 2010 on the 'EU Budget Review' (COM(2010)0700),
- having regard to the Green Paper from the Commission of 19 October 2010 on 'The future of EU budget support to third countries' (COM(2010)0586),
- having regard to the Green Paper from the Commission of 10 November 2010 on 'EU development policy in support of inclusive growth and sustainable development: Increasing the impact of EU development policy' (COM(2010)0629),
- having regard to its resolution of 15 February 2007 on the draft Commission decisions establishing Country Strategy Papers and Indicative Programmes for Malaysia, Brazil and Pakistan <sup>(3)</sup>,
- having regard to its resolution of 7 June 2007 on the draft Commission decision establishing Regional Strategy Papers and Regional Indicative Programmes for Mercosur and Latin America <sup>(4)</sup>,
- having regard to its resolution of 21 June 2007 on the draft Commission decision establishing a Regional Strategy Document 2007-2013 and a Multiannual Indicative Programme for Asia <sup>(5)</sup>,
- having regard to its resolution of 12 July 2007 on the democratic scrutiny of the implementation of the financing instrument for development cooperation (DCI) <sup>(6)</sup>,
- having regard to its resolution of 25 October 2007 on the draft Commission decision establishing a Special Measure 2007 for Iraq <sup>(7)</sup>,
- having regard to its resolution of 9 July 2008 on the draft Commission decisions establishing Annual Action Programmes for Brazil for 2008 and for Argentina for 2008 <sup>(8)</sup>,
- having regard to its resolution of 15 March 2007 on local authorities and development cooperation <sup>(9)</sup>,
- having regard to the Communication from the Commission on 'Local authorities: actors for development' (COM(2008)0626),

<sup>(1)</sup> OJ L 354 of 31.12.2008, p. 62.

<sup>(2)</sup> OJ L 201 of 3.8.2010, p. 30.

<sup>(3)</sup> OJ C 287 E, 29.11.2007, p. 507.

<sup>(4)</sup> OJ C 125 E, 22.5.2008, p. 213.

<sup>(5)</sup> OJ C 146E, 12.6.2008, p. 337.

<sup>(6)</sup> OJ C 175 E, 10.7.2008, p. 595.

<sup>(7)</sup> OJ C 263 E, 16.10.2008, p. 624.

<sup>(8)</sup> OJ C 294 E, 3.12.2009, p. 19.

<sup>(9)</sup> OJ C 301 E, 13.12.2007, p. 249.



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- having regard to the Structured Dialogue launched in 2010 by the Commission with the aim to involve civil society organisations (CSOs) and local authorities (LAs) in EC development cooperation,
  - having regard to its resolution of 6 May 2009 on the draft Commission decision establishing the 2009 Annual Action Programme for Non-State Actors and Local Authorities in Development (Part II: Targeted Projects) <sup>(1)</sup>,
  - having regard to its position of 3 February 2011 on the Council position at first reading with a view to the adoption of a regulation of the European Parliament and of the Council amending Regulation (EC) No 1905/2006 establishing a financing instrument for development cooperation <sup>(2)</sup>,
  - having regard to its position of 3 February 2011 on the Council position at first reading with a view to the adoption of a regulation of the European Parliament and of the Council amending Council Regulation (EC) No 1905/2006 establishing a financing instrument for development cooperation <sup>(3)</sup>,
  - having regard to its position of 3 February 2011 on the Council position at first reading with a view to the adoption of a regulation of the European Parliament and of the Council amending Council Regulation (EC) No 1934/2006 establishing a financing instrument for cooperation with industrialised and other high-income countries and territories <sup>(4)</sup>,
  - having regard to Rule 48 of its Rules of Procedure,
  - having regard to the report of the Committee on Development (A7-0187/2011),
- A. whereas, according to Article 2(1) of the DCI, the overarching objective of cooperation under that instrument is ‘the eradication of poverty in partner countries’, including ‘pursuit of the Millennium Development Goals’ (MDGs),
- B. whereas, according to Article 2(4) of the DCI, all the measures under geographic programmes and 90 % of the expenditure foreseen under thematic programmes must fulfil the criteria for Official Development Assistance (ODA) established by the OECD/DAC,
- C. whereas according to Commission calculations, only 0,2 % of the commitments financed under the DCI thematic programmes between 2007 and 2009 do not fulfil the ODA criteria,
- D. whereas, in accordance with Council Decision 1999/468/EC (the ‘Comitology decision’) <sup>(5)</sup>, Parliament launched in 2007 a process of democratic scrutiny of the implementation of Regulation (EC) No 1905/2006, including all Country Strategy Papers (CSPs), Regional Strategy Papers (RSPs), Thematic Strategy Papers (TSPs) and Multiannual Indicative Programmes, and most of the Annual Action Programmes (AAPs),
- E. whereas, in accordance with the joint Declaration on Democratic Scrutiny and Coherence of External Actions and the Commission Declaration on Democratic Scrutiny and Coherence of External Actions attached to the Interinstitutional Agreement on budgetary discipline and sound financial management, the Commission committed itself ‘to take due account of the position of the European Parliament when implementing the strategies’,

<sup>(1)</sup> OJ C 212 E, 5.8.2010, p. 8.

<sup>(2)</sup> Texts adopted P7\_TA(2011)0032.

<sup>(3)</sup> Texts adopted P7\_TA(2011)0030.

<sup>(4)</sup> Texts adopted P7\_TA(2011)0033.

<sup>(5)</sup> OJ L 184, 17.7.1999, p. 23.

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- F. whereas the principles of ownership, participation and good governance call for a multi-stakeholder approach in which the various development partners, i.e. local authorities or non-state actors, act in a complementary and coherent manner; and whereas it is important, however, to make a clear distinction between the specific role of local authorities and that of non-state actors, in terms of their spheres of competence, legitimacy and democratic control, experience in the management of local affairs and involvement in the implementation of public policies,
- G. whereas EU funding for international cooperation with Africa comes from four geographic instruments: the EDF for African ACP countries, the TDCA for South Africa, the ENPI for five North African states, and the DCI for the thematic programmes,
- H. whereas the Commission undertook to endeavour to ensure that 20 % of its allocated assistance under country programmes covered by the DCI would be dedicated, by 2009, to basic and secondary education and basic health, through project, programme or budget support linked to these sectors, taking an average across all geographic areas,
- I. whereas the EU has committed itself to the collective target of spending 0,7 % of its gross national income (GNI) on ODA by 2015,
- J. whereas the Earth Summit 2012 aims to secure renewed political commitment to sustainable development, to assess progress towards internationally agreed goals on sustainable development and to address new and emerging challenges,
- K. whereas Article 290 of the TFEU states that a legislative act may delegate to the Commission the power to adopt non-legislative acts of general application to supplement or amend certain non-essential elements of the legislative act,

***Lessons learned***

1. Welcomes the Commission's willingness to honour its commitment to enter into a regular dialogue with Parliament on the implementation of the DCI; acknowledges the efforts made to keep Parliament's DCI working groups informed about how its comments on strategy papers have been taken into account in drawing up AAPs;
2. Notes that, in particular during the mid-term review, the dialogue between the Commission and Parliament as part of the democratic scrutiny exercise has helped to avoid the adoption of strategy papers containing *ultra vires* provisions and to bring strategy papers into line with the requirements of the DCI regulation and in particular the ODA eligibility principles;
3. Finds it regrettable that several of Parliament's concerns raised during the democratic scrutiny process, in particular regarding a lack of focus on poverty and the MDGs, have not been sufficiently taken into account by the Commission;
4. Finds it regrettable that, while the European Consensus on Development (2005) and the DCI emphasise the importance of ownership, the involvement of national parliaments in drawing up Country Strategy Papers has, in practice, been poor; finds it regrettable that the Commission has not adequately implemented the provisions of Articles 19, 20 and 33 of Regulation (EC) No 1905/2006 on consultation with non-state actors and local authorities;
5. Notes that a 'pro-growth' strategy should not be confused with a long-term development strategy that entails the financing of long-term objectives such as health, education, access to energy in rural areas, support for small farmers, etc.;

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6. Finds it regrettable that, in response to its resolutions highlighting non-observance of the requirement laid down in Article 2(4) of the regulation to fulfil the ODA eligibility criteria, the Commission amended or withdrew only three of 11 draft implementing measures concerned;
7. Finds it regrettable that the committee set up under Article 35 of the DCI did not react to Parliament's resolutions signalling that the Commission had exceeded its implementing powers; notes with concern that the substantive scrutiny work carried out by Parliament did not receive any echo from the representatives of the Member States in the DCI Committee, and urges the Member States to assume their responsibilities and to ensure, in close collaboration with Parliament, that the measures proposed by the Commission comply fully with the DCI prescriptions;
8. Requests the Commission to indicate, in order of priority and with their respective weight, the criteria it has used for the allocation of funds between the DCI countries and regions and to the various sectors of activity within each geographic and thematic programme;
9. Considers that many country and regional strategy papers do not allocate sufficient resources to the DCI's overarching goal of poverty eradication in the context of sustainable development, and that many documents do not indicate clearly how far the proposed actions will contribute to the MDGs targets;
10. Draws particular attention to the ODA eligibility requirement for the geographic programmes under the DCI and urges the Commission and the EEAS to ensure full compliance with this legal obligation in every case;
11. Points out that policy coherence for development, development 'ownership' and the non-fragmentation of aid are essential for ensuring aid effectiveness;

#### ***Perspectives for the future: principles***

12. Stresses that the EU continues to need a specific financing instrument for development cooperation, which targets exclusively developing countries and explicitly pursues the objectives defined in Article 208 TFEU; insists that the annual figures for ODA in the next Multiannual Financial Framework (MFF) period should increase in real terms to reach the collective target of spending 0,7 % of GNI on ODA by 2015;
13. Emphasises that full compliance with ODA criteria, and in particular with the OECD/DAC requirement that 'each transaction is administered with the promotion of the economic development and welfare of developing countries as its main objective' <sup>(1)</sup>, must remain a condition for all measures to be funded as part of geographic programmes under the new instrument; calls for a more stringent ODA quota for thematic programmes than under the current DCI, especially for programmes on 'migration and asylum', in respect of which the Commission did not demonstrate clearly how activities funded in the context of border controls are eligible as ODA according to the OECD/DAC criteria;
14. Stresses that achievement of the MDGs must remain the prime objective of the instrument for the period until 2015; urges the Commission to ensure that EU aid continues to be consistent with the internationally agreed objectives and targets for development which will be adopted by the United Nations and other competent international organisations for the post-2015 period;

<sup>(1)</sup> See OECD/DAC: 'Reporting Directives for the Creditor Reporting System'.

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15. Acknowledges the need for non-ODA cooperation with many developing countries for the provision of global public goods; believes that this kind of cooperation should be regulated and that funds should be channelled via one or more separate instruments, so as to ensure transparency and to protect the distinctive nature of development cooperation as an autonomous policy domain in the area of external relations; insists, in line with the commitment made at the European Council of 29-30 October 2009, that financing for climate change should not undermine or jeopardise the fight against poverty and continued progress towards the MDGs, and that the scarce ODA funds available for poverty reduction should not be diverted for non-development purposes in developing countries; stresses that the OECD definition of ODA should not be altered and calls on the Commission to ensure that no development projects financed by the EU conflict with global efforts to mitigate climate change and that all such projects are climate proof, particularly large infrastructure projects or projects in small islands which will be the first to suffer the consequences of climate change;

16. Expresses its concern, at a time of serious public budget constraints, about the strong focus placed on private sector investment as a means to leverage more development finance resources; points out that development cooperation is the only external action policy (besides humanitarian aid) which has not been designed to serve EU interests but rather to defend the interests of the most marginalised and vulnerable populations on this planet; therefore, urges the Commission to ensure that any public finance used to support private sector investment in the South is not diverted from already under-funded sectors (as in the case of the programmes for non-state actors and local authorities for instance), and that such support will effectively enable the development of the domestic private sector and small and medium enterprises in low-income countries;

17. Agrees that a differentiated approach to the diverse group of developing countries is needed, and that traditional financial aid may become less relevant for emerging countries; considers that aid for emerging countries, while promoting sustainable economic growth, should still focus on reinforcing the partner country's fiscal policy and promoting mobilisation of domestic revenue which should lead to the reduction of poverty and of aid dependency;

18. Urges the Commission to provide enhanced support for assisting developing and emerging countries in tax reforms, with the aim of supporting effective, efficient, fair and sustainable tax systems; calls on the Commission to effectively integrate the principles of good governance in tax matters into the programming, implementation and monitoring of country and regional strategy papers, while taking the necessary measures to enforce country-by-country reporting by transnational companies;

19. Stresses that the future development cooperation instrument should continue to cover all developing countries of the geographic regions to which it applies, according to the OECD/DAC list of developing countries;

20. Calls for closer coordination between the Commission and Member States so as to achieve the Treaty prescription of Article 210 TFEU, and supports the development of joint European strategy papers; believes that all EU programming documents for each country and region should include detailed and up-to-date donor matrices, as well as a special chapter on EU aid effectiveness, specifying actions taken to increase donor coordination, harmonisation and complementarity and to improve the division of labour among donors and particularly among EU Member States;

21. Reiterates its call for the European Development Fund (EDF) to be brought into the EU budget, which would simplify procedures and increase the effectiveness and efficiency of EC aid; insists that this should not lead to any reduction in the global amounts of funding at EU level for the DCI and for the EDF, nor in the total amount of funding made available at EU level for ODA;

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22. Believes that support for vulnerable groups (women, people with disabilities, young and unemployed people, indigenous people), as well as for gender mainstreaming and for addressing other 'cross-cutting' issues, must be enhanced; insists that the DCI successor instrument requires clear benchmarks in programming documents to ensure that the impact of EU intervention in these areas can be measured;

23. Stresses that the involvement of local authorities in development policies is essential for achieving the MDGs and ensuring good governance; points out, in particular, that local authorities have a critical role to play in areas such as education, combating hunger, health, water, sanitation, social cohesion and local economic development, etc.; deems it essential, therefore, to upgrade their role in the next financial instrument, in line with the principle of development ownership;

24. Underlines the need for a regular and structured dialogue between the Commission, the EEAS, non-state actors (NSAs) and local authorities (LAs) on the programming, implementation and evaluation of strategy papers; emphasises therefore the need to take the conclusions of the Structured Dialogue into account in future financial instruments;

25. Stresses the need for flexibility provisions which allow the EU to respond to changes in terms of needs and priorities; suggests an examination of the EDF model of limited country envelopes of non-programmed aid as a possible model for the future development cooperation instrument; stresses, however, that funds used in a more flexible manner must pursue genuine development objectives;

26. Considers that the new development cooperation instrument should provide a basis for targeted and more flexible aid to situations of fragility; believes that the new financial architecture should help to ensure proper linkage of relief, rehabilitation and development (LRRD) through flexibility and complementarity of the funding mechanisms;

#### ***Perspectives for the future: geographic and thematic programmes***

27. Calls for a benchmark of 20 % of spending under geographic programmes to be allocated to basic social services as defined by the United Nations in the MDGs (indicator 8.2 for goal 8: 'Develop a global partnership for development');

28. Insists on strict eligibility criteria for budget support; insists that the Commission must refrain from using budget support in countries where transparency in public spending cannot be assured, that budget support must always be accompanied by actions to develop the receiving country's parliamentary control and audit capacities and to increase transparency and public access to information, and that civil society should be involved in monitoring budget support;

29. Recognises the important roles that civil society plays in development, such as acting as a watchdog in relation to government to ensure accountability, and calls for adequate funding to be directed towards civil society in developing countries;

30. Repeats its call for the Commission to produce a comprehensive financial analysis covering general budget support, support by sector, support by project and support of any other kind granted to local government; stresses that having this global picture would make support granted to local government more consistent and improve governance in partner countries;

31. Notes that all thematic programmes under the DCI have proven their relevance, and emphasises that it is imperative to maintain both thematic and geographic programmes, but calls for some refocusing in the light of new challenges, such as the global financial and economic crisis, the global food crisis, climate change and special needs of fragile states and states in transition;

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32. Points out that migration is an area in which there is a clear need to prioritise policy coherence for development over short-term EU migration considerations, mostly aimed at fighting illegal immigration; highlights that development funds for migration should not be used for strengthening border management and combating illegal immigration; insists that any future thematic programme on migration must be fully aligned with the EU's development objectives and that the core funding under this programme must fulfil the ODA eligibility criteria; in particular, stresses that projects dealing with South-South migration should be given priority within the thematic programme;

33. Stresses that a new thematic programme on 'Investing in People' must focus on – but not be limited to – the achievement of those MDGs which are most off-track, with particular attention to countries and regions with critical MDG indicators; emphasises that basic education and alphabetisation are the starting point for the process of awareness raising and for development ownership; therefore calls for the programme to include a focus on education as a tool for emancipation and participation;

34. Believes that the new instrument should provide for a differentiated approach to funding for civil society organisations and local authorities, and also avoid pointless competition between the two types of actor; stresses the need to address the problem of the current programme's over-subscription; calls for the results of the Structured Dialogue to be fully reflected in the future thematic programme and the proposed aid modalities;

35. Points out that one of the reasons why the MDGs have not been fulfilled is the failure to recognise the contributions of the environment, natural resources and ecosystems to human development and poverty elimination; notes with concern that, while current European ODA allocates only 3 % of total spending to environmental issues, an additional problem is that a part of the EU and Member States' funding to developing countries is invested in projects that foster climate change, rather than mitigate it; stresses that policy coherence for development must be improved in the area of climate change, especially in relation to climate funding and mainstreaming of climate change concerns into EU development cooperation;

36. Points out that the Court of Auditors concluded in its 'Special Report 6/2006' that the EU has made only limited progress since 2001 in mainstreaming the environment in its development cooperation, as Country Strategy Papers did not take sufficient account of environmental issues; accordingly, urges the Commission to ensure that environmental issues are better mainstreamed and systematically monitored throughout all external policies and financial instruments, especially in the face of the current challenges of climate change and biodiversity loss;

37. Reiterates that Article 290 TFEU is fully applicable to the DCI, and therefore emphasises that application of the delegated acts procedure is compulsory for those decisions which fulfil the criteria of Article 290 TFEU, including on the establishment of general objectives, priorities, expected results and financial allocations;

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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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**Policy options for progress towards a European contract law for consumers and businesses**

P7\_TA(2011)0262

**European Parliament resolution of 8 June 2011 on policy options for progress towards a European Contract Law for consumers and businesses (2011/2013(INI))**

(2012/C 380 E/09)

*The European Parliament,*

- having regard to the Green Paper from the Commission of 1 July 2010 on policy options for progress towards a European Contract Law for consumers and businesses (COM(2010)0348),
- having regard to Commission Decision 2010/233/EU of 26 April 2010 setting up the Expert Group on a Common Frame of Reference in the area of European contract law <sup>(1)</sup>,
- having regard to the Communication from the Commission of 11 July 2001 on European Contract Law (COM(2001)0398),
- having regard to the Communication from the Commission of 12 February 2003 entitled 'A more coherent European Contract Law – An Action Plan' (COM(2003)0068),
- having regard to the Communication from the Commission of 11 October 2004 entitled 'European Contract Law and the revision of the *acquis*: the way forward' (COM(2004)0651),
- having regard to the report from the Commission of 23 September 2005 entitled 'First Annual Progress Report on European Contract Law and the *Acquis* Review' (COM(2005)0456) and to the report from the Commission of 25 July 2007 entitled 'Second Progress Report on the Common Frame of Reference' (COM(2007)0447),
- having regard to the Communication from the Commission of 22 October 2009 on Cross-Border Business to Consumer e-Commerce in the EU (COM(2009)0557),
- having regard to its resolution of 3 September 2008 on the common frame of reference for European contract law <sup>(2)</sup>,
- having regard to its resolution of 12 December 2007 on European contract law <sup>(3)</sup>,
- having regard to its resolution of 7 September 2006 on European contract law <sup>(4)</sup>,
- having regard to its resolution of 23 March 2006 on European contract law and the revision of the *acquis*: the way forward <sup>(5)</sup>,
- having regard to its resolutions of 26 May 1989 <sup>(6)</sup>, 6 May 1994 <sup>(7)</sup>, 15 November 2001 <sup>(8)</sup> and 2 September 2003 <sup>(9)</sup> on the issue,

<sup>(1)</sup> OJ L 105, 27.4.2010, p. 109.<sup>(2)</sup> OJ C 295 E, 4.12.2009, p. 31.<sup>(3)</sup> OJ C 323 E, 18.12.2008, p. 364.<sup>(4)</sup> OJ C 305 E, 14.12.2006, p. 247.<sup>(5)</sup> OJ C 292 E, 1.12.2006, p. 109.<sup>(6)</sup> OJ C 158, 26.6.1989, p. 400.<sup>(7)</sup> OJ C 205, 25.7.1994, p. 518.<sup>(8)</sup> OJ C 140 E, 13.6.2002, p. 538.<sup>(9)</sup> OJ C 76 E, 25.3.2004, p. 95.



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- having regard to Rule 48 of its Rules of Procedure,
  
- having regard to the report of the Committee on Legal Affairs and the opinions of the Committee on Internal Market and Consumer Protection and the Committee on Economic and Monetary Affairs (A7-0164/2011),
  
- A. whereas the initiative on European contract law, which seeks to address Single Market problems created, inter alia, by divergent bodies of contract law, has been under discussion for many years,
  
- B. whereas, in the wake of the global financial crisis, it appears more important than ever to provide a coherent European contract law regime in order to realise the full potential of the internal market, and thus help meet our Europe 2020 goals,
  
- C. whereas the Single Market remains fragmented, owing to many factors, including failure to implement existing Single Market legislation,
  
- D. whereas greater study is needed to further understand why the internal market remains fragmented and how best to address these problems, including how to ensure implementation of existing legislation,
  
- E. whereas in the above-mentioned Green Paper the Commission sets out a range of options for a European Contract Law instrument which could help develop entrepreneurship and strengthen public confidence in the Single Market,
  
- F. whereas the Expert Group set up to assist the Commission in preparing a proposal for a Common Frame of Reference (CFR) has started work, together with a stakeholders' round table,
  
- G. whereas the divergence of contract law at national level does not constitute the only obstacle for SMEs and consumers in respect of cross border activities since they face other problems including language barriers, different taxation systems, the question of the reliability of online traders, limited access to broadband, digital literacy, security problems, demographic composition of the population of individual Member States; privacy concerns; complaint handling, and intellectual property rights etc.,
  
- H. whereas, according to a Commission survey of 2008, three-quarters of retailers sell only domestically, and cross-border selling often takes place in a few Member States only <sup>(1)</sup>,
  
- I. whereas it is necessary to distinguish between conventional cross-border transactions and e-commerce, where specific problems exist and the transaction costs are different; whereas it is also necessary for the purposes of future impact assessments, to carefully and precisely define how transaction costs are made up,
  
- J. whereas it is clear that the application of foreign (consumer) law to cross-border transactions under the Rome-I Regulation <sup>(2)</sup> has been seen to entail considerable transaction costs for businesses, in particular for SMEs, which, in the UK alone have been estimated at EUR15 000 per business and per Member State <sup>(3)</sup>,

<sup>(1)</sup> Eurobarometer 224, 2008, p. 4.

<sup>(2)</sup> OJ L 177, 4.7.2008, p. 6.

<sup>(3)</sup> UK Federation of Small Businesses, Position paper on Rome I (2007).

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- K. whereas more information is required concerning the transaction costs resulting from the application of Article 6(2) and Article 4(1), point (a) of the Rome-I Regulation, bearing in mind that Rome I has only been applied since December 2009,
- L. whereas such transaction costs are perceived as being one of the important obstacles to cross-border trade, as confirmed by 50 % of European retailers already trading cross-border interviewed in 2011 who stated that harmonisation of the applicable laws in cross border transactions across the EU would increase their level of cross-border sales, and 41 % said that their sales would not increase; whereas, in comparison, among retailers not selling across border, 60 % said that their level of cross-border sales would not increase in a more harmonised regulatory environment, and 25 % said it would increase <sup>(1)</sup>,
- M. whereas some of the most evident impediments that consumers and SMEs face with regard to the Single Market are complexity in contractual relations, unfair terms and conditions of contracts, inadequate and insufficient information and inefficient and time-consuming procedure,
- N. whereas it is of paramount importance that any initiative from the EU will have to answer real needs and concerns of both businesses and consumers; whereas these concerns also extend to legal/linguistic problems (provisions of standard terms and conditions for small businesses in all EU languages) and the difficulties in enforcing contracts across borders (provisions of autonomous EU measures in the field of procedural law),
- O. whereas a Commission study estimated that the online market remains fragmented: in a survey, 61 % of 10 964 test cross-border orders failed, and that cross-border shopping appears to increase consumers' chances of finding a cheaper offer <sup>(2)</sup> and of finding products not available domestically online <sup>(3)</sup>, whereas the figure of 61 % seems to be very high and to warrant further study, verification and assessment,
- P. whereas gradual harmonisation does not effectively overcome obstacles in the internal market resulting from diverging national contract laws, any measures in this field must be based on clear evidence that such an initiative would make a real difference which cannot be achieved through other less intrusive means,
- Q. whereas a common European Contract Law would benefit consumers and in particular contribute to more and easily accessible cross-border trade within the internal market,
- R. whereas the negotiations on the Consumer Rights Directive <sup>(4)</sup> illustrated just how difficult it is to harmonise consumer law applied to contracts without undermining the common commitment to a high level of consumer protection in Europe and what limits this imposes on the process,
- S. whereas any steps taken in the area of European contract law must take into account mandatory national rules, and must be coherent with the expected Consumer Rights Directive, which will have a significant impact on the content and on the level of harmonisation of a possible future instrument in the field of European Contract Law; whereas it would be necessary to constantly and carefully monitor its implementation in the next months in order to define which should be the scope of the optional instrument (OI),

<sup>(1)</sup> Iash Eurobarometer 300, 2011 [http://ec.europa.eu/consumers/strategy/docs/retailers\\_eurobarometer\\_2011\\_en.pdf](http://ec.europa.eu/consumers/strategy/docs/retailers_eurobarometer_2011_en.pdf)

<sup>(2)</sup> COM(2009)0557, p. 3.

<sup>(3)</sup> Ibid, p. 5.

<sup>(4)</sup> COM(2008)0614.

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- T. whereas any end product in the field of European Contract Law must be realistic, feasible, proportionate and properly thought through prior to being amended, if necessary, and formally adopted by the European co-legislators,
1. Supports action to address the range of barriers faced by those who wish to enter into cross-border transactions in the Internal Market and considers that, along with other measures, the European Contract Law project could be useful for realising the full potential of the internal market, entailing substantial economic and employment benefits;
  2. Welcomes the open debate on the Green Paper and urges the relevant Commission departments to carry out a thorough analysis of the outcome of this consultation process;
  3. Highlights the economic importance of SMEs and craft manufacturing businesses in the European economy; insists, therefore, on the need to ensure that the 'think small first' principle promoted by the 'Small Business Act' is well implemented and considered as a priority in the debate over EU initiatives related to contract law;

#### ***Legal nature of the instrument of European Contract Law***

4. Welcomes the recent publication of the results of the feasibility study carried out by the Expert Group on European contract law and the Commission's commitment to continue consultation on the scope and the content of the OI, and in this vein urges the Commission to continue a genuinely open and transparent discussion with all stakeholders as part of its decision-making process as to how the feasibility study should be used;
5. Acknowledges the need for further progress in the area of contract law and favours, amongst other options, the option 4 of setting up an optional instrument (OI) by means of a regulation; after an impact assessment and clarification of the legal basis; believes that such an OI could be complemented by a 'toolbox' that could be endorsed by means of an interinstitutional agreement; calls for the creation of 'European standard contract models', translated into all EU languages, linked to an ADR system carried out online, which would have the advantage of being a cost-effective and simpler solution for both contractual parties and the Commission;
6. Believes that only by using the legal form of a Regulation can the necessary clarity and legal certainty be provided;
7. Stresses that a Regulation setting up an OI of European Contract Law would improve the functioning of the internal market because of the direct effect, with benefits for businesses (reduction in costs as a result of obviating the need for conflict-of-law rules), consumers (legal certainty, confidence, high level of consumer protection) and Member States' judicial systems (no longer necessary to examine foreign laws);
8. Welcomes the fact that the chosen option takes appropriate account of the subsidiarity principle and is without prejudice to the legislative powers of the Member States in the area of contract and civil law;
9. Believes that a 'toolbox' could possibly be put into practice step-by-step, starting as a Commission tool, and being converted, once agreed between the institutions, into a tool for the Union legislator; points out that a 'toolbox' would provide the necessary legal backdrop and underpinning against which an OI and standard terms and conditions could operate and should be based on an assessment of the national mandatory rules of consumer protection within but also outside the existing consumer law acquis;

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10. Takes the view that by complementing an OI with a 'toolbox', clearer information will be available on that EU instrument, helping the parties concerned to better understand their rights and to make informed choices when entering into contracts on the basis of that system, and that the legal framework will be more comprehensible and not overburdensome;

11. Believes that all parties, be it in B2B or B2C transactions, should be free to choose or not to choose the OI as an alternative to national or international law (opt-in) and therefore calls on the Commission to clarify the intended relationship of an OI with the Rome -I-Regulation and international conventions including the United Nations Convention on Contracts for the International Sale of Goods (CISG); considers however that further attention is required for ensuring that the OI offers protection to consumers and small businesses given their position as the weaker commercial partner and that any confusion is avoided when making a choice of law; therefore calls on the Commission to complement the OI with the additional information which will explain in a clear, precise and comprehensible language which are the consumer's rights and that they will not be compromised, in order to increase their confidence in the OI and to put them in a position to make an informed choice as to whether they wish to conclude a contract on this alternative basis;

12. Considers that an OI would generate European added value, in particular by ensuring legal certainty through the jurisdiction of the Court of Justice, providing at a stroke the potential to surmount both legal and linguistic barriers, as an OI would naturally be available in all EU languages; emphasises that, in order to create a better understanding of the way in which European institutions function, European citizens should have the opportunity to have all kinds of information connected with the optional instrument translated via accessible, easy-to-use online translation tools, so that they can read the desired information in their own language;

13. Sees a possible practical advantage in the flexible and voluntary nature of an opt-in instrument; however calls on the Commission to clarify the advantages of such an instrument for both consumers and businesses and to better clarify which contracting party will have the choice between the OI and the "normally" applicable law and how the Commission intends to reduce transaction costs; calls on the Commission to include in any proposal for an OI a mechanism for regular monitoring and review, with the close involvement of all parties concerned in order to ensure that the OI keeps up with the existing *acquis* in contract law, particularly Rome I, with market needs and with legal and economic developments;

#### ***Scope of application of the instrument***

14. Believes that both business-to-business and business-to-consumer contracts should be covered; emphasises that the OI must offer a very high level of consumer protection, in order to compensate consumers for the protection that they would normally enjoy under their national law; wishes for further explanation on how this could be achieved; believes therefore the level of consumer protection should be higher than the minimum protection provided by the Consumer *Acquis* and cover national mandatory rules as satisfactory solutions must be found to problems of private international law; considers that this high level of consumer protection is also in the interests of businesses as they will only be able to reap the benefits of the OI if consumers of all Member States are confident that choosing the OI will not deprive them of protection;

15. Points out that the benefits of a uniform European Contract Law must be communicated in a positive way to citizens, if it is to enjoy political legitimacy and support;

16. Notes that the contract law provisions governing B2B and B2C contracts respectively should be framed differently, out of respect for the shared traditions of national legal systems and in order to place special emphasis on the protection of the weaker contractual party, namely consumers;

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17. Points out that essential components of consumer law applied to contracts are already spread across various sets of European rules, and that important parts of the consumer acquis are likely to be consolidated in the Consumer Rights Directive (CRD); points out that the aforementioned Directive would provide a uniform body of law which consumers and businesses can readily identify; therefore, stresses the importance of waiting until the outcome of the CRD negotiations before any final decision is made;
18. Further believes, taking into account the special nature of the different contracts, especially B2C and B2B contracts, leading national and international principles of contract law, and the fundamental principle of a high degree of consumer protection, that existing branch practices and the principle of contractual freedom have to be preserved regarding B2B contracts;
19. Takes the view that an optional common European Contract Law could make the internal market more efficient without affecting Member States' national systems of contract law;
20. Believes that the OI should be available as an opt-in in cross-border situations in the first instance and that guarantees are needed that Member States will be able to prevent any misuse of the OI in non-genuine cross-border scenarios; further considers that the effects of a domestic opt-in on national bodies of contract law merit specific analysis;
21. Acknowledges that e-commerce or distance-selling contracts account for an important share of cross-border transactions; believes, that, whilst an OI should not be limited to these types of transaction, there could be merit in introducing other limits when applying the OI in the first instance, and until sufficient experience of its application has been gathered;
22. Emphasises the particular importance of facilitating e-commerce in the EU, given that this sector is underdeveloped, and considers it necessary to assess whether differences between national contract law systems could represent an obstacle to the development of that sector, which has rightly been identified by businesses and consumers as a potential motor for future growth;
23. Believes that the scope of a 'toolbox' could be quite broad, whereas any OI should be limited to the core contractual law issues; believes that a 'toolbox' should remain coherent with the OI and include among its 'tools' concepts from across the diverse range of legal traditions within the EU, including rules derived from, *inter alia*, the academic Draft Common Frame of Reference (DCFR) <sup>(1)</sup> and the 'Principes contractuels communs' and 'Terminologie contractuelle commune' <sup>(2)</sup>; and that its recommendations on consumer contract law should be based on a genuinely high level of protection;
24. Calls on the Commission and the Expert Group to clarify what is to be considered as 'core contractual law issues';
25. Sees benefits in an OI containing specific provisions for the most frequent types of contract, in particular for the sale of goods and provision of services; reiterates its earlier call to include insurance contracts within the scope of the OI, believing that such an instrument could be particularly useful for small-scale insurance contracts; stresses that, in the field of insurance contract law, preliminary work has already been performed with the Principles of European Insurance Contract Law (PEICL), which should be integrated into a body of European contract law and should be revised and pursued further; however, urges caution with regards to the inclusion of financial services from any contract law instrument proposed at this stage and calls on the Commission to establish a dedicated intra-service expert group for any future

<sup>(1)</sup> Von Bar, Clive, Schulte-Nölke et al. (eds.), *Principles, Definitions and Model Rules of European Private Law – Draft Common Frame of Reference (DCFR)*, 2008.

<sup>(2)</sup> B. Fauvarque-Cosson, D. Mazeaud (dir.), collection 'Droit privé comparé et européen', Volumes 6 and 7, 2008.

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preparatory work on financial services to ensure that any future instrument takes into account the possible specific characteristics of the financial services sector and any related initiatives led by other parts of the Commission, and to involve the European Parliament at an early stage;

26. Points out that some specific issues in connection with which an OI might be beneficial have been raised, such as digital rights and beneficial ownership; considers that, on the other hand, there might be a need to exclude certain types of complex public law contracts; calls for the Expert Group to explore the possibility to include contracts in the field of authors' rights with the aim of improving the position of authors who are often the weaker party in the contractual relation;

27. Believes that the OI should be coherent with the existing *acquis* in contract law;

28. Recalls that there are still many questions to be answered and many problems to be resolved regarding a European Contract Law; calls on the Commission to take into account case law, international conventions on sales of good such as the United Nations Convention on Contracts for the International Sale of Goods (CISG) and the impact of the Consumer Rights Directive; emphasises the importance of harmonising contract law within the EU while taking into account relevant national regulations providing high-level protection in B2C contracts;

#### ***Application of a European contract law instrument in practice***

29. Considers that the consumers and SMEs must be granted real benefits from an OI, and that it should be drawn up in a simple, clear and balanced manner which makes it simple and attractive to use for all parties;

30. Believes that whilst an OI will have the effect of providing a single body of law, there will still be a need to seek provision of standard terms and conditions of trade which can be produced in a simple and comprehensible form, available off-the-shelf for businesses, and in particular SMEs and with some form of endorsement to ensure consumer confidence; notes that standard contract terms and conditions based upon an OI would offer greater legal certainty than EU-wide standard terms based upon national laws which would increase the possibility for differing national interpretations;

31. Recalls that further work on cross-border alternative dispute resolution (ADR), which is speedy and cost-effective in particular for SMEs and consumers, remains a priority, but emphasises that, if the parties use one body of law provided by an OI, ADR will be further facilitated; calls on the Commission to consider synergies when putting forward a proposal; notes that the UNCITRAL Working Group on Online Dispute Resolution has also shown interest in an OI as a means to facilitate ADR <sup>(1)</sup> and therefore recommends that the Commission follows developments within the other international bodies;

32. Suggests that improvements to the functioning and effectiveness of cross-border redress systems could be facilitated by a direct linkage between the OI and the European Order for Payment Procedure and the European Small Claims Procedure; takes the view that an electronic letter before action should be created to assist companies in protecting their rights, in particular in the field of intellectual property and the European Small Claims procedure;

<sup>(1)</sup> United Nations Commission on International Trade Law Report of Working Group III (Online Dispute Resolution) on the work of its twenty-second session (Vienna, 13-17 December 2010), p. 8, 10.

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33. Notes concerns that consumers seldom feel they have a choice with regard to contract terms and are confronted with a 'take it or leave it' situation; strongly believes that complementing an OI with a 'toolbox' and a set of standard terms and conditions, translated into all languages, will encourage new entrants to markets across the European Union, thereby strengthening competition, and broadening the overall choice available to consumers;

34. Emphasises that although the supreme test of the effectiveness of any final instrument is the internal market itself, it must be established beforehand that the initiative represents an added value to consumers and will not complicate cross-border transactions for both consumers and businesses; emphasises the need to include rules on the provision of appropriate information concerning its existence and the way it works to all potential interested parties and stakeholders (including national courts);

35. Notes that, in connection with the goal of a European Contract Law, the importance of a functioning European jurisdiction in civil matters must not be overlooked;

36. Urges the Commission to carry out, in collaboration with Member States, quality testing and checks to ascertain whether the proposed instruments of European Contract Law are user-friendly, fully integrating citizens' concerns, providing added value for consumers and business, strengthening the Single Market and facilitating cross-border commerce;

#### ***Stakeholder involvement, impact assessment***

37. Emphasises the vital importance of involving stakeholders from throughout the Union and from different sectors of activity, including legal practitioners and recalls the Commission to undertake a wide and transparent consultation with all the stakeholders before it takes a decision based on the results of the Expert Group;

38. Appreciates that both expert and stakeholder groups already have a varied geographical and sectoral background; believes that stakeholder contributions will become even more important once the consultation phase is over and if a legislative procedure as such, which would need to be as inclusive and transparent as possible, is launched;

39. Recalls, in accordance with Better Lawmaking principles, the need for a comprehensive and broad impact assessment, analysing different policy options, including that of not taking Union action, and focusing on practical issues, such as the potential consequences for SMEs and consumers, possible effects on unfair competition in the Internal Market and pinpointing the impact of each of those solutions on both the Community acquis and on national legal systems;

40. Considers, pending the completion of such an impact assessment, that, while EU-level harmonisation of contract law practices could be an efficient means of ensuring convergence and a more level playing field, nonetheless, given the challenges of harmonising the legal systems not only of Member States but also of regions with legislative competences on this matter, an OI could be more feasible as long as it is ensured that it implies added value for both consumers and businesses;

41. Insists that Parliament should be fully consulted and involved in the framework of the ordinary legislative procedure with regard to any future OI to be submitted by the European Commission and that any OI proposed be subject to scrutiny and amendment under that procedure;

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

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Wednesday 8 June 2011

**European cooperation in vocational education and training to support the Europe 2020 strategy**

P7\_TA(2011)0263

**European Parliament resolution of 8 June 2011 on European cooperation in vocational education and training to support the Europe 2020 strategy (2010/2234(INI))**

(2012/C 380 E/10)

*The European Parliament,*

- having regard to the Commission Communication of 2 July 2008 entitled 'Renewed social agenda: Opportunities, access and solidarity in 21st century Europe' (COM (2008)0412),
- having regard to the Commission Communication of 9 June 2010 entitled 'A new impetus for European cooperation in Vocational Education and Training to support the Europe 2020 strategy' (COM(2010)0296),
- having regard to the Commission Communication of 25 November 2009 entitled 'Key competences for a changing world' (COM(2009)0640),
- having regard to the eight key competences listed as a 'European Reference Framework' in 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 the proposal of 9 April 2008 for a recommendation of the European Parliament and of the Council on the establishment of the European credit system for vocational education and training (ECVET) (COM(2008)0180),
- having regard to the 10-year 'Education and Training 2010' work programme, and to the subsequent joint reports on progress towards its implementation,
- having regard to the Commission Communication of 27 April 2009 entitled 'An EU Strategy for Youth – Investing und Empowering' (COM(2009)0200),
- having regard to its resolution of 18 May 2010 on 'An EU Strategy for Youth – Investing und Empowering' <sup>(2)</sup>,
- having regard to the Council Resolution of 27 November 2009 on a renewed framework for European cooperation in the youth field (2010-2018),
- having regard to its resolution of 6 July 2010 on promoting youth access to the labour market, strengthening trainee, internship and apprenticeship status <sup>(3)</sup>,
- having regard to the Commission Communication entitled 'Youth on the Move – An initiative to unleash the potential of young people to achieve smart, sustainable and inclusive growth in the European Union' (COM(2010)0477),

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

<sup>(2)</sup> OJ C 161 E, 31.5.2011, p. 21.

<sup>(3)</sup> Texts adopted, P7\_TA(2010)0262.

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- having regard to the Council conclusions of 12 May 2009 on a strategic framework for European cooperation in education and training ('ET 2020'),
- having regard to the Council conclusions of 11 May 2009 on the evaluation of the current framework for European cooperation in the youth field and on future perspectives for the renewed framework (09169/2009),
- having regard to the Commission Communication of 26 August 2010 entitled 'A Digital Agenda for Europe' (COM(2010)0245),
- having regard to the Council Resolution of 15 November 2007 on the new skills for new jobs <sup>(1)</sup>,
- having regard to its resolution of 18 May 2010 on key competences for a changing world: implementation of the Education and Training 2010 work programme <sup>(2)</sup>,
- having regard to its resolution of 18 December 2008 on delivering lifelong learning for knowledge, creativity and innovation – implementation of the 'Education and Training 2010' work programme <sup>(3)</sup>,
- having regard to the March 2009 Cedefop study on 'Professionalising career guidance – Practitioner competences and qualification routes in Europe',
- having regard to the May 2009 Cedefop study on 'Skills for Europe's future: anticipating occupational skill needs',
- having regard to the Commission Communication of 3 March 2010 entitled 'EUROPE 2020 – A strategy for smart, sustainable and inclusive growth' (COM(2010)2020),
- having regard to the Council conclusions of 11 May 2010 on competences supporting lifelong learning and the 'new skills for new jobs' initiative,
- having regard to the Commission staff working document of 31 October 2006 entitled 'European Credit System for Vocational Education and Training (ECVET) – A system for the transfer, accumulation and recognition of learning outcomes in Europe' (SEC(2006)1431),
- having regard to the outcome of the Council discussions of 5 December 2008 on the conclusions of the Council and the Representatives of the Governments of the Member States, meeting within the Council, on the future priorities for enhanced cooperation in vocational education and training (16459/2008),
- having regard to the Recommendation of the European Parliament and of the Council of 18 June 2009 on the establishment of a European Credit System for Vocational Education and Training (ECVET) <sup>(4)</sup>,
- having regard to the Recommendation of the European Parliament and of the Council of 18 June 2009 on the establishment of a European Quality Assurance Reference Framework for Vocational Education and Training <sup>(5)</sup>,

<sup>(1)</sup> OJ C 290, 4.12.2007, p. 1.

<sup>(2)</sup> OJ C 161 E, 31.5.2011, p. 8.

<sup>(3)</sup> OJ C 45 E, 23.2.2010, p. 33.

<sup>(4)</sup> OJ C 155, 8.7.2009, p. 11.

<sup>(5)</sup> OJ C 155, 8.7.2009, p. 1.

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- having regard to the Recommendation of the European Parliament and of the Council of 23 April 2008 on the establishment of the European Qualifications Framework for lifelong learning <sup>(1)</sup>,
  - having regard to the Council conclusions of 21 November 2008 on youth mobility <sup>(2)</sup>,
  - having regard to the Recommendation of the European Parliament and of the Council of 18 December 2006 on key competences for lifelong learning,
  - having regard to the Commission Communication of 21 February 2007 entitled 'A coherent framework of indicators and benchmarks for monitoring progress towards the Lisbon objectives in education and training' (COM(2007)0061),
  - having regard to the Commission Communication of 8 September 2006 entitled 'Efficiency and equity in European education and training' (COM(2006)0481),
  - having regard to the research paper entitled 'Guiding at-risk youth through learning to work' (Cedefop, Luxembourg, 2010),
  - having regard to the briefing note entitled 'Jobs in Europe to become more knowledge- and skills-intensive' (Cedefop, February 2010),
  - having regard to the briefing note entitled 'Skill mismatch in Europe' (Cedefop, June 2010),
  - having regard to the publication entitled 'Working and ageing' (Cedefop, Luxembourg, 2010),
  - having regard to Articles 165 and 166 of the Treaty on the Functioning of the European Union, relating to education, vocational training, youth, and sport,
  - having regard to Rule 48 of its Rules of Procedure,
  - having regard to the report of the Committee on Employment and Social Affairs and the opinions of the Committee on Culture and Education, the Committee on the Internal Market and Consumer Protection and the Committee on Women's Rights and Gender Equality (A7-0082/2011),
- A. whereas the youth unemployment rate is now 21 %, which is twice as high as the general rate of unemployment at EU level and is one of the most pressing challenges in Europe, and is thus one of the goals being pursued to reduce the school drop-out rate below 10 %; whereas another goal is to increase women's participation in the labour market by 70 % by 2020; and whereas education and training are key factors for successful participation in the labour market and the ability to make life decisions, given a situation where more than 5,5 million young Europeans are without work, are at risk of social exclusion and face poverty and a lack of opportunity after leaving school, and many young people are forced to accept precarious jobs, with low salaries and reduced social insurance cover, which affects their health and safety in the workplace,
- B. whereas while 58,9 % of the university qualifications awarded in the European Union go to women, the corresponding figure at PhD level is just 43 % and it is lower again at full professor level, and whereas only 15 % of Grade A full professors are women,
- C. whereas the Commission's Communication entitled 'A new impetus for European cooperation in Vocational Education and Training to support the Europe 2020 strategy' (COM(2010)0296) failed to take the gender dimension into account,

<sup>(1)</sup> OJ C 111, 6.5.2008, p. 1.

<sup>(2)</sup> OJ C 320, 16.12.2008, p. 6.

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- D. whereas the transition from education to work and between jobs is a structural challenge for workers all over the EU; whereas, therefore, transition security is an essential element to motivate workers for training outside the workplace; whereas quality apprenticeships have a largely positive impact on young people's access to employment,
- E. whereas early unemployment has lasting ill-effects, including a higher risk of future unemployment and lower lifetime earnings,
- F. whereas demography and longevity are such that working lives will, as a matter of course, be longer and more varied, and whereas inter alia lifelong learning, education, the new digital economy, the adaptation to new technologies and the implementation of the EU 2020 goals are ways to secure employment and a better standard of living,
- G. whereas vocational education and training tailored to learners' individual needs is of decisive value, increasing the possibility for individuals to deal with competitive pressures, increasing the standard of living, and achieving socio-economic cohesion and better integration, in particular of specific groups such as migrants, people with disabilities, or early school-leavers and vulnerable women,
- H. whereas small businesses have created historically more than 50 % of new jobs in Europe – jobs that are self-sustaining and have a multiplier effect,
- I. whereas the role of the Member States and the Commission should be primarily to help create an environment where enterprises can succeed, develop and grow – to grow they need a reduced tax burden and predictability so they can plan and make investments,
- J. whereas, in view of the great differences in the levels of participation of pupils in vocational training in Member States, exchanges of best practices are important in order to increase the number and improve the quality of pupils who opt for technical training in Member States, which fares poorly as far as pupil numbers and quality are concerned,
1. Recognises the importance of modernising vocational education and training, given that human capital is crucial for Europe's success;
  2. Recognises the importance of both initial and continuing vocational education and training and maintains that their success hinges on the participation and cooperation of all stakeholders in the design, organisation and financing of strategies to this end; calls on the Member States to make use of the positive experience with the dual system within Vocational Educational and Training (VET) in example countries, where the system has led to the longer-term integration of young workers into the labour market and to higher employment rates for young workers, as well as higher levels of competence which then increase employment prospects at a later age;
  3. Recalls that VET programmes should be extended to comply with the principles of life-long learning and initial and continuing training;
  4. Stresses the importance of encouraging regular further training courses as part of lifelong learning;
  5. Urges the Member States to conclude basic education with a 'career aptitude' assessment;

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6. Warns that young Europeans may become a lost generation in the absence of practical support to find a job and continue their studies, at a time when worsening poverty is leading to a rise in school absenteeism;
7. Welcomes the Commission measures aimed at breaking down barriers, increasing transparency, and making for ease of comparison for the purposes of recognition within and between education systems;
8. Calls on the Member States to ensure that vocational training and life-long-learning are geared more closely to the needs of the labour market and allow for entry into and mobility within it; stresses, moreover, the need for better and greater interaction between the world of education, work, vocational education and training as a vital link between the world of education and that of work; calls, therefore, on the Member States to foster the individual's continuing need for qualifications, development and lifelong learning;
9. Points out that the link between education and training, particularly the pathway from vocational to higher education, demands that the opportunities for link-ups between vocational training and university education be expanded, with special emphasis on integrating them into mechanisms for the provision of career information, guidance and counselling; also takes the view that switching between training and employment ensures that recipients of vocational training acquire the skills in demand on the labour market;
10. Emphasises the importance, at local and regional level, of fostering effective synergies and reliable forms of cooperation between schools, training agencies, research centres and firms, in order to overcome the inward-looking nature of education systems and the mismatch between knowledge and skills and the needs of the labour market and to make young people, in particular women, more employable, with specific reference to vocational further education qualifications;
11. Calls on the Commission and the Member States to render the ESF management more flexible bearing in mind the changing nature of the labour market;
12. Welcomes the greater emphasis on a results-oriented learning approach and the fact that skills acquired informally or non-formally are to be recognised more widely;
13. Stresses the importance of initial training for teachers, as the quality of teachers and educators is reflected in the quality of teaching programmes and education as whole;
14. Calls on Member States and the Commission to further improve the recognition of informal and non-formal learning; points to best practices in this field, especially with ESF-funding, which prove that the recognition of skills, wherever they are learned, leads to more successful integration into the labour market;

#### ***Vocational education***

15. Calls on the Member States to offer a qualitatively high standard of vocational education, oriented towards work-based learning and the individual needs of the people concerned; believes, at the same time, that high-quality vocational education and training are fundamental to enabling Europe to establish itself as a knowledge society and to compete effectively in the globalised economy;
16. Notes that there is also an internal market in professional training, and calls on the Member States to establish more advice centres on training opportunities and professional mobility in their own country and in other Member States;

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17. Is of the opinion that, in order to fully realise the EU 2020 flagship initiative 'An Agenda for new skills and jobs', the EU Institutions should embark on a more pragmatic, comprehensive and wide-ranging initiative supported by all Member States which should focus on connecting the areas of vocational education, professional qualifications, lifelong learning and apprenticeship to the labour market, so as to ensure that each Member State will truly take ownership of the goals set out in the strategic framework for European cooperation in education and training (ET 2020);
18. Calls on the Member States to ensure that vocational education and training are geared more closely to the needs of the labour market;
19. Calls for training by means of apprenticeships to be assigned priority over any other type of training, e.g. traineeships; encourages Member States not to plan any university courses of a vocational nature which are not accompanied by an apprenticeship contract;
20. Calls on the Member States to open routes for lower-ability students to return to general education either at secondary or tertiary level;
21. Encourages Member States, with the active participation of the social partners, to help modernise vocational programmes and the know-how provided, by jointly designing the vocational templates which will form the basis for educational curricula and be renewed every two to three years according to scientific and technological developments in each area;
22. Emphasises the need for greater compatibility and synergy between the education systems of the various Member States, with a focus on language learning and curricula adapted to the goals of Innovation Union; stresses the need to remove all legal and administrative obstacles to the development of a European framework ensuring a broad range of high-quality traineeships across the EU;
23. Calls for greater balance in girls' and boys' career choices, to prevent the segregation of job markets by gender and better prepare for meeting the future targets of higher and more balanced employment across the EU, by putting forward initiatives that will help women to choose careers that traditionally have been male-dominated and vice versa; calls, therefore, on the Member States to offer a qualitatively high standard of advice in relation to career choices and to enable greater balance in girls' and boys' career choices, taking into account the stereotypes that still exist and influence their choice of job orientations;
24. Notes that high-standard vocational training is founded on sound, gender-neutral general education, and urges Member States to ensure that teaching materials do not contain gender-specific career models, so as to ensure that boys' and girls' interest in all career possibilities is awakened from the outset;
25. Acknowledges the significant role played by gender stereotypes in our educational practices, and emphasises, therefore, the importance of drawing up strategies designed to lead to the establishment of gender-neutral education, which would help to bring about, for example, equal access for women and men to VET and employment;
26. Calls on the Member States and the social partners to provide for facilitating the combination of VET, learning and family life, in terms of available childcare and practical lesson times compatible with children's school times;

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27. Calls for all stakeholders, especially educational institutions, employers, employees and unions, to engage in formal dialogue with a view to ensuring that vocational education is of high quality and geared to the current needs of the labour market;
28. Calls for support to be given to cross-border links and communication platforms between educational institutions and employers for the purpose of exchanging best practices;
29. Calls on all labour market players, including those from the professional sectors, businesses, trade unions, ministries and public employment services, to engage in a structured social dialogue on how to better guarantee the professional integration of young people and promote lifelong learning and formal/informal training;
30. Welcomes the aim of the Europe 2020 strategy whereby vocational education systems are to be strengthened, and calls on the Member States to gear those systems towards broad-based qualifications, participation and the humanisation of work;
31. Recommends boosting creativity, innovation and entrepreneurship at all levels of education including vocational training, and recognising skills obtained through any form of learning, including non-formal and informal learning; also recommends encouraging projects that sustain the transmission of knowledge and skills from generation to generation;
32. Maintains that education for entrepreneurship should form an important part of VET, with a view to making it more attractive to all students and enhancing entrepreneurship in accordance with the provisions of the Europe 2020 Strategy;
33. Recalls the goals set out in the Europe 2020 Strategy earlier this year, which emphasise the need for a highly skilled and educated European labour force in order to achieve strong and sustainable growth and reach the employment goals set out in the Strategy; highlights the important role that affordable and accessible VET plays in the process of educating and upskilling the European labour force;
34. Stresses the importance of strengthening the procedure for identifying needs at local, national and European level so as to achieve the closest possible match between the skills offered and labour market requirements;
35. Calls on the Member States to deliver work-oriented skills and in that way prepare for the longer and more discontinuous working lives of the future;
36. Emphasises the need for the VET to provide workers with the skills needed to take up new, sustainable jobs that will arise in the future sustainable economy;
37. Calls on the Member States to monitor action to facilitate the transition from school to working life by developing integrated careers guidance and advice programmes;
38. Notes that the dual system (practical and scholastic education) is proving successful in certain Member States thanks to companies' cooperation and interaction in the provision of career-related training;
39. Calls on undertakings to make increased use of joint training schemes so that specific training targets that are in demand on the labour market can be better achieved;



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40. Calls on the Member States, given the reorientation towards a sustainable economy and sustainable growth, to strengthen the institution of vocational education and training since it has the potential to become a means of addressing the social consequences of corporate restructuring for workers, by increasing their employability;

41. Emphasises the importance of social and inclusive economy models for this new enterprise culture, and points out that it is vital that institutions providing vocational education and training, including higher education, should equip their students with a detailed knowledge of all forms of entrepreneurship, including in the social and inclusive economy, and of responsible and ethical management principles;

42. Emphasises the need to establish an inventory of those areas in which the European Union holds, or could hold, a comparative advantage worldwide, and for which further training strategies should be developed;

***Vocational training***

43. Calls on the Member States to allow for the growing need for upskilling by setting up advice centres to help workers plan the necessary vocational training; calls on employers to offer opportunities for upskilling to all employees;

44. Recommends that incentives be provided to employers to encourage their employees to take part in training programmes;

45. Calls on the Member States to develop incentives for employers to facilitate the provision in micro- and small enterprises of cost-effective and flexible training adapted to the needs of women; urges the Commission and all the Member States to make determined efforts to combat wage inequalities between men and women, with a view to eliminating the current 18 % gender-based wage differential by 2020;

46. Calls on the Member States, with the assistance of the Commission, to promote, through the relevant university programmes, models for managing and exploiting human resources based on the recognition of vocational education and training, within the framework of lifelong learning, as an added value and competitive advantage for enterprises;

47. Recommends that the autonomy of VET centres be promoted in the areas of planning, financing, managing and assessing activities, and that more dynamic forms of cooperation be introduced between VET centres and enterprises;

48. Recalls that investing in education and training is essential for a better future for Europeans; takes the view that key competences and new skills, in particular those required by jobs in strategic growth sectors, provide people with new opportunities and, moreover, lay the basis for long-term sustainable economic and social development; considers it important, in this connection, that the Member States and all actors involved ensure that workers acquire the basic competences they need;

49. Calls on the Commission to devise instruments such as lifelong learning evaluation schemes to encourage and support workers in systematically pursuing lifelong learning/vocational education and training on their own initiative, paying special attention to those who need to reconcile family and working life, and also in regularly reviewing what skills are needed to continue to operate successfully on the labour market, so as to upgrade their skills and provide job mobility;

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50. Calls on the Member States, with a view to reconciling family life and careers and assisting women in rural areas, to offer further training in computer technology so as to give female employees the possibility of working from home;

51. Urges governments to promote flexible VET, geared to the specific needs of organisations and enterprises, that enables all the training accomplished to be turned to good account, the reconciliation of that training with private life and other professional activities, and the boosting of European mobility, with particular emphasis on facilitating access to VET for organisations at risk of marginalisation, so as to prolong their training;

52. Points out that lifelong learning will be crucial if unemployment is to be prevented and due account taken of diverse employment biographies; considers, with that aim in view, that workers must be made more aware of the need for constant further training;

53. Calls on the Commission to draw up a study on the consequences of participating in vocational education and training, both for the productivity of workers and for the competitiveness of enterprises and the quality of the work;

54. Points out that readily accessible, flexible, and individually tailored vocational training is important to people at different times of life, facilitating and improving professional participation in the labour market; considers that vocational and educational training should be accessible, available and affordable at all stages of people's lives, regardless of their status on the labour market or income, and with a view not only to promoting lifelong learning, but also to contributing to the evolution of existing professions and the creation of new ones, based on society's actual needs; considers, furthermore, that it should be regarded as an important instrument for prolonging the whole working life of individuals;

55. Calls on the Member States to develop high-quality, wide-ranging, flexible and affordable access for women to VET, along with specific lifelong guidance and career counselling about qualifications in all types of occupation, addressing women from diverse backgrounds with a view to integrating them effectively into good-quality jobs with decent wages, and tackling their multi-dimensional training needs such as:

- customised VET to support career development,
- accessible pathways from informal to formal learning,
- responsiveness to different learning styles,
- access to role models and mentors,
- the development of programmes adapted to flexible working arrangements and part-time contracts,
- tailored online learning options;

56. Points out that rising population ageing rates in Europe are increasing the importance of lifelong learning and education programmes and making it necessary to provide support for them;

57. Emphasises the need to boost efforts, both at European and at national level, to increase the participation of SMEs in professional training and lifelong learning and to increase the participation of low-skilled workers whose registered participation is particularly low;

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58. Emphasises that, as part of efforts to attain the objective of flexibility with security, it is urgently necessary effectively to increase the participation of workers involved in flexible forms of employment in vocational training; calls, therefore, on the Member States to take the relevant initiatives;

59. Calls on the Member States to make greater use of online vocational training and lifelong learning programmes so as to enable families to reconcile family and working life;

60. Underlines the role of the local governments, entrepreneurs, partnerships and educational institutions in shaping vocational training in line with actual needs on the labour market;

61. Takes the view that regional and local authorities play an essential role in cooperating with VET centres and the business world and in helping VET providers to develop a friendly environment facilitating the successful entry of VET students into the labour market;

62. Calls for apprenticeship contracts, while protecting the apprentice and providing for a certain flexibility and flexible measures for their application, to permit termination of the contract if the person concerned proves unsuited to his employment or is guilty of serious misconduct;

63. Calls on the Member States – in line with the Europe 2020 objectives and flagship initiatives – to improve links between vocational training and labour market needs, for example by improving academic and careers guidance services and encouraging traineeships and apprenticeship contracts for women, and also to create new opportunities for training, including in scientific, mathematical and technological fields, in order to increase women's employability in technical and scientific sectors, non-traditional jobs and the low-carbon and high-tech sectors of the economy, creating permanent jobs with decent wages;

64. Believes that existing European vocational training programmes are effective and should be given more support in future;

***Quality and efficiency in vocational education and training***

65. Asks the Member States to create better training opportunities for trainers and lay the foundations for a facilitative learning partnership, particularly at regional and local level, with a view to securing the effectiveness of vocational education and training systems, as well as the efficient and successful passing down of knowledge;

66. Emphasises that a highly skilled and educated labour force is one of the driving forces of innovation and constitutes a significant competitive advantage for the Union; stresses that high-quality vocational education and training contribute fundamentally to sustainable development and to the creation of a functioning single market, and should be constantly adapted to the needs and developments in the European labour market through an extensive dialogue among all interested parties;

67. Points out that in the new digital economy, creativity and ICTs are building a new business culture that can facilitate cooperation and exchanges of good practice among Member States with a view to improving the quality of VET, and that it is therefore time to put VET at the centre of the agenda, especially in order to face the challenges posed by the 2020 strategy, such as the EU headline target of 40 % of 30- to 34-year-olds completing tertiary or equivalent education;

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68. Calls on the Member States to establish and implement quality assurance systems at national level and develop a competence framework for teachers and trainers;

69. Calls on the Commission to provide information regarding the expected changes on labour markets within the EU, and on the Member States to incorporate this information in their educational strategies and programmes;

70. Calls on the Member States to encourage synergies at local level between the social partners, local professional associations, universities, school management bodies and educational units in order, through scientific studies and systematic consultations, to draw up a medium-term plan for future skill requirements and to calculate the number of pupils needed per area, which would increase the effectiveness of vocational training in effecting a direct and durable transition to the labour market;

71. Encourages the Commission to develop and update regularly a chart giving a region-by-region picture of training qualifications and demand;

72. Notes that vocational education and training are focused on key competences, including entrepreneurship, which must be fostered from the onset of children's education; considers that this process must continue alongside work-based learning;

73. Calls for support at national and European level by creating a common basis of action regarding vocational education and training, with a view to delivering the aims of efficiency, labour mobility and job creation within the European Union;

74. Calls on the Member States to actively involve private higher education institutions, as well as public institutions such as universities, in the upgrading and expansion of vocational skill development, especially for the MINT professions (mathematics, informatics, natural sciences, and technology);

75. Calls for a specific EU initiative to attract girls to the MINT professions and to combat the stereotypes that still dominate these professions; stresses that the media and education play key roles in combating such stereotypes;

76. Calls on the Commission and the Member States to promote the full transposition, implementation and enforcement of EU legislation by supporting training programmes aimed at ensuring that stakeholders acquire an adequate understanding of the legislation in force and of their corresponding rights and responsibilities;

77. Calls on the Member States to support innovative activities and doctoral and post-doctoral programmes that will underpin competitiveness and sustainable economic growth;

#### ***Offerings for specific groups***

78. Asks the Member States, as far as vocational education and training are concerned, to take into consideration the individual needs of low-skilled workers, migrant learners, people belonging to an ethnic minority, vulnerable women, the unemployed, people with disabilities and single mothers; recommends at the same time that particular attention be paid to the Roma minority, since attending school and integration at work are key elements in facilitating the social integration of Roma;

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79. Calls on the Member States to create pathways for young people with no educational qualifications or qualified at a low level so as to enable them to enter employment, whereby it should also be possible to continue to promote and recognise partial qualifications; calls, given the explosive nature of the problem, for a comprehensive strategy to combat youth and women's unemployment and help Member States establish networks on the ground linking schools, industry, youth services, and young people;

80. Points to the obstacles to integration which third-country nationals face when their qualifications are not recognised; calls on the Commission to assess the impact of the European Qualifications Framework on recognition of the qualifications of third-country nationals;

81. Calls on the Member States, in cooperation with the social partners, to adopt initiatives to effectively assist elderly workers in lifelong learning and vocational training;

82. Sees the opportunity for mobility as an important part of VET, and consequently recommends upgrading the Leonardo da Vinci programme;

***Flexibility and mobility***

83. Welcomes the idea of making cross-border mobility an optional component of vocational education and training and developing the potential of a cross-border labour market for those involved. as is being done with the Leonardo da Vinci Programme; strongly urges stakeholders to increase awareness of the Leonardo da Vinci Programme and other relevant programmes; calls, therefore, for greater promotion of mobility in order to make it easier for young people to gain experience abroad;

84. Calls on the Commission, the Member States and the European Parliament to support and broaden European programmes for the mobility of learners, in particular the Leonardo da Vinci Programme, with a view to promoting greater mobility of trainees in the single market;

85. Believes that vocational education and training should create the conditions for labour mobility, both in the course of initial studies and in the framework of the lifelong learning process;

86. Believes that cross-border mobility in the area of vocational education and training is as important as mobility in the area of general education, and believes that more effort should be put into developing such mobility;

87. Takes the view that better cooperation among the Member States' different education systems – bridging those differences and ensuring mutual recognition of certificates and diplomas among the Member States – should be emphasised in order to heighten cross-border collaboration and aid mobility;

88. Calls on the Member States to facilitate the recognition of non-formal and informal learning and encourage the exchange of work experience. in order to obtain the most from labour mobility and knowledge-sharing, so as to allow greater leeway for individual learning paths;

89. Notes that it is of major importance to facilitate labour mobility within the internal market; welcomes and fully supports the Commission's initiative to review the current system for the recognition of professional qualifications; believes that a meaningful assessment of the Professional Qualifications Directive in its present form should feature in the Commission's review exercise of the Directive; takes the view that the mutual recognition of professional qualifications across Member States must remain a top priority for the Commission;

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90. Suggests that setting up a new language-learning strategy to improve general knowledge in specific skill areas will facilitate the mobility of teachers and students; points out that, in addition, the guarantee of a smooth transition from vocational education to higher education will help to make vocational training courses more attractive;

91. Calls on the Member States, with the assistance of the Commission, and in cooperation with the social partners, to improve and monitor systems for certifying vocational qualifications within the framework of lifelong learning and professional training;

92. Welcomes the Commission proposal to organise education and training offerings in modular form; calls, however, for the integral nature of a broad vocational qualification to be preserved as an absolute priority and for the individual modules to be clearly defined and provision made for the necessary means of comparison;

93. Emphasises the role of teachers and trainers in fostering the gender perspective in VET, and calls for the development of mobility programmes, such as the Leonardo da Vinci Programme and the project for apprentices, with specific actions addressing women, in order to facilitate the lifelong acquisition of skills relevant for integration or reintegration into the labour market;

94. Is convinced that stakeholder vocational education and training partnerships, as proposed in the Europe 2020 strategy, are a prerequisite for efficiency and relevance to the labour market, and that they should take the form of long-term skills councils geared to the labour market;

95. Calls on the Member States to put an emphasis on the acquisition of foreign-language skills in vocational education and training with a focus on small and medium-sized enterprises, thereby creating the conditions for increasing their competitiveness as part of the single market;

96. Stresses the major importance of acquiring and improving multilingual proficiency as a means of enhancing self-confidence, adaptability and intercultural skills;

97. Emphasises that enabling young people to spend a period of education or training abroad is essential for the acquisition of new skills, including language skills, and hence increases their opportunities for integration into the labour market; welcomes, therefore, the Commission's intention to develop a 'Youth on the move' card which will help all young people to move to another Member State to study, as well as the creation of European student mobility loans to give more young Europeans, in particular the most disadvantaged among them, the opportunity to experience a period of study, training or job placement in another country;

#### ***European and international cooperation in vocational education and training***

98. Welcomes the common reference tools being promoted by the Copenhagen Process (Europass, the European Qualifications Framework, the European Credit System for Vocational Education and Training, and the European Quality Assurance Reference Framework for vocational education and training), and maintains that single-minded energy should be applied to bringing these tools into use and developing them further;

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99. Calls on the Commission to examine the interaction – and establish closer synergies – between Directive 2005/36/EC on the recognition of professional qualifications, the Bologna Process on higher education and the Copenhagen process on vocational education and training, with improved use of the European Qualifications Framework, the European Credit System for Vocational Education and Training (ECVET) and Europass; maintains that Member States should retain competence in the organisation of their educational systems in accordance with their particular societal and cultural conditions;

100. Calls on the Commission to continue to support and consistently implement quality certification that gives a fundamental boost to innovation processes in terms of action, efficiency and effectiveness, such as those recommended in the European Quality Assurance in VET Network (EQAVET) and the instruments developed through the Copenhagen process, such as the Europass and the European Qualifications Framework (EQF); calls on the Member States to simplify the procedures for recognising foreign professional qualifications so as to ensure that job skills can be demonstrated not just on the strength of formal qualifications, but also by means of probationary periods, theoretical and practical examinations, and expert assessments;

101. Takes the view that the challenges posed by the Copenhagen process and the EU 2020 strategy call for the provision of adequate financial resources, inter alia through the Structural Funds, in particular the ESF, and for fuller involvement in promoting high-quality VET through concrete action and the inclusion of new models and methods of training, such as giving visibility to student success stories in the labour market, advertising the prestige attached to VET in major companies and providing fuller information and guidelines on VET matters prior to the completion of mandatory schooling; notes that encouraging exchanges of experience regarding support programmes and periods spent abroad, such as participation in the Leonardo da Vinci Programme, would be of great value;

102. Calls on the Member States to simplify the procedures for recognising foreign professional qualifications so as to ensure that job skills can be demonstrated not just on the strength of formal qualifications, but also by means of probation, theoretical and practical examinations, and expert assessment;

103. Calls for the promotion of transnational cooperation, both among EU Member States and third countries, in order to establish programmes for the exchange of best practices in the field of vocational education and training;

104. Calls on the Commission to implement the training effectiveness assessment system in order to achieve and maintain a high employment rate;

105. Calls on the Commission and the European Centre for the Development of Vocational Training (Cedefop) to include the gender dimension in the follow-up to the Bruges Communiqué on Enhanced European Cooperation in Vocational Education and Training for the period 2011-2020, especially in terms of access to lifelong learning, so that women and men have opportunities to learn at any stage in life, and also by making routes into education and training more open and flexible;

***Funding***

106. Requests the Commission to make the necessary adjustments to the European Social Fund, the Lifelong Learning Programme as a whole, and Erasmus for Young Entrepreneurs in order to ensure that funding for specific education and training projects, projects to tackle youth unemployment, and training schemes for older people can be allocated and made more readily accessible in all parts of the EU; calls on the Commission to support Community programmes to help young people to acquire the knowledge, skills and experience which they need in order to find their first job;



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107. Calls on the Commission and the Member States to ensure optimal use of the Structural Funds, including the European Social Fund, for specific programmes that promote lifelong learning, encourage more women to participate in it and aim to increase the rate of female participation in the VET system, not least by means of suitably funded measures specifically designed to achieve this; calls for the development of specific actions under the Erasmus for Young Entrepreneurs pilot project to encourage entrepreneurship among women;

108. Reiterates its criticism of the cuts made by the Council of Ministers in the 2011 budget as regards funding for the main EU programmes in the education sphere (the Lifelong Learning programme and the People programme – cuts of EUR 25 million and EUR 100 million respectively); observes that the ambitious Europe 2020 strategy is thus clearly out of step with the reality of budgetary constraints;

109. Calls on the Member States to consider as one option a training voucher scheme to secure for people with a low income the possibility of participating in training; if necessary, invites Member States to apply for funding for such training voucher schemes under the ESF;

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

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## **GDP and beyond - Measuring progress in a changing world**

P7\_TA(2011)0264

### **European Parliament resolution of 8 June 2011 on GDP and beyond – Measuring progress in a changing world (2010/2088(INI))**

(2012/C 380 E/11)

*The European Parliament,*

- having regard to the Commission Communication of 20 August 2009 on GDP and Beyond – Measuring progress in a changing world (COM(2009)0433),
- having regard to the ‘Beyond GDP Conference’ organised by Parliament, the Commission, the Club of Rome, the WWF and the OECD in November 2007 in Brussels,
- having regard to the report by the Commission on the Measurement of Economic Performance and Social Progress (Stiglitz Report), presented on 14 September 2009,
- having regard to the Economics of Ecosystems and Biodiversity (TEEB) global initiative endorsed by G8+5 leaders in June 2007 and its results published in 2009 and 2010,
- having regard to the Stern Review on the Economics of Climate Change published on 30 October 2006,
- having regard to the Istanbul Declaration signed during the 2nd OECD World Forum on Statistics, Knowledge and Policy on 30 June 2007,
- having regard to the conclusions of the European Council of 10 and 11 December 2009, 25 and 26 March 2010 and 17 June 2010,

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- having regard to the Council conclusions of 10 November 2009 (Economic and Financial Affairs) on Statistics,
  - having regard to the Council conclusions of 23 October 2009 (Environment) on Eco-Efficient Economy in the context of the post-2010 Lisbon Agenda and the EU Sustainable Development Strategy,
  - having regard to the Commission proposal for a Regulation on European Environmental Economic Accounts (COM (2010)0132),
  - having regard to the EU 2020 integrated guidelines for European economic and employment policies, proposed by the Commission on 27 April 2010,
  - having regard to the Communications on European Governance: Better lawmaking (COM(2002)0275), A strategic review of Better Regulation in the European Union (COM(2006)0689), A second strategic review of Better Regulation in the European Union (COM(2008)0032) and A third strategic review of Better Regulation in the European Union (COM(2009)0015),
  - having regard to the EU's Sustainable Consumption and Production Action Plan (COM (2008)0397),
  - having regard to existing statistical instruments, such as the EU-SILC, the Labour Force Survey (LFS), Eurobarometers, the European Values Survey and the European Social Survey (ESS),
  - having regard to the European Quality of Life Survey (EQLS), coordinated by Eurofound, which provides a comprehensive portrait of quality of life and living conditions in European Countries (covering all EU Member States and candidate countries) with over 120 indicators providing comparative data across countries <sup>(1)</sup>,
  - having regard to its resolutions of 10 March <sup>(2)</sup> and 16 June 2010 <sup>(3)</sup> on the EU 2020 Strategy, its resolution of 8 October 2009 <sup>(4)</sup> on the Pittsburgh G-20 Summit of 24 and 25 September 2009, its resolution of 15 June 2006 <sup>(5)</sup> on the revised sustainable development strategy and its resolution of 24 April 2008 <sup>(6)</sup> on the Green Paper on market-based instruments for environment and related policy purposes,
  - having regard to Rule 48 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 Economic and Monetary Affairs, the Committee on Development, the Committee on Employment and Social Affairs, the Committee on Industry, Research and Energy and the Committee on Regional Development (A7-0175/2011),
- A. whereas the need to improve data and indicators to complement GDP for overall societal development is increasingly recognised by all international institutions,

<sup>(1)</sup> EQLS covers the following core domains of the quality of life concept: economic resources, deprivation; health and access to health care; employment and job quality; work-life balance; family relations and support; social inclusion/exclusion (community life and social participation); education and training; quality of housing and local environment; social capital and quality of society; quality of public services; subjective well-being (including happiness, life satisfaction, optimism about the future).

<sup>(2)</sup> OJ C 349 E, 22.12.2010, p. 30.

<sup>(3)</sup> Texts adopted, P7\_TA(2010)0223.

<sup>(4)</sup> OJ C 230 E, 26.8.2010, p. 1.

<sup>(5)</sup> OJ C 300 E, 9.12.2006, p. 487.

<sup>(6)</sup> OJ C 259 E, 29.10.2009, p. 86.

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1. Welcomes the Commission Communication on 'GDP and Beyond – Measuring Progress in a Changing World' as a possible complementary tool to contribute to improved policy analysis and debates;
2. Stresses that GDP is an indicator of economic market activity that has become a standard benchmark used by policy-makers throughout the world; emphasises that GDP is a measure of production and does not measure environmental sustainability, resource efficiency, social inclusion and social progress in general; underlines furthermore that it can be misleading in the sense that remedial measures following certain incidents such as accidents and natural disasters are treated as a benefit instead of a cost;
3. Notes that besides measuring economic development and productivity there are other indicators that influence and explain the living standards in a country and that have not been quantified until now although relevant indicators exist;
4. Stresses the need to develop additional indicators for measuring medium- and long-term economic and social progress; calls for the development of clear and measurable indicators that take account of climate change, biodiversity, resource efficiency and social inclusion; furthermore calls for the development of indicators that focus more closely on the household-level perspective, reflecting income, consumption and wealth;
5. Welcomes the Commission initiative to present an index for environmental pressure, to be submitted alongside GDP, which will initially comprise the following major strands of environmental policy: 'climate change and energy use', 'nature and biodiversity', 'air pollution and health impacts', 'water use and pollution', 'waste generation and use of resources';
6. Expects that shifting attention towards broader and more sustainable indicators will lead also to more systematic focus on social and environmental factors in developing countries, including climate change, biodiversity, health, education and governance, and thereby enable development policies to target the most needy and disadvantaged populations; underlines that such indicators should be compatible and consistent with existing global initiatives, such as the UN Human Development Index;
7. Underlines the need to measure quality of life in societies; considers that achieving and sustaining quality of life involves important, consensual factors such as health, education, culture, employment, housing, environmental conditions etc.; takes the view that indicators which measure such factors should be assigned a greater role; suggests that the EQLS indicators, which cover the core domains of quality of life, are built upon in the further development of both qualitative and quantitative metrics;
8. Takes note of the measures and tools adopted at European level to measure and analyse possible impacts of legislative initiatives on progress, such as impact assessments, including cost-benefit, cost-effectiveness and multi-criteria analyses, risk assessments, data collection, statistics, environmental economic accounts, political analysis at various political levels, reports on monitoring of implementation and enforcement and reviews carried out in different areas of EU legislation; supports fully the establishment of a solid legal framework for the European Environmental Economic Accounts as a positive step in the 'GDP and beyond' process;
9. Takes note of the growing international recognition of limits to GDP as an indicator of social progress, natural resources and eco-system services, major transformations like those ensuing from climate change and sustainable development; acknowledges progress made in different fora, such as the UNDP, World Bank and OECD, and by the Commission among others, on the development of indicators to measure and analyse progress;

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10. Stresses the importance of agreeing on a systemic approach to setting up a coherent 'Beyond GDP system' to contribute to improved policy analysis and debates;
11. Emphasises that the challenge is to develop a clear and comprehensible set of indicators that are at the same time theoretically consistent, politically relevant and empirically measurable and ensure comparability between countries and regions; stresses the need for this work to be done in close cooperation with other relevant institutions and organisations;
12. Stresses the need to develop reliable, harmonised and timely statistics and to obtain series of data and indicators covering a long period that can be used in projecting future developments and designing policies; recommends that various databases maintained by public authorities should be better used and combined and that similar methodology, common standards, definitions, classifications and accounting rules should be used in each Member State in order to guarantee the quality and comparability of data; calls for data collection and processing to be performed in accordance with principles of professional independence, impartiality, objectivity, statistical confidentiality and cost-effectiveness, with proper attention nevertheless being paid to personal data protection issues; takes the view that Eurostat should play a major role in this process;
13. Instructs its President to forward this resolution to the Council and the Commission.

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## European satellite navigation programmes

P7\_TA(2011)0265

### European Parliament resolution of 8 June 2011 on the mid-term review of the European satellite navigation programmes: implementation assessment, future challenges and financing perspectives (2009/2226(INI))

(2012/C 380 E/12)

*The European Parliament,*

- having regard to its resolution of 20 June 2007 <sup>(1)</sup> on the financing of the European programme of satellite radionavigation (Galileo) under the Interinstitutional Agreement of 17 May 2006 and the multiannual financial framework 2007-2013,
- having regard to Regulation (EC) No 683/2008 of the European Parliament and of the Council of 9 July 2008 on the further implementation of the European satellite navigation programmes (EGNOS and Galileo) <sup>(2)</sup>,
- having regard to Regulation (EU) No 912/2010 of the European Parliament and of the Council of 22 September 2010, setting up the European GNSS Agency <sup>(3)</sup>,
- having regard to the Commission's Communication 'Action Plan on Global Navigation Satellite System (GNSS) Applications' (COM(2010)0308),
- having regard to the 'GNSS Market Report' of the European GNSS Agency (October 2010),
- having regard to the Commission's Communication 'The EU Budget Review' (COM(2010)0700),
- having regard to the Commission's Report 'Mid-term review of the European satellite radio navigation programmes' (COM(2011)0005),

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<sup>(1)</sup> OJ C 146E, 12.6.2008, p. 226.

<sup>(2)</sup> OJ L 196, 24.7.2008, p. 1.

<sup>(3)</sup> OJ L 276, 20.10.2010, p. 11.

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- having regard to Rule 48 of its Rules of Procedure,
  
- having regard to the report of the Committee on Industry, Research and Energy and the opinions of the Committee on Foreign Affairs and the Committee on Budgets (A7-0165/2011),
  - A. whereas the European Parliament has consistently given its full support to the European Global Navigation Satellite System (GNSS), implemented through the Galileo and EGNOS programmes, aiming at improving the everyday life of European citizens, ensuring Europe's autonomy and independence, and acquiring a significant share in the worldwide high-tech market dependent on satellite navigation,
  - B. whereas the EU is currently dependent on the US Global Positioning System (GPS), with activities worth around 7 % of GDP reliant on it,
  - C. whereas Galileo is expected to offer advantages compared to GPS, such as improved accuracy, global integrity, authentication and guarantee of service, as well as to give the Union strategic autonomy,
  - D. whereas the global GNSS market is growing exponentially, estimated to reach around EUR 150 billion in 2020, of which less than 20 % is generated in the EU,
  - E. whereas EGNOS is already used on a daily basis by 80 000 European farmers and was recently certified for civil aviation, and whereas certification for maritime transport is expected to follow in the near future,
  - F. whereas Galileo is aiming to become the technologically most advanced, state-of-the-art GNSS in the world, able to set the global standard for the future, involving a high concentration of science, advanced technologies and skilled human resources, contributing to innovation and the competitiveness of EU industry,
  - G. whereas EGNOS and Galileo will generate EUR 60 billion of indirect benefits to the EU economy and society, in the form of enhanced road and aviation security, reduced air pollution and pesticide consumption, new jobs and public safety, generating very significant value for money compared to other comparable investments,
  - H. whereas with the building-up of four global and two regional satellite navigation systems by different international actors, speed in making services available is a vital element for Galileo in order for this European system to become, as rapidly as possible, an alternative major GNSS reference system of choice,
  - I. whereas the failure of the initial public-private partnership for funding the GNSS programmes led in 2007 to the decision to pursue their implementation with financing drawn exclusively from the Union budget (EUR 3.4 billion for the definition, validation and deployment phases up to 2013), and consequently with full ownership by the European Union, leading to Galileo and EGNOS being the first major EU-owned projects of this type,
  - J. whereas Galileo is a civil system under civil control and all its services should comply with international space law, the EU Treaties, and the principles laid down in the UN Charter and Treaties,

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- K. whereas increased programme costs, due among other things to inaccurate cost forecasts and cost management strategies, mean that the current budget can only fund the deployment of Initial Operating Capacity (IOC), comprising 18 satellites,
  
- L. whereas, before a decision is made on a further financial commitment from the EU budget in the next multiannual financial framework, a clear assessment of all the possible technical options and related costs and benefits needs to be presented by the Commission,

***Mid-term review: assessment of implementation***

- 1. Welcomes the Commission's Report, setting out the current situation and future challenges of this important flagship initiative;
  
- 2. Regrets, however, the delay in publishing the mid-term review, for too long creating uncertainty concerning the overall progress of the project and its financial situation, which is detrimental to the market uptake of GNSS applications and to public support;
  
- 3. In order to enhance transparency, calls on the Commission to update the GNSS Strategic Framework (C(2008)8378) in the light of the current situation, including the main actions, estimated budget and timetable necessary to meet the objectives;
  
- 4. Calls on the Commission, with a view to preventing future cost overruns, to put in place stringent cost containment and risk mitigation policies, including those necessary to keep satellite launch costs under control; suggests that the Commission study the findings obtained so far and consider making use of independent experts, including industry representatives, for this purpose, in order significantly to improve the efficiency of project management;
  
- 5. Calls on the Commission to implement recommended risk mitigation measures, such as dual sourcing, in the procurement of all critical work packages in order to be able to keep to the ambitious schedule, taking into account the level of real competition in the relevant markets, as well as the political will to keep launch capability in Europe in the future, as reflected inter alia in the 7th Space Council Resolution of 25 November 2010;

***Financial situation***

- 6. Believes that IOC, able to provide initial services based on 18 satellites, should be completed by 2014 at the latest to ensure that Galileo does indeed become the second GNSS constellation of reference for receiver manufacturers; in this respect, urges the Commission as soon as possible to launch the four In-Orbit Validation (IOV) satellites, to establish a clear road-map for the launch of the remaining 14 satellites, and to conclude the final work packages;
  
- 7. Is convinced that the aim of Full Operating Capacity (FOC), based on a constellation of 27 satellites plus a suitable number of spare satellites and adequate ground infrastructure, is a prerequisite to attain the added value of Galileo in terms of authentication, high precision and uninterrupted service and therefore to reap the economic and societal benefits; believes that clear and unambiguous support from all European Institutions to the fulfilment of FOC is needed to convince users and investors of the long-term commitment of the EU; calls on the Commission to send a positive signal to the market to this effect;

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8. Deplores the fact that no proposal has been made to provide additional financing for this programme by readjusting the current multiannual financial framework, which has led to further delays, additional costs and possibly the loss of a 'window of opportunity'; believes, in that light, that FOC should be reached by 2018 at the latest, which, according to the Commission, is estimated to require additional financing of EUR 1.9 billion and annual funding to cover operating costs of approximately EUR 800 million from 2014 onwards; calls on the Commission to actively pursue all possible financial efficiency savings and to put in place an appropriate financing structure (taking into account, among other things, the revenues from Galileo's Commercial Service) to limit the necessary additional financing;

9. Highlights the fact that current EU funding of R&D for GNSS stands at no more than EUR 15 million per year; warns of damage to other R&D programmes if additional funding for these activities is taken out of the current framework programme (FP7); is of the opinion that in the future more funding should be provided under FP8 and through other measures to facilitate the development of GNSS-based products and services;

10. Stresses the need to increase funding with a view to enhancing the development of GNSS applications and services, which is essential in order to ensure that the infrastructure investment which Galileo represents is fully exploited and that the Galileo system is developed to its full capacity;

#### **Public awareness**

11. Is strongly convinced that additional funding for GNSS can only be secured if awareness of the benefits for the EU economy and society brought by GNSS is raised considerably among decision-makers and the wider public; applauds the setting-up of concrete initiatives, such as the annual Galileo Masters competition for ideas, for which there were 350 entries from 44 countries in 2010, the Galileo children's competition and the GNSS innovation prize;

12. Urges the Commission and the EU GNSS Agency (GSA) to put much more effort into raising awareness of GNSS among potential users and investors, promoting the use of GNSS-based services, as well as identifying and concentrating the demand for these services in Europe; stresses, in this context, that Galileo is in the public interest at EU level and thus has a justified claim to financing from public funds;

13. Calls on the Commission and the GSA to approach national authorities and SMEs dealing with space-related technology as potential end-users of GNSS applications, using appropriate calls for tenders, awareness campaigns and technology transfer mechanisms in order to do so, while at the same time stressing the importance of maintaining the European regional balance;

#### **International dimension**

14. Calls on the Commission to actively involve regions of the world where the adoption of European GNSS technology and applications may help market development, such as Latin America, South-East Asia or Africa;

15. Supports the Commission in its efforts to ensure the compatibility and interoperability of Galileo with other satellite navigation systems and to strive for global standardisation; in this respect, urges the Commission and Member States to deploy all available means to quickly resolve the current compatibility issues with China;



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***Future challenges: financing and governance***

16. Emphasises the strategic importance of space policy and the GNSS programme in the drive to establish a genuine European industrial policy based on practical projects with tangible benefits for the public and for business; calls, in that respect, on the Commission to recognise the important role that satellite navigation can play and to integrate it in the development of all other relevant Community policies;

17. Points out that long-term stability is important in order to minimise additional delays, costly redesign and destabilisation of the user base; calls, in this respect, on the Commission to quickly submit legislative proposals on the future level of services, financing and governance of the GNSS programmes; believes, furthermore, that it is vital to ensure the retention of relevant know-how and acquired expertise so that the programmes are well managed;

18. Calls on the Commission to include in the impact assessment to be performed in the framework of the upcoming legislative proposal clear and comprehensive information on:

- the technical specifications (accuracy, geographical coverage, integrity, etc.) for the services (Open Services, Safety of Life, Commercial Services, Public Regulated Services) that the various Galileo satellite configurations could provide (including IOC and FOC, used in combination with other GNSS systems or on a stand-alone basis);
- the role of EGNOS services with regard to the various possible Galileo configurations and whether or not EGNOS should be kept in a FOC constellation;
- the costs of the possible Galileo and EGNOS configurations in terms of not just infrastructure investment but also management and contingency costs (including IOC, FOC and other possible options);

19. Considers that Galileo and EGNOS, as European programmes owned by the EU which address a public interest at EU level, should mainly be financed through the EU budget; believes that – alongside the contribution from the EU budget – all possible sources of financing should be investigated, including innovative forms of financing; emphasises that ad hoc, emergency budgetary solutions such as those seen in the past are likely to jeopardise the success and added value of such strategic, large-scale EU projects and undermine the political momentum around them; believes, therefore, that a sound, global and long-term financing solution should be found; suggests that a predetermined annual amount should be provided from the EU budget (for the financing of the remaining Galileo infrastructure as well as the operating costs); points out that the estimated figures included in the mid-term review for the period after 2013 are indicative, and calls on the Commission to present a detailed breakdown of the estimated financial needs by summer 2011, in order to increase the accountability, predictability and transparency of the project;

20. Believes that unexpected additional costs should be financed from the Community budget without endangering other existing programmes; calls, in this respect, on the Commission to assess the possibility of establishing a 'Galileo reserve fund' to cover such unexpected costs;

21. Believes that the long-term governance and management structure of GNSS should address the division of tasks and responsibilities between the Commission, the GSA and the European Space Agency (ESA), as well as other relevant issues, such as appropriate cost-sharing, the revenue-sharing mechanism, the liability regime, pricing policy and the possible involvement and contribution of the private sector in the GNSS programmes; calls, in this context, on the Commission to make swift progress with the ongoing reflection on future governance schemes for the operation of the system, to take responsibility for long-term operations and adaptation of the infrastructure, to ensure the delivery of continuous data and services to users, and to maximise opportunities for the development of commercial services;

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22. Stresses the importance of any long-term governance and management structure of GNSS being fully transparent, financially sound and accountable and managed in the most responsible manner possible; notes, in this regard, that coordination with the Council and the European Parliament should take place on a regular basis and should include detailed updates;

23. Calls on the Commission to establish appropriate mechanisms to ensure that GNSS based services and applications, both private and public regulated, comply with fundamental citizens' rights such as privacy and data protection;

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24. Instructs its President to forward this resolution to the Council, the Commission and the ESA.

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### **Investing in the future: a new Multiannual Financial Framework (MFF) for a competitive, sustainable and inclusive Europe**

P7\_TA(2011)0266

#### **European Parliament resolution of 8 June 2011 on Investing in the future: a new Multiannual Financial Framework (MFF) for a competitive, sustainable and inclusive Europe (2010/2211(INI))**

(2012/C 380 E/13)

*The European Parliament,*

- having regard to the Interinstitutional Agreement 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 the Treaty on the Functioning of the European Union and in particular Article 312 thereof,
- having regard to its resolution of 29 March 2007 on the future of the European Union's own resources <sup>(2)</sup>,
- having regard to Council Decision 2007/436/EC, Euratom of 7 June 2007 on the system of the European Communities' own resources <sup>(3)</sup> and its implementing rules,
- having regard to the Communication from the Commission on the EU Budget Review (COM(2010)0700),
- having regard to its decision of 16 June 2010 setting up a special committee on the policy challenges and budgetary resources for a sustainable European Union after 2013 <sup>(4)</sup>,
- having regard to the contributions from the Austrian *Nationalrat*, the Czech Chamber, the Danish *Folketinget*, the Estonian *Riigikogu*, the *Deutscher Bundestag*, the *Deutscher Bundesrat*, the Irish *Oireachtas*, the Lithuanian *Seimas*, the Latvian *Saeima*, the Portuguese *Assembleia da República*, the Dutch *Tweede Kamer*, and the Swedish *Riksdagen*,
- having regard to Rule 184 of its Rules of Procedure,

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

<sup>(2)</sup> OJ C 27 E, 31.1.2008, p. 214

<sup>(3)</sup> OJ L 163, 23.6.2007, p. 17.

<sup>(4)</sup> Texts adopted, P7\_TA(2010)0225.

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- having regard to the report of the Special committee on the Policy challenges and budgetary resources for a sustainable European Union after 2013 and the opinions of the Committee on Development, the Committee on Environment, Public Health and Food Safety, the Committee on Industry, Research and Energy, the Committee on Transport and Tourism, the Committee on Regional Development, the Committee on Agriculture and Rural Development, the Committee on Culture and Education and the Committee on Women's Rights and Gender Equality (A7-0193/2011),
- A. whereas the Parliament decided to set up a special committee with the following mandate:
- (a) to define the Parliament's political priorities for the post-2013 MFF both in legislative and budgetary terms,
  - (b) to estimate the financial resources necessary for the Union to attain its objectives and carry out its policies for the period starting 1 January 2014,
  - (c) to define the duration of the next MFF,
  - (d) to propose, in accordance with those priorities and objectives, a structure for the future MFF, indicating the main areas of Union activity,
  - (e) to submit guidelines for an indicative allocation of resources between and within the different headings of expenditure of the MFF in line with the priorities and proposed structure,
  - (f) to specify the link between a reform of the financing system of the EU budget and a review of expenditure to provide the Committee on Budgets with a sound basis for negotiations on the new MFF,
- B. whereas the special committee should present its final report before the Commission submits its proposals on the next MFF,
- C. whereas in accordance with Article 311 of the Treaty on the Functioning of the European Union, the Union is to provide itself with the means necessary to attain its objectives and carry through its policies and is to be financed wholly from own resources,
- D. whereas in accordance with Articles 312(5) and 324 of the Treaty on the Functioning of the European Union, the European Parliament must be properly involved in the process of negotiating the next MFF,
- E. whereas the entry into force of the Treaty of Lisbon strengthens Union policies and creates new fields of competence which should have a reflection in the next MFF,
- F. whereas the challenges faced by the Union and its citizens, such as the global economic crisis, the rapid rise of emerging economies, the transition to a sustainable society and resource efficient economy, tackling climate change, demographic challenges, including the integration of immigrants and the protection of asylum seekers, the shift in the global distribution of production and savings to emerging economies, the fight against poverty, as well as the threats of natural and man-made disasters, terrorism and organised crime, require a strong response from the Union and its Member States,

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- G. whereas the European Union carries more weight at international level than the sum of its individual Member States,
- H. whereas the main target of EU cohesion policy should continue being the reduction of still existing social, economic, and territorial disparities across the Union, and whereas a visible and successful cohesion policy has a European Added Value by itself and should benefit all EU Member States,
- I. whereas EU citizens have become more demanding of the Union and also more critical of its performance; and whereas public ownership of the Union will only return when its citizens are confident that their values and interests are better served by the Union,
- J. whereas the Europe 2020 strategy should help Europe recover from the crisis and emerge stronger, through job creation and smart, sustainable and inclusive growth; whereas this strategy is based on five Union headline targets on promoting employment, improving the conditions for innovation, research and development, meeting climate change and energy objectives, improving education levels and promoting social inclusion, in particular through the reduction of poverty,
- K. whereas the Union budget is a powerful agent for reform; and whereas its impact can be magnified if it mobilises additional sources of private and public finance to support investment, acting thus as a catalyst in the multiplying effect of Union spending; whereas the so-called 'just retour' principle has no economic rationale, since it does not take due account of European Added Value, spill-over effects and the need for solidarity between EU countries,
- L. whereas, according to Article 3 TEU, sustainable development of Europe should be based on balanced economic growth and price stability, a highly competitive social market economy, aiming at full employment and social progress, and a high level of protection and improvement of the quality of the environment,
- M. whereas the principle of sound financial management is one of the basic principles for the implementation of the Union budget; and whereas many Member States are making difficult fiscal adjustments to their national budgets; and whereas sound financial management -efficiency, effectiveness, economy- have become increasingly important in public spending, both at Union and Member State levels,
- N. whereas the provisions for the periodic adjustment of expenditure programmes to changing needs and circumstances have been insufficient; and whereas the complex nature of regulations and rules has been one of the reasons for underperforming management and control systems,
- O. whereas the first four years of the current 2007-2013 MFF have clearly illustrated the limits of the capacity of the financial framework to accommodate new developments and priorities without jeopardising existing ones; and whereas the current MFF has been incapable of responding rapidly to new commitments such as Galileo, ITER, the Food Facility or the European Economic Recovery Plan,
- P. whereas the introduction of the GNI resource in 1988 in the EU financing system was supposed to temporarily complement a decrease in own resources, but was prolonged and reinforced over the years and is today the main component of EU budgetary resources; whereas this predominance has emphasized Member States' tendency to calculate their net balance, the consequence of which is a series of rebates, corrections, exemptions and compensations which renders the current system of own resources excessively complex, opaque, with insufficient links to existing Union policies and

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lacks fairness and is therefore incapable to ensure a transparent and efficient financing of Union policies in the European interest, and is finally totally incomprehensible to the European citizens,

- Q. whereas, in its resolution of 8 March 2011 on innovative financing at global and European level <sup>(1)</sup>, the European Parliament approved the introduction of a Financial Transaction Tax (FTT), which ‘could help to tackle the highly damaging trading patterns in financial markets, such as some short-term and automated high-frequency trade transactions, and curb speculation’,

### **Part I: Key challenges**

1. Believes that the challenges ahead -whether demography, climate change or energy supply - are areas where the European Union, which is much more than the sum of its Member States, can demonstrate its added value;

2. Notes that the current crisis and severe constraints in public spending have made it more difficult for Member States to progress further in terms of growth, greater competitiveness, the pursuit of economic and social convergence and to participate fully in the internal market; strongly believes, that the solution to the crisis is more and not less Europe;

3. Considers that ‘Sustainable resources for the European Union’ means first and foremost to rethink the ‘resource system’ of the EU-Budget in order to replace the current national contributions with genuinely European resources;

4. Considers that the recent events show that the Euro zone is in need of bolder economic governance and that a monetary pillar without a social and economic pillar is doomed to fail; considers it essential for the Union to reinforce its system of economic governance in order to ensure the implementation of the EU2020 strategy (restore and to safeguard long-term economic growth rates), to prevent a repetition of the current crisis and to safeguard the European project;

#### *Building a knowledge-based society*

5. Points out that the crisis has highlighted the structural challenges which most of the Member States’ economies must face: suboptimal productivity, high levels of public debt, large fiscal deficits, structural unemployment, persistent barriers in the internal market, low labour mobility and outdated notions for skills, contributing to poor growth; underlines the need for investments in key areas such as education, research and innovation, in order to overcome these structural challenges and stresses the importance to reverse the trend of falling public investments;

6. Recalls that on current investment trends, Asia may by 2025 be at the forefront of scientific and technological developments; recalls however that these changes not only represents huge challenges but also opportunities, such as a sharp growth in export potential for the EU; notes that in tertiary-level academic and vocational education, the Union are lagging behind as only about 30 European universities rank amongst the world’s top 100; stresses that Europe is also falling behind in the skills race and draws attention to the fact that by 2020, 16 million more jobs will require high qualifications while the demand for low skills will drop by 12 million jobs;

<sup>(1)</sup> Texts adopted, P7\_TA(2011)0080.

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*Combating unemployment*

7. Considers that one of the great challenges facing the European Union is that of maintaining its competitiveness, increasing growth, combating high unemployment, focusing on properly functioning labour markets and on social conditions to improve employment performance, promoting decent work, guarantee workers' rights throughout Europe as well as working conditions and reducing poverty;

*The challenge of demography*

8. Insists that the Union must tackle its demographic challenge; notes that the combination of a smaller working population and a higher share of retired people will place additional strains on its welfare systems and its economic competitiveness;

*Climate and resource challenges*

9. Is concerned that the expansion of the world population from 6 to 9 billion will intensify global competition for natural resources and put additional pressure on the global and local environment; notes that demand for food is likely to grow by 70 % by 2050 and that the inefficient and unsustainable use and management of raw materials and commodities exposes citizens to harmful competition between food, nature preservation and energy production, as well as costly price shocks; it can have also severe consequences for industry with regard to business opportunities, including restrictions on access to raw materials, threatening economic security and contributing to climate change; stresses therefore the need for the EU to immediately take action and lead the process towards an economy based on sustainable use of resources;

10. Draws attention to the increasing global consumption of energy and to the fact that dependence on energy imports is set to increase, with the Union importing by 2050 nearly two thirds of its needs if current energy policies are not adequately altered and if the EU and Member States do not increase efforts to develop their own renewable energy sources and to realize their energy efficiency potential, taking full account of the EU's energy and climate commitments as well as safety aspects; warns that price volatility and supply uncertainties will also be exacerbated by political volatility in energy-rich countries; asks therefore to diversify supply routes and trading partners;

11. Supports the idea that the ensemble of all EU funding taken together should lead to an improvement in the general state of the European environment hereunder a reduction in GHG emissions that at least corresponds to the objectives in the present EU legislation; proposes therefore that positive and negative climate and environment effects of the spending of EU-funds should be analysed on aggregated levels;

*Internal and external security and personal freedoms*

12. Takes the view that globalisation has increased a sense of vulnerability by dissolving the boundaries between internal and external forms of freedom, justice and security; is convinced that addressing 21st century security challenges while safeguarding fundamental rights and personal freedoms therefore requires global and anticipatory responses, which only an actor the size of the Union can provide; is convinced that the external dimension of EU security is closely connected to democracy, rule of law and good governance of third countries and that the EU has a special responsibility to contribute to this;

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*Europe in the world: becoming an assertive player*

13. Is convinced that the Union, as a major political, economic and trading power, must play its full role on the international stage; recalls that the Treaty of Lisbon gives new tools to better project European interests and values worldwide; emphasises that the Union will add value on the global scene and influence global policy decisions only if it acts collectively; insists that stronger external representation will need to go hand in hand with stronger internal co-ordination;

*Delivering good governance*

14. Is convinced that strengthening the sense of public ownership of the Union must become a driving force of collective action; believes that delivering 'good governance' is by far the Union's most powerful means of ensuring the continuous commitment and engagement of its citizens;

**Part II: Optimising delivery: the role of the EU budget**

*European added value and the cost of non-Europe*

15. Underlines that the main purpose of EU budgetary spending is to create European added value (EAV) by pooling resources, acting as a catalyst and offering economies of scale, positive transboundary and spill-over effects thus contributing to the achievement of agreed common policy targets more effectively or faster and reducing national expenditure; recalls that, as a principle, any duplication of spending and overlapping of allocated funds in various budget lines must be avoided and that EU spending must always aim at creating greater value than the aggregated individual spending of Member States; considers that the multi-annual financial framework, rightly used, constitutes a very important instrument for long-term planning of the European project by taking into account the European perspective and added value of the Union;

16. Draws attention to the following areas as potential candidates for greater synergy and economies of scale: the European External Action Service, humanitarian aid and more specifically an EU rapid response capability, the pooling of defence resources, research, development and innovation, big infrastructure projects (particularly in the field of energy and transport) and financial market oversight;

17. Considers that, alongside the subsidiarity check through the national parliaments anchored in the Treaty of Lisbon, an assessment of the EAV must be undertaken for each legislative proposal with budgetary relevance as a matter of best practice; insists, however, on the fact that the assessment of EAV needs more than a 'spreadsheet's approach' and that a political evaluation needs to examine whether the planned action will contribute efficiently and effectively to common EU objectives and whether it will create EU public goods; notes that the main and most important elements of the EAV, such as peace, stability, freedom, freedom of movement of people, goods, services and capital, cannot be assessed in numerical terms;

18. Stresses the need to prove all EU spending for consistency with Treaty obligations, the *acquis communautaire* or major EU policy objectives; highlights that EAV can be generated not only by expenditure, but also by European legislation and by coordination of national and EU policies on economic, fiscal, budgetary and social fields; is convinced that the European Added Value of spending under the future MFF must be enhanced; stresses that EU funding should, wherever possible, contribute to more than one EU policy objective at a time (e.g. territorial cohesion, climate change adaptation, biodiversity protection);



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19. Is strongly of the opinion that investments at EU level can lead to significantly higher savings at national level, notably in areas where the EU has undeniably more added value than national budgets; strongly believes that the EAV principle should underpin all future negotiations on the EU budget; welcomes, therefore, the Commission's commitment to launch a comprehensive analysis of the 'costs of non-Europe' for the Member States and the national budgets; calls on the Commission to publish this report in due time to allow taking it into account during the negotiation process of the next MFF;

20. Calls for a better coordination between the EU budget and the Member States' national budgets in financing the common political priorities; reiterates the need to coordinate the spending of public funds from planning to implementation in order to assure complementarity, a better efficiency and visibility, as well as a better streamlining of the EU budget; believes that the new economic and budgetary policy coordination mechanism (the 'European semester') should play an important role in aligning the policy targets across Europe and with the EU goals and thus help achieving the desired budgetary synergies between the EU and the national budgets;

#### *An efficient budget*

21. Considers that, while the principle of EAV should be used to guide future decisions determining priorities in expenditure, the efficient and effective use of appropriations should lead the implementation of different policies and activities;

22. Stresses that in order to achieve optimal results for sustainable growth and development on the ground, solidarity and cohesion; priority should be given to the improvement of synergies between all funds of the EU budget that have an impact on economic development and to an integrated approach between different sectors, the development of result-oriented policies and, where appropriate, the use of conditionalities, the 'do no harm' and 'polluter pays' principles, success factors and performance and outcome indicators;

#### *Using the budget to leverage investment*

23. Reminds that the EU budget is primarily an investment budget, which can generate more investment from public or private sources; considers that attracting additional capital will be crucial to reach the significant amounts of investment needed to meet the Europe 2020 policy objectives; emphasises, in particular, the need to maximise the impact of EU funding by mobilising, pooling and leveraging public and private financial resources for infrastructures and large projects of European interest, without distorting competition;

24. Takes note of the development since the 1990's of institutionalised public-private partnerships (PPPs) in the Union, inter alia in the transport sector, in the area of public buildings and equipment, and the environment, as forms of cooperation between public authorities and the private sector and an additional delivery vehicle for infrastructure and strategic public services; is, however, concerned about some underlying problems incurred by PPPs and insists that the design of future PPPs must take into account lessons learned and rectify past deficiencies;

25. Takes note of the previous generally positive experience of the use of innovative financial instruments -including grant and loan blending and risk-sharing mechanisms, such as the Loan Guarantee Instrument for Trans-European Transport Network projects (LGTT), the Risk Sharing Finance Facility (RSFF) and the instruments of cohesion policy (JEREMIE, JESSICA, JASPERS and JASMINE)- in order to address a specific policy objective; considers that the Union should take action notably to enhance the use of the EU funds as a catalyst for attracting additional financing from the EIB, EBRD, other international financial institutions and the private sector;

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26. Calls therefore on the Commission to propose measures to extend the system of innovative financing, after its detailed examination and following a precise assessment of public and private investment needs as well as a methodology for the coordination of funding from different sources; calls on Member States to ensure that their national legal framework enables the implementation of these systems; calls, therefore, for substantive strengthening of the regulatory, budgetary and operational framework of these mechanisms, in order to ensure their effectiveness in terms of leveraging investment, sustainability, proper use of EU resources and to guarantee adequate monitoring, reporting and accountability; insists moreover on the need to ensure that underlying risks are quantified and duly taken into account;

27. Notes the historical difficulties of finding private investors for large scale EU projects; recognises that the financial crisis has made private investors even more reluctant to finance EU projects and has revealed the need to rebuild sufficient confidence to allow major investment projects to attract the support they need; stresses that the support of the EU budget will be needed, in short as well as longer term, to attract and mobilise private funds towards projects of EU interest, especially for those projects with European added value that are economically viable but are not considered commercially viable;

28. Welcomes, therefore, the Europe 2020 Project Bond Initiative, as a risk-sharing mechanism with the European Investment Bank (EIB), providing capped support from the EU budget, that should leverage the EU funds and attract additional interest of private investors for participating in priority EU projects in line with Europe 2020 objectives; calls on the Commission to present a fully fledged proposal on EU project bonds, building on the existing experience with joint EU-EIB instruments, and to include clear and transparent criteria for project eligibility and selection; reminds, that projects of EU interest which generate little revenue will continue to require financing through grants; is concerned that the limited size of the EU budget might eventually impose limitations to providing additional leverage for new initiatives;

29. Reiterates the need to ensure utmost transparency, accountability and democratic scrutiny for innovative financial instruments and mechanisms that involve the EU budget; calls on the Commission to propose an implementation and project eligibility framework -to be decided through the ordinary legislative procedure- that would ensure a continuous flow of information and participation of the budgetary authority regarding the use of these instruments across the Union, allowing Parliament to verify that its political priorities are met, as well as a strengthened control on such instruments from the European Court of Auditors;

*Ensuring sound financial management*

30. Considers that improving implementation and quality of spending should constitute guiding principles for achieving the optimal use of the EU budget and for the design and management of the programmes and activities post 2013;

31. Stresses, furthermore, that the design of spending programmes should pay utmost attention to the principles of clarity of objectives, full compliance with the community acquis and complementarity of instruments and actions, harmonisation and simplification of eligibility and implementation rules, transparency, and full and agreed accountability; underlines the importance of gender budgeting as a good governance tool to improve efficiency and fairness;

32. Emphasises, in particular, that the simplification of rules and procedures should be a key horizontal priority and is convinced that the revision of the Financial Regulation should play a crucial role in this respect;

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33. Stresses that the improvement of the financial management in the Union must be supported by a close monitoring of progress in the Commission and in the Member States; insists that Member States should assume responsibility for the correct use and the management of EU funds and issue annual national declarations on the use of EU funds at the appropriate political level;

34. Emphasises the need to address the trend of a growing level of outstanding commitments (RAL); recalls that, according to the Commission, the level of RAL will by the end of 2013 amount to EUR 217 billion; notes that a certain level of RAL is unavoidable when multiannual programmes are implemented, but underlines nevertheless that the existence of outstanding commitments by definition requires corresponding payments to be made; does therefore not agree with the approach by the Council to decide on the level of payments a priori, without taking into account an accurate assessment of the actual needs; will therefore do its utmost throughout the annual budget procedure in the next MFF to reduce the discrepancy between commitment and payment appropriations through increasing the level of payments appropriately;

35. Strongly believes that an assessment of the strengths and weaknesses of each Member States' management and control systems in individual policy areas is necessary in order to improve the quality of Member States' management and control of EU funds; further believes that better management, less bureaucracy and more transparency, as well as better, not more, controls are necessary to increase the efficiency and effectiveness of EU funds, also with regard to their absorption rate; considers, in this respect, that a balance needs to be found between the level of control and its cost;

36. Underlines the importance of legal certainty and budgetary continuity for the successful implementation of multi-annual policies and programmes; believes, therefore, that rules should not change during programming periods without due justification and adequate impact assessment, as this can result in higher transition costs, slower implementation and increasing risk of error;

37. Stresses that institutional capacity is one of the key elements for successful development, implementation and monitoring of Union policies; considers, accordingly, that strengthening institutional and administrative capacity at national, regional and local level could underpin structural adjustments and contribute to smooth and successful absorption of EU resources;

### **Part III: Political priorities**

38. Recalls that the entry into force of the Treaty of Lisbon strengthens Union policies and gives the Union significant new prerogatives, notably in the fields of external action, sport, space, climate change, energy, tourism, and civil protection; stresses that this requires sufficient financial resources; recalls in this context Article 311 TFEU which requires the Union to provide itself with the means necessary to attain its objectives and carry out its policies;

#### *A budget supporting Europe 2020 objectives*

39. Believes that the Europe 2020 strategy should be the main policy reference for the next MFF; maintains, at the same time, that Europe 2020 is not an all-inclusive strategy covering all Union policy fields; stresses that other Treaty-based policies pursuing different objectives need to be duly reflected in the next MFF;

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40. Takes the view that the Europe 2020 strategy should help the EU recover from the crisis and come out stronger by improving the conditions for - and expenditure on- innovation, research and development, meeting the EU's climate change and energy objectives, improving education levels and promoting social inclusion, in particular through reduction of poverty; notes that Europe 2020 is intended to address not only short term economic growth and financial stability, but longer term structural transformation to a more sustainable growth path based on more efficient use of resources;

41. Considers that the current content of the Europe 2020 strategy, such as the headline targets, flagship proposals, bottlenecks and indicators remain of a very general nature and calls on the Commission to submit more detailed proposals; considers, furthermore, that the re-launch of the single market is an essential element of the Europe 2020 strategy which increases the synergy between its various flagship initiatives; underlines that the objectives of the strategy can only be achieved through concrete commitments from Member States in their National Reform Programmes, policies with proven delivery mechanisms and concrete and consistent legislative proposals;

42. Stresses, moreover, that the Europe 2020 strategy can only be credible if consistency is ensured between its objectives and the funding allocated to them at EU and national level; takes the view that the next MFF should reflect the ambitions of the Europe 2020 strategy and is determined to work with the Commission and the Member States to produce a credible funding framework ensuring, in particular, adequate funding for its flagship initiatives and headline targets; argues, in this respect, that tasks, resources, and responsibilities must be clearly defined and well orchestrated between the Union and its Member States, including local and regional authorities; calls on the Commission to clarify the budgetary dimension of the flagship initiatives as these priority action plans cut across all policies funded through the EU budget;

43. Warns that the development of a ten-year Europe 2020 strategy requires sufficient budgetary flexibility to ensure that budgetary means can be appropriately aligned with evolving circumstances and priorities;

*A budget supporting economic governance*

44. Highlights the fact that under the current European Financial Stabilisation Mechanism up to EUR 60 billion of loan guarantees must be covered by the margin between the own resources ceiling and the annual budgeted expenditure; points to the additional obligations agreed in the context of the medium-term financial assistance to non-Eurozone Member States, which have to be covered by the same margin;

45. Calls for the European semester to provide for improved budgetary coordination and synergies between the Union and the Member States, thus increasing EAV; calls for the European semester to also increase economic coordination among Member States in accordance with the Community method principle and to provide improved economic governance to the Eurozone and to the Member States wishing to join, thus reducing the need to make use of the Financial Stabilisation Mechanism; believes that the European semester should focus on improving synergies between European and national public investments;

46. Notes that the European Stability Mechanism (ESM) after 2013 has been organised in a purely intergovernmental manner; expresses its concern about this development and underlines the lack of democratic control, accountability, as well as the enforcement of the intergovernmental approach; stresses the necessity of taking the Community method into account for the ESM; reminds that the EU budget provides guarantees for loans to Member States under the European Financial Stabilisation Mechanism, as well as the mid-term financial assistance for non-Euro area Member States' balances of payments facility;

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47. Recalls that the European currency has been created without real economic convergence between the states willing to introduce it, and in the absence of a Union budget large enough to accommodate a currency of its own; considers that such a budget would require significant parts of current Member State expenditure to be replaced by Union expenditure, in order to take due account of the Community method and provide the Eurozone and the EU with the fiscal stability required in order to overcome the debt crisis; asks the Commission to assess the possible impact of a Eurobonds system on the EU Budget;

#### *Knowledge for growth*

##### Research and innovation

48. Notes the importance of research and innovation in accelerating the transition towards a sustainable, world-leading, knowledge-based economy; believes, consequently, that the next MFF should see a greater concentration of budgetary resources in areas that stimulate economic growth and competitiveness, such as research and innovation according to the principles of European added value and excellence;

49. Is firmly convinced of the added value of increasingly pooling national research and innovation expenditures in the EU budget in order to reach the necessary critical mass and economies of scale, improve impact and reduce overlapping and waste of scarce funds;

50. Believes that a concerted public and private effort is needed at European and national levels to reach the Europe 2020 target of 3 % of gross domestic product (GDP) expenditure on R&D, to achieve the creation of the European Research Area and of an 'Innovation Union'; calls on the EU institutions and the Member States to agree without further delay on a specific roadmap for achieving this target, and points to the massive economic commitment that this target would entail, amounting to around 130 billion Euro annually for both the EU and national budgets and twice as much for the private sector;

51. Believes that public funds for R&D have to be substantially increased as public investment often provides an incentive for ensuing private investment; stresses the need to enhance, stimulate and secure the financing of research, development and innovation in the Union via a significant increase in relevant expenditure from 2013 notably for the Eighth Research Framework Programme; highlights, in this respect, the catalytic role that cohesion policy has played in the current programming period in increasing R&D investment and urges that this trend be continued and strengthened in the next period;

52. Emphasises that the increase of funds must be coupled with a radical simplification of funding procedures; is particularly concerned by the relative low uptake of EU funds by the European scientific community and calls on the Commission to persevere in its efforts to reconcile the demands of reducing administrative burdens and simplifying access to funding streams for researchers, SMEs and civil society organisations while maintaining sufficient budgetary control; highlights the need for exempting SMEs of certain administrative demands by cutting red tape and encouraging innovation through easier access to finance;

53. Calls for a stronger link between basic research and industrial innovation and between innovation and the manufacturing process; recalls, in particular, that one of the main difficulties in EU research and innovation programmes is the fact that the results are not effectively brought to the market and stresses the importance of creating incentives to commercialise the R&D products in particular through easier access to finance; highlights, in this respect, the importance of different funds working smoothly together and calls on the Commission to make the necessary adjustments so that the relevant funds can complement each other;

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54. Recalls that in order to meet the EU climate and energy targets EU R&D efforts should be significantly stepped up notably on environmental research, energy-efficiency and renewable energy technologies; considers, furthermore, that Europe's frontrunner status on green technologies can only be kept if it is underpinned by appropriate research efforts;

55. Believes that it is not only subsidies that innovative European companies need, but also better legislation, better links to the research base and better and more diverse access to funding and financing, ranging from grants, to loans and to equity financing; calls, therefore, on the Member States and the Commission to create at national and European level the right conditions that will allow for the private sector to increase its share in R&D investments; stresses the need to improve PPPs in this field by cutting red tape and streamlining existing procedures; highlights, in this respect, the important role that the EIB and the EIF should play and considers, in particular, that permanent risk-sharing instruments offered by the EIB via the RSFF should be expanded, in particular in support to SMEs;

56. Highlights that innovation is one of the key priorities of Europe 2020 strategy; recognises the potential role of the European Institute of Innovation and Technology as a driver of EU sustainable growth and competitiveness, achieving this through the stimulation of world-leading innovation, and calls for the Knowledge and Innovation Communities to be enlarged and duly funded; underlines the importance of the European Research Council to provide cutting edge knowledge for future innovators and to support high-risk research ideas; supports, moreover, the need for elaborating long term financial strategies to secure funding for large-scale R&D projects;

**Industry and SMEs**

57. Stresses that a strong and diversified industrial base is key to achieving the objective of creating a competitive, sustainable and inclusive European economy; recalls that SMEs are key drivers of economic growth, competitiveness, innovation and employment and recognises their important role in ensuring recovery and boosting of a sustainable EU economy; welcomes, therefore, the emphasis put by the Europe 2020 strategy on innovation and industrial policy, notably through the flagship initiatives 'Innovation Union' and 'An integrated industrial policy for the globalisation era', and stresses the need to enhance SME-relevant actions in other flagship initiatives;

58. Calls for SMEs and entrepreneurs to be placed at the heart of the Europe 2020 strategy; demands, accordingly, enhanced support in the next MFF for all programmes and instruments aimed at fostering SMEs, in particular the Competitiveness and Innovation Programme (CIP) and the Small Business Act, as well as through the use of the Structural Funds; proposes a better bundling of Community instruments and funds for SMEs in the EU budget; stresses, further, the need for greater accessibility to and adaptation of financing instruments to the needs of SMEs, inter alia through a stronger emphasis on microfinance and mezzanine financial instruments, the extension and expansion of the CIP's guarantee instruments and the RSFF under the Research Framework Programme;

**Digital agenda**

59. Believes that the EU should play a leading role in creating and enhancing the role of ICT and open standards for innovation; emphasises the need to develop the free circulation of content and knowledge, the so-called 'fifth freedom'; stresses the importance of ensuring the rapid execution of the Union's Digital Agenda and of continuing efforts towards reaching by 2020 the targets of making available to all EU citizens access to high-speed internet, also in less developed regions;



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### Sky and space

60. Believes that space activities act as a basis for innovation and industrial activity, high-skilled jobs and improve citizens' well being and security; takes the view that the development of the newly established EU space policy would logically require adequate funding; underlines the strategic importance of large projects in this area: the European Global Satellite Navigation systems (Galileo and the European Geostationary Navigation Overlay Service), the Global Monitoring for Environment and Security programme (GMES) and the New Generation European Air Traffic Management system (SESAR) which will enable the creation of the Single European Sky; insists that, given the long lead times entailed and the levels of capital investment already committed to these projects, sufficient and consistent financial commitments over financial planning periods are required;

### The right skills for tomorrow's workforce

61. Highlights that failure to invest properly in education and life-long learning in the short term could compound and prolong the crisis, as citizens will not have the requisite skills for jobs in the new knowledge economy; stresses, therefore, as a matter of urgency, the need for the EU to support public investments in these fields; reminds that school drop-out rate and restricted access to higher and university-level education are basic factors in the emergence of a high long-term unemployment rate and represent a blight on social cohesion; believes, in this context, in the imperative need to strengthen the link between education, R&D and employment;

62. Points to the importance of adequately funding education, mobility schemes for young people, training and lifelong learning programmes, promotion of gender equality as well as measures aiming at adapting the labour market as this makes an important contribution to the fight against early school leaving and unemployment and towards reaching the Europe 2020 headline targets; believes that the transition to a sustainable society in the coming years implies taking due account of the importance to promote new green jobs while new training will be required to this direction;

63. Takes the view that the flagship initiative on new skills and jobs should allow wider focus on the most vulnerable groups and people encountering difficulties in accessing the labour market, such as Roma; underlines the European Social Fund's (ESF) fundamental role in meeting the Europe 2020 strategy's social and employment objectives; believes, therefore, that the ESF should be treated as a political priority and funded accordingly; advocates a more strategic application of the ESF for promoting equality between women and men, labour market access and re-integration, combating unemployment, poverty, social exclusion and all forms of discrimination;

### *Cohesion for growth and employment*

64. Stresses the EAV of cohesion policy, as this policy constitutes a well-established mechanism of delivering growth and jobs, a major tool for convergence, sustainable development and solidarity and one of the Union's most significant, visible, and successful policies for decades; points out, however, that a modern cohesion policy must undertake a number of structural reforms, in particular in the field of simplification, respond to the main challenges facing the Union, and promote synergies with other policies and instruments on the ground; is convinced that EU cohesion policy should remain an EU wide policy giving access to resources, experiences and assistance to all EU regions;

65. Recalls that cohesion policy has an increased importance with the entry into force of the Treaty of Lisbon and with the anchorage of territorial cohesion therein, takes the view, in this context, that all forms of territorial cooperation (cross-border, transnational, interregional) must be strengthened; underlines that macro-regional cooperation and strategies should also be addressed;



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66. Stresses the predominant role of cohesion policy for the accomplishment of the Europe 2020 objectives and takes the view that a sound autonomous cohesion policy is a prerequisite for the successful implementation of this strategy; stresses that, due to its horizontal character, cohesion policy contributes significantly to all three priorities of the Europe 2020 strategy, namely smart, sustainable and inclusive growth, and that this should be reflected in the structure of the next MFF by rejecting any fragmentation of this policy across various heading or subheadings; recalls, however, that the EU cohesion policy has its own mission and objectives set out in Article 174 of TFEU that goes beyond the Europe 2020 strategy; stresses that those should be preserved in the next programming period, especially given the enduring need for economic, social and territorial convergence in the Union;

67. Stresses that a successful and strengthened cohesion policy needs adequate funding, and that the amounts allocated to it in the current financial programming period should be at least maintained in the next period in order to step up its efforts to reduce development disparities between EU regions; reiterates, in this context, its strong request to ensure that, in the next MFF, the unspent or decommitted resources of cohesion funds remain in the EU budget and not be returned to the Member States; recalls its position that GDP per capita must remain the main criterion for determining the eligibility for regional policy assistance;

68. Believes that Member States and regions should concentrate EU and national resources on a small number of priorities and projects that are of genuine European relevance, such as R&D and innovation, responding to the specific challenges that they face; requests, in this context, that the Commission draws up concrete proposals to ensure a stronger thematic concentration of cohesion funding on the Europe 2020 priorities and considers that a more result-oriented system than the current 'earmarking' should be put in place, while ensuring that due consideration is made to 'region specific' needs and priorities; welcomes, in this respect, the Commission's intention to agree with each Member State and its regions or directly with the regions -in the context of the development and investment partnership contracts and operational programmes- on specific terms and conditionalities for the achievement of established targets;

69. Strongly believes in the importance of an integrated policy approach and considers that all sector-specific investments in the next MFF would have to be coordinated with the investments undertaken within the framework of cohesion policy; stresses, therefore, the need to improve coordination, reduce unnecessary overlaps and create greater synergies among the ERDF, the ESF, the cohesion fund, the EAFRD and the European Fisheries Fund (EFF); underlines the need to also avoid duplication and improve coordination between the European Globalisation Adjustment Fund and the ESF; believes, accordingly, that the creation of a common strategic framework setting out common investment priorities for all these funds represents an important step in this direction; believes, furthermore, that coordination has to take place at all levels of policy making from strategic planning to delivery; is convinced that the ESF must remain an integral component of cohesion policy at all stages of its programming, implementation and management;

70. Believes that urban areas - as places with a high concentration of challenges (unemployment, social exclusion, environmental degradation, migration) - can play an important role in regional development and contribute to tackling the economic and social disparities on the ground; stresses, accordingly, the necessity for a more visible and focused approach to the urban dimension of cohesion policy, while ensuring balanced conditions for synergic development of urban, suburban and rural areas;

71. Recognizes that according to the Treaty particular attention should be paid to rural areas, areas affected by industrial transition, and regions suffering from severe and permanent natural or demographic handicaps such as the northernmost regions with very low population density, islands, cross-border and

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mountain regions, as well as outermost regions; believes that resources and capacities found within these regions can have a significant role in the future competitiveness of the European Union; stresses, accordingly, that these areas facing challenges should be recognised also in the future MFF; considers that for regions facing permanent handicaps a special strategy needs to be elaborated, as set out in the EP resolution of 22 September 2010;

72. Recalls that one of the main criticisms directed at cohesion policy relates to the complexity of its rules; insists on the importance of cross-financing and of simplifying the rules and procedures of this policy, on reducing complexity and administrative burdens, and on a more transparent and effective allocation of resources to cities, municipalities and regions; stresses that the audit and control systems should comply with the highest standards, so that abuses can be caught and promptly sanctioned; emphasises that the frequency of checks should be commensurate with the risk of irregularities in keeping with the proportionality principle;

73. Calls for an improvement of the monitoring and evaluation systems as regards their implementation; emphasises that the partnership principle should play a crucial role in this improvement and has to be upgraded in the context of simplification; believes that the elaboration of concrete and measurable outcome indicators should be regarded as a prerequisite for measuring the actual progress achieved towards the agreed targets; welcomes the Commission proposals for an ex-ante, on-going and impact evaluation of each operational programme; reminds that other principles of cohesion policy, such as the co-financing rule, multi-level governance, bottom-up approach, gender mainstreaming and additionality have proven their importance and should be maintained in the next MFF;

74. Calls on the Commission to establish an intermediary category for the duration of the next programming period for regions whose GDP per capita stands at between 75 % and 90 % of EU GDP, in order to provide them with a clearer status and more security in their development; asks the Commission to provide further information on the budgetary consequences of such an option; calls on the Commission to also draw up concrete proposals to reinforce equity between those regions and other regions on the same level of development; stresses that these transitional measures for the next programming period for regions coming out of the convergence objective and for regions with per capita GDP between 75 % and 90 % of the EU average should not be established at the expense of the current convergence (Objective 1) and competitiveness regions (Objective 2) or the European territorial cooperation objective (Objective 3);

75. Warns against subjecting cohesion funds to sanctions in the framework of macroeconomic conditionality linked to the Stability and Growth Pact as this would go against the very objectives that cohesion policy is set to pursue, namely the reduction of regional disparities; stresses, therefore, the need to step up surveillance to ensure that structural funding is used in accordance with the EU law and the intended objectives;

76. Is particularly concerned about the slow start of the operational programmes in the beginning of each programming period due, among other reasons, to an overlapping phase with the completion of the previous ones; draws attention to the fact that this problem needs to be tackled on time by addressing the factors that contribute to such delays; points, for this purpose, to the need of ensuring a certain continuity between the programming periods as regards the establishment of national management and control systems and authorities;

77. Encourages local and regional authorities to make as much use as possible of the innovative financial instruments, inter alia, revolving funds for energy efficiency measures; requests that these financial instruments be simplified but also subjected to greater democratic scrutiny;

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*Management of natural resources and sustainable development*

Common agricultural policy

78. Affirms that the common agricultural policy (CAP) should also be geared towards contributing to the achievement of the targets of the Europe 2020 strategy and that both pillars of the CAP should make a valuable and distinctive contribution to it, in a complementary way; emphasises that the CAP is firmly anchored in the Treaty of Lisbon, which defines its objectives and tasks;

79. Stresses that while the primary role of the current and the reformed CAP is to guarantee European Union food security as well as global food supply in times of rising food prices and food shortages, it is at the same time delivering a variety of public goods beyond agricultural markets, such as maintaining farm land in production throughout Europe, shaping the diversity of landscapes, enhancing biodiversity and animal welfare, mitigating climate change, preserving soils and water, combating rural depopulation, poverty and segregation, providing for employment and services of general interest in rural areas, contributing to a more sustainable food production and supporting renewable sources of energy;

80. Calls on the Commission to present proposals for a reformed CAP, which aim at a more effective and efficient allocation and use of the CAP budget, inter alia, via a fair distribution of direct payments between Member States, regions and farmers by strengthening conditionality towards delivering the public goods expected by society and by more targeted payments in order to ensure best return for public money; emphasises the need for maintaining a two-pillar system of the CAP and for simplifying the implementation mechanisms;

81. Supports food autonomy of developing countries; recalls the commitment made by the WTO members during the 2005 Hong Kong Ministerial Conference to achieving the elimination of all forms of export subsidies; considers that the new CAP must be in line with the EU concept of policy coherence for development; underlines that the Union must no longer use export subsidies for agricultural products and must continue to coordinate efforts with the world's major agriculture producers to cut trade distortion subsidies;

82. Insists that, given the wide array of tasks and objectives that the CAP is called to respond to, the amounts allocated to the CAP in the budget year 2013 should be at least maintained during the next financial programming period;

83. Calls for an increased coordination of the European Agricultural Fund for Rural Development (EAFRD), the European Regional Development Fund (ERDF) and other cohesion and structural funds in order to strengthen a territorial approach; asks the Commission to present specific proposals on how better synergies could be achieved with regard to funding for non-agriculture related activities in the EAFRD and other relevant instruments; expects that the expenses linked to economic diversification in regions where agriculture is declining will increase over the period of the next MFF;

Fisheries

84. Stresses that fisheries resources constitute a public good vital for global food security; points to the fact that the fisheries and aquaculture sector and related activities are often the main source of livelihood and sustainable employment in coastal, island and remote regions; considers that, in order to achieve its medium and long-term goals (stable, sustainable and viable fisheries sector), recovery of its fish stocks and tackling the social aspects linked to the reduction of fishing effort, the reformed Common Fisheries Policy (CFP) will need adequate financial resources post 2013; recognises the need for increased coordination

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with cohesion policy; underlines that the European Fisheries Fund should be used to support sustainable fishery practices, in accordance with the maximum sustainable yield principle, as well as to conserve marine ecosystems while paying special attention to the small scale fisheries sector;

Environment, climate change and resource efficiency

85. Emphasises that the Union should lead the transformation towards a sustainable economy and promote a transition to a sustainable society with a competitive European industry and affordable energy prices in order to ensure a clean and healthy living environment; stresses that this should be achieved, inter alia, through reduced energy consumption in all sectors, for which a well-functioning internal energy market and infrastructure is a prerequisite, the decentralisation of energy supply, increased use of renewable energy, improved biodiversity protection and ensuring ecosystem resilience;

86. Underlines that LIFE+ has been successfully implemented and has proven its importance in safeguarding biodiversity and protecting the environment; emphasizes the need for continuing well endowed programmes for nature and biodiversity in order to meet EU environmental objectives, notably for LIFE+ and NATURA 2000;

87. Underlines the need for a horizontal approach, combining measures to combat climate change and to reduce greenhouse gas emissions - in particular energy saving measures - in all relevant policy areas, including external policies; is convinced that well-placed incentives such as conditionality of EU expenditure and legislation are the key elements in order to achieve the Europe 2020 targets in this field; considers, consequently, that climate actions should be mainstreamed in all relevant sections of expenditure including the external one, and climate impact assessments should be conducted for new projects; considers that larger shares of the European emission trading scheme revenues should be invested in mitigation and climate innovation;

88. Takes the view that tackling the challenge of sustainability, through introducing environmental criteria and increasing resource and energy efficiency to combat climate change, is one of the core objectives of the Europe 2020 strategy;

89. Supports, accordingly, the suggestion expressed in the Commission's Budget Review to include an obligation to identify in a transparent manner where sectoral programmes have promoted the 20/20/20 climate and energy objectives specified in the Europe 2020 strategy and contributed to meeting the 'Resource Efficient Europe' flagship initiative goals;

90. Underlines the global responsibility of the EU in tackling climate change; recalls that pledges resulting from the Copenhagen and Cancun agreements aimed at helping developing countries to address climate change must be 'new and additional' to the existing development aid with an adequate level of coherence being maintained between the two policies; suggests that a new programme be created for this purpose; reiterates the position of the European Parliament on the need to maintain within the EU budget the financing of all European policies; calls for the integration of the EU international climate change pledges in the EU budget in order to achieve a maximum leverage effect of community resources;

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#### Energy

91. Is convinced that the energy's share in the next MFF should increase; believes that renewable energy technologies, energy efficiency and energy saving should be key priorities and calls for a corresponding increase of EU funding in these areas; calls on the Commission to develop concrete benchmarks and to ensure that agreed targets are met and that they can be efficiently monitored within the framework of the European semester of policy coordination and through specific plans such as the National Energy Efficiency Plans;

92. Underlines the need to increase finance in research, technological development and demonstration in the area of energy in order to develop sustainable energy available for all; calls for the full implementation of the already adopted Strategic Energy Technology Plan (SET-Plan), including appropriate funding, during the next MFF;

#### *A connected Europe*

93. Given the huge financing needs in the areas of transport and energy infrastructure, and given the positive externalities of these projects, stresses the need to develop an incentive regulatory framework in order to promote public and private long term investment in these fields; asks that innovative financial instruments be developed in cooperation with long term investors;

#### Trans-European energy networks

94. Points to the need to prioritise energy efficiency and renewable energies when deciding on financing energy infrastructure; underlines the urgent need to modernise and upgrade the European energy infrastructure, to develop smart grids and build interconnections which are necessary for realising the internal energy market, for diversifying sources and routes with third countries enhancing security of supply, for increasing the share of renewable energy, and for meeting energy and climate targets; takes note of estimates that substantial investments of approximately EUR 1 000 billion by 2020 are needed in this field; particularly in order to ensure transmission capacity, including new production capacity and investment in electricity grids; notes that, at current world energy prices, the substantial investment required can primarily originate from the private sector; emphasises the need to maximise the impact of European funding and the opportunity offered by the structural funds and innovative financial instruments to fund key national and cross-border European priority energy infrastructure projects; stresses the need for a substantial allocation from the European Union budget for innovative financial instruments in this field;

#### Transport and Trans-European transport networks

95. Underlines that investing in effective transport infrastructure has a key role for Europe to defend its competitiveness and pave the way for post crisis, long term economic growth; believes that the Trans-European transport networks (TEN-T) are vital in order to guarantee the proper functioning of the internal market and provide important EAV as they contribute to improving accessibility and interoperability between the various parts of the EU by guaranteeing cross-border links and eliminating bottlenecks, improving the use of traffic management and information systems, as well as assuring intermodality in cross-border infrastructure, which the Member States alone would not invest in; considers that the TEN-T should provide a genuine European core network rather than the aggregation of national projects and that the financing of core projects should be assessed and reviewed in the light of progress on the ground and EAV; strongly believes that TEN-T should, accordingly, be a key priority in the next MFF;

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96. Considers that conditionality should be enhanced by introducing the principle of 'Use-it-or-lose-it' (decommitment); when allocated funding has not been used the unspent or decommitted resources of transport funds should remain in the EU budget and not be returned to the Member States;

97. Recalls that a global investment of EUR 500 billion will be required for the period 2007-2020 for TEN-Ts; considers, therefore that an increase in TEN-T funds is necessary in the next MFF, together with increased coordination between EU and Member States, as well as the funds available for TEN-T and the funding for transport projects within the framework of cohesion policy and territorial cooperation, thus, using better the available sources of financing; stresses the role that innovative financing instruments, including PPPs and project bonds, can also play in the financing of those projects; considers that expenditure used from the cohesion fund should be conditional upon the observation of general principles of European transport policy; believes that TEN-T funding should actively integrate the objectives of economic, social and territorial cohesion, as well as sustainable development obligations to meet Europe 2020 targets and should as far as possible give priority to low-carbon transportation;

98. Calls on the Commission to take into account, in particular, the need to shift freight and passenger flows towards more sustainable and efficient transport flows while providing efficient co-modality; considers that the upcoming revision of the TEN-T guidelines needs to find solutions to the interoperability between national as well as cross-border railway systems and introduce conditionality on EU expenditure in order to achieve a genuine Single European Railway policy, and to ensure greater use of inland waterway and short sea shipping;

#### Tourism

99. Recalls that tourism is a new EU competence under the Lisbon Treaty, which should, therefore, also be reflected in the next MFF; stresses the important contribution of tourism to the European economy and believes that the European strategy for tourism should aim at raising the competitiveness of the sector and be supported with adequate funding for the next period;

#### Maritime Policy

100. Acknowledges that the seas and oceans will play an increasingly key role in global economic growth in the future; considers that the Integrated Maritime Policy must be pursued and geared towards tackling the challenges faced by coastal zones and maritime basins, supporting blue growth and a sustainable maritime economy; requests that the EU increases its effort to support an ambitious EU maritime policy which will allow Europe to assert its international position in this strategic sector; insists that the appropriate budgetary means be made available in favour of this policy;

#### *Citizenship, freedom, security and justice*

##### Fostering European culture and diversity

101. Emphasises that promoting Union citizenship has a direct impact on the daily lives of Europeans and that it contributes to a better understanding of the opportunities provided by Union policies, as well as of their fundamental rights, enshrined in the European Charter of Fundamental Rights and the Treaties; is convinced that adequate funding in the area of citizenship must be guaranteed;



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102. Points out that youth- and culture-related policies are essential and among the first priorities to be recognised for their added value and reaching out to citizens; calls on the EU and the Member States to acknowledge the increasing importance of cultural and creative industries to the European economy, and their spill-over effect on other economic sectors; strongly emphasises that the full potential of these policies can only be realised if they are provided with adequate levels of funding and calls for their potential to be fully exploited within rural development and cohesion policy;

103. Recalls the importance of sport for health, economic growth and jobs, tourism and social inclusion, and the fact that Article 165 TFEU gives the EU new competences in this field; welcomes the Commission communication on 'Developing the European Dimension in Sport' (COM(2011)0012) as a first step in assessing the added value of sport, and in particular of everyday exercise, and focusing on the societal, economic and organisational dimension of sport;

**Youth policy**

104. Stresses that youth should represent a strong priority for the Union and that the youth dimension should be visible and reinforced in EU policies and programmes; believes that youth should be perceived as an EU cross-cutting theme, developing synergies between different policy areas relating to youth, education and mobility; welcomes the 'Youth on the Move' flagship initiative as a cornerstone of the Europe 2020 Strategy; underlines in particular that youth-related programmes like Lifelong Learning and Youth in Action, which bear low cost per beneficiary and therefore have high efficiency, should be maintained as separate programmes in the next MFF and that they deserve a much stronger investment;

**An Area of Freedom, Security and Justice**

105. Emphasises that creating a robust culture of fundamental rights and equality as enshrined in the Lisbon Treaty must remain a priority for Europe; stresses that while these values must be budgetarily mainstreamed, adequate targeted funding must be guaranteed;

106. Notes that economic, cultural and social growth of the Union can only thrive in a stable, lawful and secure environment, respecting and enforcing fundamental rights and safeguarding civil liberties; considers, accordingly, that efficient justice and home affairs policies are a pre-requisite for economic recovery and an essential element in a wider political and strategic context; underlines the importance of mainstreaming the EU priorities in the field of 'home affairs' into the Union's external dimension, including European Neighbourhood policy, especially in view of the impact that growing migration will have on the development of EU policies towards third countries; stresses the need for the appropriate financing of the immigration, asylum and security policies and also taking into account the priorities of the EU while implementing them;

107. Stresses the need for an integrated approach towards pressing immigration, asylum questions as well as towards the management of the external borders of the Union, with sufficient funding and support tools to handle emergency situations made available in a spirit of respect for human rights and solidarity amongst all Member States, respecting national responsibilities and a clear definition of tasks; notes that, in this regard, the increased challenges of FRONTEX, the European Asylum Support Office and the Funds on Solidarity and Management of Migration Flows need to be duly taken into consideration;

108. Notes that the share of funding for the area of freedom, security and justice in the Union budget is relatively small and stresses that in the future MFF these policies must be allocated with appropriate and objectively justifiable funding to enable the Union to carry out its activities, especially those related to new tasks, as identified in the Stockholm Programme and the Treaty of Lisbon;



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109. Emphasises the need of developing better synergies between different funds and programs and points to the fact that the simplification of management of funds and allowing cross-financing enable the allocation of more funds to common objectives; welcomes the Commission's intention to reduce the total number of budgetary instruments in Home Affairs in a two pillar structure and where possible under shared management; believes that this approach should contribute significantly to an increased simplification, rationalisation, consolidation and transparency of the current funds and programmes; stresses however the need to ensure that the different objectives of home affairs policies will not be mixed up;

#### *Global Europe*

110. Reiterates its deep concern at the chronic underfinancing and particularly acute flexibility problems in the implementation of the Union's external activities, due to the unpredictable nature of external events, and recurring international crises and emergencies; stresses, accordingly, the need to close the gap between its ambitions and resources in foreign policy, by ensuring adequate financial resources and efficient flexibility mechanisms in order to enable the Union to respond to global challenges and unforeseen events; reiterates its request that budgetary implications deriving from any new commitments and tasks taken up by the Union must be additional to programmed amounts, in order to avoid jeopardising existing priorities;

111. Points to the discrepancy between the level of the Union's global financial assistance and its often limited influence in related negotiations and stresses the need to enhance the Union's political role and leverage in international institutions and fora; believes that the EU should ensure a political role which is proportional to the financial support it provides;

#### *European External Action Service (EEAS)*

112. Notes that the EEAS is in its 'building-up' phase; highlights that according to the Council's decision of 26 July 2010, 'the establishment of the EEAS should be guided by the principle of cost-efficiency aiming towards budget neutrality' <sup>(1)</sup>; stresses the need for the new service to be provided with sufficient funds to allow the EU to fulfil its goals and role as a global player; stresses accordingly, the need for the new service to fully exploit efficiency gains deriving from the pooling of resources at Union level as well as synergies with Member States, avoiding duplications, existing or potential overlaps, inconsistencies and incoherencies and leading to cuts and savings in all national budgets, demonstrating thus the true added value of the Union's diplomacy;

#### *Poverty alleviation*

113. Recalls that the 2015 deadline for meeting the Millennium Development Goals (MDG), and the collective Official Development Aid (ODA) target of 0,7 % of gross national income (GNI), fall within the next MFF period; stresses, accordingly, that an appropriate overall level of development aid and funding is required for the Union and its Member States to meet its international development commitments, including the financial commitments made in the Copenhagen Accord as well as those of the Cancun Agreement; stresses furthermore that also future spending pledges aimed at helping developing countries to combat climate change or to adapt to its effects must be additional, with coherence being maintained between the two policies; urges Member States to take immediate action to meet their ODA targets and fulfil their development pledges;

<sup>(1)</sup> Council Decision 2010/427/EU of 26 July 2010 establishing the organisation and functioning of the European External Action Service (OJ L 201, 3.8.2010, p. 30).

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114. Stresses the need to strike the right balance between direct budget support on the one hand and financing of sustainable projects on the other; underlines that development aid should be spent in an inclusive manner, reaching the most marginalised and excluded groups;

115. Calls once again for the budgetisation of the European Development Fund (EDF), as it would increase consistency and transparency; insists, however, that incorporating the EDF into the EU budget must lead to an overall increase in the EU budget by the amount initially allocated to finance the EDF;

116. Believes that the European Commission/EEAS should systematically assess the impact of the EU assistance, in order to improve the effectiveness of EU originating development aid as well as improving synergies between EU and national development aid, in line with the Paris Declaration;

117. Finds it important that the development aid being given by the EU promotes sustainable development in the receiving countries; stresses that assessments need to be made and criteria set up that respects this objective;

118. Notes that the highest percentage of the world's poorest people lives in emerging economies; insists however, in order to incite these governments to better engage in poverty reduction within their own borders, that alternative schemes for development cooperation with these countries, such as co-financing, should be gradually introduced;

**Projecting EU values and interests globally**

119. Stresses that EU foreign policy should be based on Union's founding principles and values, namely democracy, respect for human rights, diversity, fundamental freedoms and the rule of law; reiterates the need to equip the Union with more adequate and targeted means to promote these values globally and to expand the sphere of peace and stability in its neighbourhood; highlights the particular contribution made via the EIDHR;

120. Considers the EU to have a special responsibility among the international community for promoting security, democracy, and prosperity in Europe's neighbouring countries, where economic development and progress of stability are in the direct interest of the EU; considers therefore that building close and effective relations with neighbouring countries should remain a priority in the Union's external agenda; emphasises that stepped up financial commitments are needed for the Union to live up to major challenges -support to democratic transition and consolidation, good governance, human rights- and high expectations deriving from this moral responsibility; believes at the same time that the more targeted use of funds is at least as important as funding levels; calls therefore for the strengthening of conditionality in EU aid programmes with the aim of improving democratic development and sound budgetary management, reducing the level of corruption and the capability to use EU support in a transparent, effective and accountable manner;

121. Notes that the EU is approaching a new round of enlargement, particularly in the direction of the Western Balkans; calls for the next MFF to take the costs of future enlargements into account, namely through adequate funding for the Instrument for Pre-Accession; considers that the IPA instrument should give priority to support the necessary improvements for candidate countries to comply with the *acquis communautaire* and facilitate the use of EU funding, in particular for civil society, social partners, minorities, NGOs, cultural heritage, as well as local and regional authorities;

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122. Underlines that the Union needs to quickly adapt its policy towards the emerging countries and develop new strategic partnerships with them; asks the Commission to propose in this regard a policy instrument targeting activities that are not ODA related but fall into areas of mutual interest;

123. Is of the opinion that, considering growing global challenges as well as the Union's global responsibilities, especially in face of the current political developments in the Arab world, a restructuring of the EU's external financial instruments becomes indispensable; advocates accordingly an overhaul and more strategic application of its external instruments as well as the development of new forms of cooperation and delivery mechanisms with partner countries in order to enhance the impact and visibility of EU external action as well as to achieve the overall objective of greater consistency and coherence of EU external action; stresses that the next MFF should support policy coherence, i.e. by ensuring that EU policies and expenditure on agriculture, fisheries, trade and energy are not directly at odds with development policy objectives;

#### Responding to crisis situations

124. Reiterates that crisis prevention and management are major EU priorities; stresses, accordingly, the need to ensure effective and adequately funded instruments in this respect; takes the view that the current Instrument for Stability remains an important means for immediate Union response to crises' situations, but more emphasis should be placed on longer term, preventive actions, including peace-building and conflict prevention, namely via more responsive geographic programmes;

125. Believes that humanitarian aid plays a key role in EU external relations; notes that natural disasters tend to become more frequent as well as more devastating in their consequences, whereas conflicts will tend to spark more often due to the struggle for resources such as energy, water and raw materials; underlines the need to ensure appropriate budgetary allocations for the Humanitarian Aid Instrument and the Emergency Aid Reserve, so as to avoid the yearly ad hoc demands from the European Commission for extra funding; this budget should remain independent in order to guarantee the neutrality of humanitarian aid - dissociated from other (e.g. geopolitical) considerations or interests;

#### Administration

126. Believes that high quality public administrations, at both Union and national levels, are an essential element for achieving the strategic goals set in the Europe 2020 strategy; calls on the Commission to present a clear analysis of administrative expenditure post-2013, duly taking into account the public finances consolidation efforts, the new tasks and competences attributed to the Union by the Treaty of Lisbon, and the efficiency gains to be derived from an optimal use of human resources in particular through redeployment and new technologies;

127. Points out that such analysis should investigate the scope for synergies and, notably, savings, inter alia through restructuring, further interinstitutional cooperation, review of each institution's and body's working methods and working places, better separation of tasks of institutions and agencies, the medium and long-term financial impact of building policy, pension systems and other areas of statutory provisions of staff working for EU institutions; believes that this analysis can show that there is scope for a reduction of the overall EU administrative budget without compromising the high quality, performance and attractiveness of the EU public administration;

128. Points to the significant savings that could be made if the European Parliament were to have a single seat;

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**Part IV: Organisation and structure of the financial framework**

*A structure to reflect priorities*

129. Considers that the structure of the next MFF should facilitate both planning continuity and flexibility within and between headings, and avoid the failures of the current MFF, particularly with regard to shortfalls in subheading 1a 'Competitiveness for Growth and Employment', subheading 3b 'Citizenship' and heading 4 'External relations'; considers that the MFF structure should increase the visibility of EU political and budgetary priorities for the European citizens; insists, in this respect, on the need to avoid unjustified radical changes and to consolidate and improve the current structure;

130. Reiterates that the Europe 2020 strategy should be the main policy reference for the next MFF; considers, as a consequence, that the structure should reflect and give political visibility to the Europe 2020 dimensions of smart, sustainable and inclusive growth; proposes, accordingly, a new structure grouping under one single heading all internal policies under the title 'Europe 2020';

131. Proposes to establish under the Europe 2020 heading four subheadings involving linked policies which should also favour better coordination and implementation synergies among them; proposes, thus, a subheading comprising knowledge related policies; a second subheading devoted to cohesion policy reflecting its horizontal nature and its contribution to all Europe 2020 objectives, as well as social policy; a third subheading encompassing sustainability and resource-efficiency related policies; and a fourth subheading on citizenship, which would combine the current MFF subheadings 3a (citizenship) and 3b (freedom, security and justice) into a single subheading given the previous experienced difficulties which arise when a number of small programmes are brought together within a small subheading;

132. Believes that the next MFF should allow for a ring-fencing of large-scale projects, which are of strategic importance for the Union, within the heading 'Europe 2020'; believes that the EU budget should make a long-term contribution to these projects, in order to ensure their planning continuity and organisation stability; considers that, should additional financial resources be needed for these large-scale projects, those should not be found at the expense of smaller successful projects that are financed by the EU budget;

133. Considers that, in view of the integrated character of the Europe 2020 strategy, and in order to ensure that budgetary means are appropriately aligned with the progressive development of the strategy, it is essential that a higher degree of flexibility is ensured among the four Europe 2020 subheadings;

134. Recalls the difficulties which arise when a number of rather small programmes are brought together within a small subheading; proposes, accordingly, to combine the 2007-2013 MFF subheadings 3a (citizenship) and 3b (freedom, security and justice policies) into a single subheading;

135. Calls for maintaining a heading for external policies;

136. Calls for maintaining a heading for administration;

137. Calls for the creation of a 'global MFF margin' serving all headings below the overall MFF ceiling and above the separate available margins of each heading to be mobilised in the framework of the annual budgetary procedure; believes that such margin should also receive the unspent margins as well as the decommitted and unspent appropriations (commitments and payments) of the previous budgetary year;

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138. Considers, moreover, that in order to improve transparency and visibility an additional 'reserve margin' below the own resources ceiling and above the MFF ceiling should be used for including the risks of defaults linked to the loan guarantees of the European Financial Stabilisation Mechanism and the Facility providing medium-term financial assistance to non-Euro area Member States' balances of payments, as well as a possible intervention of the EU budget in the European Stability Mechanism after 2013;

139. Urges the Commission to provide in an annex to the EU budget all EU related expenditure that occurs –following an intergovernmental procedure– outside the EU budget; believes that this information provided on an annual basis will give a complete picture of all investments that Member States agree to undertake at the EU level;

140. Suggests that the EU budget should clearly identify - possibly in an annex - all investments that are made in each EU policy field, originating also from different parts of the EU budget; believes, at the same time, that the Commission should also provide an estimate of the investment needs that are foreseen for the whole duration of the programming period;

141. Urges the Commission to include detailed information on the revenue side of the EU budget in its Draft Budget, as transmitted to the EU budgetary authority; notes that a joint presentation of the revenue and expenditure side of the budget is actually standard practice for all national budgets; strongly believes that in this way a permanent debate on the financing system of the Union will be maintained, while fully acknowledging that the budgetary authority does not have at present any competence to propose changes to this part of the budget;

142. Proposes, therefore, the following structure for the next MFF:

## **1. Europe 2020**

### **1a. Knowledge for growth**

Including research and innovation, education and lifelong learning and internal market policies.

### **1b. Cohesion for growth and employment**

Including cohesion (economic, social and territorial) and social policies.

### **1c. Management of natural resources and sustainable development**

Including agriculture, rural development, fisheries, environment, climate change, energy, and transport policies.

### **1d. Citizenship, freedom, security and justice**

Including culture, youth, communication and fundamental rights and freedom, security and justice policies.

## **2. Global Europe**

Including external action, neighbourhood and development policies.

## **3. Administration**

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*Responding to changing circumstances: flexibility*

143. Reiterates its position included in its resolution of 25 March 2009 on the Mid-term Review of the 2007-2013 Financial Framework <sup>(1)</sup>, 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 but also to facilitate the decision-making process within the institutions;

Mid-term Review

144. Stresses the need, if the MFF period is longer than 5 years, for an obligatory Mid-term Review allowing for a quantitative as well as qualitative analysis and stock-taking on the functioning of the MFF; underlines that, in the future, the Mid-term Review should become a legally binding obligation enshrined in the MFF regulation, with a specific procedure including a binding calendar, which ensures full involvement of the Parliament in its role of legislative and budgetary authority; stresses that, if the review should establish the inadequacy of the ceilings for the rest of the period, a real possibility to revise them should be guaranteed;

Revising the ceilings

145. Insists that the degree of flexibility actually provided by the revision mechanism is dependent on the procedure for exercising it, and faces a general reluctance of the Council to using it; considers it essential -if the adjustment of expenditure ceilings is to remain a realistic option- that the future mechanisms for revision foresee a simplified procedure for changes under an agreed threshold; calls, in addition, for the possibility to increase the overall MFF ceiling to be maintained;

Ensuring sufficient margins and flexibility below the ceilings

146. Stresses the importance of ensuring sufficient reserves for each heading; notes with interest the Commission's proposal to establish a fixed percentage for margins; considers, however, that this option could provide better flexibility only if the future ceilings were set at a sufficiently high level, allowing for such additional room for manoeuvre;

147. Points out that flexibility below the ceilings should be enhanced in all possible ways and welcomes the Commission's proposals put forward in the Budget Review;

148. Considers important to maintain the possibility to front or backload spending within a heading's multi-annual envelope, to allow for countercyclical action and a meaningful response to major crises; considers, in this respect, that the current system of flexibility for legislative acts has worked sufficiently well in the current MFF; calls, therefore, for the flexibility threshold of 5 % above or below the amounts fixed under codecision to be maintained in the next MFF;

149. Is convinced that unused margins, de-committed and unused appropriations (both commitments and payments) in one year's budget should be carried over to the next year and constitute a global MFF margin to be attributed to the different headings according to their estimated needs; believes, therefore, that the money allocated to the EU budget should only be spent in this context and not returned to the Member States, as is currently the case;

150. Believes, in addition, that these proposals must be complemented by a reallocation flexibility to transfer between headings in a given year and by increased flexibility between sub-headings;

<sup>(1)</sup> OJ C 117 E, 6.5.2010, p. 95.

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151. Reiterates that the decision-making process must be designed so as to allow for the effective use of these instruments;

#### Flexibility mechanisms

152. Considers it crucial to maintain special instruments (Flexibility Instrument, European Globalisation Adjustment Fund, European Union Solidarity Fund, Emergency Aid Reserve), which can be mobilised on an ad-hoc basis, by further simplifying their use and providing them with sufficient envelopes, as well as by possibly creating new instruments in the future; stresses that the mobilisation of such additional sources of funding must abide by the Community method;

153. Considers that the European Globalisation Adjustment Fund (EGF) has been successful in providing EU solidarity and support to workers made redundant because of the adverse effects of globalisation and the global financial and economic crisis and should, therefore, be maintained under the new MFF; believes, however, that the procedures for implementing the support from the EGF are too time consuming and cumbersome; calls on the Commission to propose ways in which these procedures can be simplified and shortened for the future;

154. Believes that the Flexibility Instrument, which has been the most fully implemented of the flexibility mechanisms, has been essential in providing for additional flexibility; proposes to significantly increase the initial amount for the Flexibility Instrument, with a subsequent yearly increase over the period of the MFF, and to keep the possibility to carryover the portion of the unused annual amount up to year n+2;

155. Notes that in recent years the funds available to address urgent natural and humanitarian disasters have been insufficient; calls, accordingly, for a substantial increase of the envelope of the Emergency Aid Reserve as well as the possibility for a multi-annual mobilisation of the instrument;

#### *The duration of the MFF*

156. Underlines that the choice of the duration of the next MFF should strike the right balance between stability for programming cycles and implementation of individual policies, and the duration of the institutions' political cycles –in particular those in the European Commission and the European Parliament–; recalls that a longer period requires greater flexibility;

157. Believes that a 5-year cycle fully complies with the Parliament's expressed will to align, as much as possible, the MFF duration with the duration of the institutions' political cycles, for reasons of democratic accountability and responsibility; is concerned, however, that a 5-year cycle might be too short at this stage for policies which need a longer term programming (i.e. cohesion, agriculture, TENs) and would not fully comply with those policies' programming and implementation life cycle requirements;

158. Notes that the 10-year MFF, as proposed by the Commission in the Budget Review, could provide substantial stability and predictability for the financial programming period but, as the overall ceilings and the core legal instruments would be fixed for ten years, it will increase the rigidity of the MFF and render the adjustments to new situations extremely difficult; considers, however, that a 5+5 cycle could only be envisaged if an agreement on a maximum level of flexibility, including an obligatory mid-term review, was reached with the Council and enshrined in the MFF regulation;



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159. Takes the view that for the next MFF a 7-year cycle, set until 2020, should be the preferred transitional solution as it could provide for more stability by ensuring the continuity of the programmes for a longer period, and also make a clear link with the Europe 2020 strategy; stresses, however, that all options for the duration of the next MFF are subject to sufficient funding and an adequate and well-resourced flexibility within and outside the framework to avoid the problems encountered during the 2007-2013 period;

160. Believes that a decision on a new 7-year MFF should not pre-empt the possibility of opting for a 5 or 5+5 year period as of 2021; reiterates its conviction that a synchronisation of the financial programming with the mandate of the Commission and the European Parliament will increase democratic responsibility, accountability and legitimacy;

**Part V: Matching ambitions with resources: the link between expenditure and the reform of EU financing**

*Sufficient budgetary resources*

161. Is fully conscious of the difficult fiscal adjustments that many Member States are making to their national budgets and reiterates that achieving EAV and ensuring sound financial management -efficiency, effectiveness, economy- should be, more than ever, guiding principles of the EU budget;

162. Emphasises that regardless of realisable savings, the EU budget, at its current overall level of 1 % of GNI, is not capable of closing the financing gap deriving from additional financing needs arising from the Treaty as well as from existing policy priorities and commitments such as:

- the achievement of the Europe 2020 headline targets in the fields of employment, R&D, climate and energy, education and poverty reduction;
- the increase of research and innovation spending from currently 1,9 % of GDP to 3 % of GDP, adding up to approximately EUR 130 billion of public and private spending per year;
- the necessary investments in infrastructure;
- the essential fully-fledged and transparently calculated financing of large-scale projects adopted by the Council such as ITER and Galileo as well as the European space policy;
- the not yet quantifiable additional appropriations needed in the field of Common Foreign and Security Policy, including the European External Action Service and the European Neighbourhood Policy;
- the additional financing needs related to the future enlargement of the EU;
- the financing of the existing European Financial Stabilisation Mechanism and the European Stability Mechanism after 2013 in order to provide the Eurozone and the EU with the fiscal stability required in order to overcome the debt crisis;
- the financial effort related to the attainment of the Millennium Development Goals (MDG) to spend 0,7 % of GNI on development aid, i.e. around EUR 35 billion annually further to the current spending of 0,4 % of GNI;
- the pledges resulting from the Copenhagen and Cancun agreements aimed at helping developing countries combat climate change and adapt to its effects which should be new and additional to the commitments made under the MDG and amount by 2020 to 100 billion dollars annually around a third of which to be shouldered by the EU;

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163. Is therefore of the firm opinion that freezing the next MFF at the 2013 level, as demanded by some Member States, is not a viable option; points out that even with an increase of the level of resources for the next MFF of 5 % compared to the 2013 level<sup>(1)</sup> only a limited contribution can be made to the achievement of the Union's agreed objectives and commitments and the principle of Union solidarity; is, therefore, convinced that at least a 5 % increase of resources is needed for the next MFF; challenges the Council, in case it does not share this approach, to clearly identify which of its political priorities or projects could be dropped altogether, despite their proven European added value;

164. Reiterates that without sufficient additional resources in the post-2013 MFF, the Union will not be able to fulfil the existing policy priorities, namely linked to the Europe 2020 strategy, the new tasks provided for by the Treaty of Lisbon, let alone respond to unforeseen events;

165. Notes that the own resources ceiling has been unchanged since 1993; believes that the own resources ceiling might require some progressive adjustment as Member States confer more competences on, and fix more objectives for the Union; considers that while the current ceiling of own resources set unanimously by the Council<sup>(2)</sup> provides sufficient budgetary leeway to meet the most pressing Union challenges but that it would still be insufficient for the EU Budget to become a real tool for European economic governance or to contribute in a major way to investing in the Europe 2020 strategy at EU level;

#### A more transparent, simpler and fairer financing system

166. Recalls that according to the Treaty of Lisbon 'without prejudice to other revenue, the budget shall be financed wholly from own resources'; stresses that the way the system of own resources has evolved, gradually replacing genuine own resources by the so-called 'national contributions', places disproportionate emphasis on net-balances between Member States thus contradicting the principle of EU solidarity, diluting the European common interest and largely ignoring European added value; notes that, in practice, this state of affairs means that the size of the budget is affected by the financial circumstances of individual Member States, as well as their attitude towards the EU; strongly calls, therefore, for an in-depth reform of EU resources in order to realign the financing of the EU budget with the spirit and requirements of the Treaty;

167. Considers that the main aim of the reform is to achieve an autonomous, fairer, more transparent, simpler and equitable financing system, which can be better understood by the citizens, and make clearer their contribution to the EU budget; calls, in this context, for an ending of existing rebates, exceptions and correction mechanisms; is convinced that the introduction of one or several genuine own resources for the Union, in order to replace the GNI-based system, is indispensable if the Union is ever to get the budget it needs to significantly contribute to financial stability and economic recovery; recalls that any change on own resources should be implemented in compliance with fiscal sovereignty of Member States; insists, in this context, that the Union should be able to collect directly its own resources independently from the national budgets;

<sup>(1)</sup> 2013 level: 1,06 % of GNI; 2013 level + 5 %: 1,11 % of GNI; both in commitment appropriations at 2013 constant prices. These figures are based on the assumption of a 7 year MFF using the following estimates and forecasts by the Commission:

— DG BUDG's May 2011 forecast of 2012 GNI: EUR 13 130 916,3 million (2012 prices);  
— DG ECFIN's January 2011 estimate of GNI nominal growth of 1,4 % for 2011-2013 and 1,5 % for 2014-2020.

NB: Figures are subject to change in line with variations of the Commission's estimates and forecasts as well as with the reference year and type of prices used (current or constant).

<sup>(2)</sup> 1,23 % of the total GNI of the Member States in payment appropriations and 1,29 % in commitment appropriations

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168. Emphasises that the restructuring of the system of own resources as such does not concern the size of the EU budget but finding a more effective mix of resources to fund the agreed EU policies and objectives; points out that the introduction of a new system would not increase the overall tax burden for citizens, but instead reduce the burden on national treasuries;

169. Stresses that the European Parliament is the only parliament who has a say on the expenditures side but not on the revenues side; therefore emphasises the crucial need for a democratic reform of EU resources;

170. Takes note of the potential new own resources proposed by the Commission in its Communication on the Budget Review (taxation of the financial sector, auctioning under the greenhouse gas Emissions Trading System, EU charge related to air transport, VAT, energy tax, corporate income tax); awaits the conclusions of the impact analysis of these options, including a feasibility study on the various options for an EU Financial Transaction Tax, that should also examine the relevant collection mechanisms, in view of the presentation by the Commission of a legislative proposal by 1 July 2011;

171. Considers that an FTT could constitute a substantial contribution, by the financial sector, to the economic and social cost of the crisis, and to public finance sustainability; is of the opinion that an FTT could also contribute partially to the financing of the EU budget, as well as to lowering Member States' GNI contributions, and that the Union should also act as an exemplar in relation to the movement of funds towards fiscal havens;

#### ***Part VI: Towards a smooth and efficient interinstitutional negotiation process***

172. Recalls that, pursuant to the Treaty of Lisbon, the consent of the Parliament, given by a majority of its component members, is compulsory for the adoption of the MFF by the Council, acting unanimously;

173. Underlines the stringent majority requirements for both the Parliament and the Council and points to the importance of exploiting to the full the Treaty provision under Article 312(5) of the TFEU which requires the Parliament, the Council and the Commission, throughout the procedure leading to the MFF adoption, to take any measure necessary to this end; notes that this explicitly imposes upon the institutions the duty to carry out negotiations in order to find agreement on a text to which Parliament can give its consent; points out further that if no MFF has been adopted by the end of 2013, the ceilings and other provisions corresponding to the year 2013 shall be extended until such time as a new MFF is adopted;

174. Welcomes the commitment of the Council Presidencies<sup>(1)</sup> to ensure an open and constructive dialogue and collaboration with the Parliament during the whole procedure for the adoption of the future MFF and reaffirms its willingness to work in close cooperation with the Council and the Commission in full accordance with the provisions of the Treaty of Lisbon during the negotiating process;

175. Urges, consequently, the Council and the Commission to comply with the Treaty and to make every effort necessary to swiftly reach an agreement with the Parliament on a practical working method for the MFF negotiating process; reiterates the link between a reform of revenue and a reform of expenditure and demands, accordingly, a firm commitment by the Council to discuss in the context of the MFF negotiation the proposals on new own resources;

<sup>(1)</sup> Letter of Prime Minister Yves Leterme to President Buzek, 8 December 2010.

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176. Demands that a wide-ranging public debate on the purpose, scope and direction of the Union's MFF and the reform of its revenue system be opened at EU level; proposes, in particular, that a Convention-type conference on the future financing of the Union be convened, which must include Members of the European Parliament as well as of national parliaments;

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177. Instructs its President to forward this resolution to the Council, the Commission and the other institutions and bodies concerned, as well as to the national governments and parliaments of the Member States.

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## Sudan and South Sudan

P7\_TA(2011)0267

### European Parliament resolution of 9 June 2011 on Sudan and South Sudan: the situation after the 2011 referendum

(2012/C 380 E/14)

*The European Parliament,*

- having regard to its previous resolutions on Sudan,
  - having regard to the Comprehensive Peace Agreement (CPA) signed on 9 January 2005,
  - having regard to United Nations Security Council Resolution 1978 (2011),
  - having regard to the Declaration of the African Union of 31 January 2011,
  - having regard to the Council conclusions on Sudan of 31 January 2011 and to Council Decision 2011/315/EU <sup>(1)</sup> of 23 May 2011,
  - having regard to the UN Security Council Presidential Statement of 3 June 2011,
  - having regard to the declaration of 7 February 2011 by the Vice-President of the Commission/High Representative of the Union for Foreign Affairs and Security Policy, Catherine Ashton, on behalf of the European Union, on the final referendum results on Southern Sudan's self-determination, and the statement of 24 May 2011 by Baroness Ashton on the situation in Sudan,
  - having regard to the conclusions of the UN-backed consultations on the Darfur peace process, held in Doha, Qatar (27-31 May 2011),
  - having regard to the final statement by the European Union referendum observation mission, presented on 2 June 2011,
  - having regard to Rule 110(4) of its Rules of Procedure,
- A. whereas the Southern Sudan Referendum took place on 9-15 January 2011, with an overwhelming majority voting to establish an independent state of South Sudan,
  - B. whereas South Sudan is expected formally to declare its independence on 9 July 2011, which coincides with the end date of the CPA,
  - C. whereas, despite South Sudan's reserves of natural resources such as oil, copper and iron as well as forest and fertile land, the vast majority of its population lives in poverty, with one of the highest infant mortality rates and the lowest education indicators in the world, and whereas all of this will contribute to socio-economic, humanitarian and security challenges,
  - D. whereas some aspects of the CPA have not been implemented on time or have not yet been implemented, and considerable effort is needed to find agreement on post-referendum negotiations on issues such as the sharing of oil revenue, border demarcation, citizenship and the division of debts and assets,

<sup>(1)</sup> OJ L 142, 28.5.2011, p. 61.

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- E. whereas the referendum to determine whether Abyei will be part of North or South Sudan, which should have coincided with the referendum on South Sudan, has not taken place, and this has resulted in a severe escalation of violence in the area,
- F. whereas the status of disputed areas remains unsettled, and the situation in Abyei is worsening, causing the death of hundreds of people and the exodus of thousands, and leaving people vulnerable to food insecurity, disease and lack of access to basic services such as health care and drinking water,
- G. whereas the situation in Darfur remains a great source of concern and the UN Mission in Darfur recently reported bombardments by the Government, and the taking hostage of several aid workers in the region; whereas the mission regularly suffers harassment, kidnappings and general security threats,
1. Welcomes the peaceful and credible conduct of both Sudan and South Sudan in the 2011 Southern Sudan Referendum, the efforts by all parties to the CPA and the commitment they have demonstrated to it; views this as a crucial step in implementing the CPA and as a positive sign for the peaceful coexistence of both countries;
  2. Reiterates its full respect for the outcome of the referendum as the expression of the democratic will of the people of South Sudan; calls on both North and South Sudan actively to pursue the promotion of democratic governance and the establishment of long-term peace, security and prosperity for both countries, with respect for human, social and economic rights;
  3. Calls on the South Sudan authorities to promote the development of South Sudan as a modern, pluralistic, democratic state based on the rule of law and respecting human rights, in particular women's and children's rights, and the primacy of the right of citizens to choose their government through regular free elections, with protection of freedom of movement, freedom of association and freedom to express one's political views enshrined in both Constitution and law;
  4. Strongly condemns the deliberate attack on the UN Mission to Sudan (UNMIS) on 10 May 2011 in the Abyei area and denounces the militarisation of that area by both North and South Sudan; urges both parties to the CPA to continue to ensure the safety and security of all peoples in Sudan, in particular in the state of Abyei, without altering the demographic composition of the region; calls for both Sudanese and South Sudanese armed forces to withdraw from Abyei and for both sides to show restraint by engaging in an immediate constructive dialogue for a peaceful solution on the status of Abyei within the framework of the CPA;
  5. Underlines its support for the efforts of the African Union High-Level Implementation Panel on Sudan, under the leadership of Thabo Mbeki, to facilitate negotiations between the parties to the CPA, and the efforts of the UN Secretary-General's Special Representative for Sudan, Haile Menkerios, to mediate between the two sides in the Abyei region; reaffirms that the EU must be ready to provide any further assistance that is required;
  6. Urges all parties to the CPA to engage in a continued and constructive dialogue to address post-referendum issues including common borders, citizenship arrangements for citizens both north and south, the sharing of oil revenues and use of pipelines, and the holding of popular consultations in Blue Nile and Southern Kordofan;
  7. Underlines the importance of ensuring the effective and safe management of returnees to the south, in terms of transit, technical capacity (lack of urban planners and surveyors), infrastructure, the allocation of land and access to basic services;

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8. Welcomes the Council's announcement of 17 May 2011 that EUR 200 million would be allocated to South Sudan in addition to the EUR 150 million allocated last year to assist the most vulnerable populations throughout Sudan; points out that EU development aid is at the ready to assist both sides; stresses that the new money should be used to support basic services, notably education and health, agriculture, food security and institutional capacity-building; calls for the accession of South Sudan to the Cotonou Agreement as a matter of urgency and for the EU to take all steps necessary to ensure that funding from the European Development Fund becomes available as soon as possible;
  9. Emphasises that the EU must play a leading role at the South Sudan Pledging Conference later in 2011 and actively encourage other donors to do the same; calls on international creditors to alleviate Sudan's and South Sudan's international debt;
  10. Calls on the Government of South Sudan to enact policies on foreign investment in the interest of the population, so that foreign investment in natural resources benefits the development of the domestic economy in order to combat poverty; emphasises that the EU must do all it can to ensure that multinational entities and foreign enterprises operating in the region are sufficiently regulated and that they transparently declare their activities and revenues;
  11. Welcomes the UN Security Council decision to extend the mandate of UNMIS and to send additional peacekeeping forces to Sudan; considers that a continued UN presence is extremely valuable to the peaceful development of two viable states; calls on both Sudan and South Sudan to welcome the UN presence and ensure its safety;
  12. Stresses the importance of the EU maintaining its humanitarian aid for Sudan and South Sudan after 9 July 2011; encourages a substantial humanitarian presence and capacity in the region with adequate means to ensure the safety of humanitarian organisations;
  13. Welcomes the conclusions of the UN-backed consultations on the Darfur peace process; calls on all parties to abide by the ceasefire and cessation of hostilities agreements already signed; points out the importance of full transparency during negotiations on the Darfur and Abyei issues, as well as the general north-south dialogue; calls for the representation of all parties to the disputes, as well as civil society and political leaders at local, regional, national and international levels;
  14. Urges the Government of South Sudan to adopt a transparent, accountable and inclusive approach to governance through the constitutional review process; stresses that it is important for all political parties to work together to represent fully all the people of the country and help to build stable, democratic political institutions.
  15. Calls on both sides, in the run-up to independence day on 9 July 2011, to present concrete plans on the setting-up and/or reform of their institutions in order for the two States to be viable as of that date; calls for the EU delegations in Sudan and South Sudan proactively to circulate and implement the recommendations of the recent EU election and referendum observation missions;
  16. Instructs its President to forward this resolution to the Council, the Commission, the Vice-President of the Commission/High Representative of the Union for Foreign Affairs and Security Policy, the UN Security Council and Secretary-General and the EU Special Representative to South Sudan, the Government of Sudan, the Government of South Sudan, the African Union institutions and the Chair of the African Union High-Level Panel on Sudan, the ACP-EU Parliamentary Assembly and the governments of the EU Member States.
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**EU-Russia summit**

P7\_TA(2011)0268

**European Parliament resolution of 9 June 2011 on the EU-Russia summit**

(2012/C 380 E/15)

*The European Parliament,*

- having regard to the existing Partnership and Cooperation Agreement (PCA) between the European Communities and their Member States, of the one part, and the Russian Federation, of the other part <sup>(1)</sup>, and the negotiations initiated in 2008 on a new EU-Russia agreement, as well as to the 'Partnership for Modernisation' initiated in 2010,
- having regard to the objective shared by the EU and Russia, set out in the joint statement issued on 31 May 2003 following the 11th EU-Russia Summit held in St Petersburg, of creating a common economic space, a common space of freedom, security and justice, a common space of cooperation in the field of external security and a common space of research and education, including cultural aspects (the 'four common spaces'),
- having regard to its previous resolutions on Russia and on EU-Russia relations, in particular its resolutions of 17 February 2011 <sup>(2)</sup> on the rule of law, of 17 June 2010 <sup>(3)</sup> on the EU/Russia Summit, of 12 November 2009 <sup>(4)</sup> on the preparations for the EU-Russia Summit in Stockholm on 18 November 2009, of 17 September 2009 <sup>(5)</sup> on the murder of human rights activists in Russia and of 17 September 2009 <sup>(6)</sup> on external aspects of energy security,
- having regard to the EU-Russia human rights consultations and the latest meeting held in this context on 4 May 2011,
- having regard to the agreements signed and the joint statements issued at the EU-Russia Summit held in Rostov-on-Don from 31 May to 1 June 2010,
- having regard to the statement by the EU High Representative, Catherine Ashton, of 24 May 2011, on the Mikhail Khodorkovsky and Platon Lebedev case,
- having regard to the joint statement of the co-chairmen of the EU-Russia Parliamentary Cooperation Committee issued on 18 May 2011 in Sochi,
- having regard to the agenda of the EU-Russia Summit to be held in Nizhny Novgorod on 9-10 June 2011,
- having regard to Rule 110(4) of its Rules of Procedure,

<sup>(1)</sup> OJ L 327, 28.11.1997, p. 1.

<sup>(2)</sup> Texts adopted, P7\_TA(2011)0066.

<sup>(3)</sup> Texts adopted, P7\_TA(2010)0234.

<sup>(4)</sup> OJ C 271 E, 7.10.2010, p. 2.

<sup>(5)</sup> OJ C 224 E, 19.8.2010, p. 27.

<sup>(6)</sup> OJ C 224 E, 19.8.2010, p. 23.

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- A. whereas Russia, which is a permanent member of the UN Security Council, shares responsibility with the EU for maintaining global stability, and whereas enhanced cooperation and good-neighbourly relations between the EU and Russia are of major importance for the stability, security and prosperity of Europe and beyond; whereas it is important that the EU speaks with one voice and shows solidarity in its relations with the Russian Federation and bases those relations on mutual interests and common values,
  - B. whereas the conclusion of a Strategic Partnership Agreement between the EU and the Russian Federation remains of the utmost importance for the further development and intensification of cooperation between the two partners,
  - C. whereas the EU and Russia are mutually interdependent both economically and politically; whereas the European Union continues to be committed to further deepen and develop the relations between the EU and Russia, based on a deep-rooted commitment to democratic principles,
  - D. whereas concerns remain about Russia's respect for and protection of fundamental and human rights, the rule of law, independence of the judiciary, political control of the media, repressive measures taken against journalists and representatives of the opposition and the fairness of elections; whereas the Russian Federation is a full member of the Council of Europe and the Organisation for Security and Cooperation in Europe and has therefore committed itself to the principles of democracy and respect for human rights,
  - E. whereas the European Court of Human Rights has condemned the Russian Federation for serious human rights violations in many cases and judgments; whereas the implementation of the judgments remains insufficient,
  - F. whereas many challenges at international level, in particular with regard to the Middle East, Libya, Iran, terrorism, energy security, climate change and the financial crises, will not be overcome without responsible and cooperative relations with Russia,
  - G. whereas good-neighbourly relations, peace and stability in the common neighbouring countries are in the interest of both Russia and the EU; whereas almost three years after the conflict with Georgia, Russia still does not respect the agreements of 12 August and 8 September 2008 on the withdrawal of troops to the pre-conflict positions from the Georgian occupied provinces South Ossetia and Abkhazia and does not guarantee the European Union Monitoring Mission (EUMM) access to these territories,
1. Reaffirms its belief that Russia remains one of the European Union's most important partners in building strategic cooperation, sharing not only economic and trade interests but also the objective of acting closely together in Europe as well as at global level;
  2. Notes that the Summit in Nizhny Novgorod will focus on common challenges facing both the EU and Russia (such as the economic and financial crisis, the Partnership for Modernisation, WTO accession, energy and energy security-related issues, mobility and visa-free travel between the EU and Russia, international and regional issues, cooperation in crisis management, human rights and the rule of law);

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3. Calls on the EU and Russia to take the opportunity of the upcoming summit to intensify negotiations on a new Partnership and Cooperation Agreement to be concluded in due time, based on the mutual interdependence of the EU and Russia, and stresses its strong support for a comprehensive, legally binding agreement that concerns the political, economic and social system and therefore includes all areas related to democracy, the rule of law and respect for human rights, particularly fundamental rights, which should be an integral part of the agreement, provided that Russia is ready to take steps to enhance the rule of law and respect for human rights;
4. Reiterates its support for the Partnership for Modernisation; welcomes the initiative to issue a joint progress report but also stresses the need to agree on the next steps in line with results achieved so far in the context of the four European Union-Russia Common Spaces as well as with remaining gaps; supports especially the cooperation in the field of research and development and stresses that the four Common Spaces rely on the principle of reciprocity; calls therefore on the parties at the upcoming EU-Russia summit to take action to formulate concrete goals; stresses the importance of tackling the issues of an effective, independent functioning of the judiciary and stepping up the fight against corruption; stresses that the EU is prepared to contribute in every possible way to improve the effectiveness of an independent rule-of-law system in Russia; welcomes the fact that Russia has announced that it will sign the OECD Convention on Combating Bribery of Foreign Public Officials;
5. Hopes that the Summit will help to solve the last issues related to Russia's accession to the WTO, following the bilateral agreement in December 2010 between the EU and Russia on enabling the country to accede to the WTO; reiterates its support for Russia's accession, which will create a level playing field for business communities on both sides and will facilitate and liberalise trade in the global economy; calls on the Russian authorities to adopt a stable and fair legal framework to properly regulate business activity; stresses that a prerequisite for WTO accession is that Russia fulfils all WTO rules including renunciation of any protectionist measures, which includes the rectification of trade irritants, such as the Russia-Kazakhstan-Belarus customs union, which has led to higher consolidated tariffs;
6. Underlines that WTO membership and its implementation will help Russia to attract more foreign investment and diversify its economy through a regulatory framework which will increase investor confidence; calls on the Russian authorities not to misuse sanitary grounds for unjustified protectionist measures; calls on the Russian authorities on this basis to review the current ban on all imports of EU vegetables;
7. Takes note of the ongoing dialogue between the EU and Russia on further visa facilitation; reiterates its commitment to the long-term objective of visa-free travel between the EU and Russia, based on a step-by-step approach focused on substance and practical progress; welcomes the list of common steps (roadmap) for visa-free travel between Russia and the EU announced in May 2011; underlines that this dialogue should be in tune with the visa facilitation process concerning Eastern Partnership countries; recalls that both the EU and Russia must fully implement agreements which have been concluded; calls on the High Representative and the Commission to persuade Russia to cease issuing passports to residents of the occupied provinces of South Ossetia and Abkhazia; emphasises the necessity to prevent any breach of safety in Europe; calls for further cooperation on illegal immigration, improved controls at cross-border check-points and information exchange on terrorism and organised crime;
8. Stresses the importance of energy security and is of the opinion that Russia's energy policy vis-à-vis Member States and countries in the common neighbourhood will be a litmus test of the real seriousness of Russia's intention to follow the path of modernisation and democratisation; underlines that the supply of natural resources should not be used as a political tool; stresses that the principles of interdependence and transparency should be the basis of such cooperation, together with equal access to markets, infrastructure and investment; welcomes the interest also displayed on the Russian side in a legally binding energy framework; reiterates the EU's interest in a balanced trilateral EU-Russia-Ukraine solution for future gas supplies to

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the EU; calls for close cooperation between the EU and Russia over the supply of raw materials and rare earths, especially those that are considered critical, and calls in this context for respect for international rules, especially WTO rules;

9. Calls on the Council and the Commission to ensure that the principles of the Energy Charter and the Transit Protocol annexed thereto are included in a new Partnership Agreement between the EU and Russia to ensure a reliable and secure energy supply based on equal standards; welcomes the signature in February 2011 of an updated Early Warning Mechanism to further improve coordination in the event of supply or demand emergencies; welcomes the agreement to set up a Gas Advisory Forum which should provide input, including from industry, on developments in the Russian and European gas markets;

10. Urges the Russian Federation to step up its contribution to addressing climate change through domestic greenhouse gas reductions and especially by improving energy efficiency; calls for close cooperation between the EU and Russia with regard to the international negotiations on a comprehensive post-2012 climate policy framework under the UNFCCC and the Kyoto Protocol;

11. Expects that the participants in the EU-Russia summit will seek a joint commitment of the EU partners to the highest safety standards, ambitious stress-testing of nuclear power plants and enhanced international cooperation after the experience of the ongoing nuclear crisis at the plant in Fukushima; considers that this applies especially to Chernobyl-type nuclear reactors still in use;

12. Underlines that the Summit comes at a crucial time in the preparations for the State Duma elections and considers it important that these elections should be free and fair and based on the implementation of election standards set by the Council of Europe and OSCE; points out that some registration procedures for political parties and candidate lists have proved to be unjustified and therefore an obstacle to free and fair elections; expresses its disagreement with any restriction of the scope for opposition parties to register for the elections and calls on Russia to take action to implement election standards set by the Council of Europe and the OSCE; urges the Russian authorities to allow OSCE/Council of Europe long-term election observation at the earliest stage and calls on the HR/VP to insist on the establishment of a mission for this purpose;

13. Reaffirms the urgent need for Russia to implement fundamental principles of democracy, the rule of law, human rights and media freedom as a basis for cooperation; calls on Russia to take concrete action to improve its human rights record and to protect journalists, human rights activists, minorities and opposition representatives from violence and intimidation;

14. Welcomes the willingness of the Russian counterpart to engage in an open and constructive way on the major issues raised by the EU representatives at the Human Rights Consultation meeting of 4 May 2011; calls for the opening of this process to an effective input from the European Parliament and the State Duma, as well as the participation of relevant Russian authorities including the Ministry of Justice and the Ministry of Internal Affairs, and human rights NGOs, whether the dialogue takes place in Russia or in an EU Member State; underlines the need to maintain close contacts and support programmes for the development of civil society in Russia; expresses high concern about the status of NGOs and human rights defenders in Russia; welcomes the decision of the Russian Ministry of Foreign Affairs to appoint an Ambassador at Large for human rights dialogue;

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15. Reminds the Commission of the proposal, adopted by the European Parliament in the 2011 budget, to set up an EU-Russia civil society dialogue in connection with the biennial EU-Russia Summits; calls for the EU-Russia Civil Society Forum to be included in the framework of the Partnership for Modernisation;
16. Takes note with concern of the ruling handed down by the Russian appeal court against Mikhail Khodorkovsky and his business associate Platon Lebedev on 26 May 2011 as a continuation of politically motivated court decisions; condemns political interference with the trial; welcomes President Medvedev's decision to examine this case in the Presidential Human Rights Council; welcomes the European Court of Human Rights' ruling in this case accepting Khodorkovsky's claims of unlawful detention; takes note of President Medvedev's decision to start an investigation into the criminal charges against Sergey Magnitsky; encourages the investigation committee to publish an independent and thorough report as soon as possible; welcomes the convictions for the murders of Anastasiya Baburova and Stanislav Markelov, and calls on the Russian authorities to continue their work on this case; takes note of the arrest of the suspected assassin of Anna Politkovskaya;
17. Regrets that, contrary to Russia's obligations as a member of the Council of Europe to uphold freedom of assembly, peaceful citizens' gatherings continue to be banned and violently dispersed, including a gay pride march in Moscow for the sixth consecutive year, disregarding a final ruling made in April 2011 by the European Court of Human Rights; expects EU delegations and diplomats to actively implement the Toolkit to Promote and Protect the Enjoyment of All Human Rights by LGBT People in the future;
18. Draws attention to the need for Russia to urgently resolve the issue of the legal status of the large number of non-citizens in Russia;
19. Expresses its concerns regarding the fatal incidents in Nagorno-Karabakh and welcomes the joint statement of the G8 partners published on 26 May 2011 that stresses agreement on taking a decisive step towards a peaceful settlement of the conflict in Nagorno-Karabakh; calls on Russia to help to solve the conflict instead of delivering weapons to both parties to the conflict; urges the HR/VP to take steps to prevent a potential escalation of the conflict and calls for disincentives vis-à-vis any parties that breach the Bishkek ceasefire agreement;
20. Calls on Russia to respect the agreements it has signed, to fulfil all of the conditions under the Six-point Ceasefire Agreement and to immediately withdraw its troops from the occupied Georgian territories of South Ossetia and Abkhazia to the pre-conflict positions as well as to guarantee the European Union Monitoring Mission (EUMM) access to those territories;
21. Calls on Russia to take a constructive stance in the case of Transnistria and the negotiations about the conflict there, regards Transnistria as a test for EU-Russia mutual support in solving 'frozen conflicts' and, in this respect, calls for a resumption of the official 5+2 negotiations with the intention of arriving at a solution in the very near future (Meseberg initiative);
22. States that Russia, which has a veto power in the UN Security Council, must take up its responsibility in international crises and fully guarantee and respect the sovereignty of its neighbouring countries; in this respect urges Russia to refrain from putting pressure on Ukraine to join the Russia-Kazakhstan-Belarus customs union;

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23. Calls for further comprehensive dialogue between the Russian Federation and the United States on security issues, including the establishment of the missile defence shield;
24. Calls on the EU representatives at the EU-Russia Summit to raise all the issues referred to in this resolution;
25. Instructs its President to forward this resolution to the Council, the Commission, the governments and parliaments of the Member States, the Government and Parliament of the Russian Federation, the Council of Europe and the Organisation for Security and Cooperation in Europe.

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## Misleading business directories

P7\_TA(2011)0269

**European Parliament resolution of 9 June 2011 on misleading business directories (Petitions 0045/2006, 1476/2006, 0079/2003, 0819/2003, 1010/2005, 0052/2007, 0306/2007, 0444/2007, 0562/2007 and others)**

(2012/C 380 E/16)

*The European Parliament,*

- having regard to its resolution of 16 December 2008 on misleading directory companies (Petitions 0045/2006, 1476/2006, 0079/2003, 0819/2003, 1010/2005, 0052/2007, 0306/2007, 0444/2007, 0562/2007 and others) <sup>(1)</sup>,
  - having regard to Rules 115(5) and 110(2) of its Rules of Procedure,
- A. whereas Parliament has received more than 400 petitions concerning widespread misleading business practices by business directory companies affecting thousands of mostly small businesses in the European Union, with a significant financial impact; whereas Parliament continues to receive petitions and complaints about business directory companies,
  - B. whereas the misleading business practices in question typically consist in luring businesses, as well as professionals and non-profit entities, into being listed in a business directory free of charge; whereas signatories later discover that they have signed up to a contract with a fee,
  - C. whereas the business directory companies are often established in a different Member State from that of their victims, making it difficult for the latter to seek protection and/or redress from national authorities,
1. Regrets that Directive 2006/114/EC <sup>(2)</sup> on misleading and comparative advertising, which applies to business-to-business transactions, appears to be either insufficient in providing an effective remedy or inadequately enforced by Member States;
  2. Recalls that, although the Commission has no power to enforce the Directive directly against individuals or companies, it does have a duty to ensure that the Directive is adequately implemented by Member States;

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<sup>(1)</sup> OJ C 45 E, 23.2.2010, p. 17.

<sup>(2)</sup> OJ L 376, 27.12.2006, p. 21.

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3. Calls on the Commission to proactively verify Member States' transposition, implementation and national enforcement of Directive 2006/114/EC and take corrective action where needed;
4. Urges the Commission to speed up its activities with regard to revising and improving the Directive and other relevant legislation so as to put an end to the misleading practices of business directory companies as soon as possible, notably by specifically black-listing misleading practices by business directories;
5. Instructs its President to forward this resolution to the Commission.

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## Madagascar

P7\_TA(2011)0270

### European Parliament resolution of 9 June 2011 on the situation in Madagascar

(2012/C 380 E/17)

*The European Parliament,*

- having regard to Articles 8 and 9 of the Cotonou Agreement, concerning political dialogue and respect for human rights respectively,
- having regard to its previous resolutions on Madagascar, particularly those of 7 May 2009 <sup>(1)</sup> and 11 February 2010 <sup>(2)</sup>, and the ACP-EU Joint Parliamentary Assembly fact-finding mission to Madagascar of 10-11 July 2010,
- having regard to the statement of 19 November 2010 by the EU High Representative Catherine Ashton,
- having regard to the Swaziland Communiqué of 30 March 2009 and to the Livingstone decision of 31 March 2011 which, in paragraph 6, states that the solution in Madagascar needs to be democratic, consensual, inclusive and transparent,
- having regard to the Maputo Accords of 8 and 9 August 2009 and the Addis Ababa Additional Act of 6 November 2009, signed by the four leaders of the political groupings in Madagascar, these Accords having constitutional value as expressly agreed by the stakeholders and recognised by the international community,
- having regard to the suspension of Madagascar from the Southern African Development Community (SADC) and the African Union (AU),
- having regard to the sanctions decided by the African Union on 17 March 2010 and confirmed on 31 January 2011 against Mr Rajoelina and more than a hundred of his allies,
- having regard to the recent roadmap proposed by the mediation team of the SADC,
- having regard to the SADC Extraordinary Summit on Madagascar of 20 May 2011,
- having regard to Rule 122(5) of its Rules of Procedure,

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<sup>(1)</sup> OJ C 212 E, 5.8.2010, p. 111.

<sup>(2)</sup> OJ C 341 E, 16.12.2010, p. 72.



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- A. whereas the persistent political instability which has prevailed since the coup d'état has placed Madagascar in a precarious position from the socioeconomic, humanitarian and human rights points of view,
  - B. having regard to the commitments given at Maputo and Addis Ababa concerning power-sharing with the other political movements in Madagascar; whereas these accords also comprise a Charter of Values based on respect for fundamental principles and promotion, during the transition period, of non-violence, reconciliation and mutual respect,
  - C. whereas the present regime disrespects constitutional, democratic and fundamental rights enshrined in the Cotonou Agreement and international agreements,
  - D. whereas an open and independent inquiry into the deaths and excessive use of force during the demonstrations in 2009 needs to be started,
  - E. whereas the present illegal regime is monopolising executive, legislative and judicial powers and the media,
  - F. whereas the current process of negotiations under international mediation must continue in an inclusive manner,
  - G. whereas on 17 November 2010 the de facto authority organised an unfair constitutional referendum duly boycotted by the opposition and generally ignored by the international community which led to the adoption of a so-called new Constitution,
  - H. whereas on Monday, 6 July 2009 the European Union initiated a consultation process with Madagascar pursuant to Article 96 of the Cotonou Agreement, thus launching a dialogue intended to find appropriate solutions to the country's political problems,
  - I. whereas on 7 June 2010 the European Union decided to close the consultations with the Republic of Madagascar and adopted appropriate measures under Article 96 of the Cotonou Agreement – in this case suspension of aid,
  - J. whereas the aforementioned manifest assaults on democracy also led to the suspension of aid from the IMF and World Bank, suspension of the benefits of the AGOA (African Growth and Opportunity Act) and the imposition of targeted sanctions by the African Union,
  - K. whereas on 17 May 2011 the Co-Presidents of the ACP-EU Joint Parliamentary Assembly called for the establishment of a neutral, consensual and inclusive transitional government with a mission to launch a transparent and independent electoral process leading towards democratic elections monitored by the international community, as a first step towards a sustainable return to constitutional order,
  - L. whereas the population has less than USD 1 per day at its disposal and the income available to households makes it difficult for them to obtain basic foodstuffs, water, hygiene services, health and education; whereas the situation has deteriorated considerably since the beginning of the political crisis and on account of the drought and the numerous natural disasters which have struck the country in the past two years,
1. Reiterates its strong condemnation of the process by which Mr Rajoelina seized power and is maintaining his illegal and illegitimate regime, and remains concerned about the current situation in Madagascar;

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2. Condemns the many human rights violations and abuses by the current Malagasy security forces against their own population and calls for the dissolution of all political militia, for full respect for the civil, political, social and economic rights of all citizens and the restoration of the rule of law in Madagascar; calls for the immediate release of all political prisoners; calls for a safe return of exiles and political leaders;
3. Calls for the independent investigation of these acts, the aim of which should be to bring the perpetrators of human rights violations to justice;
4. Expresses its deepening alarm at the continuing illegal looting and export of precious timber, minerals and wildlife from national parks and protected areas, and the increasing threats to community management of biodiversity owing to the breakdown of order, and supports conservation groups and civil society in their continuing efforts to prevent the slide into environmental destitution and social disorder;
5. Regrets the failure of the Gaborone negotiations and calls for a satisfying exit strategy from the current deadlock situation in order to install a truly neutral, consensual and inclusive transitional government; takes note of the observations and recommendations made in the report to the Extraordinary Summit of the SADC; urges the next SADC Summit on 11 June 2011 to definitively put an end to the political deadlock and aim to serve the interests of the Madagascan people; urges all parties involved under the terms of the accords which have been signed to respect their commitments;
6. Stresses the urgent need for a return to constitutional order, which is a condition for the return to institutional normality in Madagascar, and urges a rapid move towards free, open and transparent elections which comply with democratic standards under the supervision of the international community;
7. Stresses that credibility, including the lawfulness of the electoral process, implies that all political movements and leaders can take part in these elections freely and unconditionally and have unimpaired access to the media;
8. Does not accept that the authorities which took power in an unconstitutional manner have the legitimacy to organise elections;
9. Recalls the decision announced by Mr Rajoelina not to stand in the future presidential elections;
10. Stresses the need and capacity of the Madagascan people to choose their future and exercise self-determination without any condition;
11. Stresses that the African Union confirmed, at its Summit on 31 January 2011, individual and selective sanctions agreed at the summit on 17 March 2010 against Mr Rajoelina and over a hundred other people who support the High Authority of the Transitional Government;
12. Calls on the European Union and the UN Security Council to continue to impose and extend sanctions on the regime until the political crisis is resolved according to the above considerations and in particular to extend to all their member countries the visa bans instituted by the African Union;
13. Stresses that Mr Rajoelina's government is not recognised either by the EU or by any member country of the International Contact Group-Madagascar;

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14. Supports the current efforts of the SADC and calls on the AU, the SADC and the international contact group to bring the transition process to a satisfactory conclusion;
15. Fully supports the EU's appropriate measures taken on 7 June 2010 after the conclusion of the consultation procedure under Article 96 of the Cotonou Agreement;
16. Urges the international community and the European Union to increase their humanitarian aid to the people of Madagascar; recalls that the gradual restoration of cooperation programmes with Madagascar is conditional on full respect for all democratic principles and fundamental freedoms;
17. Instructs its President to forward this resolution to the Vice-President/High Representative of the EU for Foreign Affairs and Security Policy, the Commission, the Council of the European Union, the ACP-EU Council, the Secretary-General of the United Nations, the SADC, President Joaquim Chissano and the Commission of the African Union.

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## **Guantánamo: imminent death penalty decision**

P7\_TA(2011)0271

### **European Parliament resolution of 9 June 2011 on Guantánamo: imminent death penalty decision**

(2012/C 380 E/18)

*The European Parliament,*

- having regard to the international, European and national instruments on human rights and fundamental freedoms and on the prohibition of arbitrary detention, enforced disappearances and torture, such as the International Covenant on Civil and Political Rights (ICCPR) of 16 December 1966 and the UN Convention against Torture and Other Cruel, Inhuman or Degrading Treatment or Punishment of 10 December 1984 and the relevant protocols thereto,
- having regard to United Nations General Assembly Resolutions 62/149 of 18 December 2007 calling for a moratorium on the use of the death penalty and 63/168 of 18 December 2008 calling for the implementation of General Assembly Resolution 62/149,
- having regard to its previous resolutions on the death penalty, in particular those of 7 October 2010 on the World Day against the death penalty <sup>(1)</sup> and of 10 July 2008 on the death penalty, particularly the case of Troy Davis <sup>(2)</sup>, on Guantánamo, in particular those of 13 June 2006 on the situation of prisoners at Guantanamo <sup>(3)</sup> and of 10 March 2004 on the Guantanamo prisoners' right to a fair trial <sup>(4)</sup>, and on the alleged use of European countries by the CIA for the transportation and illegal detention of prisoners, in particular that adopted on 14 February 2007 <sup>(5)</sup>,
- having regard to its resolution of 4 February 2009 on the return and resettlement of the Guantánamo detention facility inmates <sup>(6)</sup>,
- having regard to the letter sent by its President to the national parliaments on the follow-up by Member States to Parliament's resolution of 14 February 2007,

<sup>(1)</sup> Texts adopted, P7\_TA(2010)0351.

<sup>(2)</sup> OJ C 294 E, 3.12.2009, p. 80.

<sup>(3)</sup> OJ C 300 E, 9.12.2006, p. 136.

<sup>(4)</sup> OJ C 102 E, 28.4.2004, p. 640.

<sup>(5)</sup> OJ C 287 E, 29.11.2007, p. 309.

<sup>(6)</sup> OJ C 67 E, 18.3.2010, p. 91.

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- having regard to Protocol No 6 to the Convention for the Protection of Human Rights and Fundamental Freedoms of 28 April 1983, concerning the abolition of the death penalty,
- having regard to the Second Optional Protocol to the ICCPR, seeking to bring about the abolition of the death penalty, of 15 December 1989,
- having regard to Rule 122(5) of its Rules of Procedure,
- A. whereas the US Government intends to seek the death penalty at the forthcoming military commission trial of a Saudi Arabian man, Abd al-Rahim Hussayn Muhammed al-Nashiri, who is currently being held at the US detention facility in Guantánamo Bay; whereas to do so it needs the approval of an official known as the ‘convening authority’, and a decision is expected within weeks,
- B. whereas al-Rahim al-Nashiri has been in US custody for nearly nine years, and whereas, despite being named in an indictment submitted to a US federal court only months after his arrest in 2002, he was not brought promptly before a judicial authority and brought to trial without undue delay, as required by international law, and was instead detained in secret until being transferred to Guantánamo in 2006,
- C. whereas during nearly four years in CIA custody he was apparently held incommunicado, in solitary confinement, at undisclosed locations and was allegedly subjected to torture, including ‘water-boarding’,
- D. whereas on 20 April 2011 the US Department of Defense announced that Abd al-Rahim al-Nashiri had been charged under the Military Commissions Act of 2009 with, *inter alia*, ‘murder in violation of the law of war’, and ‘terrorism’ on the basis of his alleged leading role in the attack on the *USS Cole* in Yemen on 12 October 2000, in which 17 US sailors were killed and 40 others wounded, and in the attack on the French oil tanker *MV Limburg* in the Gulf of Aden on 6 October 2002, in which a crew member was killed,
- E. whereas the case of Abd al-Rahim al-Nashiri, a Saudi national, will be the first to be tried before a military commission since President Obama ordered the resumption of such trials, whereas no date has yet been set for his trial by military commission, and whereas the prosecution has recommended that the death penalty be an option at the trial, although this must be approved in advance by the ‘convening authority’ for the military commissions, an official appointed by the US Secretary of Defense,
- F. whereas the current convening authority has indicated that he is prepared to receive written submissions on the death penalty issue until 30 June 2011 and that he will make his decision after that,
- G. whereas the European Union is strongly committed to working towards securing moratoriums on the application of the death penalty by third countries, in the first instance, and the eventual abolition of the death penalty everywhere, and is striving to achieve universal acceptance of this principle,
- H. whereas international human rights law recognises that some countries retain the death penalty, but prohibits the imposition and carrying-out of a death sentence on the basis of a trial that has not met the highest standards of fairness,
- I. whereas it has already voiced its criticism and called on the US to review the military commissions system, as it fails to meet international standards regarding fair trials,

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- J. whereas in 2007 the UN Special Rapporteur on the promotion and protection of human rights and fundamental freedoms called on the US to abolish the military commissions, and whereas in 2009 the UN Special Rapporteur on extrajudicial, summary or arbitrary executions urged the US not to conduct any capital prosecutions before military commissions,
- K. whereas Abd al-Rahim al-Nashiri has alleged that for several months in 2002 and 2003 he was held in secret CIA detention in Poland and that he was tortured during this period, and whereas on 10 May 2011 he appealed to the European Court of Human Rights with the support of human rights NGOs,
- L. whereas notwithstanding the evidence that extremely serious human rights violations and crimes under international law, such as torture, ill-treatment, incommunicado detention and enforced disappearances, have taken place in the fight against terrorism, few people have been brought to justice in this connection, either in the US or in the EU,
1. Notes the close transatlantic relationship based on shared core values and respect for basic, universal and non-negotiable human rights, such as the right to a fair trial and the ban on arbitrary detention; welcomes the close transatlantic cooperation on a wide range of international human rights issues;
  2. Reiterates its indignation and outrage at all mass terrorist attacks, and its solidarity with the victims of such attacks and its sympathy for the pain and suffering of their families, friends and relatives; reiterates, however, that the fight against terrorism cannot be waged at the expense of established basic shared values, such as respect for human rights and the rule of law;
  3. Reiterates its long-standing opposition to the use of torture and ill-treatment and to the death penalty in all cases and under all circumstances, and emphasises once again that the abolition of the death penalty contributes to the enhancement of human dignity and the progressive development of human rights;
  4. Calls on the US authorities not to impose the death penalty on Abd al-Rahim al-Nashiri, and calls on the High Representative, Catherine Ashton, the Council Presidency, the Commission and the Member States to raise the issue as a matter of urgency with the US authorities and to make strong representations to the US in an effort to ensure that Abd al-Rahim al-Nashiri is not executed;
  5. Reiterates its call to the US authorities to review the military commissions system to ensure fair trials, to close Guantánamo, to prohibit in any circumstances the use of torture, ill-treatment, incommunicado detention, indefinite detention without trial and enforced disappearances, and reminds the EU institutions and Member States of their duty not to collaborate in, or cover up, such acts prohibited by international, European and national law;
  6. Views with regret the US President's decision of 7 March 2011 to sign the executive order on detention and the revocation of the ban on military tribunals; is convinced that normal criminal trials under civilian jurisdiction are the best way to resolve the status of Guantánamo detainees; insists that Mr al-Nashiri, and all other detainees in US custody, should be charged promptly and tried in accordance with international standards of the rule of law or else released; emphasises, in this context, that the same standards concerning fair trials should apply to all, without discrimination;

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7. Calls on the EU and Member States authorities, as well as the US authorities, to ensure that full, fair, effective, independent and impartial inquiries and investigations are carried out into human rights violations and crimes under international, European and national law, and to bring to justice those responsible, including in the framework of the CIA extraordinary renditions and secret prisons programme;
8. Welcomes the fact that a number of Member States have accepted Guantánamo detainees for resettlement, and calls on more Member States to cooperate with the US Government to this effect;
9. Instructs its President to forward this resolution to the Convening Authority for Military Commissions, the US Secretary of State, the US President, the US Congress and Senate, the Vice-President of the Commission/High Representative of the Union for Foreign Affairs and Security Policy, the Council, the Commission, the governments and parliaments of the EU Member States, the UN Secretary-General, the President of the UN General Assembly and the governments of the UN member states.

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### **Ukraine: the cases of Yulia Tymoshenko and other members of the former government**

P7\_TA(2011)0272

#### **European Parliament resolution of 9 June 2011 on Ukraine: the cases of Yulia Tymoshenko and other members of the former government**

(2012/C 380 E/19)

*The European Parliament,*

- having regard to its previous resolutions on Ukraine, in particular its resolution of 25 November 2010 <sup>(1)</sup>,
- having regard to the Partnership and Cooperation Agreement (PCA) between the European Union and Ukraine, which entered into force on 1 March 1998, and to the ongoing negotiations on the association agreement designed to replace the PCA,
- having regard to the EU-Ukraine Association Agenda, which replaces the Action Plan and was endorsed by the EU-Ukraine Cooperation Council in June 2009,
- having regard to the Commission communication of 12 May 2010 entitled ‘Taking stock of the European Neighbourhood Policy’ (COM(2010)0207) and to the progress report of 25 May 2011 on implementation of the European Neighbourhood Policy,
- having regard to the statement made by its President on the detention of Yulia Tymoshenko on 24 May 2011,
- having regard to the statement made on 26 May 2011 by the spokesperson of EU High Representative Catherine Ashton on the case of Yulia Tymoshenko,
- having regard to the statement made by Commissioner Štefan Füle on 24 March 2011, following his meeting with Yulia Tymoshenko,
- having regard to the bill on preventing and tackling corruption that was adopted by the Verkhovna Rada on 7 April 2011 and will come into effect on 1 July 2011,
- having regard to Rule 122(5) of its Rules of Procedure,

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<sup>(1)</sup> Texts adopted, P7\_TA(2010)0444.

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- A. whereas the EU favours a stable and democratic Ukraine that respects the principles of a social market economy, the rule of law, human rights and the protection of minorities and that guarantees fundamental rights; whereas domestic political stability, a focus on internal reform and respect for the rule of law, incorporating fair, impartial and independent legal processes, in Ukraine are prerequisites for the further development of relations between the EU and Ukraine; whereas the Eastern Partnership encompasses all these principles,
- B. whereas a comprehensive reform of the judiciary and measures to ensure respect for the rule of law in criminal investigations and prosecutions, including the principle of fair, impartial and independent judicial proceedings, has not yet been implemented in Ukraine,
- C. whereas corruption and abuse of power remain widespread in Ukraine and require an unequivocal response by the authorities in bringing those responsible to justice; whereas prosecutions and investigations must be impartial and independent and must not be used for political ends,
- D. whereas on 24 May 2011 the Prosecutor General's Office in Ukraine completed the investigation into the case against Yulia Tymoshenko, former Prime Minister of Ukraine, and brought charges of abuse of power in connection with the conclusion of gas contracts with the Russian Federation in 2009,
- E. whereas on 21 February 2011 two criminal proceedings against Yulia Tymoshenko were combined into one case in which she is accused of embezzling funds from the sale of greenhouse-gas emission quotas under the Kyoto Protocol and of misappropriating UAH 67 million that has been allocated from Ukraine's State budget, under a government guarantee to the Austrian Government, for the purchase and import of 1 000 Opel Combo vehicles ostensibly to be used for medical purposes in rural areas while she was prime minister,
- F. whereas, since the launch of the investigations on 15 December 2010, Yulia Tymoshenko has been interrogated 44 times, a travel ban has been imposed on her, both domestically and internationally, for nearly six months, she has been prevented by the Ukrainian authorities from travelling inside Ukraine on four occasions, as well as from travelling to Brussels in February and in June, and she was summoned and questioned on 25 May 2011 for several hours before being released,
- G. whereas 12 former high-ranking officials from the Tymoshenko government are in pre-trial detention, including the former Interior Minister, Yuri Lutsenko, one of the leaders of the People's Self-Defence Party, who has been charged with abuse of office and misappropriation of funds and was arrested on 26 December 2010 for alleged non-cooperation with the prosecution, and the former First Deputy Minister of Justice, Yevhen Korniyuchuk, who was arrested on 22 December 2010 on charges of breaking the law in connection with public procurement procedures for legal services,
- H. whereas Mr Lutsenko was not released from pre-trial detention when his trial opened on 23 May 2011, despite the fact that detention for alleged non-cooperation in the investigation of his case is an extremely disproportionate measure,
- I. whereas a preliminary report of the Danish Helsinki Committee for Human Rights on the Lutsenko and Korniyuchuk trials has listed massive violations of the European Convention on Human Rights,
- J. whereas criminal proceedings have been started against the former Economy Minister, Bohdan Danylyshyn, who fled Ukraine and has been granted political asylum in the Czech Republic; whereas the former Environment Minister, Georgy Filipchuk, and the former Acting Defence Minister, Valery Ivashchenko, also face criminal charges,



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- K. whereas the former speaker of the Crimean Parliament, Anatoliy Grytsenko (Party of Regions), was detained on 24 January 2011 and accused of an abuse of power involving the giving away of 4 800 hectares of land illegally; whereas another criminal case was later opened, involving land fraud in connection with resort land in Yalta,
- L. whereas the Prosecutor General's Office has also opened a criminal investigation for abuse of power against the former President of Ukraine, Leonid Kuchma,
- M. whereas the Constitution of Ukraine provides for collective responsibility for the decisions that the Ukrainian Government makes,
- N. whereas the EU continues to emphasise the need for respect to be shown for the rule of law, incorporating fair, impartial and independent legal processes, while avoiding the danger of giving rise to any perception that judicial measures are being used selectively; whereas the EU considers these principles especially important in a country which aspires to enter into a deeper contractual relationship based on a political association,
1. Stresses the importance of ensuring the utmost transparency in investigations, prosecutions and trials, and warns against any use of criminal law as a tool to achieve political ends;
  2. Is concerned about the increase in selective prosecution of figures from the political opposition in Ukraine as well as the disproportionality of measures applied, particularly in the cases of Ms Tymoshenko and Mr Lutsenko, former Interior Minister, and notes that Mr Lutsenko has been in custody since 26 December 2010; expresses its support for the Ukrainian Human Rights Commissioner, Nina Karpachova, who has asked the Ukrainian Prosecutor General to consider the possibility of applying preventive measures that do not involve detention;
  3. Reminds the Ukrainian authorities that the principle of collective responsibility for the decisions of the government does not permit the prosecution of individual members of the government for decisions that were taken collegially;
  4. Stresses that ongoing investigations of prominent Ukrainian political leaders should not preclude them from actively participating in the political life of the country, meeting voters and travelling to international meetings; calls, therefore, on the Ukrainian authorities to lift the travel ban, both domestically and internationally, on Yulia Tymoshenko and other key political figures;
  5. Underlines the fact that strengthening of the rule of law and a credible fight against corruption are essential not only for the conclusion of the Association Agreement and the deepening of EU-Ukraine relations in general, but also for the consolidation of democracy in Ukraine;
  6. Calls on the Commission to assist the reform of the judiciary in Ukraine by making better use of the EU capacity building programme and to consider the creation of a High Level EU Advisory Group to Ukraine to assist the country in its efforts to come into line with EU legislation, including as regards the judiciary;
  7. Instructs its President to forward this resolution to the Council, the Commission, the EEAS, the Member States, the President, Government and Parliament of Ukraine and the Parliamentary Assemblies of the Council of Europe and of the OSCE.
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## **Combating corruption in European Sport**

P7\_TA(2011)0273

### **Declaration of the European Parliament of 9 June 2011 on combating corruption in European Sport**

(2012/C 380 E/20)

*The European Parliament,*

- having regard to the seventh indent of Article 165(2) of the Treaty on the Functioning of the European Union, which states that Union action shall be aimed at developing the European dimension in sport, by promoting fairness and openness in sporting competitions,
- having regard to Rule 123 of its Rules of Procedure,
- A. recognising the very important social and financial impact of European sport on citizens and enterprises in the Union,
- B. whereas according to the White Paper on Sport (COM(2007)0391) corruption problems with a European dimension need to be tackled at European level and the Commission will continue to monitor the implementation of EU anti-money laundering legislation in the Member States with regard to the sport sector,
  1. Calls on the Commission to coordinate, together with Member States, a large-scale study on corruption incidents in European sport, consulting all relevant stakeholders;
  2. Calls on the Commission and the Member States to highlight specifically links between organised crime activity and legal and illegal betting, sport agents, referees, club officials and sportsmen and women, that aim to fix the results of European sport matches in advance;
  3. Calls on the Commission to regulate online betting, in the interests of the integrity and sustainable development of European sport, through licensed operators, specific measures to combat match-fixing and ensuring a fair return to grassroots sport through the recognition of a betting right to sports competition organisers;
  4. Instructs its President to forward this declaration, together with the names of the signatories <sup>(1)</sup>, to the Commission and the Parliaments of the Member States.

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<sup>(1)</sup> The list of signatories is published in Annex 1 to the Minutes of 9 June 2011 (P7\_PV(2011)06-09(ANN1)).

## **Work of the Committee on Missing Persons in Cyprus**

P7\_TA(2011)0274

### **Declaration of the European Parliament of 9 June 2011 on the work of the Committee on Missing Persons in Cyprus**

(2012/C 380 E/21)

*The European Parliament,*

- having regard to Rule 123 of its Rules of Procedure,

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- A. whereas during the 1963-1964 intercommunal fighting, and thereafter with the 1974 Turkish invasion of Cyprus, around 2 000 individuals from both the Greek and Turkish Cypriot communities were reported as missing,
- B. whereas the whereabouts and fate of many of these individuals are still unknown,
- C. whereas the Committee on Missing Persons in Cyprus (CMP), which is supported financially by the United Nations, the European Commission and other donors, works to establish the fate of those reported missing,
1. Fully endorses the work of the CMP and recognises its post-conflict role in promoting truth, remembrance and reconciliation in Cyprus;
  2. Calls on the European Commission to continue to allocate sufficient resources to the CMP to enable it to fulfil its important mandate;
  3. Calls on the Governments of Turkey and Cyprus to continue to support the CMP's work, to redouble efforts to account for those individuals still listed as missing and to ensure that all information that could facilitate the mission of the CMP is made freely available to it;
  4. Instructs its President to forward this declaration, together with the names of the signatories <sup>(1)</sup>, to the Council, the Commission, the parliaments of the Member States and the Committee on Missing Persons in Cyprus.
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<sup>(1)</sup> The list of signatories is published in Annex 2 to the Minutes of 9 June 2011 (P7\_PV(2011)06-09(ANN2)).

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RECOMMENDATIONS  
EUROPEAN PARLIAMENT

**66th Session of the United Nations General Assembly**

P7\_TA(2011)0255

**European Parliament recommendation of 8 June 2011 to the Council on the 66th Session of the United Nations General Assembly (2011/2030(INI))**

(2012/C 380 E/22)

*The European Parliament,*

- having regard to the Treaty on European Union (TEU), in particular Article 34 thereof,
- 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's priorities for the 66th Session of the United Nations General Assembly (B7-0072/2011),
- having regard to its recommendation of 25 March 2010 to the Council on the 65th Session of the United Nations General Assembly <sup>(1)</sup>,
- having regard to the EU's priorities for the 65th United Nations General Assembly adopted by the Council on 25 May 2010 <sup>(2)</sup>,
- having regard to the 65th United Nations General Assembly (UNGA), in particular that body's resolutions on 'International cooperation on humanitarian assistance in the field of natural disasters, from relief to development' <sup>(3)</sup>, 'Situation of human rights in the Islamic Republic of Iran' <sup>(4)</sup>, 'Situation of human rights in the Democratic People's Republic of Korea' <sup>(5)</sup>, 'Promotion of a democratic and equitable international order' <sup>(6)</sup>, 'Promotion of peace as a vital requirement for the full enjoyment of all human rights by all' <sup>(7)</sup>, 'Enhancement of international cooperation in the field of human rights' <sup>(8)</sup>, 'Operational activities for development of the United Nations system' <sup>(9)</sup>, 'Role of the United Nations in promoting development in the context of globalisation and interdependence' <sup>(10)</sup>, 'Towards a New International Economic Order' <sup>(11)</sup>, 'Cooperation between the United Nations, national parliaments and the Inter-Parliamentary Union' <sup>(12)</sup>, 'The United Nations in global governance' <sup>(13)</sup>, 'Towards a nuclear-weapon-free world: accelerating the implementation of nuclear disarmament

<sup>(1)</sup> OJ C 4 E, 7.1.2011, p. 49.

<sup>(2)</sup> Council of the European Union 10170/2010.

<sup>(3)</sup> United Nations General Assembly Resolution A/RES/65/264.

<sup>(4)</sup> United Nations General Assembly Resolution A/RES/65/226.

<sup>(5)</sup> United Nations General Assembly Resolution A/RES/65/225.

<sup>(6)</sup> United Nations General Assembly Resolution A/RES/65/223.

<sup>(7)</sup> United Nations General Assembly Resolution A/RES/65/222.

<sup>(8)</sup> United Nations General Assembly Resolution A/RES/65/218.

<sup>(9)</sup> United Nations General Assembly Resolution A/RES/65/177.

<sup>(10)</sup> United Nations General Assembly Resolution A/RES/65/168.

<sup>(11)</sup> United Nations General Assembly Resolution A/RES/65/167.

<sup>(12)</sup> United Nations General Assembly Resolution A/RES/65/123.

<sup>(13)</sup> United Nations General Assembly Resolution A/RES/65/94.

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- commitments' <sup>(1)</sup>, 'Review of the United Nations peacebuilding architecture' <sup>(2)</sup>, and 'Keeping the promise: united to achieve the Millennium Development Goals' <sup>(3)</sup>,
- having regard to the draft resolution of 14 September 2010 <sup>(4)</sup> and the resolution of 3 May 2011 <sup>(5)</sup> of the UNGA on the participation of the European Union in the work of the United Nations,
  - having regard to the 2010 Review Conference of the Parties to the Treaty on the Non-Proliferation of Nuclear Weapons (NPT), and to the reviews of the MDGs, the Peacebuilding Commission (PBC) and the Human Rights Council (HRC),
  - having regard to the report submitted by the co-facilitators on the review of the Peacebuilding Commission entitled 'Review of the United Nations peacebuilding architecture' <sup>(6)</sup>,
  - having regard to the new UN Gender Entity (UN Entity for Gender Equality and Women's Empowerment - UN Women),
  - having regard to the resolution of the United Nations Human Rights Council (UNHRC) on 'Promoting human rights and fundamental freedoms through a better understanding of traditional values of humankind' adopted on 24 March 2011 and to the EU's negative standpoint on that resolution,
  - having regard to the preliminary list of items to be included in the provisional agenda of the 66th regular session of the UNGA <sup>(7)</sup>,
  - having regard to its resolution of 10 March 2011 on the priorities of the 16th Session of the UNHRC and the 2011 review <sup>(8)</sup>,
  - having regard to its resolution of 15 December 2010 on the future of the EU-Africa strategic partnership following the 3rd EU-Africa Summit <sup>(9)</sup>,
  - having regard to its resolution of 25 November 2010 on the climate change conference in Cancun (COP16) <sup>(10)</sup>,
  - having regard to its resolution of 25 November 2010 on the 10th anniversary of UN Security Council Resolution 1325 (2000) on Women, Peace and Security <sup>(11)</sup>,
  - having regard to its resolution of 23 November 2010 on civilian-military cooperation and the development of civilian-military capabilities <sup>(12)</sup>,
  - having regard to its resolution of 9 June 2005 on the reform of the United Nations <sup>(13)</sup>,
  - having regard to Rules 121(3) and 97 of its Rules of Procedure,
  - having regard to the report of the Committee on Foreign Affairs and the opinion of the Committee on Development (A7-0189/2011),

<sup>(1)</sup> United Nations General Assembly Resolution A/RES/65/59.

<sup>(2)</sup> United Nations General Assembly Resolution A/RES/65/7.

<sup>(3)</sup> United Nations General Assembly Resolution A/RES/65/1.

<sup>(4)</sup> United Nations General Assembly Draft Resolution A/RES/64/L.67.

<sup>(5)</sup> United Nations General Assembly Resolution A/RES/65/276.

<sup>(6)</sup> United Nations General Assembly Resolution A/64/868-S/2010/393, annex.

<sup>(7)</sup> United Nations General Assembly document A/66/50.

<sup>(8)</sup> Texts adopted, P7\_TA(2011)0097.

<sup>(9)</sup> Texts adopted, P7\_TA(2010)0482.

<sup>(10)</sup> Texts adopted, P7\_TA(2010)0442.

<sup>(11)</sup> Texts adopted, P7\_TA(2010)0439.

<sup>(12)</sup> Texts adopted, P7\_TA(2010)0419.

<sup>(13)</sup> OJ C 124 E, 25.5.2006, p. 549.

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- A. whereas a major transformation of the international order is taking place, challenging the European Union to engage more actively with current and emerging world powers and with other bilateral and multilateral partners in order to promote effective solutions to problems which affect both EU citizens and the world at large,
- B. whereas the EU should play a proactive part in building a United Nations that can effectively contribute to global solutions, peace and security, democracy and a rule-of-law-based international order; whereas, in accordance with Article 21 of the TEU, the EU is formally committed to effective multilateralism with a strong UN at its core, which is essential in order to address global challenges, such as climate change and environmental degradation, the universality and indivisibility of human rights, poverty reduction and development for all, the consequences of demographic change and migration and international organised crime,
- C. whereas the EU is facing many challenges in a rapidly changing world which require a concerted international response; whereas, in this endeavour, the EU can draw on effective multilateralism, universal values of human rights, on an open world economy based on internationally-agreed transparent and equitable rules and on its unique range of instruments,
- D. whereas new permanent structures were created by the Lisbon Treaty for the EU's external representation and, as a result, the new EU representatives are required to take over functions previously carried out by the rotating Presidency of the EU,
- E. whereas Article 34 TEU obliges the EU Member States to coordinate their action in international organisations and at international conferences, and, further, obliges those Member States which are also members of the UN Security Council (UNSC) to 'concert and keep the other Member States and the High Representative fully informed' and 'to defend the positions and the interests of the Union'; whereas the Member States that currently belong to the UNSC (France, the United Kingdom, Portugal and Germany) failed to act in concert and come up with a common position vis-à-vis military intervention in Libya, in particular in the context of the vote on UNSC Resolution 1973,
- F. whereas Article 47 TEU confers legal personality on the Union, implying rights and responsibilities under international law; whereas the EU shares the purposes and respects the principles of the United Nations Charter; whereas the Lisbon Treaty as a whole enables the Union to take on an international role commensurate with its prominent economic status and its ambitions and to fulfil the role of global player, as outlined in the 2003 European Security Strategy, competent to share responsibility for global security and to take the lead in defining common multilaterally-agreed responses to common challenges in a more unified way; whereas the Union must identify its strategic interests and objectives clearly if it is to act effectively,
- G. whereas global partnerships are instrumental in achieving jointly identified global goals; whereas the EU is the world's largest provider of development aid and a major partner of the UN in its efforts across all three pillars of its work, including in crisis and post-crisis situations, and the Member States' contribution amounts to 38 % of the UN's regular budget; whereas a solid and stable EU-UN partnership is fundamental to the work of the United Nations and key to the EU's role as a global actor,
- H. whereas the establishment of the European External Action Service (EEAS) should significantly contribute to the further implementation of UNSC Resolutions 1325 and 1820 and subsequent resolutions, through both its internal structure and its external actions and policies,
- I. whereas following the recommendation by the UNHRC, on 1 March 2011 the UNGA voted in favour of suspending Libya's membership of the UNHRC,

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- J. whereas more determined efforts to combat terrorism in the world have increased the need to address security whilst fully respecting human rights and fundamental freedoms,
1. Addresses the following recommendations to the Council:

***The European Union in the United Nations system***

- (a) to advance effective multilateralism as the overriding strategic concern of the Union and to strengthen the coherence and visibility of the EU as a global actor at the UN, *inter alia* by better coordinating internal EU consultations on UN issues and by promoting greater outreach on a wide range of issues; to authorise the Vice-President/High Representative (VP/HR) to draft guidelines for regular consultations between the ambassadors of the Member States and the EU ambassadors, especially between those working at a multilateral level in places like Geneva and New York, so that the EU can successfully pursue its UN agenda and meet the expectations of UN members regarding its ability to act; to foster greater cohesion both within the UN system and between the positions of EU Member States and candidate and potential candidate countries, so as to maximise the potential offered by the Lisbon Treaty to strengthen the EU's impact through the coordinated and strategic use of its various and distinct (EU and Member States) entry points; to enhance its ability to negotiate with other regional groups in a timely manner; to provide the EU representatives with a proper mandate to negotiate effectively on behalf of the Member States,
- (b) to make full use of the provisions contained in UNGA resolution A/RES/65/276 on the EU's participation in the work of the United Nations, which makes the necessary arrangements for the EU to participate effectively in the work of the UNGA; to reconfirm its commitment that the UN is at the centre of the EU's foreign policy and to reiterate the view that its effective participation in the work of the UN is not only an EU strategic priority, but also consistent with achieving the UN's goals and, as such, in the interests of all UN members; to improve EU Member State coordination in the UNSC and to encourage Member States which are also members of the UNSC, and in accordance with Article 34 (2) TEU, to invite the VP/HR to represent the EU in the UNSC whenever a common position has been defined,
- (c) to seek better prioritisation and transmission channels between Brussels and the EU Delegation in New York, including more enhanced cooperation with the Political and Security Committee and a clearer and more structured system for the provision of support by EU institutions in Brussels,
- (d) to engage with the EU's strategic partners within the UN system; further, to give the strategic partnerships a multilateral dimension by including global issues on the agendas for the EU's bilateral and multilateral summits,

***The EU and global governance***

- (e) to enhance global governance and to seek sustainable solutions to the issue of the relationship between the G-formations and the UN system, on which basis thematic debates and the economic dimension could usefully be covered by those groups, provided that the UN retains its central role and remains the legitimate body for global governance; at the same time, to consider the G8 and G20 as important forums for the definition of global responses to which the EU must actively contribute through coordinated positions; to support the UNGA President's initiative to organise General Assembly debates with the G20 Presidency before and after G20 summits,



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- (f) to contribute to the operationalisation of the new single composite gender architecture replacing the four existing UN gender entities within the framework of the ongoing system-wide coherence (SWC) process; to fully support and advocate an adequate budget for UN Women so that this body can fulfil its role of promoting gender equality and to protect and empower women, including in conflict and post-crisis situations, working in close coordination with other parts of the UN system, and to maintain close contacts with this organisation; to apply gender mainstreaming in all the crisis preparedness actions of the Instrument for Stability (IFS),
- (g) to contribute to improving the efficiency and transparency of the UN and enhancing the management of the UN's financial resources,
- (h) to use the first ever negotiation text on the reform of the UNSC as an opportunity to focus in a comprehensive manner on points of convergence and to achieve tangible progress regarding the clarification of the UNSC's competences in relation to other UN bodies, the addition of members so as to improve the UNSC's representativeness and legitimacy, and the review of the UNSC's working methods; to emphasise the need for a comprehensive reform of the UNSC in order to strengthen its legitimacy, regional representation and effectiveness; to promote a reform process that can be irreversibly launched by EU Member States if, in keeping with the aims of the Lisbon Treaty as regards enhancing EU foreign policy and the role of the EU in global peace, security and regulation, they demand a permanent seat for the EU in an enlarged and reformed UNSC; to urgently take the initiative to bring Member States to develop a common position with that purpose; until such a common position is adopted, to agree to the introduction, without delay, of a rotation system in the UNSC, so as to secure a permanent seat for the EU in the UNSC,
- (i) to strengthen the role of the International Criminal Court (ICC) and the international criminal justice system, to promote accountability, to put an end to impunity and to further promote the important work of the ICC as the only permanent and independent judicial institution with jurisdiction over the most serious crimes which are matters of international concern, covering genocide, crimes against humanity and war crimes; to encourage a strong and close relationship between the ICC and the UN in line with Article 2 of the Rome Statute, and to encourage the ratification of the Rome Statute by all UN member states,

***Peace, security and justice****Crisis prevention and management, mediation, peacekeeping and peacebuilding*

- (j) to strengthen the crisis-prevention structures and their effectiveness within the United Nations Development Programme (UNDP) with a view to transforming this organisation into a global leader in crisis prevention and recovery; to strengthen the EU's conflict-prevention structures and to improve cooperation in this area with the UN, the OSCE, the African Union (AU) and other international and regional organisations as well as with civil society, economic actors, private businesses, individuals and expert organisations,
- (k) to work towards achieving consensus on and developing a more operational approach to the doctrine of the Responsibility to Protect (RtoP); whilst stressing its importance in preventing and bringing about peaceful mediation of conflicts, to encourage the implementation of RtoP, *inter alia* by further refining mechanisms for applying it and by strengthening the role of regional organisations such as the AU and the Arab League, by strengthening early-warning mechanisms within the UN and by better defining the roles of relevant UN bodies; to take note of UNSC Resolution 1970(2011) of 26 February 2011, in which for the very first time all the permanent UNSC members agreed to call on the ICC to open an investigation of an incumbent government on the basis of alleged crimes against humanity and in keeping with the RtoP doctrine in reference to an ongoing crisis; to take note also of UNSC

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Resolution 1973(2011) of 17 March 2011, which stressed the determination of the international community to ensure the protection of civilians and civilian-populated areas, as the first practical example of the implementation of the RtoP doctrine under a clear UN mandate and in reference to an ongoing crisis,

- (l) to acknowledge the work done by the the UN's mediation bodies, such as the Mediation Support Unit (MSU) of the Department of Political Affairs (DPA), and to advocate an increase in their staffing levels; to support the EU's partnership with the MSU and to ensure that the EEAS plays a vital role in this regard,
- (m) to promote security and stabilisation in crisis areas through conflict prevention, mediation, dialogue, local capacity building and post-conflict recovery, reconstruction and peacebuilding strategies, which promote sustainable solutions through a smooth transition from short- and medium-term efforts to longer-term development strategies; to ensure that peacebuilding and development policies are both planned and implemented within the framework of a comprehensive single UN strategy, which takes account of peacebuilding needs and the future transition to a longer-term-strategy early on in both the planning and implementing stages and on which the EU bases its own measures; given that the stabilisation of a conflict-torn country requires more complex action and an integrated approach, and not merely troops, to orchestrate the necessary capacities by means of such a strategy, in order to adequately address the root causes of conflict, given that half the countries in which peacekeeping operations are deployed lapse back into conflict within 10 years of the departure of the peacekeeping forces,
- (n) to insist on the need to draw lessons from the recent developments in Japan and to bring forward proposals; to raise safety standards in existing nuclear plants, particularly in seismic areas; to call for improved cooperation in the event of similar man-made or natural disasters in order to minimise the consequences of releases of radioactivity for human beings and the environment,
- (o) to develop a clearly defined strategic vision of the EU's crisis prevention and management instruments and to explore the scope for practical project management through the newly established EEAS, acknowledging the importance that crisis prevention and crisis management have in the context of the EU's external action,
- (p) to focus on ensuring national ownership of peacebuilding strategies, from initial design to implementation on the ground, drawing on best practices and success stories; to advance a cross-cutting development agenda on the basis of which state-building is supported by well-articulated peacebuilding and development efforts with strong economic aspects at their core,
- (q) to place more emphasis on the task of consolidating peace in post-conflict situations by providing strategic advice as well as harnessing expertise and financing from around the world to aid recovery projects; to mobilise resources and new funding sources and to finance early recovery with a view to post-conflict reconstruction,
- (r) to help increase the deployment of female civilian experts and support national action plans in the spirit of UNSC Resolution 1325 and the action plan of the UN Secretary-General on ensuring women's participation in peacebuilding,

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*Global crisis management cooperation in partnerships*

- (s) to consider it an EU strategic priority to strengthen international crisis-management partnerships and to enhance dialogue with other major crisis-management actors, such as the UN, NATO and the AU, and third countries, such as the USA, Turkey, Norway and Canada; to synchronise actions on the ground, share information and pool resources in the fields of peacekeeping and peacebuilding, including cooperation on crisis management and, in particular, maritime security, and the fight against terrorism under international law; to improve coordination, in this regard, with the International Financial Institutions (IFIs) and bilateral donors,
- (t) while recalling that the UNSC has primary responsibility for maintaining international peace and security, to stress the need for close cooperation between the EU and the UN in the area of civilian and military crisis management, and in particular in humanitarian relief operations; to step up efforts to ensure that EU Member States make adequate contributions to UN missions and that they contribute in a coordinated fashion; to further explore ways in which the EU as a whole can better contribute to UN-led efforts, such as by launching EU rapid response bridging or over-the-horizon operations or providing an EU component of a larger UN mission,
- (u) to create a broader strategic framework for the crisis-management partnership between the EU and regional and sub-regional organisations, such as the AU, the Arab League or the Economic Community of West African States (ECOWAS), and the UN and to strengthen, in particular, a triangular relationship between the AU Peace and Security Council, the UNSC and the EU Political and Security Committee, in order to help ensure coherence and mutual reinforcement of efforts in support of the AU; to enhance the predictability, sustainability and flexibility of the financing of UN-mandated peace operations undertaken by the AU; to seek solutions that make for closer EU-AU cooperation in their particular operational areas, thereby improving early-warning and conflict-prevention capacities and making for exchanges of best practices and expertise in the area of crisis management,
- (v) to contribute to the consolidation of progress made in implementing an African Peace and Security Architecture in order to address peace and security challenges on the African continent; to stress the importance of providing predictable and sustainable funding for African peace-support operations, the need to build local resilience capacities, and the determination to protect civilians in armed conflicts,
- (w) given the regional dimension of conflicts on the African continent, to pursue efforts to strengthen relations with sub-regional organisations including ECOWAS, the Southern African Development Community (SADEC) and the Intergovernmental Authority on Development (IGAD), and to involve them and the region's countries in crisis management,

*The peacebuilding architecture, review of the Peacebuilding Commission (PBC)*

- (x) to help with the task of enabling the UN peacebuilding architecture to live up to the expectations which accompanied its establishment, by taking forward the recommendations of the PBC review process, also with the aim of further improving the PBC's effectiveness; to support the emergence of a sound overall peacebuilding architecture on the basis of a partnership between developing and developed countries, whilst paying particular attention to improving delivery on the ground, enhancing relations with the IFIs – in order to create jobs and address economic issues - and fostering a more organic relationship between peacekeeping and peacebuilding; to promote a more structured relationship between the PBC, the EEAS's Managing Directorate for Global and Multilateral Issues, and particularly its Directorate on Conflict Prevention and Security Policy, and the UNGA, the UNSC and the Economic and Social Council with a view to generating greater synergy between peacekeeping and peacebuilding and development actions on the ground; to seek ways of strengthening the PBC's advisory role vis-à-vis the UNSC, to which it is accountable, of enhancing

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the PBC's cooperation with the Peacebuilding Support Office (PBSO) and of strengthening links with regional organisations and IFIs; further, to improve the existing partnership between the PBC and the EU Peace-building Partnership through a bottom-up approach to conflict resolution that takes the activities of non-state actors in peace-building into account,

- (y) to pursue efforts to unlock the PBC's potential through a strengthened link with the field, so as to maximise the value of the distinctive entry points of the PBC and UN teams on the ground who could benefit from its strategic guidance and political clout, particularly when it comes to institution-building,

*Nuclear disarmament and non-proliferation, reform of the IAEA, NPT review, fight against terrorism and organised crime*

- (z) as a consequence of the nuclear disaster in Japan, to thoroughly reform the International Atomic Energy Agency (IAEA) by bringing to an end its dual function of both monitoring and promoting nuclear energy use and to limit the IAEA's responsibilities to overseeing the nuclear energy industry and verifying compliance with the Nuclear Non-Proliferation Treaty (NPT); additionally, to work towards ensuring that from now on safety standards are set and monitored by the World Health Organisation (WHO), in which connection Member States will be legally required to comply with those standards and the WHO will be provided with the necessary staffing to carry out the additional tasks,
- (aa) to promote the implementation of the recommendations of the 2010 NPT review, in particular to seek a safer world for all and to achieve, as a long-term objective, peace and security in a world without nuclear weapons, to further enhance transparency so as to increase mutual confidence, to achieve faster genuine progress towards nuclear disarmament, to take effective nuclear-disarmament measures which are consistent with the fundamental principles of transparency, verification and irreversibility, to encourage nuclear-weapons states to report regularly on the implementation of their commitments, and to review implementation,
- (ab) to further develop cooperation channels and mechanisms with the EU's external partners, especially the US, in the field of combating terrorism, particularly with a view to implementing the UN global counter-terrorism strategy, by participating in the G8 Roma/Lyons Group and the Counter-Terrorism Action Group, by strengthening the relevant global agreements and by stepping up efforts to conclude a comprehensive convention on international terrorism; to engage with these partners more effectively and in a more structured way, on both a strategic and a practical level; to show leadership and set an example by consolidating respect for fundamental rights and the rule of law as the core of the EU's approach to countering terrorism,

### **Development**

- (ac) to insist on the need to harmonise the efforts of various UN bodies in order to better promote the efficiency and effectiveness of action on development and social issues around the world; to live up to the pledges made at the MDG summit as regards gathering together the resources needed to meet the targets by 2015, in particular by meeting the EU's commitments on official development aid; to strongly advocate an increase in the level of financial investment in order to meet the MDG targets and to rapidly scale up and replicate proven innovative programmes and policies aimed at overall development and economic and social transformation,

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- (ad) to concentrate efforts to achieve the MDGs in particular on the regions and countries lagging furthest behind, especially countries in Sub-Saharan Africa and the Least Developed Countries (LDCs), and on fragile or conflict-torn countries,

*Least Developed Countries (LDCs)*

- (ae) to ensure the efficacy of monitoring and audit mechanisms connected with the implementation of the UNLDC Programme of Action,
- (af) to ensure that long-term and sustainable development remains a comprehensive and coherent objective in the LDCs' and their partners' action plans,

*Fighting inequalities*

- (ag) to ensure that middle-income countries with high levels of inequality continue to receive support and funding to reduce poverty and improve social cohesion, as most poor people live in middle-income countries,
- (ah) to support the reduction of gender inequalities and women's empowerment in development, as women are disproportionately highly represented among the poor,

*Aid effectiveness*

- (ai) to examine how the aid effectiveness agenda can be transformed into a development effectiveness agenda, devising in this context concrete strategies concerning fragile states and post-conflict environments,
- (aj) to achieve all the objectives of the Accra Agenda, on the basis of the effective involvement of parliaments, civil society organisations and local authorities,
- (ak) to ensure that social, political, economic and environmental challenges are addressed coherently,

*Right to Development (RTD)*

- (al) to support the 1986 UN Declaration on the Right to Development, which stipulates that 'States have the duty to cooperate with each other in ensuring development and eliminating obstacles to development ... realize their rights and fulfil their duties in such a manner as to promote a new international economic order based on sovereign equality, interdependence, mutual interest',
- (am) to keep RTD high on the agenda, given that this year we celebrate the 25th anniversary of the adoption of the UN Declaration on the Right to Development,
- (an) to recommend consolidation of the findings of the High-Level Task Force, in order to ensure the effective implementation of RTD,
- (ao) to take appropriate measures to make RTD an integral part of development policy, the Universal Periodic Review (UPR) and the work of UN human rights treaty bodies and mechanisms,

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*International humanitarian aid*

- (ap) to establish an international humanitarian aid agenda to address the full range of humanitarian challenges, the increase in humanitarian needs and the complexity of humanitarian situations,
- (aq) to strengthen worldwide humanitarian funding and improve the functioning and effectiveness of the humanitarian aid system,
- (ar) to take joint international initiatives to strengthen the interaction between humanitarian aid and development and the linking of relief, rehabilitation and development,

**Human rights***Institutional issues*

- (as) to ensure that the EEAS is well staffed and well resourced and integrated and coordinated with other international bodies, regional organisations and their work in promoting human rights; to ensure that recommendations and resolutions adopted, and priorities expressed, within the UN system and other international institutions are taken into consideration when developing EU policies and instruments, especially in the field of human rights,
- (at) to continue to actively participate in the review of the UNHRC in New York and its follow-up and to strengthen compliance with its mandate; to address the UNHRC's ability to tackle urgent situations involving serious human rights violations, as in the recent cases of Libya and the Ivory Coast, and to improve its capacity to enforce existing international norms and standards; to commend the UNGA's decision of 1 March 2011 to suspend Libya's membership of the UNHRC; to continue determined efforts and to use Special Procedures in order to transform the UNHRC into an early-warning and preventive mechanism, rather than a purely reactive body, able to prioritise and address the root causes of human rights violations with the aim of preventing fresh or further escalation of such violations, including through its support for capacity-building for national human rights institutions,
- (au) to seek ways of improving the UNHRC's election procedures in order to address the issue of the quality of UNHRC membership; to consider the establishment of clear criteria for membership of the UNHRC in order to prevent countries where human rights violations are frequent and widespread from becoming members of the UNHRC; to maintain, in the context of the review, the independence of the Office of the High Commissioner for Human Rights (OHCHR) and to oppose any attempts to change the status of the OHCHR which could impact negatively on its funding and, consequently, on its independence,
- (av) to develop a viable working relationship between the UNHRC and the Third Committee, and between the UNHRC and the United Nations High Commissioner for Human Rights (UNHCHR), and to address the growing signs of divisions between Member States concerning their votes in the UNHRC,
- (aw) to reach agreement on a common position ahead of the Durban Review Conference ('Durban 3'), scheduled for September 2011, in order to demonstrate Member States' willingness and capacity to 'speak with one voice' in global forums, to assert the EU's influence within the UN framework, and to re-affirm its commitment to combating racism, xenophobia and bigotry in a balanced and non-discriminatory way,

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*Human rights issues*

- (ax) to continue its endeavours in the UNGA Third Committee on a large number of resolutions, in particular on the call for a moratorium on the use of the death penalty, which has received support from more countries, on the rights of the child, on national and linguistic minorities, on freedom of expression and free media, on religious intolerance, on abolishing torture and on the country-specific resolutions on Burma/Myanmar, North Korea and Iran; to support all efforts to eradicate torture; to particularly encourage the adoption of the Optional Protocol to the UN Convention on Torture,
  
- (ay) to continue international efforts aimed at ensuring that all human rights are considered universal, indivisible, interdependent and interrelated; in this context, to make efforts to block the use of the undefined concept of 'traditional values of humankind', which is of such a nature as to undermine the norms laid down under international human rights law and could lead to unacceptable attempts to justify human rights violations on the grounds that they are the result of traditional values, norms or practices,
  
- (az) to support the financing, through specific budgetary commitments, and the capacity, accountability and effectiveness of UN Women, so that it can coordinate relevant activities more effectively; to incorporate a gender perspective into all UN policies and create institutional coherence/synergy; to concentrate efforts, also by contributing to improved strategic planning, on the implementation of UNSC Resolution 1325, especially as regards women's presence in peace talks, thereby enabling them to become mediators, improving their skills, and empowering them as decision-makers, and, in general, linking women and development,
  
- (ba) to define a strategy vis-à-vis countries which refuse to cooperate fully with the UN mechanisms and allow access by UN independent experts and Special Rapporteurs, with a view to persuading such countries to grant them full access to their territory and refrain from hampering their work; to work towards maintaining the independence of Special Procedures,
  
- (bb) to give the highest political and diplomatic priority and accordingly grant the fullest support, through the various bilateral and multilateral forums in which the EU is an active partner, to all initiatives aimed at:
  - establishing a worldwide moratorium on female genital mutilation,
  
  - decriminalising homosexuality worldwide,

*Climate change*

- (bc) to exercise leadership in the area of global climate governance and international cooperation on climate change; to focus on strong political engagement with third countries and to further develop a dialogue with other key actors, such as the United States, Russia, the emerging powers (China, Brazil, India) and developing countries, given that climate change has become a key element of international relations and a major threat to the achievement of the MDGs; to contribute to an institutional architecture that is inclusive, transparent, equitable and provides for balanced representation of both developed and developing countries on relevant governing bodies; to lay down solid foundations for the next meeting negotiations, which will take place in late 2011 in South Africa (COP17), building on the good progress made at COP16 in Cancun and keeping in mind the lessons learned from the unsatisfactory outcome of COP15 in Copenhagen,



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- (bd) to cooperate more strategically and to be more responsive to the needs of third countries while further developing the EEAS's capacities to build up a climate diplomacy policy; to support the active participation of the Commission in the ongoing debate on Protection Gaps and Responses launched by the United Nations High Commissioner for Refugees (UNHCR) in the framework of the 2010 High Commissioner's Dialogue on Protection Challenges which aims to improve the existing international protection framework for forcibly displaced and stateless people; to participate actively in the debate on the term 'climate refugee' - intended to describe people who are forced to flee their homes and seek refuge abroad as a consequence of climate change - including a possible legal definition of this term, which is not yet recognised in international law or in any legally binding international agreement,

**Final recommendations**

- (be) to foster a debate on the topic of the role of parliaments and regional assemblies in the UN system, which is expected to feature on the agenda of the 66th UNGA session, and on the topic of establishing a United Nations Parliamentary Assembly (UNPA); further, to promote interaction on global issues between governments and parliaments,
- (bf) to advocate the establishment of a UNPA within the UN system in order to increase the democratic nature, the democratic accountability and the transparency of global governance and to allow for greater public participation in the activities of the UN, acknowledging that a UNPA would be complementary to existing bodies, including the Inter-Parliamentary Union;

\*

\* \*

2. Instructs its President to forward this recommendation to the Vice-President of the Commission/High Representative for the Union of Foreign Affairs and Security Policy, the Council, and, for information, the Commission.
-

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## II

(Information)

### INFORMATION FROM EUROPEAN UNION INSTITUTIONS, BODIES, OFFICES AND AGENCIES

## EUROPEAN PARLIAMENT

### **Request for the waiver of the parliamentary immunity of Ágnes Hankiss**

P7\_TA(2011)0247

### **European Parliament decision of 7 June 2011 on the request for waiver of the immunity of Ágnes Hankiss (2010/2213(IMM))**

(2012/C 380 E/23)

*The European Parliament,*

- having regard to the request for waiver of the immunity of Ágnes Hankiss, forwarded by the Central District Court of Buda on 6 July 2010 and announced in plenary sitting on 6 September 2010,
  - having heard Ágnes Hankiss on 11 April 2011 in accordance with Rule 7(3) of its Rules of Procedure,
  - having regard to Article 9 of the Protocol of 8 April 1965 on the Privileges and Immunities of the European Union, and Article 6(2) of the Act of 20 September 1976 concerning the election of the members of the European Parliament by direct universal suffrage,
  - having regard to the judgments of the Court of Justice of the European Union of 12 May 1964, 10 July 1986, 15 and 21 October 2008 and 19 March 2010 <sup>(1)</sup>,
  - having regard to Rules 6(2) and 7 of its Rules of Procedure,
  - having regard to the report of the Committee on Legal Affairs (A7-0196/2011),
- A. whereas the Central District Court of Buda, Budapest, has requested the waiver of immunity of Ágnes Hankiss, a Member of the Parliament, in order to conduct renewed criminal proceedings against Ágnes Hankiss as ordered by the judgment of the Supreme Court of the Republic of Hungary,
- B. whereas the waiver of the immunity of Ágnes Hankiss relates to an alleged offence of defamation under Section 181 of the Hungarian Criminal Code as a result of a statement made during the programme 'Péntek 8 mondatvadász' on 23 January 2004,

<sup>(1)</sup> Case 101/63 *Wagner v Fohrmann and Krier* [1964] ECR 195, Case 149/85 *Wybot v Faure and Others* [1986] ECR 2391, Case T-345/05 *Mote v Parliament* [2008] ECR II-2849, Joined Cases C-200/07 and C-201/07 *Marra v De Gregorio and Clemente* [2008] ECR I-7929, and Case T-42/06 *Gollnisch v Parliament*.

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- C. whereas Ágnes Hankiss was accused by a private plaintiff in an accusation dated 18 February 2004 and submitted to the Central District Court of Buda on 23 February 2004; whereas the Central District Court of Buda gave its judgment on 28 June 2005, which was then appealed against in the Budapest Municipal Court and annulled by that Court on 3 February 2006,
- D. whereas as a result the case was referred back to the Central District Court of Buda, which acquitted Ágnes Hankiss of the charges on 6 February 2009; whereas an appeal was brought by the plaintiff against this judgment in the Budapest Municipal Court, which on 25 March 2009 decided to uphold the judgment of the District Court on all its grounds,
- E. whereas on 12 November 2009 the Supreme Court of the Republic of Hungary annulled both judgments on the grounds of breach of substantive law and instructed the Central District Court of Buda to conduct new proceedings,
- F. whereas Ágnes Hankiss has been a Member of the Parliament since 15 July 2009,
- G. whereas, according to Article 9 of the Protocol on the Privileges and Immunities of the European Union, during the sessions of the Parliament its Members enjoy in the territory of their own State the immunities accorded to members of its parliament; and whereas this does not prevent the Parliament from exercising its right to waive the immunity of one of its Members,
- H. whereas Section 552(1) of the Hungarian Act on Criminal Proceedings requires that criminal proceedings against a person enjoying immunity be suspended and a waiver of such immunity requested, and whereas Section 551(1) of that Act provides that criminal proceedings may only be initiated against, inter alia, a Member of the European Parliament after the suspension of immunity,
- I. whereas Section 12(1) of Act LVII of 2004 provides that a request for waiver of immunity in cases subject to private action is to be made by the court to the President of Parliament,
- J. whereas in the new proceedings following the annulment Ágnes Hankiss stated that she is a Member of the Parliament and in consequence the Central District Court of Buda, acting on the basis of Section 552(1) of the Hungarian Act on Criminal Proceedings and Section 12 of Act LVII of 2004, decided to suspend the proceedings and ask for the waiver of immunity,
- K. whereas it is therefore appropriate to recommend that parliamentary immunity be waived in this instance,
1. Decides to waive the immunity of Ágnes Hankiss;
  2. Instructs its President to forward this decision and the report of its competent committee immediately to the competent authority of the Republic of Hungary and to Ágnes Hankiss.
-

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III

(Preparatory acts)

EUROPEAN PARLIAMENT

**Appointment of a Member of the Court of Auditors (H.G. Wessberg-SV)**

P7\_TA(2011)0246

**European Parliament decision of 7 June 2011 on the nomination of H.G. Wessberg as a Member of the Court of Auditors (C7-0103/2011 – 2011/0803(NLE))**

(2012/C 380 E/24)

(Consultation)

*The European Parliament,*

- having regard to Article 286(2) of the Treaty on the Functioning of the EU, pursuant to which the Council consulted Parliament (C7-0103/2011),
  - having regard to the fact that at its meeting of 24 May 2011 the Committee on Budgetary Control heard the Council's nominee for membership of the Court of Auditors,
  - having regard to Rule 108 of its Rules of Procedure,
  - having regard to the report of the Committee on Budgetary Control (A7-0190/2011),
- A. whereas H.G. Wessberg fulfils the conditions laid down in Article 286(1) of the Treaty on the Functioning of the EU,
1. Delivers a favourable opinion on the nomination of H.G. Wessberg as a Member of the Court of Auditors;
  2. Instructs its President to forward this decision to the Council and, for information, the Court of Auditors, the other institutions of the European Union and the audit institutions of the Member States.

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**Proof of origin for certain textile products \*\*\*I**

P7\_TA(2011)0248

**European Parliament legislative resolution of 7 June 2011 on the proposal for a regulation of the European Parliament and of the Council repealing Council Regulation (EC) No 1541/98 on proof of origin for certain textile products falling within Section XI of the Combined Nomenclature and released for free circulation in the Community, and on the conditions for the acceptance of such proof and amending Council Regulation (EEC) No 3030/93 on common rules for imports of certain textile products from third countries (COM(2010)0544 – C7-0316/2010 – 2010/0272(COD))**

(2012/C 380 E/25)

(Ordinary legislative procedure: first reading)

*The European Parliament,*

- having regard to the Commission proposal to Parliament and the Council (COM(2010)0544),
  - having regard to Article 294(2) and Article 207(2) of the Treaty on the Functioning of the European Union, pursuant to which the Commission submitted the proposal to Parliament (C7-0316/2010),
  - having regard to Article 294(3) of the Treaty on the Functioning of the European Union,
  - having regard to Rule 55 of its Rules of Procedure,
  - having regard to the report of the Committee on International Trade (A7-0156/2011),
1. Adopts its position at first reading hereinafter set out;
  2. Calls on the Commission to refer the matter to Parliament again if it intends to amend its proposal substantially or replace it with another text;
  3. Instructs its President to forward its position to the Council, the Commission and the national parliaments.

**P7\_TC1-COD(2010)0272**

**Position of the European Parliament adopted at first reading on 7 June 2011 with a view to the adoption of Regulation (EU) No .../2011 of the European Parliament and of the Council repealing Council Regulation (EC) No 1541/98 on proof of origin for certain textile products falling within Section XI of the Combined Nomenclature and released for free circulation in the Community and on the conditions for the acceptance of such proof, and amending Council Regulation (EEC) No 3030/93 on common rules for imports of certain textile products from third countries**

*(As an agreement was reached between Parliament and Council, Parliament's position corresponds to the final legislative act, Regulation (EU) No 955/2011.)*

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### **Participation of Croatia in the work of the European Monitoring Centre for Drugs and Drug Addiction \*\*\***

P7\_TA(2011)0249

**European Parliament legislative resolution of 7 June 2011 on the draft Council decision on the conclusion of the Agreement between the European Union and the Republic of Croatia on the participation of the Republic of Croatia in the work of the European Monitoring Centre for Drugs and Drug Addiction (11633/2010 – C7-0026/2011 – 2010/0011(NLE))**

(2012/C 380 E/26)

(Consent)

*The European Parliament,*

- having regard to the draft Council decision (11633/2010),
  - having regard to the draft Agreement between the European Union and the Republic of Croatia on the participation of the Republic of Croatia in the work of the European Monitoring Centre for Drugs and Drug Addiction (11633/2010),
  - having regard to the request for consent submitted by the Council in accordance with Article 168(5) and Article 218(6), second subparagraph, point (a), of the Treaty on the Functioning of the European Union (C7-0026/2011),
  - having regard to Rules 81 and 90(8) of its Rules of Procedure,
  - having regard to the recommendation of the Committee on Civil Liberties, Justice and Home Affairs (A7-0186/2011),
1. Consents 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 Republic of Croatia.

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### **Charging of heavy goods vehicles \*\*\*II**

P7\_TA(2011)0252

**European Parliament legislative resolution of 7 June 2011 on the Council position at first reading with a view to the adoption of a directive of the European Parliament and of the Council amending Directive 1999/62/EC on the charging of heavy goods vehicles for the use of certain infrastructures (15145/1/2010 – C7-0045/2011 – 2008/0147(COD))**

(2012/C 380 E/27)

(Ordinary legislative procedure: second reading)

*The European Parliament,*

- having regard to the Council position at first reading (15145/1/2010 – C7-0045/2011),

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- having regard to the opinion of the European Economic and Social Committee of 16 December 2009 <sup>(1)</sup>,
  - having regard to the opinion of the Committee of the Regions of 12 February 2009 <sup>(2)</sup>,
  - having regard to the opinion of the Commission (COM(2011)0069),
  - having regard to its position at first reading <sup>(3)</sup> on the Commission proposal to Parliament and the Council (COM(2008)0436),
  - having regard to Article 294(7) of the Treaty on the Functioning of the European Union,
  - having regard to Rule 66 of its Rules of Procedure,
  - having regard to the recommendation for second reading of the Committee on Transport and Tourism (A7-0171/2011),
1. Adopts its position at second reading hereinafter set out;
  2. Approves its statement annexed to this resolution;
  3. Takes note of the Commission statement and of the joint statement by the Hungarian Presidency and the incoming Polish, Danish and Cypriot Presidencies of the Council, annexed to this resolution;
  4. Instructs its President to forward its position to the Council, the Commission and the national parliaments.

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<sup>(1)</sup> OJ C 255, 22.9.2010, p. 92.

<sup>(2)</sup> OJ C 120, 28.5.2009, p. 47.

<sup>(3)</sup> OJ C 87 E, 1.4.2010, p. 345.

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## **P7\_TC2-COD(2008)0147**

### **Position of the European Parliament adopted at second reading on 7 June 2011 with a view to the adoption of Directive 2011/.../EU of the European Parliament and of the Council amending Directive 1999/62/EC on the charging of heavy goods vehicles for the use of certain infrastructures**

*(As an agreement was reached between Parliament and Council, Parliament's position corresponds to the final legislative act, Directive 2011/76/EU.)*

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## **ANNEX**

### **Statement by the European Parliament**

The European Parliament regrets that the Council was not prepared to accept the mandatory publication of correlation tables in the context of the proposal amending Directive 1999/62/EC. It is hereby declared that the agreement reached between the European Parliament and the Council in the trilogue of 23 May 2011 concerning the Directive of the European Parliament and of the Council amending Directive 1999/62/EC on the charging of heavy goods vehicles for the use of certain infrastructures (Eurovignette) does not prejudice the outcome of interinstitutional negotiations on correlation tables.



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The European Parliament calls on the European Commission to inform it within twelve months after adoption of this agreement in plenary and to make a report at the end of the transposition period on the practice of Member States in drawing up their own tables illustrating, as far as possible, the correlation between this Directive and the transposition measures, and to make them public.

#### **Statement by the Commission on correlation tables**

The Commission recalls its commitment towards ensuring that Member States establish correlation tables linking the transposition measures they adopt with the EU directive and communicate them to the Commission in the framework of transposing EU legislation, in the interest of citizens, better-law making and increasing legal transparency and to assist the examination of the conformity of national rules with EU provisions.

The Commission regrets the lack of support for the provision included in the proposal for a Directive of the European Parliament and of the Council amending Directive 1999/62/EC on the charging of heavy goods vehicles for the use of certain infrastructures (Eurovignette), which aimed at rendering the establishment of correlation tables obligatory.

The Commission, in a spirit of compromise and in order to ensure the immediate adoption of that proposal, can accept the substitution of the obligatory provision on correlation tables included in the text with a relevant recital encouraging Member States to follow this practice. It will inform within twelve months after adoption of this agreement in plenary and make a report at the end of the transposition period on the practice of Member States to draw up, for themselves and in the interests of the Union, their own tables illustrating, as far as possible, the correlation between this Directive and the transposition measures, and to make them public.

However, the position followed by the Commission in this file shall not be considered as a precedent. The Commission will continue its efforts with a view to finding together with the European Parliament and the Council an appropriate solution to this horizontal institutional issue.

#### **Statement by the Hungarian and the incoming Polish, Danish, Cypriot Presidencies of the Council**

It is hereby declared that the agreement reached between the Council and the European Parliament in the trilogue of 23 May 2011 concerning the Directive of the European Parliament and of the Council amending Directive 1999/62/EC on the charging of heavy goods vehicles for the use of certain infrastructures (Eurovignette) does not prejudice the outcome of interinstitutional negotiations on correlation tables.

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## **European environmental economic accounts \*\*\*I**

P7\_TA(2011)0253

**European Parliament legislative resolution of 7 June 2011 on the proposal for a regulation of the European Parliament and of the Council on European environmental economic accounts (COM(2010)0132 – C7-0092/2010 – 2010/0073(COD))**

(2012/C 380 E/28)

(Ordinary legislative procedure: first reading)

*The European Parliament,*

— having regard to the Commission proposal to Parliament and the Council (COM (2010)0132),

— having regard to Article 294(2) and Article 338(1) of the Treaty on the Functioning of the European Union, pursuant to which the Commission submitted the proposal to Parliament (C7-0092/2010),

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- having regard to Article 294(3) of the Treaty on the Functioning of the European Union,
  - having regard to Rule 55 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 Economic and Monetary Affairs (A7-0330/2010),
1. Adopts its position at first reading hereinafter set out;
  2. Calls on the Commission to refer the matter to Parliament again if it intends to amend its proposal substantially or replace it with another text;
  3. Instructs its President to forward its position to the Council, the Commission and the national parliaments.

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**P7\_TC1-COD(2010)0073**

**Position of the European Parliament adopted at first reading on 7 June 2011 with a view to the adoption of Regulation (EU) No .../2011 of the European Parliament and of the Council on European environmental economic accounts**

*(As an agreement was reached between Parliament and Council, Parliament's position corresponds to the final legislative act, Regulation (EU) No 691/2011.)*

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Wednesday 8 June 2011

## Application of Schengen acquis in Bulgaria and Romania \*

P7\_TA(2011)0254

**European Parliament legislative resolution of 8 June 2011 on the draft Council decision on the full application of the provisions of the Schengen acquis in the Republic of Bulgaria and Romania (14142/2010 – C7-0369/2010 – 2010/0820(NLE))**

(2012/C 380 E/29)

(Consultation)

The European Parliament,

- having regard to the draft Council decision (14142/2010),
  - having regard to Article 4(2) of the 2005 Act of Accession pursuant to which the Council consulted Parliament (C7-0369/2010),
  - having regard to Rule 55 of its Rules of Procedure,
  - having regard to the report of the Committee on Civil Liberties, Justice and Home Affairs (A7-0185/2011),
1. Approves the draft Council decision 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 substantially amend its draft decision;
  4. Instructs its President to forward its position to the Council and the Commission.

COUNCIL DRAFT

AMENDMENT

### **Amendment 1 Draft decision Recital 4**

(4) On XXXXX 20XX [date of adoption of the relevant Council Conclusions], the Council concluded that the conditions in each of the areas mentioned had been fulfilled by Bulgaria and Romania.

(4) On XXXXX 20XX [date of adoption of the relevant Council Conclusions], the Council concluded that the conditions in each of the areas mentioned had been fulfilled by Bulgaria and Romania. ***Each Member State concerned should inform the European Parliament and the Council in writing within six-months of the date of entry into force of this Decision on the follow up that was given to the recommendations that are contained in the evaluation reports and are referred to in the follow-up reports, which still need to be implemented.***



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*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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