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

**Annual Policy Strategy for 2008**

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# COMMUNICATION FROM THE COMMISSION

## Annual Policy Strategy for 2008

### 1. A CONSISTENT COURSE

Europe today enjoys a broad political consensus about the policies it needs to deliver. The strategic objectives set out at the start of the Commission's mandate — prosperity, solidarity, security and freedom, and a stronger Europe in the world — have provided a clear framework for delivering policies to meet citizens' expectations of where Europe should act. They have shaped a Union able to respond to the challenge of globalisation and equip Europeans for the future. The Commission has relaunched the Lisbon strategy to ensure growth and jobs through partnership with the Member States. It has built consensus with Member States on common action in key areas such as energy, research and demographic change. It has demonstrated its capacity to follow up these commitments through initiatives such as an Energy Policy for Europe, the European Globalisation Adjustment Fund, the European Institute of Technology (EIT), and measures to support the Member States in managing the external borders of the EU and tackling migration. It has worked together with Member States and the other institutions to bring political support and humanitarian aid to countries in distress across the globe.

The Commission has better integrated internal and external policies so they reinforce growth and jobs inside the Union while fostering global development. It has helped to complete the fifth round of enlargement for the European Union and to continue the process of making a Union of 27 reach its potential. Through negotiations with the European Parliament and the Council, the Commission has helped secure an ambitious Multi-Annual Financial Framework for the period 2007-2013 and prepare new financial instruments and programmes to translate the Financial Framework into action. The Commission has launched an ambitious drive towards better regulation and simplification of EU legislation. It has reinforced its efforts to engage in a two-way dialogue with citizens on the policy choices and future of Europe.

This record shows that the European Union is making a reality of the twin-track strategy set out by the European Commission last May, and backed by the European Council and the European Parliament. The EU is pushing forward with a wide range of ambitious policies, showing our citizens how the European dimension is essential to realising their aspirations in today's world. At the same time, the Union's ability to act effectively supports the parallel process of working towards a constitutional and institutional settlement — a settlement that would in turn bring about a more efficient and democratic Europe for the future.

This Annual Policy Strategy presents the Commission's proposals for key initiatives to be taken forward in 2008. It also proposes an allocation of human resources to reinforce the Commission's ability to deliver in priority areas. Additional posts will be required to take account of the increased workload following enlargement,

whereas other policy priorities will have to be covered exclusively through internal redeployment within the Commission.

2008 will clearly be an important year for the debate on the future of Europe: a constructive institutional settlement would send a positive signal before the next European elections.

In other respects, 2008 will be a year of consolidation and continued implementation of the existing *acquis* together with further attention to the proper enforcement of EU legislation. The Commission will pursue its reform agenda to provide a modern, efficient, accountable and transparent administration — able to communicate with and build trust among European citizens.

The Commission will maintain its focus on delivering results within the overall strategic objectives. Growth and jobs remain a major policy priority for the Union, backed up by further efforts to tackle climate change and to meet the energy needs of the Union today and in the future. Developing a knowledge society will remain a cornerstone in this strategy. The latest enlargement of the EU will see further consolidation when new Member States progressively join the Schengen Area and adopt the euro. On the occasion of the tenth anniversary of the launch of the euro, the Commission will present a review of how EMU has functioned to date and how it can be better equipped to meet future challenges. In terms of governance, the Commission will pursue its commitment to engage in dialogue and consultation, to deliver on the better regulation agenda, and to give further attention to the proper enforcement of EU legislation.

Meanwhile, as indicated below, some policy areas will be ripe for new policy initiatives. Since coming into office, this Commission has launched a wide range of consultation exercises and policy dialogues, including the Single Market Review and the Social Reality Stocktaking. The former will ensure that the Single Market continues to deliver on its economic promise and to ensure that citizens effectively reap the benefits. The latter will take stock of the social situation in the EU by reviewing socio-demographic trends and the access of citizens to rights and opportunities and will provide an input to the mid-term review of the Social Agenda. These reviews will feed through into a range of concrete initiatives. The exact nature of these initiatives cannot always be specified definitively at this stage since the proposals will need to take into account the results of stakeholder consultation and impact assessments by the Commission.

The European Commission will also be deepening its preparatory work on the comprehensive budget review and analysing the results of the consultation launched in 2007, with a view to issuing a review document in 2008-2009.

In bringing this agenda for 2008 to fruition, the Commission is committed to working in effective partnership with the other European institutions. It looks forward to a constructive dialogue and exchange of views with the European Parliament and the Council on where the policy priorities should lie in 2008, and how this should be reflected in the Commission's Legislative and Work Programme to be adopted next October and in the Budget for 2008.

## 2. PART I: PRIORITY ACTIONS IN 2008

### 2.1. Cross-cutting Priorities

While remaining firmly focused on implementing its strategic objectives, the Commission has to be alert and ready to provide a dynamic response to new challenges. Some of the issues that have recently moved up the EU's political agenda by their very nature cut across the four strategic objectives and contribute to achieving several or all of them. Major examples are energy and climate change, the Lisbon agenda for growth and jobs, and migration. In meeting these challenges, the Commission strives to respond in a coherent and flexible manner by working together across its services, by designing coherent policies that cut across traditional boundaries and by making full use of a wide range of financial and regulatory policy instruments. These issues are also cross-cutting, in the sense that they have to be addressed both through action within the EU and through a global approach with partners around the world. Finally, it is obvious that they go beyond the single year of 2008 and that the challenges Europe is facing will only be met through consistent and hard work over a number of years.

**Tackling climate change** has moved to the forefront and will be an integral part of the Commission's priorities in 2008 to secure sustainable prosperity for Europe. A key factor in ensuring sustainable growth is **sustainable, secure and competitive energy** across the Union, based on an appropriate mix of sustainable energy sources. 2008 will be a crucial year for taking forward the Energy and Climate Change Package adopted by the Commission in early 2007. Major actions should include work towards the creation of a European gas network and electricity grid, further steps to promote energy efficiency and sustainable energy, a revision of the EU oil stocks system to enhance energy solidarity between the Member States initiatives to follow up the European Strategic Energy Technology Plan, and enforcement of the competition and internal market rules in the energy sector. The EU should continue to play a leading role in adapting to and reducing climate change. The Commission will push for new commitments by the Union and key stakeholders worldwide to reduce CO<sub>2</sub> emissions beyond 2012 when the current Kyoto Protocol expires. The EU should also use its leadership to step up the international pressure for global change. Key to this is the Global Climate Policy Alliance, which aims to engage developing countries on climate change, with a view to broadening participation in the post-2012 international climate change regime. To help Europe deliver on its commitments to new emission targets, the EU will take further steps to promote energy efficiency and sustainable energy production.

The renewed **Lisbon strategy for growth and jobs** remains the major vehicle for promoting a more prosperous, environmentally responsible and socially inclusive European Union, based on partnership with the Member States. Streamlined and renewed in 2005, it is beginning to yield results and has contributed to the improved economic performance in the EU. The challenge now is to capitalise on the current upturn in order to press ahead with further reforms. At the end of 2007, the Commission will present a strategic report on the first cycle of the strategy, possibly with a revision of the Integrated Guidelines, to take modernisation forward into the next decade. In addition, 2008 will see the first results of a further effort to implement the Lisbon strategy at regional level through new European cohesion

policy programmes, and new rural development policy programmes, for all EU Member States to be adopted in 2007.

**Managing migration flows to the EU** calls for a multi-dimensional approach. Labour migration, if well-managed, is a positive contribution to Europe's prosperity and cultural diversity. In 2008 the Commission will present two legislative proposals on labour migration regarding the conditions of entry and residence of seasonal workers and remunerated trainees. The right to apply for asylum in the EU is an expression of European values of solidarity. In 2008 the Commission will propose further steps towards a common policy on migration and measures to achieve a Common European Asylum System by 2010. Finally, the EU needs to prevent illegal migration, counter human trafficking and protect its external borders. In 2008 the External Borders Agency will be further developed and Member States will be supported in tackling illegal migration through a European surveillance system. The Commission will also work further on the external dimension through a combined migration and development agenda, especially with Africa.

## 2.2. Prosperity

As indicated above, reducing and adapting to climate change, taking forward an Energy Policy for Europe and implementing the Lisbon strategy will provide a crucial contribution to prosperity in the EU in 2008.

**Affordable and environmentally sustainable transport services** are a prerequisite for making full use of the internal market. To reduce the negative impact of the transport sector on the environment, the Commission will propose an Action Plan on Urban Transport, a White Paper to promote the competitiveness and efficiency of maritime transport due to better inclusion of short sea shipping in the logistic chain, and a legislative proposal to limit nitrogen oxide emissions from aviation.

**Lifelong learning** continues to be a crucial element of the Lisbon strategy. It is central to competitiveness and employability but also promotes personal development, active citizenship and social inclusion.

**Research and technological development** is key to promoting sustainable development and innovation and ensuring that Europe remains a competitive and prosperous society in the future. The 7<sup>th</sup> European Framework Programme (FP7) plays a leading role in supporting European research and stimulating cooperation across the Union. It is one crucial instrument in supporting the further development of a European Research Area (ERA) which the Commission will seek to enhance further. A central feature of FP7 is the European Research Council (ERC). From 2008 the ERC will be supported by an executive agency to allow it to play its full role as a pan-European funding agency for frontier research. The management of other parts of FP7 will be optimised through another Executive Agency. During the year, preparatory work will be undertaken to ensure that the **European Institute of Technology (EIT)** becomes operational in 2009. The EIT will help to bridge the innovation gap between the EU and its major competitors through strategic research and education. Throughout the year, several European research initiatives will also be taken forward in support of key initiatives such as the Lisbon strategy and major policy areas including industrial competitiveness, energy, environment, health, maritime policy, security and transport.

Based on the results of the Single Market Review, which will be presented in 2007, the Commission will bring forward legislative proposals to **allow citizens and companies, in particular small and medium-sized enterprises (SMEs), to benefit fully from the internal market**. Initiatives may for example include proposals in the areas of financial services or intellectual property rights. Enforcement activities may also need to be stepped up in the area of competition, in particular targeting the most harmful anti-competitive practices and forms of State Aid, as well as in the area of free movement of capital. Specific proposals will be presented regarding a Common Consolidated Corporate Tax Base (CCCTB) for enterprises, and the implementation of the EU Patent Strategy will be closely monitored. Strengthening consumer trust and **promoting consumer protection** will be a further field for which the Commission will make new proposals in 2008. Such initiatives may include legislation regarding the main contractual rights and remedies for consumers, and the possible extension of the applicability of EU consumer protection rules to cover software and data (e.g. music or films) bought and downloaded over the Internet.

Subject to the outcome of the Green Paper consultation, and to the 2007 Action Plan, the **EU Maritime Policy** to boost jobs and growth of Europe's coastal and sea-related economy in a sustainable manner will be taken forward through a set of initiatives. Consideration will be given to cross-cutting issues related to other policies, inter alia international maritime governance, marine research, competitiveness of maritime industries, fisheries and aquaculture, surveillance and data collection, common EU maritime space developed under transport policy, security (e.g. maritime border control – see actions under 2.4) and the environment as developed in the EU marine strategy.

#### **Prosperity: key actions envisaged for 2008**

##### ***Lisbon Strategy for Growth and Jobs***

- Strategic report and follow-up action on the first cycle of the renewed Lisbon strategy

##### ***Energy and Transport***

- Implementation and follow-up of the Energy and Climate Change Package
- Start implementation of the actions required to create a European gas network and electricity grid
- Follow-up initiatives for the European Strategic Energy Technology Plan, in particular regarding renewable energy sources, sustainable coal technology and nuclear waste management
- Revision of the EU oil stocks system
- EU Action Plan on Urban Transport to green the transport sector
- Legislative proposal to limit nitrogen oxide (NOx) emissions from aviation
- Legislative proposal on the reduction of emissions from ships

- White Paper on Common European Maritime Space to promote maritime transport

- Reinforcement of transport safety agencies to complete transport safety rules

#### ***Global Approach to Migration***

- Directives concerning labour migration, on the conditions of entry and residence of seasonal workers and remunerated trainees

#### ***Education, Research and Innovation***

- Setting up Executive Agencies to make the European Research Council (ERC) fully operational and to optimise the implementation of FP7 activities
- Preparatory actions — appointment of Governing Board and selection of first Knowledge and Innovation Communities (KICs) — to make the European Institute for Technology (EIT) operational

#### ***Single Market***

- Legislative and other proposals following up the conclusions of the Single Market Review
- Follow-up to the new EU Patent Strategy
- Proposal allowing enterprises to use a Common Consolidated Corporate Tax Base (CCCTB) for their EU wide activities

#### ***Economic and Monetary Union***

- Strategic review of the EMU after 10 years and proposals to improve its functioning

#### ***Strengthening Consumer Trust and Protection***

- Legislative initiatives to strengthen consumer protection, e.g. regarding contractual rights and remedies for consumers

#### ***Maritime Policy and Monitoring***

- Taking forward initiatives to implement the EU Maritime Policy

### **2.3. Solidarity**

As mentioned above, tackling climate change will continue to be a major task for the EU in 2008 in the spirit of solidarity within Europe, with the external world and with future generations.

The implementation of the Registration, Evaluation and Authorisation of Chemicals (**REACH**) legislation is a key test to show Europe's capacity to enhance the

competitiveness of European industry while improving the health and environment for European citizens.

In 2008, the reformed Common Agricultural Policy (CAP) will undergo a “**Health Check**”, to check whether the 2003 reform can be fine-tuned and to pave the way for the future design and priorities of the CAP. 2008 will also be the first year in implementing a **single Common Market Organisation**, which is a significant step towards simplification, as well as the implementation of the reform of the wine, fruits and vegetables, and cotton sectors. As regards the Common Fisheries Policy (CFP), the Commission will come forward with a major recast of the control framework with a view to strengthening enforcement across the Union.

Based on the Social Reality Stocktaking and the mid-term review of the implementation of the Social Agenda, both to be presented in 2007, the Commission will propose initiatives to promote solidarity and access of citizens to rights and opportunities. As a follow-up measure to the European Year of Equal Opportunities for All (2007), the Commission will extend and reinforce its equal opportunities policy. It will, in particular, propose **new initiatives designed to prevent and combat discrimination outside the labour market** – based on gender, religion, belief, disability, age or sexual orientation and to enhance a better reconciliation between family and professional life. Proposals to promote social solidarity will include possible interventions by the **European Globalisation Adjustment Fund**, set up to complement the efforts of the Member States to support the efforts of workers made redundant due to market opening to find and retain new jobs.

The Commission will present new proposals on how to ensure the adaptability and flexibility of the European labour market while ensuring a high degree of social protection (“**flexicurity**”). Following the strategic report on the Lisbon Agenda, these proposals could be reflected in the revised Integrated Guidelines, together with a stronger focus on tackling youth unemployment and undeclared work.

2008 will be crucial for European **Cohesion policy** as the first full year of implementation of the new operational programmes 2007-2013. The Commission will also take stock of the concrete results delivered by the programmes 2000-2006 for the benefit of the citizens.

To promote and protect **fundamental rights and European citizenship**, the Commission will propose further measures for the consular protection of EU citizens travelling outside the Union. Fundamental rights will be promoted with a particular emphasis on the **rights of the child**, backed up by specific proposals to tackle child poverty. The Commission will also propose a new programme to protect children using the Internet and the new media.

Building on current experience across the EU in tackling illicit drugs, the Commission will also present an **EU Action Plan on Drugs** for the years 2009-2012.

The Commission will launch new initiatives together with the Member States to promote **multilingualism**, which reflects the cultural and linguistic diversity of the EU and contributes to its prosperity. These initiatives aim at raising awareness of the benefits of language learning for competitiveness, employability and intercultural understanding. Finally, the Commission will implement the 2008 **European Year of**

**Intercultural Dialogue** in support of cultural and linguistic diversity and promoting active European citizenship.

**Solidarity: key actions envisaged for 2008**

***Climate Change, the Environment and Related Initiatives***

- Commitments beyond 2012 on reducing CO<sub>2</sub> emissions in the EU to a sustainable level ahead of the 2009 Conference of the Parties to the UN Climate Change Convention
- Initiatives to promote adaptation to environmental challenges, sustainable production and consumption
- Implementing the REACH legislation and start-up of the European Chemicals Agency in Helsinki
- Communication on Global Monitoring for Environment and Security (GMES)

***Agriculture and Fisheries Policy***

- Presenting the “Health Check” of the 2003-2004 reforms of the Common Agricultural Policy (CAP)
- Implementation of a single Common Market Organisation in agriculture
- Major recast of the control and enforcement regulatory framework of the Common Fisheries Policy (CFP)

***Social Solidarity***

- Implementation of the European Social Fund and the European Globalisation Adjustment Fund (EGF)
- Proposals clarifying the application of Community law to social services, possibly together with EU-wide quality criteria for social services of general interest, as a follow-up to the Commission White Paper
- Initiatives designed to modernise European labour law, in particular regarding flexicurity

***Equal Opportunities***

- Initiatives to combat discrimination outside the labour market
- Initiative aimed at the reconciliation of family and professional life

***Cohesion Policy***

- Strategic stocktaking of the results of Cohesion policy programmes 2000-2006

### ***Strengthening European Citizenship and Protecting Fundamental Rights***

- Proposals on consular protection for EU citizens
- Promoting the rights of the child through the Forum on the Rights of the Child
- Launching a programme to protect children using the Internet and new media (2009-2013)

### ***Justice and Home Affairs***

- EU Action Plan on Drugs (2009-2012)
- Asylum Policy Plan to prepare for the second phase of the Common European Asylum System
- Legislative proposal in the field of successions and wills
- Communication on the attachment of bank accounts

### ***Intercultural Dialogue and Multilingualism***

- Strategy for promoting multilingualism in cooperation with the Member States
- Actions for the European Year of Intercultural Dialogue

## **2.4. Security and Freedom**

Ensuring the **free movement of persons** within an enlarged Union is a key objective for the EU. Finalising the second generation of the Schengen Information System (SIS II) should pave the way for additional EU Member States to join the Schengen area from 2008.

The Hague Programme (2005-2009) remains the framework for strengthening cooperation to promote freedom, security and justice in the EU. Further actions will be taken forward to **fight organised crime and terrorism**, including measures to facilitate the exchange of information between law enforcement authorities and preventive measures targeting radicalisation.

The Commission will also propose further measures to promote the safety and health of EU citizens, including measures to build on current cooperation in **civil protection** and efforts to ensure and enforce EU standards on **food safety, animal health and welfare, and plant health**. Customs control, in particular linked to the fight against counterfeited goods, will be strengthened to promote safety and protect consumers. There will also be a review of the EU's legal framework for pharmaceutical products to ensure the safety of medicines, clear information for patients and access to safe, cost-effective and high-quality **health services and products**.

In 2008 the Commission will target the protection of critical communication and information infrastructures and address challenges related to privacy and security of new communication networks.

## **Security and freedom: key actions envisaged for 2008**

### ***Freedom of Movement and Managing the EU's External Borders***

- Implementation of the second generation of the Schengen Information System (SIS II) allowing additional EU Member States to join the Schengen area
- New measures to manage the EU's external borders, including further development of the External Borders Agency (FRONTEX), improved networking of sea border controls, and a European surveillance system helping Member States to deal with growing flows of illegal immigrants
- Launching the Visa Information System (VIS) in preparation for a common visa policy

### ***Fighting Organised Crime and Terrorism***

- Implementing a centralised database of fingerprints
- Launching a policy to tackle violent radicalisation
- Strengthening the cooperation between Member States through EUROJUST in investigating and prosecuting serious cross-border and organised crime

### ***Civil Protection***

- Strengthening the EU Civil Protection Mechanism and developing an integrated strategy on disaster prevention for disasters occurring within the EU or in countries participating in the mechanism

### ***Health and Safety***

- Recommendation on patient safety and the quality of health services
- Ensuring compliance with EU food safety, animal health, animal welfare and plant health standards
- Developing a legal framework for the risk assessment by the European Food Safety Authority (EFSA) of genetically modified food and feed
- Review of the legal framework on pharmaceuticals
- Modernisation of the legislation for medical devices, to improve patient and user safety while ensuring a clear regulatory environment
- Initiative on telemedicine for chronic disease management (home health monitoring)
- Developing infrastructure for crisis preparedness in the area of health and safety

### ***Protecting Critical Information Infrastructures and Strengthening Citizens' Trust***

- Initiative on critical communication and information infrastructures protection
- Initiative on privacy and trust in the information society

## 2.5. Europe as a World Partner

Europe must continue its efforts to act with **a strong and united voice in the world, based on our common values and objectives**, in full coherence with our internal policies, and making full use of all the assets and policies at its disposal to defend the Union's interests. These include the Common Foreign and Security Policy (CFSP), the European Security and Defence Policy (ESDP), the common trade policy, development policy, humanitarian assistance, and the external dimension of internal policies. Meanwhile, the **links between internal and external policies** are becoming stronger. This is clearly the case with respect to competitiveness, as coherent and well-designed internal policies and a well-functioning internal market within the EU will have an impact on the ability of European companies to compete on the global scene. Core policies like addressing climate change and biodiversity, demographic change and migration, terrorism and organised crime, or energy needs can only be tackled in the global context.

**Accession negotiations** will be pursued on the basis of the renewed consensus on enlargement and the enhanced rules governing the accession process agreed at the December 2006 European Council. Progress in the **Western Balkans** towards a future in the European Union includes the implementation of the future status settlement for Kosovo. A positive outcome is also key to a significant improvement in Serbia's progress on its path to the EU.

Key objectives such as the European Neighbourhood Policy, the strategy for Africa, the European Consensus on Development and the Global Europe external competitiveness agenda remain the framework for important initiatives.

The **European neighbourhood policy** will build on the annual evaluation of progress due at the end of 2007. Particular attention will be paid to the implementation of sectoral programmes in the areas of migration, education and energy as well as to enhancing trade relations and economic integration and facilitating mobility. Closer regional cooperation around the Black Sea region should also be promoted.

Work to develop **closer political and economic ties with partners around the world** — including Russia, Ukraine, Japan, Korea, China, India, ASEAN and Latin America — should be intensified. The transatlantic partnership should be strengthened and constantly adapted to the evolution of common challenges, reflecting the quality of relations between our peoples and our responsibility for contributing to an international environment conducive to peace, security, prosperity and sustainable development.

The Union is working hard to ensure the successful completion and implementation of the **Doha Development Round** of world trade talks. This global framework will be complemented by bilateral negotiations for a new generation of free trade agreements with important emerging economies. In pursuing the Commission's new Global Europe agenda, attention will particularly focus on delivering results: better

market access, effective trade defence tools and improved protection of intellectual property rights.

The EU will reinforce its institutional relations with Africa at all levels and especially with the African Union (AU). The EU and the AU will develop a **Joint EU-Africa Strategy** which will define the new priorities in the EU's relations with Africa and be implemented as a follow-up to the EU-Africa Summit. 2008 will see the start of the implementation of the 10<sup>th</sup> European Development Fund (EDF) — a major framework for cooperation and funding between Europe and African, Caribbean and Pacific (ACP) countries. The EDF will provide EUR 22.7 billion over the period 2008-2013. It should also strive for synergies with the **Economic Partnership Agreements (EPAs)**, which will start being implemented in 2008 and represent a cornerstone for the regional integration of ACP countries and their development in general.

**Stabilisation and reconstruction efforts** in the Middle East and South Asia will have to be continued and the Union's conflict prevention, crisis reaction and peace building capacities should be further reinforced, through coordinated use of all available instruments. The Commission will continue to strengthen and consolidate the Union's response capacity to disasters and crises through coordinated use of all available instruments, including emergency and humanitarian assistance. Electoral observation and the efficient implementation of other human rights and democratisation programmes will be important contributions to the promotion of our fundamental values outside the European Union.

The EU should also remain committed to improving the **coherence, effectiveness and visibility of its external action**. The Commission will continue to develop further a political and diplomatic culture in its external services.

#### **Europe as a world partner: key actions envisaged for 2008**

##### ***Enlargement***

- Continue the accession negotiations with Croatia and Turkey on the basis of the Union's renewed enlargement consensus
- Managing the consequences of the future status settlement for Kosovo and its implications for relations with countries in the region
- Implementation of the existing network of Stabilisation and Association Agreements and progress in the stabilisation and association process with Serbia

##### ***European Neighbourhood and Russia***

- Significant progress towards or implement a new agreement with Russia
- Significant progress towards the conclusion of an enhanced agreement with Ukraine
- Launch of negotiations for successor Partnership and Cooperation Agreements (PCAs) with Armenia, Azerbaijan, Georgia and Moldova

- Stepping up relations with Algeria, Belarus, Libya and Syria, subject to the political development
- Pursuing the European Union's contributions to the Middle East peace process and support to the Palestinian Authority

***The Wider World***

- Concluding and implementing the Doha Development Round
- Following up the results of the 2007 EU-AU Summit
- Starting implementation of the Economic Partnership Agreements and the 10<sup>th</sup> European Development Fund (EDF)
- Stepping up cooperation with ACP and other developing countries, in particular in areas such as energy and migration, in line with the Action Plan on Climate Change and Development Cooperation and the Global Approach to Migration
- Following up the results of the 2007 EU-US Summit and strengthening of political, economic and trade relations with the United States
- Progress in or conclusion of negotiations for agreements with the EU's strategic partners China and India, as well as with other partners in Asia (ASEAN, South Korea) and Latin America (Andean Community, Central America)
- Review relations with Brazil bearing in mind the linkage to the negotiation of an association agreement, including a Free Trade Agreement, with MERCOSUR and concluding/implementing association agreements with the Andean Community and Central American Community
- Reinforcing cooperation with major producer, transit and consumer countries including on the promotion of sustainable energy and energy efficiency
- Pursuing the EU engagement in Afghanistan and continuing to contribute to stability in the Gulf with an emphasis on Iran and Iraq

**2.6. Better Regulation – at the Heart of the Commission's Daily Work**

Simplifying and improving the regulatory environment for EU business and citizens has been a major priority for the Commission since it took office. In 2006 the Commission undertook a strategic review of the better regulation agenda. 2007 will see improvements to the system of impact assessment, the launch of an Action Programme to eliminate unnecessary administrative burdens arising from legislation at EU and Member State levels, and implementation of the updated simplification programme. Realisation of these actions will be the core goal for 2008.

The results of the external evaluation of the Commission's impact assessment system — expected in March 2007 — together with the lessons from the operation of the **Impact Assessment Board**, will allow the Commission to identify where its internal Impact Assessment Guidelines and support need to be improved. In 2008 the

European Parliament, the Council and the Commission should also take stock of the implementation of the inter-institutional “Common Approach to Impact Assessment” concluded in mid-2006. The administrative costs measurement exercise envisaged in the Action Programme adopted in January 2007 will be completed in November 2008. Working jointly with the Member States, the Commission will continue to push hard to deliver **significant and demonstrable reductions in the administrative burdens faced by EU business.**

Delivery of the initiatives set out in the multi-annual simplification programme will continue in 2008, progressively including an increasing number of simplification proposals to reduce administrative burdens. 2008 should also mark the **completion of the Commission’s programme to codify the body of existing legislation** in all the official languages.

Better enforcement of Community law, including through improvements in the dialogue with Member States to ensure timely implementation and effective and equitable application, will remain a priority for the Commission in 2008, following on from a Communication on the application of Community law to be adopted in 2007.

## **2.7. Improving Communication and Communication Priorities for 2008**

Communicating with citizens about European issues remains a crucial task for the European Commission in 2008. Continued efforts will be devoted to this task by the Brussels-based departments and by the Representations as well as the Commission Delegations in third countries.

The main communication priorities for 2008 should reflect the political priorities set in the Annual Policy Strategy as well as research findings reflecting citizens’ interests and the recent experience gained on effective communication.

Recent research shows that the main concerns for EU citizens are the **social dimension** of the EU in the context of **globalisation** (in particular **jobs** and the fear of unemployment) as well as **migration**. Interest in **energy and climate change** is on the increase. Obviously challenges such as globalisation and achieving sustainable development in its three dimensions (economic, social and environmental) will have to be integrated in any communication priority.

Past experience has identified the following key elements for the success of communication strategies:

- **Select specific issues** with which the citizen can more easily identify. The European institutions should play a clear role in areas where they communicate.
- Communication must **“go local”** and the message should be adapted to different audiences, sectors or countries.
- **Good planning and coordination** are essential.

On the basis of the above, and the political priorities defined in the APS 2008, the Commission should concentrate its efforts on the following communication priorities:

**Communication priorities envisaged for 2008**

- The Budget Review
- The Single Market Review
- The Social Reality Stocktaking
- Migration
- The Institutional Settlement
- Energy and Climate Change
- The EU's Role in the World

While concentrating its efforts and resources on key priorities, the Commission will continue to pursue and strengthen its efforts to better communicating Europe in all policy areas.

### **3. PART II: GENERAL FRAMEWORK FOR HUMAN AND FINANCIAL RESOURCES FOR 2008**

#### **3.1. Human Resources**

##### *3.1.1. Enlargement-related Reinforcement*

On the basis of the Commission's assessment, the Budgetary Authority has endorsed 3 960 additional human resources needed between 2003 and 2008 in order to enable the Commission to extend its work to the ten new Member States and fulfil its institutional responsibilities. In 2008 the Commission will request the last remaining 640 additional staff in order to reach cruising speed. In accordance with its Communication on the human resources consequences of the accession of Bulgaria and Romania, assessed at 850 new staff over the period 2006-2009, the Commission is asking for 250 new posts in 2008. Again for 2008, the Commission is requesting 890 additional human resources to deal with the extension of its tasks following enlargement and to pursue its four policy priorities where they relate to an enlarged Union. It will also monitor closely, throughout the year, the recruitment of nationals of the new Member States in order to ensure that recruitment targets set by the Commission for EU-12 are met by its services. The final allocation to services for 2008 will also be reviewed in the light of the individual performance of services in reaching these targets in 2007.

##### *3.1.2. Contribution to a Central Pool*

Beyond these new posts, the Commission will actively redeploy staff to implement the priority initiatives independently of enlargement. Amongst these priorities, the Commission intends to open and to upgrade delegations and to reinforce the existing network. Due attention will also be paid to audit and audit-related tasks in the research sector. Identifying negative priorities and the scope for internal redeployment has been a fundamental element in assessing any request by services for new resources. The Commission is also committed to redeployment between services and will achieve this target, as in previous years, by setting up a central redeployment pool, drawing generally upon all staff and set at 1% of staff. Savings in human resources resulting from externalisation (executive agencies) will also be redirected towards priorities. These resources will be channelled to the priorities identified in this Communication and by the budgetary authority. As last year, the Commission will also allocate posts on a short-term basis for temporary tasks, which should contribute to a more flexible and dynamic allocation process in future years.

##### *3.1.3. Additional Human Resources to be Allocated to the Four Policy Priorities*

The table below summarises the human resources expected to be needed for launching new initiatives or reinforcing ongoing activities, by priority and according to source.

**Table 1 – Allocation of human resources to APS 2008 priorities**

APS priorities in 2008	New resources related to enlargement	Redeployment between departments	Redeployment within departments	Total resources available for the priorities
1. Prosperity	123	46	53	222
2. Solidarity	125	20	79	224
3. Security	100	27	12	139
4. External projection	77	109	27	213
Extension of existing activities in an enlarged Union (including phasing-out of pre-accession activities) or other variation in workload	465	85	107	657
<b>TOTAL</b>	<b>890</b>	<b>287</b>	<b>278</b>	<b>1,455</b>

The allocation of new enlargement-related resources by policy area will be finalised during the preparation of the 2008 Preliminary Draft Budget (PDB), including the breakdown between establishment posts and external personnel. In addition, as proposed by the European Parliament, the Commission has begun a medium-term review of its human resources. Whereas this annual policy strategy for 2008 is mainly focused on overall enlargement-related needs and on redeployments to address political changes from 2007 to 2008, the mid-term review should define perspectives for the future but could also have an impact on the final allocation for 2008. Accordingly, some of the posts for 2008 will only be allocated to services in the light of the results of this review.

### **3.2. Changes in the Allocation of Financial Resources**

The APS 2008 is the second under the financial framework for 2007-2013. Most of the legal acts for the new programmes have recently been adopted, and where necessary the (May 2006) financial programming has been adjusted (January 2007) to reflect the adopted legal bases. In some cases, final adoption is still pending, and this may have an effect on the profile of expenditure. Therefore, for 2008, it is possible to frontload certain initiatives without affecting the margins available under the budget headings by back-loading those programmes whose start-up is adjusted to take account, in particular, of late adoption of the corresponding legal bases. The

changes in the allocation of financial resources set out below reflect the 2008 priorities.

**Table 2 - Changes in financial resources reflecting 2008 priorities in comparison with 2008-2013 financial programming**

<i>Indicative changes in Financial Resources</i>		
<b>Priorities and Policy Area</b>	<i>Appropriations for commitments (in Million EUR)</i>	
	<b>2008</b>	<b>2009-2013</b>
<b>Priority 1</b>		
Energy and Transport	9.8	90.1
<b>Priority 2</b>		
Environment	2.0	10.6
<b>Priority 3</b>		
Freedom, security and justice	13.4	16.4
<b>Priority 4</b>		
External relations	2.0	10.0
Development	21.1	59.0
<b>TOTAL</b>	<b>48.3</b>	<b>186.1</b>

### 3.2.1. *Financial Implications of the “Prosperity” Priority*

Heading 1a, with a total programmed amount for 2008 of EUR 9 776.4 million, incorporates the key programmes for the Lisbon Strategy: the Research, Lifelong Learning (LLL), Competitiveness and Innovation (CIP) and Trans-European Transport Network (TEN-T) programmes. These programmes will all contribute to making the European economy more dynamic and competitive. With the exception of TEN-T, all the corresponding legal bases have been adopted.

In the field of transport, it is proposed to increase the financial resources for the European Railway Agency (ERA), European Maritime Safety Agency (EMSA), European Aviation Safety Agency (EASA) and Galileo Supervisory Authority (GSA) by a total of EUR 9.8 million in 2008. However, this will be partly offset by reductions in the TEN-T programme, so there will be no change to the margin available under Heading 1a. The situation of these agencies for the 2009-2013 period will be evaluated at a later stage.

### 3.2.2. *Financial Implications of the “Solidarity” Priority*

An additional EUR 2 million will be programmed under Heading 2 to cover additional activities of the European Environmental Agency (EEA), essential for the provision of reliable and timely information in support of policy. The focus will be on the global challenges of monitoring climate trends, biodiversity, and ecosystem assessment, which Europe must tackle as a priority. Other Heading 2 initiatives will

be financed, if necessary through redeployments, within the existing financial programming.

### 3.2.3. *Financial Implications of the “Security” Priority*

The Heading 3a initiative, “Establishing a single area of justice in criminal and civil matters”, will be reinforced by an additional EUR 2.5 million for EUROJUST in each year of the 2008-2013 financial programming. EUROJUST stimulates and improves the coordination of investigations and prosecutions between competent authorities in the Member States, fostering the development of a European area of freedom, security and justice. This will be offset by downward adjustments in other programmes under the same heading.

With a view to strengthening the initiative “Managing the external borders in common”, it is proposed to increase the financial resources of the FRONTEX Agency by EUR 10.9 million in 2008. This increase beyond the original financial programming will be followed by a further frontloading in 2009 and 2010 of EUR 6.9 million and EUR 7 million, respectively. However, the 2009 and 2010 increases will be offset by no increase in 2011. As in the case of EUROJUST, the additional EUR 10.9 million in 2008 will be obtained by adjusting the amounts for those programmes whose start-up has been delayed.

In the area of external border management, the Commission will build upon the results of the 2007 evaluation of the FRONTEX Agency, including the possible extension of its tasks to cover goods-related security issues, the implementation of the Rapid Border Intervention teams, and the drafting of new proposals for the further development of the integrated border management strategy. Several fundamental instruments are due to be adopted in 2007 and implemented in 2008: the Visa Code, the Visa Information System and the new legal framework for the organisation of consular services for processing visa applications, which will necessitate a more active role for the Commission in the field of local consular cooperation.

### 3.2.4. *Financial Implications of the “External Projection” Priority*

Under Heading 4, External Projection, it is proposed to add an additional EUR 23.1 million to the financial programming for 2008. Most of this amount, EUR 19.5 million, is for two new initiatives related to climate change and renewable energy, with multi-annual implications, which were announced by the Commission in its January 2007 Energy and Climate Change Package.

The first initiative is the Global Climate Policy Alliance, which aims to support adaptation and mitigation activities in developing countries. The initial commitments under the Kyoto Protocol come to an end in 2012 and further commitments will have to be agreed by the international community by 2009 at the very latest. The Commission has tabled an ambitious proposal to reduce emissions and limit temperature increase to 2°C. This proposal will only succeed if its objectives are shared by the largest possible majority of developing countries. The Global Climate Policy Alliance will pursue this endeavour by building a political coalition between the EU and developing countries, supported by resources for national investments particularly in the field of adaptation. An envisaged pledge of EUR 50 million over

the period 2008-2010 — including EUR 10 million in 2008 — will act as a catalyst for similar contributions by EU Member States, which are expected to finance the largest share of the initiative. Further contributions and synergies from the European Development Fund (EDF) are also to be considered. The Commission contribution will take the form of grants.

The second initiative is to reinforce the Global Energy Efficiency and Renewable Energy Fund (GEEREF). GEEREF is an innovative public-private financing mechanism designed to mobilise significant private funding in favour of energy efficiency and renewable energy projects in developing countries and in economies in transition. A significant contribution from the EU budget is essential to kick-start the fund, and the Commission has proposed a contribution of EUR 80 million to GEEREF over the period 2007-2010. To reach this objective, three further tranches of EUR 9.5 million each will be added to the original financial programming of GEEREF for 2008-2010.

Funds provided under the Global Climate Policy Alliance will complement GEEREF private financing by encouraging public investment in adaptation. The additional resources for the two initiatives are allocated to the “Development” policy area under the thematic programme “Environment and sustainable management of natural resources, including energy” (ENRTP).

An additional EUR 2 million is allocated to the initiative “The EU in the World: Towards a communication strategy for the European Union’s external policy, 2006-2009” - C(2006) 329. The objective of raising the level of awareness and understanding of the EU’s external policies is a high priority for the EU, as set out in the strategic document “Europe in the World” presented at the European Council of June 2006. This increase will facilitate the extension of the current activities (focused mainly on the European Neighbourhood Policy and CFSP/ESDP) to include themes such as crisis management and the external aspects of climate change and energy policy.

A further EUR 1.6 million is granted to reinforce research and awareness-raising activities that will help inform and shape the development debate and policy making at European level. In line with the European Consensus on Development, the Commission and the Member States will develop a European Research Network with a view to develop analytical capacity in support of development policy making and, notably, to deliver an analytically well underpinned European Development Report. Further, after a successful pilot experience in 2006 to be repeated in 2007, there is now a strong consensus to establish the European Development Days as an annual major event of the EU’s and the international development agenda, involving all major development stakeholders.

In the policy area “Taxation and Customs Union”, provision will be made to support the International Tax Dialogue and to ensure EU membership of the World Customs Organisation (WCO).

### 3.2.5. Summary of Changes by Financial Framework Heading

(in Million EUR)

HEADINGS	2008			Projection 2009-2013		
	Initial* programming	APS changes	Revised programming	Initial* programming	APS changes	Revised programming
<b>1a. Competitiveness for growth and employment</b>						
FF ceiling - sub-heading 1a	9,847.0		9,847.0	65,222.0		65,222.0
Total sub-heading 1a	9,776.4	0.0	9,776.4	64,462.9	0.0	64,462.9
<i>Margin</i>	70.6		70.6	759.1		759.1
<b>1b. Cohesion for growth and employment</b>						
FF ceiling - sub-heading 1b	46,888.8		46,888.8	245,301.1		245,301.1
Total sub-heading 1b	46,888.8	0.0	46,888.8	245,301.1	0.0	245,301.1
<i>Margin</i>	0,0		0.0	0.0		0.0
<b>2. Preservation and management of natural resources</b>						
FF ceiling - heading 2	58,800.0		58,800.0	300,974.0		300,974.0
Total heading 2	58,742.8	2.0	58,744.8	300,639.5	10.6	300,650.1
<i>Margin</i>	57.2		55.2	334.5		323.9
<b>3a. Freedom, security and justice</b>						
FF ceiling - heading 3a	747.0		747.0	6,170.0		6,170.0
Total heading 3a	714.2	0.0	714.2	5,840.6	0.0	5,840.6
<i>Margin</i>	32.8		32.8	329.4		329.4
<b>3b. Citizenship</b>						
FF ceiling - heading 3b	615.0		615.0	3,416.0		3,416.0
Total heading 3b	597.3	0.0	597.3	3,310.5	0.0	3,310.5
<i>Margin</i>	17.7		17.7	105.5		105.5
<b>4. EU as a global partner</b>						
FF ceiling - heading 4	7,002.0		7,002.0	42,355.0		42,355.0
Total heading 4**	6,644.8	23.1	6,667.9	41,080.4	70.0	41,150.4
<i>Margin</i>	357.2		334.1	1,274.6		1,204.6

\* January 2007 update.

\*\* Adjusted to take into account the entry into effect of the new provisioning mechanism for the Guarantee Fund.

As explained above, the increased financial resource allocation for initiatives under Heading 1a and Heading 3a will not have an effect on the margins under these headings, as the increases will be offset by reductions for other programmes for which implementation is likely to be delayed in the first few years.

For Heading 2, the margin will decrease by EUR 2 million. There is no change to the programming for Heading 3b.

Under Heading 4, new priorities require a EUR 23.1 million reinforcement in 2008 to be consolidated in subsequent years by a further EUR 70 million. However, following changes in the mode of provisioning of the Guarantee Fund for External Actions<sup>1</sup>, no new provisioning will be required from the general budget in 2008. The EUR 200 million earmarked to that effect in the programming will therefore become available. The net result of both changes will leave a margin of EUR 334 million, which will allow an adequate response to future needs, for example in connection with the outcome of negotiations on the final status of Kosovo, and the subsequent role of the EU, and in regard to the Middle-East Peace Process<sup>2</sup>. Depending on the evolution of the international situation in the coming weeks, further requests may need to be incorporated in the Preliminary Draft Budget (PDB).

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<sup>1</sup> Council Regulation (EC, Euratom) No 89/2007 of 30 January 2007 amending Council Regulation (EC, Euratom) No 2728/94 establishing a Guarantee Fund for external actions (OJ L 22, 31.1.2007).

<sup>2</sup> The amounts pledged by the Commission at the January 2007 Paris conference on the reconstruction of Lebanon are fully covered by the programmed budget.