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A LOOK BEHIND THE NEWS

by Ferdinando Riccardi

SUMMIT OF UNCERTAINTY IN THE FACE OF THREE POSSIBLE ALTERNATIVES

Never, perhaps, has a European Council opened with such total uncertainty of a result. Three possibilities loom that are not only different but real alternatives – with each mutually exclusive of the others:

(1) Overall compromise on the financial perspectives of EU for the seven year 2014-2020 period – in other words, the definition of the total volume of financing that the EU will have available for this period. This will be thanks to reciprocal concessions between the starting positions of the member states – despite the radical differences that separate them and the right of veto that each possesses. This possibility presupposes large scale concessions from each member state – both for the total envelope and for how it is allocated.

(2) Continued negotiations at the end of the year or the beginning of next year – with a deepening of positions and the search for compromise or new ideas in the meantime. It is hard to see how conciliation between such radically opposed positions could come about – but anything is possible.

(3) Relinquishing the principle of long term financial perspectives. The EU could decide to define annual budgets – for which there is no right of veto as they are approved by majority with the participation of the European Parliament (which of course also decides by majority). This would be the failure of the effort to determine the evolution of Europe over the long term, but at the same time it would be the end of the blackmail from those who reject compromises by using their veto.

Evolution in case of failure. Point (3) would open the way to evolutions which have already been taken into consideration and are sometimes very much desired – or even considered indispensable: revision of the treaties or the birth of a new treaty; clarification and confirmation of two-speed Europe, which to my mind already exists in the legal texts (thanks to enhanced cooperation) and in reality; clarity of the position of the United Kingdom and on its future in the Community (or not).

Let's face it – the summit which has just started will radically influence the functioning and future evolution of the construction of Europe.

(FR/transl.fl)

EUROPEAN COUNCIL

(AE) BUDGET: MARATHON MEETING TRYING TO BASH OUT COMPROMISE ON MFF 2014-2020

Brussels, 22/11/2012 (Agence Europe) – On Thursday 22 November, the heads of state and government of the EU began their marathon meeting to try to bash out a compromise on the highly sensitive file of the EU's multiannual financial framework (MFF) 2014-2020. "With Germany, we are – as always – going to be the engines for finding this compromise", said French President François Hollande on arrival at the summit on Thursday 22 November.

Having met for the whole day with each of the EU leaders, Herman Van Rompuy, the president of the European Council, was due to submit a new draft conclusions document on the MFF 2014-2020 at the beginning of the evening. He was not due to have proposed additional cuts to those already on the table (€75 billion compared to the initial Commission proposal, plus €6 billion in instruments outside the budget) but to allocate differently between the headings the sacrifices demanded. The idea would be to rebalance the cuts operated in the cohesion policy, to reduce those planned until now for agriculture, and to review downwards in heading 4 (external action) and 5 (administrative expenditure) and perhaps in 1a (competitiveness).

Franco-German understanding? Contacts between the European leaders intensified on Thursday before the official opening of the extraordinary European Council. The president of France, François Hollande, met the German chancellor, Angela Merkel, around 5.15pm. Although France above all does not want farm spending to be reduced and considers Van Rompuy's proposal on this unacceptable, Germany is waiting to have a more complete vision of the package before taking a stance on how much is

to be earmarked for CAP. Berlin calls for a balanced reduction of all EU budget headings. Germany does not want any reductions that are too extreme, we are told. France and Germany have quite a similar stance on the “receipts” chapter of the budget. Paris targets the British rebate directly, while Berlin is for now limited to asking for a transparent system for all. However, for as long as the British rebate exists, the special cheque rebate enjoyed by Germany must also persist, sources say.

France defends a budget that is sufficiently consistent for controlled growth policies, Hollande has said, adding that Europe must have a budget that is controlled, and every euro must count. However, it must correspond to the interests of Europeans, namely in that it must give preference to growth, and solidarity including through the cohesion policy. Hollande concluded by saying he came to seek a compromise not to pose an ultimatum.

Upon her arrival at the European Council, Angela Merkel said there would perhaps be a need for a “*second stage*”, in other words another European Council in early 2013 in order to finalise a compromise on the financial framework. On the subject of the cuts, she said one should not raise the bar too high.

British veto on rebate? The “British cheque” was €3.6 billion in 2011 and was mainly financed by France (€965 million), Italy (€717 million) and Spain (€487 million). When he arrived in Brussels, British Prime Minister David Cameron said he would be “*negotiating very hard to get a good deal for the British taxpayers and to keep the British rebate*”. Van Rompuy’s proposals maintain the rebate but suggest that the EU27 as a whole should contribute to rebates – a situation that would nonetheless have the effect of reducing by several billion the amount of the British cheque. Although Cameron has reiterated the ill that he thinks of Van Rompuy’s proposal, the British are said to consider the proposal is along the right lines. They could be satisfied with a capping at €940 billion payments over seven years, which would be a reduction of €3 billion compared to the current framework of payments. Tens of billions of euro in additional cuts could be made in the Connecting Europe Facility, the External Action Service and administrative spending, Cameron suggested during his exchange with the European Council president.

The dividing line between, on one side, the “Friends of Cohesion” (Poland, Spain, Greece, Portugal and Hungary) and, on the other, the net contributors, has not moved an inch. The British, Swedish and Dutch prime ministers confabulated during Thursday and their views are already closer when it comes to the need to make further cuts.

Sweden’s Prime Minister Fredrik Reinfeldt reaffirmed that net contributor countries were likeminded when it comes to reducing total expenditure. He promised, moreover, to be constructive in this way of thinking in order to obtain a more “*modern*” budget that deals with “*competitive problems*” in Europe. Sweden, which is one of the five countries that could hold claim to a rebate, will be intransigent in this respect. Reinfeldt said he would hold “*lengthy discussion*” on the EU27 contribution to the rebates.

Dutch Prime Minister Mark Rutte also plans to play the card of “*modern*” and “*sober*” budget, his priority being to support innovation. He also insisted on a “*fair deal that includes our rebate*”. He does not rule out another summit in January, or a Dutch veto, preferring on this subject “*not to take a loaded gun out of his pocket*”.

Spain’s Prime Minister Mariano Rajoy, who has much to lose in the budgetary battle, met François Hollande, the Italian prime minister, Mario Monti, and Angela Merkel.

Monti said before his meeting with Van Rompuy that he followed three objectives: equity, solidarity and efficiency. He judged that the proposal from the European Council at this stage penalised Italy. It is essential to have better results for CAP and cohesion, he said. Nonetheless, he recognised the need for budgetary austerity that is the same for Italy as for the rest of Europe.

Belgium supports an ambitious budget, according to Prime Minister Elio Di Rupo, saying that, if one reduces the European budget possibility, then it is European policies that will be reduced. He is counting on France and Italy to maintain their level of ambition, and to defend the transition regions in cohesion policy. Belgium will form a common front with the Netherlands for defending their right to withhold 25% of customs duties that they collect and pay back to the EU budget, against 15% as proposed by Herman Van Rompuy. (LC/MD/transl.jl)

ECONOMY

(AE) CYPRUS: CHRISTOFIAS SAYS AID DEAL IMMINENT

Brussels, 22/11/2012 (Agence Europe) – The Cypriot president, Demetris Christofias, announced in a press release on Thursday 22 November that Cyprus is very close to signing a draft agreement with the troika of lenders (the European Commission, the European Central Bank and the IMF) and agreement would be reached very soon on the few remaining items. *AFP* reports that Cyprus finance minister Vassos Shiarly spoke of aid amounting to €17 billion.

Sources at the ECB said on Thursday that the ECB delegation was due to leave Cyprus that evening but was unable to say whether a further mission would take place. A Cypriot source confirmed that the troika had left and said that they should have left Nicosia on Tuesday 20 November, but had had to stay on because of persistent disagreement and the continuations had gone on longer than expected, thus preventing Shiarly from attending the special Eurogroup meeting on Greece (*see EUROPE 10735*).

The same source says the Cypriot government was refusing to extend the retirement age to 67 (this extension is recommended by the troika) arguing that it would not create any jobs, but was prepared to raise it from 64 to 65. There is also disagreement about the recommendation to cut pension payments – not on the idea of reducing them, but on how to do it exactly. Cyprus is not happy about the troika's idea of privatising public companies and the two sides also disagreed on the use of profits from the granting of gas licences. Nicosia wanted the windfall to be used for growth stimulus, but the troika wanted it to pay off some of the public debt.

The *Cyprus Mail* newspaper says that the talks were heated, especially over the amount of financial aid needed (the troika says more will be needed than initially planned). Although the exact figure is not yet known, it will probably be in the teens (of billions of euros). The sum of €17.5 billion is being suggested, €10 billion of it to bailout Cypriot banks hit by the Greek crisis, €6 billion to service the debt and €1.5 billion to pay the state's bills. The uncertainty about the financial requirements is one of the reasons why Fitch ratings agency downgraded Cyprus on Wednesday from BB+ to BB–, adding a “negative prospect” to boot. The same source says that Cyprus may decide not to take up the offer of a Russian loan, but it depends on what it can negotiate from the EU. The Eurogroup meeting on 3 December will be discussing the Cypriot aid plan. (EL/transl.fl)

(AE) GREECE: REHN TELLS LENDERS TO STICK TO THEIR COMMITMENTS

Brussels, 22/11/2012 (Agence Europe) – Addressing the European Parliament on Thursday 22 November 2012, Euro Commissioner Olli Rehn said the time had come for Greece's European and international partners to reach a tangible outcome on the second Greek bailout because Athens has met all its commitments. He added that frankly, he did not see any reason why it would not be possible to decide on the aid plan.

The Eurogroup meeting ended on Wednesday morning without reaching agreement on the sustainability of the Greek debt, the final (but huge) obstacle to disbursement of an instalment of aid of up to €44 billion (*see EUROPE 10735*). The negotiations are focussing on the granting of additional guarantees by the eurozone bailout funds to enable Greece to buy back at low cost on the secondary markets some or all of the €50 billion to €60 billion of Greek bonds still in private hands. A reduction in interest rates and extended maturity on the loans granted to Greece since 2010 are also on the table.

Whatever gets decided, Rehn warned that the various measures do not exclude any reassessment of the sustainability of Greece's debt in the next few years and new decisions in the light of how the situation develops. In other words, European taxpayers will have to agree to lose money on the loans to Greece, as demanded right now by the IMF.

The Commissioner praised the achievements of the Greek government, despite opposition from the people directly affected by the reforms. He said it was time to get over the damaging and untrue story that no progress has been made in Greece. He gave a taster of positive outcomes – the 89 “priority actions” demanded in the spring of this year have all been passed; budget savings have reached €13.5 billion or 7% of Greek GDP; the retirement age has been increased to 67; tax collection has improved; healthcare spending has fallen by €1 billion so far in 2012 and a further €800 million of savings are planned for 2013-2014. On Monday 26 November, Eurogroup hopes to reach final agreement on continuation of the Greek programme, six months after the elections that carried prime minister Antonis Samaras to power. (MB/transl.fl)

EUROPEAN PARLIAMENT PLENARY**(AE) CHINA: EP WANTS FAST ACTION ON CHINESE SOLAR PANEL DUMPING**

Strasbourg, 22/11/2012 (Agence Europe) – MEPs want a rapid introduction of temporary anti-dumping rights on Chinese solar panels, which the European Commission has been investigating since September.

In an oral question from the European Parliament to the European Commission on measures to protect the European market from imports from China sold at abnormally low or loss leader prices, MEPs from the main political parties were unanimous in their calls on the European executive on Thursday 22 November to take emergency measures to protect the European solar panel industry.

In early September, the European Commission launched an anti-dumping investigation into said solar panels imported from China (*see EUROPE 10683*), in response to the biggest anti-dumping complaint ever lodged because Chinese solar panel technology exports to the EU reached €21 billion in 2011. The investigation will take 15 months, but after nine months (in June 2013), the Commission could introduce provisional anti-dumping rights for six months if it believes there is enough evidence to demonstrate dumping. If it finds that dumping has occurred, then after the fifteen-month investigation, the Commission could introduce definitive dumping rights for five years.

The anti-dumping investigation on Chinese solar panels has been accompanied since 8 November by an investigation into subsidies (*see EUROPE 10726*). In nine months' time, the Commission could introduce provisional compensation rights for four months if it believes there is sufficient evidence of the existence of unfair subsidies. After examining the matter in terms of the European interest, the Commission may decide to introduce definitive compensation rights for a period of five years.

On Thursday, this response time was described by many MEPs as far too slow. Earlier this year, the solar panel industry in the United States won its case in the United States, when provisional rights of up to 250% were introduced, explained Yannick Jadot (Greens, EFA, France), but the EU has to wait until next July to learn what the Commission has decided – and only on provisional rights! He pointed out that by then, several solar panel companies in Europe that are surviving at present could well be forced to shut up shop. (EH/transl.fl)

(AE) KAZAKHSTAN: EP WANTS STRONGER COOPERATION AGREEMENT

Strasbourg, 22/12/2012 (Agence Europe) – The European Parliament is in favour of negotiations for a stronger Partnership and Cooperation Agreement between the EU and Kazakhstan, but wants the country to make great improvements in the fields of human rights, democracy and the rule of law.

A Parliament resolution prepared by Liisa Jaakonsaari (S&D, Finland) says that progress in negotiating a new agreement should be connected to progress in political reforms. The resolution was passed by a wide majority at the Parliament plenary in Strasbourg on Thursday 22 November and the Parliament says that in its recommendations to the European Commission and the Council of Ministers, it expects a binding commitment from the Kazakh government to guarantee freedom of speech, freedom of the press, freedom of association and religion and an independent judicial system.

Expressing concern about arrests and lack of any fair trial for members of the Kazakh opposition and civil society found guilty of "*encouraging social discord*," the Parliament urges Kazakhstan to immediately release its political prisoners and end political arrests.

The resolution stresses the importance of energy cooperation between the EU and Kazakhstan, particularly the development of a trans-Caspian fuel route and closer ties for regional cooperation in central Asia for the management of water, border control, security in Afghanistan and the fight against extremism.

The EU/Kazakhstan Partnership and Cooperation Agreement came into force on 1 July 1999 and the talks on a stronger agreement started in June 2011. (EH/transl.fl)

(AE) 2014 ELECTIONS: LEADER OF WINNING PARTY WILL PRESIDE OVER COMMISSION

Brussels, 22/11/2012 (Agence Europe) – The European Parliament has confirmed that European political parties should put forward a candidate for the post of European Commission president during the 2014 European elections. This approach will help European citizens understand how their vote has an impact on the political complexion of the future Commission that comes into being in November 2014. The European parties, the PES and EPP, have already made this decision (*see EUROPE 10710*).

Voting through by a wide majority the draft resolution submitted by the Parliament's Constitutional Affairs Committee, the MEPs said that future Commissioners should be chosen as far as possible from newly

elected parliamentarians. The Greens/EFA party wants a ratio of one out of every two commissioners as a way of counterbalancing the current situation whereby only EU27 governments can decide on candidates. Countries designating representatives would be advised to put forward a male candidate and a female candidate in order to ensure sexual equality, said the MEPs in an amendment tabled by the ADLE party. An amendment by the Greens/EFA requiring parity between men and women on electoral lists was rejected.

The Parliament urges the member states to introduce suitable and proportionate minimum rates to allow the formation of reliable majorities in their electoral role and recommends that European elections are held in the second fortnight of May 2014 rather than in June. (MB/transl.fl)

(AE) ENLARGEMENT: CALL FOR INCREASE IN SOCIAL DIMENSION AND SIMPLIFIED PROCEDURES

Strasbourg, 22/11/2012 (Agence Europe) – On Thursday 22 November, the European Parliament called for the EU to include more social considerations and greater input from civil society in its accession criteria. In a report by Maria Eleni Koppa (S&D, Greece) on the EU's enlargement policies and criteria and strategic interests in this area MEPs would like the EU to put more emphasis on the social dimension, *"in an effort to encourage a positive social transformation in future member states of the European Union, while remaining attentive to the defence of social justice"*.

They would like the Commission to step up its monitoring of progress made in the accession process and for reference points and assistance to candidate and potential candidate countries to be included. They are also calling for simplified and more fast-track procedures regarding the Pre-Accession Assistance Instrument (PAI) and for the administrative capacity of beneficiary countries to be increased, *"to ensure a high degree of participation in European programmes, as well as a greater absorption capacity"*. Parliament is calling on the Commission to not immediately reduce in real terms the overall amount to each beneficiary from enlargement policy and for it not to prevent beneficiaries from receiving, *"sufficient and fair access"* to funding due to restricted EU resources, particularly in the area of institution building. MEPs would like all accession criteria to be translated into, *"clear, specific and measurable"* targets in the PIA, in order to clearly demonstrate the link between EU funded policies and the progress accomplished in respecting accession criteria.

While confirming its commitment to enlargement, parliament underlines the EU's ability to integrate new countries as a key element to consider and is requesting MEPs to keep the momentum going in the enlargement process. MEPs consider that during the next overall treaty review, Parliament should launch a debate about the introduction of a new category of associate EU member for countries that do not want to or cannot join the Union.

The report also underlines the importance of *"strict respect"* of the Copenhagen criteria and the long-term acquis, the fight against corruption and organised crime, good neighbourhood relations, human rights, the Europe 2020 objectives and enhancing support for Small and Medium-Sized Enterprises. (CG/transl.fl)

(AE) INTERNET: EUROPEAN PARLIAMENT DEMANDS BETTER CHILD PROTECTION

Brussels, 22/11/2012 (Agence Europe) – Surfing the web is becoming a habit for our children, who therefore need stronger protection, explained the European Parliament in a resolution voted on 20 November. MEPs emphasise that EU member states should step up their efforts, through law, cooperation, or sharing good practices, to combat illegal or harmful content and ensure that online resources can be used with less risk.

"We sought to weigh up the fundamental rights of minors in the digital world – the rights to access, instruction and protection – and to protect their right, as 'digital citizens', under a new form of governance, to develop their interests as persons and European citizens", explained rapporteur Silvia Costa (S&D, IT) during the plenary debate.

The online habits of young Europeans expose them to new online risks of fraud, solicitations that diminish the perception of offence to their own or others' dignity (cyber bullying and grooming), child pornography and harassment – sometimes extended into real life. MEPs recommend that institutional players and internet service suppliers step up EU-wide coordination of hotlines and other contact points and stress the need to step up cooperation with third countries so that harmful content hosted on their territory can be removed quickly. The Parliament also backs recourse to technologies designed to prevent children from accessing content inappropriate to their age, such as parental control tools or age verification systems. (IL/transl.fl)

(AE) DEFENCE: EUROPEAN PARLIAMENT VOICES CONCERN AT EU'S STRATEGIC DECLINE

Brussels, 22/11/2012 (Agence Europe) – Two separate reports were adopted at the plenary session in Strasbourg on Thursday 22 November, one on common security and defence policy (CSDP) and the other on the EU's solidarity and mutual assistance clauses. The Parliament, however, gave a single picture of the current state of European defence, saying that the European instruments available to member states and European institutions are not sufficiently used, while, at the same time, the EU is facing a significant decline in its member states' capacity of action due, among other things, to cuts made in national defence budgets.

What are the reasons for under-use of available resources? The general rapporteur, Arnaud Danjean (EPP, France), gave several explanations during the debate the day before the vote, saying (our translation throughout): *"Unfortunately there is often a lack of political will, especially on the part of the member states. But there is also a lack of political will or motivation on the part of some Brussels institutions responsible for CFSP (Ed. Common Foreign and Security Policy) and CSDP. And there is sometimes a lack of vision and reticence to act when it comes to the Council. There is also ideological reticence, because it is considered that soft power is more effective than the use of armed force, and sometimes also a lack of clear priorities that sometimes gives the impression of charting a rudderless course"*.

Danjean Report. Today, given the many challenges that the EU has to face – from the civil war in Syria to the upsurge of violence in the Congo and Mali, and to the constant threat from Somali pirates – *"it would be irresponsible to consider the CSDP as a luxury or as an anecdote"*, Danjean said, speaking on Wednesday 21 November. In his report, adopted by 442 votes to 92 and 75 abstentions, the MEP underlines that too many provisions of the Lisbon Treaty on CSDP have remained a dead letter, such as permanent structured cooperation or the European policy for armaments and capabilities. Furthermore, the current 15 civilian and military operations suffer regularly from a lack of personnel, as do the crisis management structures of the European External Action Service (EEAS), which have staff shortages. Although the report brings up a number of positive points, such as the work carried out by the European Defence Agency (EDA) or the recent launch of three new civilian operations, the EU High Representative for Foreign Affairs and Security Policy, Catherine Ashton, is nonetheless urged to revitalise the agenda of the CSDP. The Commission, for its part, as well as the Council, the member states and the EDA, should propose innovative solutions in order to step up the EU's projection capability, especially through the development of a common fleet of transport aircraft.

Pascu Report. On Wednesday 21 November, the general rapporteur, Ioan Mircea Pascu (S&D, Romania), explained that it is not new instruments or new powers that are needed but only a clear definition of the roles and prerogatives of each, so that the EU institutions and the member states may be able to fully use the possibilities provided by the solidarity and mutual assistance clauses. The report, adopted by 438 votes to 53 with 104 abstentions, points out that all member states have the duty to go to the assistance of one of their members in the event of aggression (armed or otherwise), as in the case of cyber-attack. However, in order for that assistance to be effective, it is necessary, on one hand, for the states to have credible military capabilities and, on the other, for the EU institutions to make their own crisis management structures available if necessary. To that end, the report recommends the setting in place of structures to anticipate requests of that kind, by creating, for example, a real, permanent and operational military staff. In parallel, the solidarity clause should encourage EU member states to provide mechanisms that can use their military or civilian means in order to go to the assistance of a state during an attack on that state's territory or to provide relief during a natural or man-made disaster. It is thus necessary to have coordination between the different crisis management structures, strengthened capabilities and strengthened means of prevention and preparation.

On the basis of these two reports, the Parliament finally invites the Council and the EEAS to review 2003 security strategy and to soon propose an EU White Paper on Security and Defence, in order to define the EU's strategic interests and to look at the new threats facing the EU. As Danjean commented in his plenary speech, on Wednesday 21 November, even if *"NATO is still the cornerstone of the continent's collective defence, the EU can no longer allow itself to systematically delegate responsibility for its security and that of its neighbours"*. (JK/transl.jl)

(AE) CORRIGENDUM: 22/11/2012 (Agence Europe) – There was an error in our bulletin *EUROPE 10734* on division within the European Parliament over shale gas. Frédérique Ries, of Belgium, belongs to the Liberal Group (ALDE), not to the S&D Group. (EH/transl.jl)

(AE) FISHERIES: EP BANS ON BOARD SHARK FINNING

Brussels, 22/11/2012 (Agence Europe) – With its vote on Thursday 22 November, the European Parliament removed all exceptions to the legislation banning the barbaric practice of cutting off fins and dumping shark carcasses at sea. The Parliament did not follow the Parliament fisheries committee's opinion or that of the rapporteur, Maria do Ceu Patrao (EPP, Portugal), who felt that some exceptions should be maintained. The initial report allowed only freezer-fishing vessels to remove the shark fins at sea, making it an obligation for them to land the fins and the processed sharks' bodies in the same port. An amendment by the S&D, ALDE, Greens/EFA, ECR and EFD Groups was adopted in plenary (520 votes in favour, 120 against and 8 abstentions), allowing stricter legislation to be brought in.

The 2003 Community ban prohibited the removal of shark fins on board fishing vessels, except on board vessels that had a special permit for finning at sea. The Parliament vote does away with those exemptions. Sharks should be landed with their fins "*naturally attached*" to the body, as was proposed by the Commission and upheld by the Council of Ministers. Removal of shark fins at sea prevents the effective application of the Union ban on shark finning and prevents the essential collection of data on the different species caught. The report thus amended was adopted by 566 votes for, 47 against and 16 abstentions.

"I welcome Parliament's decision to follow the Commission's proposal to close the loopholes in our current rules. I am now looking forward to a swift agreement between Parliament and Council on a real ban to shark finning, without any derogations", commented EU Fisheries Commissioner Maria Damanaki.

The Oceana organisation applauded the Parliament for its strict ban on shark finning "*which will require all sharks caught in EU waters and by EU vessels fishing worldwide to be landed with their fins still naturally attached. The measure closes long-standing enforcement loopholes in EU policy on shark finning, will improve the collection of valuable data about shark catches, and will help to prevent the trade of fins from threatened shark species. The vote of the plenary session, in Strasbourg, represented the final hurdle to the adoption of the 'fins-attached' policy, which the European Council endorsed in March 2012*", an Oceana press release reads. The EU catches more sharks than anywhere else in the world (17% of declared shark catches in 2009) and is the biggest exporter of fins towards Hong Kong and China.

The Greens/EFA Group was also pleased. Jean-Paul Besset, a member of that group, said (our translation): "*Here is the Europe we love, a Europe that is not bowled over by private and national interests, a Europe that clearly states its principles and implements them resolutely: by firmly banning and without any derogation shark finning at sea, by giving up this abhorrent and barbaric practice, and by putting an end to such dreadful waste*". (LC/transl.jl)

(AE) FISHERIES: EP MOVES FORWARD ON PLAN FOR RECOVERY OF BALTIC SALMON STOCK

Brussels, 22/11/2012 (Agence Europe) – On Thursday 22 November, the European Parliament endorsed legal measures establishing a multiannual plan for protecting Baltic salmon stocks, but decided to postpone a vote on technical conservation measures (Pat the Cope Gallagher report) until the Council unblocks long-term fisheries management plans (relating to anchovies in the Bay of Biscay and mackerel). These have been blocked due to reasons relating to the legal base.

With the adoption of the report by Marek Jozef Grobarczyk (ECR, Poland), the Parliament amended a draft EU regulation to include higher reproduction targets designed to increase the Baltic salmon stock. To safeguard its genetic integrity and diversity, they also tightened up rules for releasing reared young salmon into the rivers. The Parliament has extended the scope of the regulation in order to also include all forms of recreational fishing due to the considerable impact that such fishing has on Baltic salmon stocks. (LC/transl.jl)

(AE) FISHERIES: 22/11/2012 (Agence Europe) – Small-scale fishing. On Thursday 22 November, the European Parliament adopted its position on the definition of small-scale ("artisanal") fishing and coastal fishing in the context of the reform under way. The Parliament calls for special attention to be paid to this kind of fishing, allowing investment in the future, especially through the replacement of motors for boats and the renewal of old vessels. The Parliament also calls for investments to be made in the safety of boats, and funding to cover temporary cessation of fishing activity (due to crises or failing fish stocks). The principle of transferable fishing concessions has been rejected. (LC/transl.jl)

SECTORAL POLICIES

(AE) AGRICULTURE: COPA-COGECA WANTS TO KEEP UP AGRICULTURAL SPENDING

Brussels, 22/11/2012 (Agence Europe) – The presidents of COPA and COGECA warned, on Thursday 22 November, against the “*unacceptable cuts*” in farm spending proposed by the president of the European Council in the context of talks on the multiannual financial framework 2014-2020.

Gerd Sonnleitner, COPA President, pointed out that more and more farmers are going out of business due to high production costs not covered by market prices, and to poor weather conditions and extreme market volatility. “*Farmers’ incomes are half the average level of earnings in other sectors and food demand is on the increase. These latest proposals would result in huge cuts in direct payments to farmers of up to 30% in some countries which is totally unacceptable, and risks threatening food security and causing increased unemployment*”, Sonnleitner said.

Christian Pées, COGECA President, underlined that farm spending “*which is less than 1% of EU public expenditure, has been falling continuously for many years whilst other countries like the US, China and Brazil are investing strongly in their agricultural sector to maintain competitiveness, economic growth and feed an increasing population*”. Herman Van Rompuy’s proposal would mean a further reduction in farm spending, which would be in addition to the cut proposed by the Commission (-10% in real terms). “*This is not acceptable. EU agricultural spending must be kept at current levels until 2020, to ensure farmers and their cooperatives can continue to provide secure, safe food supplies to 500 million consumers*”, Pées said, hoping for a swift decision on the multiannual financial framework and the CAP. (LC/transl.jl)

(AE) AGRICULTURE: BALTIC FARMERS WANT HIGHER LEVEL OF AID

Brussels, 22/11/2012 (Agence Europe) – Farmers from the three Baltic States want future direct aid payments in their favour to be higher. This request was taken up by their leaders in talks on the multiannual financial framework for 2014-2020. Nearly 100 farmers from Estonia, Latvia and Lithuania demonstrated in Brussels on Thursday 22 November before the European Council building, calling for a more equitable share of farm subsidies.

The average amount of EU direct payments is €269 per hectare, far more than what the farmers of the Baltic States receive – Lithuania (€144/ha), Estonia (€117/ha) and Latvia (€97/ha). The Netherlands, Belgium and Italy receive on average €457, €435 and €404 per hectare respectively.

Commission proposals on reform of common agricultural policy (CAP) would allow aid to the Baltic States to be increased in 2017 to €144 /ha for Latvia, €157 for Estonia and €174 for Lithuania. These figures could change as EU leaders may reduce the CAP envelope from 2014 to 2020. The Baltic countries hope that the level of direct aid in their favour will come close to the EU average of €269/ha.

One of the farmers’ representatives said (our translation throughout): “*We suffer from discrimination. All EU farmers operate within the single market and production costs are identical in all countries. Farmers respect the same norms for the environment, animal welfare and food safety. EU direct support for the Baltic States, however, is at its lowest*”.

Baltic farmers benefit from subsidies from their own governments even if it is a time of cautious optimism in a context of economic crisis. “*One of our priorities is to ensure equitable aid to all members of the EU27*”, Latvian Prime Minister Valdis Dombrovskis said. “*It is impossible to be a competitor on the EU internal market if some countries receive far larger subsidies than those intended for the Baltic States*”, he explained.

Latvian Foreign Minister Edgars Rinkevics, for his part, fixed two “*red lines*”: the Cohesion Fund must remain at least at its current level and Latvian farmers, who are the least subsidised by the CAP, must, in his view, now be treated on an equal footing with the farmers of other countries.

In addition to the sustainability of farms, this difference in the amount of aid also has an impact on village life. There is a phenomenon of desertification of villages, with unemployment entailing a rural exodus. “*Schools, cultural centres and nurseries are closing, as well as some of the shops*”, a member of an agricultural organisation explains. (LC/transl.jl)

(AE) HEALTH: EPHA URGES BORG TO AVOID ANY CONFLICT OF INTEREST

Brussels, 22/11/2012 (*Agence Europe*) – The European Public Health Alliance (EPHA) has welcomed the appointment of Tonio Borg from Malta to the post of Commissioner for health and consumer policy, following his approval by the European Parliament on 21 November (*see EUROPE 10735*). Nonetheless, it insists that the new Commissioner put his conservative opinions to one side and make his decisions in strict respect of the European treaties and the Charter of Fundamental Rights. In a press release, EPHA declared that, *“we trust that Dr Borg will be true to his words that his personal views do not interfere with his public duties in a portfolio that deals with sensitive areas such as sexual health and reproductive rights, equity of access to health care, health promotion, disease prevention, and the reduction of health inequalities”*. Although the alliance welcomes Tonio Borg’s strong determination to push forward the directive on tobacco products as early as possible and for an ambitious directive to be presented in January 2013, EPHA is highlighting the absolute necessity for the new commissioner to resist any interference from the tobacco lobbies in this dossier. *“EPHA would like to stress that the EU is a signatory to the World Health Organisation’s framework convention on tobacco control... which requires a high level of transparency and openness in contacts with the tobacco industry”*. It also referred to the former health Commissioner Androulla Vassiliou’s pledge to members of the European Parliament, *“I am ready to commit today to not accept any invitation coming from the tobacco industry or those working in its interests so long as I hold office”*. EPHA is calling on Borg to adopt the same behaviour. (IL/transl.fl)

(AE) COHESION: LAST-DITCH APPEAL BY MEPS FOR COHESION POLICY

Brussels, 22/11/2012 (*Agence Europe*) – The president of the Parliamentary committee on regional development (REGI), Danuta Hübner (EPP, Poland), together with the six coordinators of the committee, robustly argued that with regard to Cohesion Policy, the draft proposal put on the table by Herman Van Rompuy *“is not a reasonable basis for a compromise that the European Parliament would be able to accept”*. On the eve of the Extraordinary European Summit, which could possibly approve the EU budget for the 2014-2020 period, MEPs are keen to remind decision makers that only an ambitious policy promoting solidarity and investment will allow our regions to tackle the crisis over the next seven years. They are warning the Council of their determination to block the adoption of the budget if their expectations are not met. The hard core of the REGI committee stated that, *“the Council must be consequent with its statements on growth and investment, and maintain an ambitious EU cohesion and regional policy. If, on the contrary, it confirms its objective to weakening this key investment policy, the European Parliament should mobilise to prevent the unacceptable.”*

In a more general context with regard to the Multiannual Financial Framework, Hübner added that, *“the practitioners know that for any investment to be effective and efficient, there is a critical mass of funding required. The EU budget 2014-2020 as proposed by the Presidency of the Council has already reached the below the critical mass level. It can only go up if the European leaders think serious about growth”*. (MD/transl.fl)

(AE) WOMEN: 50/50 DECLARATION FOR PARITY IN INSTITUTIONS AFTER 2014

Brussels, 22/11/2012 (*Agence Europe*) – MEPs are now ready to do battle to defend equality in the European institutions after the 2014 elections. A “multi-party” declaration was presented on Wednesday 22 November at the European Parliament during the plenary session. This declaration seeks to obtain a maximum number of signatures. The 50/50 Declaration has already obtained the support of around fifty MEPs from all the different parties.

This approach advocates the nomination by the member states of a female candidate and a male candidate for the post of Commissioner in the College of Commissioners after 2014, as well as for all senior official posts at the Commission. The list of candidates for the European elections in 2014 should also contain parity and equality should also be reflected in the appointment of Parliamentary committee and Parliamentary bureau chairpersons, according to the 50/50 Declaration.

The declaration can be signed by all MEPs and MPs from national parliaments. The liberal MEP Anneli Jäätteenmäki (ALDE, Finland) is also insisting that men and women take part in this campaign and sign the petition. The declaration will be presented to the Commission at the beginning of next year. Franziska Brantner MEP (Greens/EFA, Germany) is subsequently hoping, *“to mobilise and increase the pressure on institutions and governments”* in preparation for the European elections. She also explained that, *“we no longer accept that more than half of the European population is constantly excluded from decision-making that affects their daily life”*, in a reference to Yves Mersch, who is still being put forward as a candidate for the exclusively male Board of Governors at the European Central Bank. Her Socialist colleague, Zita Gurmai (S&D, Hungary) was keen to point out that more equality in decision making provided greater added value to the institutions and society. She is also highlighting the fact that gender equality is a fundamental principle of the European Union and to achieve this end, the European institutions should set an example. (MD/transl.fl)

(AE) ENVIRONMENT: MANY REASONED OPINIONS FOR NON-RESPECT OF EU LAW

Brussels, 22/11/2012 (Agence Europe) – In the great pile of infringement procedures taken against the member states on Wednesday with regard to the environment (*see EUROPE 10735*), the reasoned opinions sent by the European Commission (second stage in infringement proceedings) concern – in three cases – the non-respect of EU legislation on waste management.

In the majority of cases, it is the inadequate or incomplete transposition of EU environmental legislation which is challenged. In all the cases, the member states have already been called to order (by a letter of notice) and will now have a two month deadline to meet the requirements of European law. In the absence of a satisfactory response to the reasoned opinion, the Commission will be able to refer them the Court of Justice.

Landfill. Bulgaria and Italy are asked to clean up their landfills. The European Commission asks Bulgaria to bring its landfills into line with Directive 1999/126/EC on landfills. Landfilling is an option of last resort which member states may only use under conditions allowing harmful effects on human health and the environment to be avoided. Bulgaria did indeed agree to close the landfills that do not meet the requirements of EU directive but 124 landfills still infringe the EU legislation.

Italy still has to proceed with closing or bringing some of its landfills into line. According to the Commission some landfills were still being used in Italy after the 2009 deadline. Under the terms of the directive, the member states were obliged to ensure that their landfills – which had been granted a permit or which were already in operation when the directive was transposed – were closed after July 2009 if they were not in line with the requirements of the directive.

Mining waste. The Czech Republic has still not transposed Directive 2006/21/EC although the deadline for this was 1 May 2008. Despite a formal letter being addressed to them in May, the Commission is still waiting for notification of national measures aimed at transposing this legislation that focuses on preventing or reducing as much as possible the adverse effects of the management of waste from extractive industries on human health and the environment (particularly water, air, soil, fauna and flora).

Bathing water. Italy has still not remedied the gaps in its national legislation to transpose Directive 76/160 EC (which will be replaced by Directive 2006/7/EC in 2014) into its domestic law. Arrangements are missing from Italian legislation which oblige member states to cooperate and exchange information when a river basin gives rise to transboundary impacts on bathing water quality.

Batteries and accumulators. Italy has still not amended its national legislation in order to transpose Directive 2006/66/EC correctly into domestic law. Mechanisms are currently missing in Italian legislation requiring manufacturers to ensure that chemical contents – such as lead, mercury and cadmium – are marked clearly, legibly and in a permanent manner. This is a gap in their legislation that the Italian authorities have recognised but not amended.

Floods. Italy must improve transposition of the directive that obliges member states to perform flood risk assessments for their river basins and to establish emergency plans. The Commission deplores the excessively restrictive nature of the Italian legislation which excludes floods caused by non-meteorological events – such as tsunamis and infrastructure failures like dam breaks. The Italian authorities have agreed to bring the amendments required but the problem persists despite a letter of formal notice being sent to them in March.

Nature protection. Slovenia must designate more sites to integrate into the special protection areas (SPAs) of Natura 2000 – the pan European network of protected natural areas. This must be done under Directive 2009/147/EC, the so-called Birds Directive. Slovenia has designated 27 SPAs but the number and extent of these areas are insufficient with regard to the inventory of important bird areas used by the Commission to assess if the member states are in line with their obligations. Eight additional sites must be designated and 14 others remain to be increased in order to satisfy the demands of the directive. Despite a letter of formal notice being sent to the Slovenian authorities in June 2007, no progress has yet been made. (AN/transl.fl)

(AE) JHA: REASONED OPINIONS FOR CZECH REPUBLIC AND LATVIA REGARDING NOTARIES

Brussels, 22/11/2012 (Agence Europe) – On 21 November, the European Commission sent a reasoned opinion to the Czech Republic and to Latvia calling on them to respect EU law by withdrawing their nationality requirements for notaries. In May 2011, the EU Court of Justice ruled that such conditions of nationality were counter to the freedom of establishment and that the activities of notaries were not covered by an exception under Article 51 of the European treaty concerning activities linked to public authority. The Czech Republic and Latvia argue that their notaries fall under that exception, as they have judicial powers. Nonetheless, their notaries do not have the power to rule on disputes. Therefore, although the notaries' powers allow them in some cases to take decisions equivalent to judicial decisions taken in the Czech Republic and Latvia, the Commission considers that such participation in the exercise of public authority is not sufficient to warrant the nationality requirement, a Commission press release states. (SP/transl.jl)

(AE) EMPLOYMENT: PROCEEDINGS OPENED AGAINST FOUR MEMBER STATES

Brussels, 22/11/2012 (Agence Europe) – On Wednesday 21 November, the European Commission announced it had crossed a new stage in four infringement proceedings relating to employment. Belgium, Italy, the Netherlands and Slovakia will be receiving four reasoned opinions on questions ranging from working hours, employees' health and allocations for people with disabilities.

Belgium. Time worked by teachers and their assistants in Belgian boarding schools is not accounted for correctly. An overnight duty of eight hours is counted as three hours' actual working time. Furthermore, the weekly duration of work, which is limited to 48 hours, is not totally respected, since the directive (2003/88/EC) which frames it also provides for a minimum daily rest of 11 consecutive hours for every 24-hour period.

Italy. Under Directive 89/391/EC, each employer is under an obligation to assess risks run by his/her employees and to set measures in place to reduce them. However, in Italy, *"the current legislation exonerates the employer from his responsibility for health and safety in case of delegation and sub-delegation of functions and referring the obligation to provide a risk assessment document in case of new business or substantial changes"*.

The Netherlands. The Dutch administration must pay benefits to persons suffering from disabilities or chronic illness and who are insured in the Netherlands, even if they do not reside there but live in another member state. According to the Commission, the place of residency cannot be a criterion of discrimination for persons receiving such benefits, under Article 48 of the Treaty on the functioning of the EU.

Slovakia. There is a similar situation to that in the Netherlands, but with the difference that the reasoned opinion concerns the end of year premium (*vianocny prispevok* in Slovakian), which is a complement to retirement pay. The premium should be paid to those entitled to it, even if those persons live in another member state. (JK/transl.jl)

(AE) ENERGY: 22/11/2012 (Agence Europe) – Internal market – Poland and Finland are taken before Court of Justice. On Wednesday 21 November, the European Commission took action before the EU Court of Justice against Poland and Finland for failure to completely transpose the 2009 Community directives on the liberalisation of the internal energy market. Warsaw has to date only partially transposed into national law the directive 2009/73/EC on gas. Helsinki has not fully transposed either the directive 2009/72/EC on electricity or that on gas. Member states were asked to transpose both directives by 3 March 2011 at the latest. The Commission suggests daily fines of €88 819.20 for Poland and of €32 140.80 and €28 569.60 for Finland, for each of the two directives not transposed. The fines are to be paid from the date of the Court's ruling, until Poland and Finland notify the Commission that the directives have been completely transposed into their national bodies of law. (EH/transl.jl)

(AE) ENERGY: 22/11/2012 (Agence Europe) – "Renewables" directive – Hungary and Luxembourg in Commission's sights. On Wednesday 21 November, the European Commission sent reasoned opinions to Hungary and Luxembourg for failure to notify full transposition into national law of the directive on the promotion and use of renewable energy sources. Directive 2009/28/EC on renewables was to be implemented by 5 December 2010 at the latest. If Budapest and Luxembourg do not comply with their legal obligations within two months, referral may be made to the EU Court of Justice. These two reasoned opinions complete similar proceedings initiated against Austria, Bulgaria, Cyprus, Finland, France, Greece, Ireland, Malta, Poland, the Czech Republic and Slovenia. (EH/transl.jl)

(AE) FINANCE: ELECTRONIC MONEY, BELGIUM IN THE DOCK

Brussels, 22/11/2012 (Agence Europe) – On Wednesday 21 November, the European Commission took another step in the infringement procedures begun against six different countries.

Electronic money. Belgium has been taken to the European Court of Justice for failing to implement Directive (2009/110/EC) for introducing electronic money, which should have been applied since the end of April last year. If the European Court of Justice reaches a decision, Belgium may be obliged to pay a daily fine of €59,212.80 until it has fully implemented the directive. This is a natural penalty takes into account the duration and seriousness of the infringement, as well as the size of the country concerned.

EBA. Six member states (Belgium, France, Greece, Luxembourg, Poland and Portugal) have all received a reasoned opinion and now have two months to send the Commission their respective national measures transposing Directive (2010/78/EC). This directive means that several European legislative texts should now be the responsibility of the European Banking Authority (EBA). It has been applicable since the end of 2011.

Investment funds. The Commission has sent Poland and Greece a reasoned opinion in which it calls on them to provide it with notification of their respective national measures to transpose Directive (2009/65/EC) and their measures for putting this directive into practice. The deadline for notification was at the end of June 2011 at the latest. This directive introduces rules for setting up and managing Undertakings for Collective Investment in Transferable Securities (UCITS), particularly in the area of cross-border distribution of these investment funds. (MB/transl.fl)

(AE) INTERNAL MARKET: PUBLIC PROCUREMENT, GREECE TAKEN TO COURT

Brussels, 22/11/2012 (Agence Europe) – On Wednesday, 21 November, the Commission decided to take Greece to the European Court of Justice with regard to the awarding of public contracts. It has also sent a reasoned opinion to Portugal and to Hungary for failing to respect internal market legislation.

Public procurement. Greece did not fully respected the “public contracts” Directive (2004/18/EC) the purchase of an information system for the Social Security Foundation (IKA). Greece failed to fulfil its commitment under the said directive to launch a new tendering procedure for the award of the above contract, without the illegal clauses included in the original call for tender.

Tractors. Portugal is being formally requested to implement Directive (2010/62/EU) on the type approval of tractors. The country should have begun implementing this directive on 29 September 2011 at the latest. This infringement is preventing the registration and sale in Portugal of vehicles of this type and which have been approved in other EU member states.

Luncheon vouchers. The Commission is formally requesting that Hungary take measures to ensure the freedom of establishment and freedom provision of services regarding the issuing of luncheon vouchers, leisure passes and holidays in compliance with the (2006/123/EC) services directive. (MB with OL/SP/transl.fl)

(AE) JHA: BELGIUM IN DEFAULT ON BIOMETRIC PASSPORTS

Brussels, 22/11/2012 (Agence Europe) – On Wednesday 21 November, the European Commission decided to take Belgium to the Court of Justice of the EU for not having always implemented the issue of biometric passports containing fingerprints. *“More than three years after the deadline was set for issuing biometric passports with fingerprints, Belgium still fails to comply with this requirement”*, the Commission points out, and it has therefore referred Belgium to the Court of Justice, asking that it *“speed up the delivery of biometric passports containing the agreed security feature”*.

Following the entry into force of Regulation 2252/2004, the member states had until 28 August 2006 to ensure that the passports they delivered had a chip containing the facial image of the passport holder, and until 28 June 2009 to ensure that the chip also contained the passport holder’s fingerprints. Among the member states obliged to respect this regulation, Belgium is the only one not now delivering biometric passports with fingerprints. After receiving a reasoned opinion in September 2011, the Belgian authorities clarified the timetable planned for them to be equipped with the necessary material for the delivery of passports with fingerprints. However, although some measures were taken, the Commission says, the full implementation of biometric passports containing the fingerprints of the passport holder is not planned before autumn 2013. The Commission underlines that the delivery of secure travel documents – in which citizens of the EU can trust – is one of the cornerstones of the Schengen area and that *“it is crucial that all member states issue compliant passports if we are to guarantee the same level of protection against fraudulent use throughout the EU”* (our translation). (SP/transl.fl)

EXTERNAL ACTION

(AE) GAZA: EUROPEANS WELCOME CEASEFIRE AND CALL FOR RESUMPTION OF TALKS

Brussels, 22/11/2012 (Agence Europe) – On Wednesday 21 November, Europeans hailed the agreement on the ceasefire between Israel and the Gaza Strip. Welcoming “*wholeheartedly*” the proclamation of the ceasefire, the presidents of the European Commission and European Council, José Manuel Barroso and Herman Van Rompuy, said that it is “*now crucial to ensure its implementation and to prevent the restart of violence*”. They said that the events of recent days show “*the urgent need*” to move towards a two-state solution. High Representative of the EU for Foreign Affairs and Security Policy Catherine Ashton commended “*the efforts of Egypt and all those who engaged in mediating between the parties to secure this ceasefire*”. She said that it is crucial to put an end to “*all violence*” and to enhance security in the region, and she added that the EU will continue its efforts “*to ensure a sustainable solution to the present situation in the Gaza Strip*”.

An adviser from the Mission of Israel to the EU, Yoel Mester, told *EUROPE* on Thursday 22 November that “*Israel will respect the ceasefire, but reserves the right to react in self-defence to its violation by the terrorist organisations*”. He stated that the objectives of Israel’s campaign were “*to act against the terrorist infrastructures operating from the Gaza Strip and to stop the firing of rockets at Israel in order to bring about an improvement in the security reality and allow a normal life for the residents of the State of Israel. (...) These goals have been achieved.*”

British Foreign Secretary William Hague urged all parties to respect their commitments. In his view, “*this ceasefire is an important step towards a lasting peace. The priority now must be to build on the ceasefire and to address the underlying causes of the conflict, including more open access to and from Gaza for trade as well as humanitarian assistance, and an end to the smuggling of weapons.*” French Foreign Affairs Minister Laurent Fabius hailed the entry into force of the ceasefire, saying that “*it is important that all its terms be strictly respected by all parties*”. His Swedish counterpart, Carl Bildt, said the key lies in the opening of crossing points and the facilitation of the movement of people and of transfer of goods.

Earlier in the day, before the ceasefire was official, Cypriot Foreign Affairs Minister Erato Kozakou-Marcoullis and her Belgian counterpart, Didier Reynders, had condemned the attack on a bus in Tel Aviv which had left ten people wounded – three of them seriously.

Parliament resolution condemning violence and supporting Palestinian request.

On Thursday 22 November, MEPs said that “*all attacks must end immediately because they cause unjustifiable suffering among innocent civilians*”. In its resolution, the Parliament supports “*Palestine’s bid to become a UN non-member observer, and considers this an important step in making Palestinian claims more visible, stronger and more effective*”. It calls on Europe to support this bid. During the debate the previous day, Veronique De Keyser (S&D, Belgium) said that “*it is up to Europe to take its responsibilities by supporting (the Palestinian president, who will make this request) Mahmoud Abbas. (...) We have a historical, spoken responsibility which is based on international law.*” She added that by refusing this status to Palestine – which has been independent since 1988 – “*we give grist to the extremists, to those who scoff at European weakness*”. In the opinion of Daniel Cohn-Bendit (Greens/EFA, France), “*we need a clear ‘yes’ to the defence of Israel’s security and a ‘yes’ to a Palestinian state. We need to support Abbas’ strategy otherwise we in fact support those who do not want peace*”. Patrick Le Hyaric (GUE/NGL, France) supported the proposal reproaching Israel for “*using fear and Palestinian blood for an electoral campaign*” and aiming to prevent Palestine from obtaining non-member status at the UN. Charles Tannock (ECR, United Kingdom), on the other hand, said he was “*not convinced of the need to grant the status*”. He recalled Israel’s right to self defence and said that there will be no outlook of peace “*if Hamas maintains its objective of destroying the state of Israel*”. Diane Dodds (NI, United Kingdom) said that the EU does not “*necessarily*” have to support the Palestinian status but to be a “*viable, honest*” partner in order to create confidence from the two sides.

Reaffirming their “*strong support for the two-state solution on the basis of the 1967 borders*”, the MEPs call in their resolution for the creation of conditions enabling the resumption of peace talks and call on the EU and its member states to play a “*more active*” political role.

During the debate, Ignacio Salafranca (EPP, Spain) said that “*it is necessary to consolidate a ceasefire that protects civil society and supports the moderates. (...) There will not be security as long as we do not confront the deep causes and injustices that feed the hatred in the region*”. In the opinion of Annemie

Neyts-Uytterbroeck (ALDE, Belgium): *"the status quo is not tenable and not sustainable. Everything needs to be done to find a peaceful solution for the continuation and (...) to help remove the causes of the conflict"*. Bastiaan Belder (EFD, Netherlands) called on all the European institutions to take *"a responsible position in this chronic conflict. Above all; it needs to be directed against all the forces in the Middle East that deny and threaten the existence of Israel. An urgent message from the EU is needed for the protectors of Hamas, Egypt, Qatar and Turkey"* (our translation throughout).

In their resolution, the MEPs repeat their call for the lifting of the blockade of the Gaza Strip, subject to a control to prevent arms smuggling, and call for measures to be taken to enable the reconstruction and economic recovery of Gaza. (CG/transl.fl)

(AE) INDIA: EU CONCERNED ABOUT EXECUTION OF TERRORIST

Brussels, 22/11/2012 (Agence Europe) – On Wednesday 21 November, Sajjad Karim MEP (ECR, United Kingdom) spoke of his disappointment at the execution of Mohammad Qasab, who was recognised as guilty for the terrorist attacks in Bombay in 2008. Karim, who had been there during the attacks, said that although Qasab's actions were *"repugnant"*, his execution *"will not bring back all the people he killed, and it has only made another martyr for extremists to revere"*. He said that he felt *"no pleasure at his death"* and would have preferred to see him imprisoned for life. *"The world needs to learn that an eye for an eye only leads to a spiral of violence"*, he said.

On 22 November, High Representative of the EU for Foreign Affairs and Security Policy Catherine Ashton said that she was *"very concerned"* by the execution and she *"deeply"* regretted the breach of the *de facto* moratorium on the death penalty observed by India since 2004. *"We recognise that terrible murders were committed at the heart of this case and we are aware of the suffering of the victims and their families. However, I do not believe that capital punishment can ever be justified"*, Ashton said, calling on the Indian authorities to reintroduce this moratorium.

On 26 November 2008, a commando attack killed 166 people in the centre of Bombay. Qasab is the only terrorist to have been captured alive. The Pakistani Taliban have threatened to avenge his execution. (CG/transl.fl)

(AE) TRADE: FRANCE LOOKS OUT FOR FREE TRADE AND RECIPROCITY

Strasbourg, 22/11/2012 (Agence Europe) – With a view to an imminent agreement with Canada and the start of negotiations with the United States and Japan, Paris is calling for concessions on market access – in particular on public procurement.

French Minister for Trade Nicole Bricq will host European Commissioner for Trade Karel De Gucht in Paris on Friday in order to prepare for the meeting on 29 November with her European counterparts – a meeting that should give them the green light to start free trade negotiations with Japan. She will reaffirm the need for trade reciprocity with her Asian G7 partner, and also with Canada and the United States – in particular on public procurement. *"Our public procurement contracts are 90% open, while the public procurement contracts in Canada, the United States and Japan, are only very partially open. This is not acceptable"*, Bricq told press during a visit to the European Parliament in Strasbourg on Wednesday 21 November. She would therefore like the draft regulation on third country access to public procurement contracts – which was presented by the European Commission last March (see EUROPE 10580) and which must now be amended by the European Parliament – to be adopted as quickly as possible for spring 2013. *"We must wrap this regulation up swiftly. It will help us greatly in the negotiations with Japan and the United States"*, she said.

On Friday, Bricq is also due to remind De Gucht of *"the principles that define France's position in the future free trade negotiations"*. *"For the future agreements to be good agreements, we need to have our sights clearly on employment, reciprocity in trade, the highest social and environmental requirements possible, and the possibility of including safeguard clauses"*, she repeated, judging that the agreements that were recently concluded – such as that with South Korea – had perhaps been done a little too *"quickly"*. In view of the negotiations with Japan, France would like – apart from the opening up of public procurement contracts and the lifting of non tariff barriers – concessions for its beef and veal, its food products, its vaccines and its medicines (sectors in which it believes it is *"bullied"* on the Japanese market). Bricq does not at this stage want to speculate on the negotiations with the United States, preferring to concentrate on those with Canada – which could be concluded *"at the beginning of 2013"*. She stressed her expectations on this point about services and public procurement contracts, and her limits with regard to agriculture and cultural exception. *"What we concede to Canada will be demanded by the United States"*, she concluded (our translation throughout). (EH/transl.fl)

EDUCATION

(AE) EDUCATION/CULTURE: DEBATE ON NEW PROGRAMMES CONTINUES

Brussels, 22/11/2012 (Agence Europe) – At the upcoming Education, Youth and Sport Council in Brussels on 26 and 27 November, talks will continue on the next education and youth programmes (Erasmus for All) and media and culture (Creative Europe) amidst the great unknown of how big the budget will be for the two programmes. In addition to these major issues, the economic crisis is still affecting the ministers' work and there will be a conclusions document on how education and training can lead to economic recovery, the adoption of a resolution on structured dialogue with young people (the first victims of the crisis), which will focus on inclusion of all young people across the board. When it comes to sport, talks will focus on combating cheating and manipulating the results of sporting matches and the benefits of sport for health. The meeting will be chaired by Cypriot education and culture minister George Demosthenous and will be attended by EU Education, Culture, Youth and Multilingualism Commissioner Androulla Vassiliou. Education, culture and audiovisual will be on the agenda on Monday 26, with Tuesday 27 taken up with youth and sport

Education. At the last Education Council on 10 and 11 May 2012, EU27 education ministers adopted a partial general guideline on "Erasmus for All" (education and young people), in other words an agreement on everything except the budget question (while awaiting the negotiations with the European Parliament on the new multiannual financial framework). The pending measures are the total budget for Erasmus for All, the breakdown among the various sectors and the bond system for masters students. The Cypriot Presidency had initially hoped to achieve substantial progress before the end of the year in the talks with the Parliament, but the Education and Culture Committee didn't adopt the text on time (scheduled for 6 November, voting on the report has been postponed to 27 November), which has put back the negotiations until after the vote. The Council will issue a conclusions document on literacy with the aim of encouraging the introduction of more effective programmes to improve reading and writing skills, which is one of the targets set for the Europe 2020 Strategy in the field of education. Ministers are expected to agree in principle on a recommendation to the member states to validate both formal and informal learning. Ministers will hold a public debate on how to improve the quality of teachers and their teaching skills.

Audiovisual and culture. After deciding on an initial partial general guideline for the new Creative Europe programme at the last Council meeting (in May), which makes no mention of the budget, the ministers will try to decide on a second partial guideline by agreeing on a guarantee mechanism to improve access to finance for small businesses in the culture and creative industries. The Council will issue a conclusions document on cultural governance (in order to help governments implement joined-up policies for culture within public policy) and a European strategy for a more child-friendly internet to replace the "Safer Internet" programme next year.

Youth. Ministers will issue a resolution giving an overview of structured dialogue with young people on how young people can participate in democratic life in Europe. They will also adopt a 2012 report on implementation of the renewed framework for European cooperation in the domain of youth (2010-2018) and a conclusions document on the participation and social inclusion of young people, particularly young migrants.

Sport. For sport, the Council will issue conclusions on three issues – drawing up a sports policy for the European Union; introducing a strategy to fight the manipulation of sports results; and promoting physical exercise to improve health. The Council will designate three EU representatives for the world anti-doping agency.

Over lunch on 26 November, education ministers will discuss the Copenhagen Process, which aims to encourage countries in Europe to work with the social partners (employers and trade unions) to develop innovative professional training programmes. Before the youth part of the meeting, the ministers and Vassiliou will meet representatives of various youth organisations as part of the "structured dialogue" with young people. The sports section of the meeting will be preceded by a working lunch of ministers of the past, present and future presidency countries (Denmark, Cyprus, Ireland and Lithuania) and representatives of the sports world. (IL/transl.fl)

COURT OF JUSTICE OF THE EU

(AE) TRANSPORT: RIGHTS AND OBLIGATIONS OF DIFFERENT STAKEHOLDERS

Brussels, 22/11/2012 (Agence Europe) – On Thursday 22 November, the EU Court of Justice delivered three judgments specifying the rights and obligations of the different stakeholders in the rail and air transport sectors. Thus, in the field of:

- **Rail transport**, the Court rules (Case C-136/11) that rail infrastructure managers are under an obligation to provide all rail companies, in real time, with all information regarding connection services with other rail undertakings, in order to allow them to inform passengers of the effective departure times of trains and to ensure connections are made. The Court states that rail companies are under an obligation to provide passengers, in real time, with information on the main connecting services, i.e. in addition to normal departure times, information on delays and cancellations after departure. This obligation relates to all main connections, not only those ensured by the company concerned but also those ensured by the other rail undertakings, in order to provide passengers with information that is as complete and up-to-the-minute as possible at every stage of their journey. Infrastructure managers, for their part, with a view to ensuring fair competition between companies and providing travellers with a comparable quality of service, are under an obligation to make available, in a non-discriminatory manner, real time data on main connections with other undertakings, under their right of access to the rail infrastructure. In this context, the Court states, information posted up on boards in the various stations cannot be considered as confidential or sensitive. The Court's judgment came in answer to a request from the Austrian Schienen-Control Kommission called upon to rule on litigation between the rail company, Westbahn Management GmbH, and the Austrian rail infrastructure undertaking, OBB Infrastruktur AG.

- **Air transport**. In the first case (C/410/11), the Court ruled that a passenger can claim compensation from an air carrier for the loss of his belongings if they are in baggage checked in, in the name of another passenger, on the same flight. The judgment was made in reply to a Spanish court to which was referred the case of a family of four people, travelling on the airline Iberia, who claimed compensation for the loss of luggage divided into two suitcases which had been lost during a flight by that same company. The Court rules that, in the case in question, the company should pay compensation not only to the passenger who had individually checked in his own luggage but also to the person whose luggage was found registered under the name of another passenger on the same flight. The passengers concerned should, however, prove, subject to review by the national court, that items belonging to them had in fact been in baggage checked in under the name of another passenger on the same flight. The national judge may take into account the fact that those passengers are members of the same family, that they bought their tickets together or that they checked in at the same time, the Court states.

In a second case (C-139/11), the Court indicates that the time-limits for bringing actions for compensation for flight cancellation are determined in accordance with the national rules of each member state. The CJEU was answering a request put to it by the Audiencia Provincial de Barcelona regarding the time-limits for bringing actions for compensation under EU law, as time-limits are not defined by the Union regulation on the compensation and assistance of passengers (Regulation No 261/2004). According to the Court, in the absence of provisions of EU law, its conclusion is not questioned by the provisions of the Warsaw or Montreal Conventions on air transport subscribed to by the EU, which fixes the time-limit at two years. On one hand, given the lack of EU regulations on the matter, it is for the domestic legal system of each member state to lay down the detailed procedural rules governing actions for safeguarding rights which individuals derive from EU law. Then, EU law establishes an autonomous regime for the standardised and immediate payment of compensation for damages caused by inconvenience due to delays or flight cancellations, upstream of the Warsaw and Montreal Conventions. Compensation under Regulation No 261/2004 falls outside the scope of those two conventions. Over three years after the event, the Catalan court had been referred to by a passenger calling for the KLM company to pay compensation as the passenger had had to put off his flight till the next day further to flight cancellation. The company objected as the claim was made more than two years after the event, under the Warsaw and Montreal conventions on air transport, signed by the EU. (FG/transl.jl)