

EPP Group Report

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EU Budget: EP rejects static EU budget after 2013

By Pedro López

The European Parliament this week sent a clear political signal against the freezing of resources for the EU after 2013. Such a proposal, launched in December 2010 by five Heads of Government (France, United Kingdom, the Netherlands, Germany and Finland) "is not a viable option" if they want the Union to achieve all its tasks.

"We cannot continue to do more Europe with less money", stated Salvador Garriga Polledo, the Spanish EPP Group MEP who is in charge of the draft proposal in the Special Committee on Policy Challenges and Budgetary Resources for a Sustainable European Union after 2013 created by the Parliament a year ago to prepare the Parliament's position for the coming negotiations on the next multiannual financial framework for the period 2014-2020.

The proposal was backed in the plenary by an overwhelming majority - 468 votes in favour, 134 against, 54 abstentions - and the support of the main political Groups. In this way, the European Parliament is showing a united front on the future financing of the Union debate, due to formally start when the Commission presents the legislative proposals, expected for 29 June 2011.

"We need to put an end to the bad habit of accepting political commitments at European level and then denying their financing. This way of doing things will only lead to more deception and more Euro scepticism", said Garriga after the vote. The Parliament demands at least an increase of the level of resources of 5% compared to the 2013 budget. This amount "is the minimum needed" to finance EU traditional policies - agriculture and regional and social cohesion - at the current level and to finance the new priorities agreed - R&D, innovation, energy and transport networks - explained Mr Garriga. "This 5% increase is the result of a large consensus and an exercise of political realism and should be the base for the negotiations", he underlined.

The Report also proposes to introduce a new structure for the financial framework under a single 'Europe 2020' heading and even if the Parliament accepts a 7 year-long financial framework as a transitional solution, it asks for a 5, or 5+5 year-long framework as of 2021. The proposal also claims an in-depth

reform of the EU financing system with the introduction of genuine own-resources in order to replace the GNI-based system.

E. coli virus: cooperation in Europe to be stepped up

MEPs have discussed the challenges caused by the spreading of the E. coli virus in Europe. The EPP Group highlighted the need for swift exchange of information on the part of the Member States. "It is vital for all governments to have the full picture on developments. We are not talking about some illness. This virus can cause fatalities. And it has done so already", said Peter Liese (D), EPP Group Spokesman on health.

The European Commissioner for Health, John Dalli, said that there was room for improvement and that the information policy of the German authorities needs to be clearer. MEPs agreed that the role of the Commission in coordinating rapid action was to be strengthened. EU Agriculture Ministers convened for a special meeting in Luxembourg and decided to make funds available for vegetable farmers hit by the E. coli crisis. The European Commission has stepped up the overall amount available to €210m.

Thomas Bickl

Eurovignette: agreement on charges for Heavy Goods Vehicles

By Françoise Petit

The European Parliament in Strasbourg this week voted on a second reading agreement between the European Parliament and the Council reaching compromise by a large majority on a Report on the charging of heavy goods vehicles.

Heavy goods vehicles can be charged now for the use of certain infrastructures, cost of noise and air pollution. Vice-Chairwoman of the EPP Group, Corien Wortmann-Kool (NL), welcomed the agreement: "The first step in implementing the 'polluter pays' principle has been taken by putting forward the right incentives to enhance the sustainability of the transport sector in Europe."

A majority of the EPP Group supported the overall compromise, since key issues of the EPP Group were taken into account in the second reading agreement. Corien Wortmann-Kool said: "There will be a clear and interoperable system in Europe and better earmarking of revenues with at least 15% initially being earmarked for trans-European transport projects. The Member States have to be transparent and report back to the EC about the level of toll revenues, and how they have invested the money."

There will be no additional congestion charges, this is replaced by a toll variation. Mrs Wortmann-Kool continued: "Toll variations will be allowed up to 175%, with top tariffs during a maximum of 5 hours per day and lower tariffs applying the rest of the day. This will be applied on the same road section and should be revenue neutral. This will encourage heavy trucks to avoid certain road stretches during peak hours."

The proposed framework leaves it up to Member States to decide whether or not to opt for the common charging principles.

EU Research (FP7): €28.5 billion to respond to the Union's scientific challenges

By Marion Jeanne

"Europe's future is in research and innovation. By adopting my Report with an overwhelming majority, the European Parliament is sending a clear message to the European Commission on the direction to give to future calls for projects in the 7th Framework Programme (FP7)", said Jean-Pierre Audy (F) after his Report on the mid-term review of the Seventh Framework Programme of the European Union for research, technological development and demonstration activities was adopted by the European Parliament at its plenary session in Strasbourg.

During the plenary debate on 6 June, the MEP recalled the context in which his Report was drafted: "We are still getting out of the economic crisis with a fragile economy and in these times of scarce public money, the sums at stake are important. €28.5 billion still need to be programmed for 2011, 2012 and 2013", he said.

The MEP insisted on two major elements for the future of European research:

- simplification: "We need to simplify the future and settle the past. Our payments need to be simplified. We will reduce the number of mistakes this way. The possibility of independent audits should be recognised. An independent mediation could take place on the basis of these audits in order to prevent the European Court of Justice from having to arbitrate disputes that might occur between the controlled entities and the European Commission";
- responding to society's greatest challenges - demographic challenges, health, space, energy supply, sustainable development, the fight against climate change - which comes with an increase in the participation of SMEs and of industry in general, as well as a higher participation of

women. A more harmonious distribution of research at European level is also necessary, while respecting the fundamental principle of excellence, which would allow us to benefit from the world's best researchers.

Credit Rating Agencies: improving ratings and guaranteeing efficient European supervision

By Marion Jeanne

"The financial and economic crisis has highlighted the responsibility of credit rating agencies and the need to increase both their supervision and the transparency of their rating criteria. With the vote this week, the European Parliament is sending a strong signal to the European Commission, calling on it to propose improvements to the current legislation which already constitutes a significant step forward", said Jean-Paul Gauzès (F) after the Report on 'Credit Rating Agencies: future perspectives' was adopted with an overwhelming majority by the European Parliament.

"Progress still needs to be made to improve transparency and to prevent conflicts of interest between the agency and the institution that is being rated. Strengthening the European supervision of agencies is also crucial. In that respect, we need to increase the power and capacity of the European Securities and Markets Authority (ESMA), in order for it to be able to fulfil its supervisory duty", he said.

"Finally, the question of the rating of Member State sovereign debt poses a real political and ethical problem. One solution could be the creation of a European Credit Rating Foundation, whose mission would be to rate sovereign debt. To ensure its credibility, this Foundation, its staff and governance structure would need to be fully independent and autonomous", said Mr Gauzès.

"The EPP Group remains vigilant and will make sure that the European Commission's proposals take this clear position expressed by MEPs into account, and that ESMA is managed according to the spirit of the texts that gave it its powers", concluded Jean-Paul Gauzès.

A Financing Instrument for Development Cooperation

A Report by Gay Mitchell (IE) which sets future targets under the objective of poverty eradication post 2013 following an analysis of the current Development Cooperation Instrument (DCI), was adopted in plenary this week.

Mr Mitchell, who is Joint Coordinator of the Development Committee for the EPP Group, said the EU must increase funding in this area to reach 0.7 percent of

GNI on ODA by 2015. Post 2013, the Development Committee of the European Parliament wishes to see a financing instrument that exclusively targets poverty eradication in the developing world. The Report calls for a targeted distribution of aid, with at least 20 percent ring-fenced for basic health and education provision.

The importance of supporting domestic revenue generation and encouraging a fair, reliable governance system to bolster enterprise in the developing world is emphasised. Climate change and environmental issues must also be considered in future development policy, according to the Rapporteur.

Mr Mitchell's Report 'Establishing a financing instrument for development cooperation: lessons learnt and perspectives for the future' will now go before the European Commission for consideration as preparations for the next generation of financing instruments for aid distribution continue.

Cliona Connolly