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**COMMUNICATION FROM THE COMMISSION TO THE EUROPEAN
PARLIAMENT, THE COUNCIL, THE EUROPEAN ECONOMIC AND SOCIAL
COMMITTEE AND THE COMMITTEE OF THE REGIONS**

Commission Legislative and Work Programme 2009

Acting now for a better Europe

VOLUME 1

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1. TESTING TIMES FOR EUROPE

At times of crisis, the need for active solidarity across Member States and between Institutions is greatest. These are the times when the EU can show real added value to Europe's citizens. The current financial crisis and economic slowdown presents Europe with one of the most taxing challenges it has faced. It has already required the Union to show speed, decisiveness and solidarity. In the first place, the Union has proved adept and imaginative in facing up to the sudden crisis in confidence in the financial markets. Now it has to bring the same qualities to reforming the financial sector and cushioning the impact of the slowdown on the real economy and on citizens.

Economic turmoil has come on top of a series of other challenges for the EU in 2008. Rises in food and energy prices over the past year have put a double pressure on European households. The process of ratifying the Lisbon Treaty was confronted with the "no" vote in the Irish referendum. The conflict in Georgia saw Europe called upon to play a central role in bringing a solution and offering aid. The EU has shown its resilience in the face of these challenges. It has proved it can adapt to changing circumstances and act with resolution and focus.

Since the start of its mandate, this Commission has sought to use the tools at its disposal to best effect. The Commission has a variety of roles in the European system: giving policy direction and coherence, initiating proposals for EU law, managing key policies and programmes, acting as the guarantor of EU law and of a level playing field in Europe. It has made particular efforts to work in partnership with the other key players who shape and realise the EU's work: the European Parliament, the Council, Member States, civil society and citizens at all levels. The dialogue with the European Parliament and the Council on the Annual Policy Strategy – which has informed and enriched the preparations for this Work Programme alongside contributions from the national parliaments – is an important example of this.

2008 has shown the readiness and the ability of the EU institutions to adjust to new circumstances and changing timetables. This flexibility will inevitably be an important facet of the Commission's work in 2009. At the same time, the past years have seen the Commission embarking on a series of major long-term policy initiatives in areas like energy, climate change, migration, and social policy. In the final year of its mandate, the Commission will concentrate on completing the work it has started, working closely with Council and Parliament. This Commission has given priority to bringing direct benefits to citizens. So it is keen to ensure that its key initiatives pass into law and are implemented in practice, and is determined to work closely with the other EU institutions to that effect.

During its term in office, the Commission has sought to equip the European Union to respond effectively to globalisation. Europe benefits from open societies and open markets but both need rules. The EU has a proud tradition of economic, social and environmental regulation which has delivered great benefits for its citizens. The Commission has been working to distil the lessons of this experience and to use it to help shape globalisation, making the most of the

opportunities it brings. The financial crisis has shown how globalisation has sharpened the need for global co-ordination and regulation. The Commission believes that its initiatives to realise the Lisbon strategy for growth and jobs, to put in place a renewed social agenda for today's Europe, to combat climate change and promote energy security, and to address continental-wide issues like migration and an ageing society will stand the Union in good stead. They add up to a practical programme for the coming decades.

When it took office, this Commission set an ambitious agenda for prosperity, security and social justice in Europe. Despite a series of testing challenges, much has been achieved in the past four years. The Commission has been active in upholding the best of what the Union has built in the last fifty years, and in proposing new initiatives which take this ambitious agenda forward. In the spring of 2009 the Commission will publish a statement of what it has achieved, working hand in hand with the European Parliament and the Council, to build the European Union of the 21st century. But 2009 is first and foremost a European election year and the June 2009 elections for the European Parliament will give voters across the EU their voice on the future direction of the Union. The Commission's work programme for 2009 must ensure that we deliver a response to testing times and shape the EU's future agenda.

The budget review it will propose next year will provide an opportunity for the Commission to look forward and to set out how the European Union can use the tools of the budget to pursue modern policies to best effect.

2009 will be a year of important anniversaries – five years since the enlargement of 2004, and twenty years since the fall of the Berlin Wall. It will be a time to celebrate the successes of enlargement, a time when the European Union can demonstrate again its central place in the work of building a Europe of peace, prosperity and solidarity.

2. THE PRIORITIES FOR 2009

2.1. Growth and Jobs

The financial crisis and the economic downturn have again thrown into sharp relief the central place of the EU in securing the economic and social well-being of Europeans. If the origins of financial crisis lay primarily outside the EU, the realities of the single market have put the focus on the inter-dependence of European economies and the essential need for a common approach and for coordinated action. The euro and the European Central Bank have served as important poles of stability in testing times, buttressed by the disciplines of the Stability and Growth Pact.

As concern has turned to the impact of shrinking growth on jobs and businesses, the EU has again become a focus of attention. The European dimension is recognised as central to efforts to limit the scale of the downturn, to reduce the impact on Europeans, and to help the European economy to return to the path of sustainable growth.

The Commission plays a variety of roles in the economic life of the European Union. Its role in the day-to-day work of ensuring a competitive level playing field in the single market and maintaining the EU as a customs union provides assurance to market players and Member States that they can compete fairly, and that the same rules apply to big and small Member States alike. Beyond its responsibility as initiator of legislation, it also plays a more general role as coordinator and honest broker in helping the EU to work together. This role was key when immediate action was needed to tackle the financial crisis, providing a European framework to guide Member States in devising stabilisation plans that could be deemed compatible with the single market and the State aids rules, and taking the interests of all into account. The Commission will remain active and vigilant as the work continues to rebuild

confidence in financial markets. It will play a particular role in developing and promoting a common European approach to pursuing the international response to the economic turmoil.

The next phase of work is practical measures to reshape the regulatory framework for the EU financial system. The Commission is also tasked with proposing the right regulatory regime for the single market, including in the area of financial services. In the autumn of 2008, the Commission accelerated work and has brought forward a series of detailed proposals on capital requirements, deposit guarantees and credit rating agencies, as well as new rules on accounting. One of the major objectives for 2009 should be to keep up the pace of reform and to help the European Parliament and the Council achieve swift adoption of these measures, essential to rebuild confidence amongst citizens, investors and businesses.

A second phase of this work is now under preparation and will come forward in 2009. This package of financial measures will flow from a wide ranging review already under way looking at the adequacy of regulation, oversight, and transparency of all financial actors and all significant capital market investors – including hedge funds and private equity – leading to measures to plug any gaps identified. It will also cover executive remuneration, and derivative markets. It will also draw the necessary conclusions from the High Level Expert Group on EU financial supervision set up by the Commission. The first results of the Group will be ready for the Commission to set out to the European Parliament and the Council ahead of the Spring European Council.

As the impact of the credit crisis is felt by the real economy, the Commission is developing a strategy to help limit the effect on growth, to support those losing their jobs, and to put the EU economy in the best shape to respond as the cycle turns. That means pressing ahead with many of the key objectives of the Lisbon strategy for growth and jobs: freeing up SMEs to concentrate on building their businesses, training and re-training to promote the right skills for tomorrow's economy, investing in R&D. It means ensuring that support to industry is smart support, helping businesses to address long-term needs like energy efficiency and innovative clean technology. It means working with the Member States to accelerate the roll-out of the 2007-2013 cohesion policy programmes to support public investment. The basic foundations of sound public finances and open markets remain central to Europe's long-term prospects for growth.

In other areas, the Commission is putting in place the measures flowing from its review of the single market. A wide range of initiatives will be taken forward aimed at empowering consumers, improving redress and facilitating business in the single market through improved approaches to taxation, and modernising the framework for business. Dedicated market monitoring exercises will look at retail markets, electrical goods, and pharmaceuticals, with a view to identifying any problems in the functioning of those sectors and ensuring that the benefits of the single market reach citizens. The lack of a cost-effective, single patent remains an obvious shortcoming of the single market.

At a time of economic distress and social pressure, it is more than ever important to advance the Social Agenda for Opportunities, Access and Solidarity. The Commission will be renewing its youth strategy to better respond to the problems faced by youth – such as disproportionately high unemployment, and early school leaving. An important part of this effort to provide opportunities is the New Skills for New Jobs initiative to promote the integration of young people in the labour market. The Commission will also make particular efforts to help the European Parliament and the Council move forward on its proposals on anti-discrimination, works councils and reconciliation of work and family life.

The European Year of Creativity and Innovation will put the spotlight on the importance of developing skills and promoting innovation in the EU's growth and jobs strategy; an initiative

to improve contacts between universities and business will strengthen another important link in the chain. With the European Institute for Technology now up and running, the first Knowledge and Innovation Community will be put in place.

The Lisbon strategy for growth and jobs has built a consensus around equipping Europe to meet the competitive and social challenges of the future and to ground the European economy in core European values of social justice and sustainability. The economic downturn must be taken into account but should not deflect the EU from its long term task of building a competitive, knowledge-based sustainable Europe for the future. The entry of Slovakia into the euro area will be an important symbol of the progress of the euro into a major force for stability in the global economy, and will coincide with an analysis of five years of the contribution of enlargement to the EU economy.

During 2009, the Commission will be working on how the Lisbon strategy might be adapted for the period post-2010 and striking the right balance between the short and longer term priorities will be a crucial challenge. A clear commitment to implement structural reforms is needed to boost consumer and investor confidence in the short term and improve the resilience and dynamism of our economies in the longer term.

2.2. Climate Change and Sustainable Europe

2009 will be a critical year for efforts to combat climate change. The UN Climate Change Convention in Copenhagen will be of central importance in testing the global resolve to deliver historic change: the culmination of efforts to agree a quantum leap in efforts to reduce greenhouse gas emissions from 2012.

The Commission is committed to putting the EU at the forefront of efforts to maintain a high level of ambition. The EU has led the debate by agreeing three core targets to be met by 2020: a 20% reduction in greenhouse gas emissions, a 20% share for renewable energy, and a 20% improvement in energy efficiency. The package of measures designed to deliver on these targets remains of the highest priority to Europe's credibility as the leading driver in global efforts to tackle climate change. The current economic turmoil has done nothing to reduce the long-term imperative of driving ahead with policies to put Europe in the vanguard of realising a low-carbon future: measures to stimulate demand can best be directed towards green technology and energy efficiency. Ensuring the full adoption of these measures before the European Parliament elections is of the utmost importance.

These measures will position the EU for leadership in the UN negotiations - which will still require determination, perseverance and imagination. Early in 2009, the Commission will come forward with proposals for the EU's approach to securing an ambitious and comprehensive global agreement.

The other key target of the package is to make European energy secure, sustainable and competitive. The hike in energy prices seen in 2008 has again underlined the vulnerability of Europe in terms of energy, and the pressing need to promote energy security. The Commission's Strategic Energy Review will set out an overall strategy for improving energy security, which should be a major focus for 2009. This will include driving ahead with concrete steps on energy efficiency; realising a common objective of interconnection and effective stock management, particularly so that the newer Member States are linked up to the European grid; and a coordinated approach on improving and diversifying supply from outside the Union. It also underlines the importance of securing adoption of proposals on the internal market for gas and electricity, with new arrangements in place to ensure increased competitiveness and appropriate prices, and that national regulators can work together.

Sustainability lies at the heart of EU policy. 2009 will see a specific reflection on the future of the Sustainable Development Strategy and how its goals can be most effectively delivered. In terms of specific initiatives, an EU strategy for the Baltic Sea region will promote an environmentally sustainable, prosperous, accessible and secure region. The greening of EU transport policy will continue and the Commission will issue a Communication on future transport scenarios with a 20 to 40 year horizon and a Green Paper on trans-European transport networks. Environmental, agricultural and fisheries policies all seek to marry day-to-day systems of management and control with a long-term vision for the sustainable use of Europe's natural resources. Also in 2009 the Commission will launch a major consultation on the reform of the Common Fisheries Policy in the context of the EU Integrated Maritime Policy, and biodiversity will be an important theme. 2009 should also see the implementation of the "health check" of the CAP, including the shift of funds from direct payments to rural development in order to meet new challenges such as climate change, renewable energy, water management and biodiversity..

2.3. A Europe close to citizens

This Commission has put the European citizen at the heart of the European project, through policies in areas close to citizens such as fundamental rights and citizenship, migration, justice, security and safety, consumer protection, and health.

Responding to strong expectations from EU citizens, the Commission will take forward initiatives in a variety of areas of direct significance for the citizen. Concrete measures will be taken to strengthen the effective enforcement of consumer protection rules for consumers across Europe. Food safety, animal health and animal welfare will be continuously monitored, whilst the Commission will continue the work of the EU Health Strategy to help Member States promote public health to best effect. The Commission will examine in particular what role the EU can play in helping to reduce health inequalities across Europe.

To prepare the future, work on demographic issues will continue in 2009, in close cooperation with the Czech and Swedish Presidencies: an assessment of the EU's preparedness for demographic change will be presented to the Spring European Council.

In 2009, the Commission will set out its proposals for the further development of the EU as an area of Freedom, Security and Justice. These will form the basis for discussion with Member States, in view of adopting a follow-up to the current Hague Programme.

Pursuing the establishment of a common immigration policy will continue to be a priority. In its recent Communication 'A Common Immigration Policy for Europe: Principles, Actions and Tools'¹, the Commission has committed itself to deliver on a series of objectives and principles, in partnership with the Member States and the other EU institutions. This will guide the Commission's action in 2009, where immigration must be fully integrated into the wider EU policies for economic growth, competitiveness and social inclusion. External relations policies must also play a role, through promoting reinforced partnerships with third countries in migration management, and closer links with development and trade policies.

2009 will see the European Migration Network up and running and the elements in place to secure the completion of the Common European Asylum System by 2010, including the creation of a European Asylum Support Office. The Commission puts particular weight on the adoption and implementation of recent proposals in the area of migration and asylum. Integrated border management will be pursued through greater operational cooperation and the launch of the new Schengen evaluation mechanism. Practical cooperation between

¹ COM (2008) 359 and SEC(2008) 2026.

Member States, and between Member States and FRONTEX, will also be promoted in the field of return policy.

As citizens move freely within the EU, they must have equal access to justice to protection by the rule of law. Those who break the law should be prosecuted and judged. The EU will move closer to becoming a true area of justice in 2009 through initiatives to improve mutual recognition in criminal and civil matters in a number of concrete areas (judgements, procedural rights, successions and wills). To enhance the security of EU citizens, the Commission will also present a series of proposals to deal with specific and new forms of criminality: greater prevention of child abuse and trafficking; reinforced international cooperation to fight and prevent cyber attacks; and combat the risk of terrorist attacks in areas such as chemical, biological, nuclear and radiological threats.

2.4. Europe as a World Partner

In a globalized world, the objectives and challenges mentioned above can not be dealt with in a European vacuum. They need to be addressed and projected through the EU's external policy, which will always combine a long-term strategic approach with reaction to the immediate demands of foreign policy.

In 2009, the Commission will continue to build its long term relationship with key partners. The past year has shown the importance of a common vision with the US in times of intense pressure. It has also shown the mutual importance of good relations with Russia and the development of effective policies in areas like energy, migration, trade and investment. The financial crisis has again underlined the need to deepen Europe's relationship with key partners in Asia like China, India and Japan, as well as with other emerging economies such as Brazil.

The Georgia crisis in the summer of 2008 showed two facets of the EU's external action. First, it showed that the European Union is seen as a positive force for conflict prevention and resolution, able to act as a mediating force in the most tense of situations. Second, it again required the EU to act swiftly and decisively, not only through diplomatic channels but by bringing tangible humanitarian aid to those in need.

Two months later, the financial crisis again put the spotlight on how the EU has grown to be a pivotal player at times when a truly global approach is needed. The Commission will continue to play a central role as the series of international summits develops, targeting both the restoration of confidence in the international financial system and a longer-term reflection on reforming global economic governance.

The Commission will devote particular attention to:

- Pursuing the enlargement process, with negotiations with Croatia in particular entering a decisive phase. The European perspective for the other countries of the Western Balkans will be developed, and accession negotiations with Turkey will continue in tune with the pace of its internal reforms. The Commission will also continue to pay particular attention to the economic and political development of Kosovo.
- The work to develop the Barcelona Process: Union for the Mediterranean and the Eastern Partnership are another recognition of the importance of an effective and comprehensive relationship with the EU's neighbourhood. Challenges like energy security, migration and climate change can be better met if we build the right relationship with Europe's neighbours. Within the framework of the European Neighbourhood Policy, the Commission will develop ideas which help guide the EU towards the right balance

between an enhanced economic and political relationship with its neighbourhood as a whole, and the need to tailor-make relationships to different regions and different partners.

- Building an effective working partnership with the new US administration which will be of crucial importance in tackling key global challenges like climate change, in promoting security and stability and in developing economic and regulatory co-operation.
- The completion of the Doha Development Agenda will remain a high priority as one of the best ways to bring new market opportunities to EU's business, foster development and limit protectionism worldwide. At the same time, the EU will continue to advance and, if possible, close ongoing bilateral trade negotiations.
- Cementing a relationship with developing countries based on the delivery of the Millennium Development Goals and building alliances with them on global issues which often affect them the most severely, such as energy and food security, climate change and migration. The Commission will continue to seek to supplement the established relationships with developing countries.

3. BETTER REGULATION – DELIVERY ON PROMISES AND CHANGE OF REGULATORY CULTURE

Against the backdrop of the financial crisis and the economic situation, the need to regulate well in the interests of economic competitiveness is more important than ever. Promoting a simpler and better regulatory environment without unnecessary administrative burdens will, therefore, remain a key component of the Commission's legislative work in 2009. The emphasis will be on improving the quality of new proposals, simplifying existing legislation and reducing administrative burdens. As always, the success of these efforts will depend on the good cooperation with the other institutions and Member States. The EU will take forward discussions with key international partners on regulatory cooperation, convergence of standards and equivalence of rules.

The Third Strategic Review of Better Regulation will report on the three core components of the Better Regulation Agenda – impact assessment, simplification and reduction of administrative burden. It will look at how the Commission will strengthen its impact assessment system, including through application of the revised Guidelines and by reviewing the Common Approach to Impact Assessment of November 2005. The strategy for simplifying the regulatory environment will be reviewed and updated as will the codification programme. At the same time, implementation of the Action Programme to reduce Administrative Burdens will be reviewed and progress in meeting the 25% reduction target for 2012 will be assessed. On that basis and building on intensive internal work and input from the High Level Group of Independent Stakeholders on Administrative Burdens, the Commission will bring forward proposals designed to meet this target.

At the start of this Commission's mandate in 2004, it screened pending proposals for their relevance to policy objectives and conformity to better regulation standards and agreed a substantial list of withdrawals. The Commission intends to propose that its successor undertakes a similar exercise. The CLWP includes additional pending proposals that the Commission intends to withdraw.

Work on improving the application of Community law will continue. The pilot project launched in April 2008 between the Commission and the Member States on information provision, problem solving and correction of infringements will be evaluated.

4. COMMUNICATING EUROPE

The economic downturn and the fact that ratification of the Lisbon Treaty is not yet complete reinforce the need to focus communication on tangible results brought about by the European Union as well as on issues of specific concern to citizens' everyday life.

2009 will be the first year that inter-institutional priorities will be agreed by the Council, the European Parliament and the Commission under the joint declaration on Communicating Europe in Partnership. With 375 million voters to mobilise, the EP elections will be the main inter-institutional communication priority agreed by the three institutions. Communication activities will target in particular an audience which is less engaged with EU issues such as young people, women, and the unemployed.

Coordination with the European Parliament and with the Member States will also be crucial for communicating the progress in the energy-climate change package in view of the Copenhagen Conference of December 2009, as well as for the 20th anniversary of democratic change in Central and Eastern Europe. Under this broad title, the Commission will focus on the celebration of the 20th anniversary of the fall of the Berlin Wall/Iron Curtain as well as the 5th anniversary of the 2004 enlargement, to highlight common values and links between Europeans such as democracy, freedom and solidarity.

Finally, as the EU tackles the financial crisis and its aftermath in the wider economy, communicating on the partnership approach to sustaining growth, jobs and solidarity will be an important priority for all three institutions.

The Commission's additional communication priorities are focused on explaining the added value of the EU in areas where the citizens have increasingly shown their concern: security in general and the need of a stronger Europe in the World.

Inter-institutional communication priorities envisaged for 2009

- European Parliament elections 2009
- Energy and Climate Change
- 20th Anniversary of democratic change in Central and Eastern Europe
- Sustaining Growth, Jobs and Solidarity

Other communication priorities envisaged for 2009

- Future of a Europe for citizens
- Europe in the World

As 2009 will be the European Year of Creativity and Innovation, particular attention will be given to this theme in the context of the Sustaining Growth, Jobs and Solidarity Communication priority.