European and External Affairs Committee

EUR2 02-05 (p9)

Date: 24 February 2005 Time: 9.00 - 12.30

Venue: National Assembly for Wales, Cardiff Bay

Title: European Commission Work Programme 2005 – suggested policy priorities for EEAC

Purpose of Paper

- 1. This paper provides Members with an overview of the year ahead in the EU and a summary of the Commission's five year strategy. It offers suggestions for EEAC policy priorities for 2005, based on an analysis of the Commission's 2005 work programme and work carried forward from 2004.
- 2. The Committee is invited to agree the issues on which it will focus for 2005 and to consider how to strengthen the role of the Committee(s) in influencing the EU decision making process.

The EU 2005 context

- 3. 2005 will see a major review of the European Union's long-term objectives, the future of the "Lisbon Strategy" will be discussed by Member States at the Spring Council (March 2005). Already the President of the European Commission, Jose Manuel Barroso has presented its contribution in the form of a new strategy for the EU "Growth and Jobs" (31 January 2005).
- 4. The draft EU constitutional treaty will be subject to referenda in several Member States, sparking intense political debate across the EU. Spain will be the first to put it to the people to vote on 20 February, followed by the eagerly awaited French referendum in May/June 2005.
- 5. The negotiations over the future EU budget 2007-2013 will continue during this year and will decide the future shape and scope of EU funding programmes, including the structural funds programmes. The Luxembourg Presidency is aiming to reach an agreement at the June Council, although given the divergent views on the issue agreement may not come until the end of 2005 or even 2006.
- 6. The UK assumes the Presidency of the EU in the second half of the year, giving the UK the opportunity to steer the EU towards some of its own priorities. The Informal Competitiveness Council (10-12 July) and an informal meeting of the EU Foreign Ministers, referred to as the Gymnich (1-2 September) will be held in Wales. Wales will also host a Youth Event (25 27 October).

Suggested EEAC policy priorities for 2005

- 7. The European Commission's strategy for its five year mandate (2005-2009) and its work programme for 2005 were both adopted and presented to the European Parliament on 26 January 2005, by Commission President, Jose Manuel Barroso. For a summary of the five year strategy, see Annex C.
- 8. As with the Commission's five year strategy, the 2005 work programme is organised under the key headings of: prosperity, solidarity, security and external priorities, all under the overarching objective of sustainable development. Of the 600 or so legislative and non-legislative proposals, Barroso has selected around 170 political priorities.
- 9. There are a number of legislative proposals from preceding years which are still under discussion in Council and the European Parliament which are likely to have more far-reaching consequences for Wales than many of the major proposals in this year's work programme. It is proposed that they should be considered as priority issues alongside those of the new Commission programme.
- 10. The following therefore are suggestions for possible EEAC priorities. Several have been identified as priorities by the Committee during the past year, and are carried forward as work in progress. Others are mainly identified on the basis of the Commission's 2005 political priorities and are proposed in view of their cross-cutting nature, impact and relevance to Wales. There will be a degree of overlap with the European work of the subject committees, these are noted in brackets. A detailed list of proposals of relevance to EEAC can be found in Annex A.
 - Mid term review of the Lisbon Agenda (EDT): relaunch of the Lisbon strategy for "growth and jobs". Several of the Comission's key initiatives this year will be part of the package to help meet the Lisbon strategy goals. For example, the new Social Agenda (2006-2010); follow on to the e-Europe initiative (European Information Society 2010); innovation action plan for a competitive Europe; and the next generation of research programmes.
 - Mid term review of the sustainable development strategy (EPC): following on from last year's consultation exercise, the Commission has just published its ideas for revising the strategy's objectives and setting new milestones. The reviewed strategy will be presented later in this year.
 - Revision of the working time directive (EDT, HSS, EO): following on from last year's consultation exercise, the Commission has proposed a number of revisions relating to the definition of working time and limits on the individual opt-out.
 - Services directive (HSS): this will continue to provoke heated debate this year. Designed to create a genuine internal market in services by removing any remaining national barriers to the freedom to provide services across borders.
 - REACH directive (Registration, Evaluation and Authorisation of CHemicals) (EPC, EDT): under the system proposed by the Commission, enterprises that manufacture or import more than one tonne of a chemical substance per year would be required to register it in a central database. It has wide implications for competitiveness and innovation on the one hand, and health and the environment on the other.

- The future of state aid policy (EDT): the Commission will issue a consultation paper setting out ideas for delivering "less and better aid". It will cover state aid for innovation, improving access to risk capital, promoting research and development and revision of the 'de minimis' threshold.
- Revision of the regional aid guidelines (EDT): discussions are underway which will determine the Assisted Area maps for Wales, with implications for where and how much state aid in the form of investment grants to companies are allowed.
- Financial perspective 2007-2013: following the Commission's proposed package in June 2004, the Council is discussing the future EU budget which will determine the shape of the next generation of EU funding programmes, such as those in the fields of research, education, culture, youth, citizenship, health and consumer policy.
- The future of cohesion policy post 2006 (EDT): negotiations of the structural funds regulations will determine how much structural funds Wales will receive in the next programming period (2007-2013) and how it should be spent. The Commission will propose Strategic Guidelines for cohesion policy which will define the priorities for the next round of programmes.
- Rural development regulation (EPC): currently under discussion in Council, the European Agricultural Fund for Rural Development will replace the current EAGGF. The UK will be negotiating for a more equitable share of the overall budget. It will determine how much EU funding will be available for Wales' Rural Development Plan 2007-2013 and how it should be spent. It will impact on schemes such as Tir Gofal and Tir Mynydd as well as efforts to promote wider rural development, including funding for Leader+ groups. The EU eligibility criteria for funding of Less-Favoured Areas are likely to be revised (currently covers some 80% of Wales i.e. Tir Mynydd). Strategic Guidelines will be issued to define the priorities for the national plans (2007-2013).
- Youth policy (SJR, EO): a Commission discussion paper is expected with proposals for giving greater priority to issues affecting youth across a whole range of the main policy initiatives.
- Communication Strategy: the Commission will present a comprehensive communication strategy with the aim of bringing the EU closer to its citizen.
- Governance and the subsidiarity monitoring mechanism.

11. The Committee may also wish to monitor progress on the following items:

- Enlargement: Bulgaria and Romania accession process; opening negotiations with Croatia; mandate for negotiations with Turkey; assessment of the application of the former Yugoslav Republic of Macedonia; Stabilisation and Association process with the Western Balkans.
- Trade: the Hong Kong Ministerial meeting will conclude a decisive phase to reach a trade deal in the Doha Development Round; reform of the EU sugar common market organisation.
- Development: new EU development policy and accelerating progress of EU contribution to the Millennium Development Goals; EU strategy for Africa.
- 12. A list of suggested priority issues from the Commission's 2005 work programme for the Assembly's other Committees are attached in annex B. They were selected on the basis of relative interest to the Committees' work programme, relevance to Wales and the extent to which they impact on devolved powers. A secondary list of issues which may be of interest to Committee Members will also be

included in the report to each Committee.

Influencing EU policy proposals: potential for Committee engagement

- 13. Each subject committee will receive a paper prepared by Members Research and Committee Services (MRCS) for consideration on the Commission's work programme. Once they have identified their priorities, it will be for the committees and clerks to decide how to pursue their interest as they would for any other item: commissioning papers from the Welsh Assembly Government or other sources, and, where appropriate, responding directly to the EU institutions.
- 14. In support of this, MRCS will provide Members with regular updates through various sources, following their progress through the Council and the European Parliament, with further suggestions on opportunities for influencing the process. One of the key roles of the Assembly Parliamentary Service Brussels officer will be to feed in intelligence and to provide members with an "early warning" of upcoming issues.
- 15. For legislative proposals, it will be particularly important to focus on discussions in the Council and the European Parliament. Committees should consider adopting a more systematic approach to scrutiny of the Welsh Assembly Government's input into the UK negotiating line at Council discussions with feedback on the outcome of Council meetings. This would help make the decision-making process more transparent, in particular the impact on Welsh stakeholders.
- 16. Where proposals are subject to the co-decision procedure, (eg environment, services directive, working time directive), the European Parliament will have an equally strong voice in the adoption of the legislation. One element of the work of the Brussels office will be to keep Welsh MEPs informed of the Assembly Committee's European business and to facilitate the flow of information between the two institutions.
- 17. Other bodies and associations such as the Committee of the Regions, Conference of European Regions with Legislative Power (REGLEG), Conference of European Regional Legislative Assemblies (CALRE) and Conference of Peripheral and Maritime Regios (CPMR) will be active on these issues as well. It's intended that MRCS will keep Members informed of their responses to EU proposals and their lobbying activities on these issues.

Action

18. Members are invited to:

- give their views on the appoach set out above;
- consider the analysis of the Commission's 2005 work programme as contained in the annex and agree the issues on which it will focus for 2005
- consider the priority issues suggested for the attention of the other Committees.

Annex A: Suggested priorities from the Commission's 2005 work programme, those carried forward from 2004, and items of secondary interest to EEAC for 2005

1. Commission work programme 2005 - suggested priorities:

Mid-term review of the Lisbon Strategy	This annual report sets the agenda for the Spring meeting of the European Council. It assesses progress against the ambitious decadelong programme of economic, social and environmental change launched by the European Council in Lisbon in March 2000. The report analyses progress made, particularly in the Member States, against the concrete targets established by the Lisbon and subsequent European Councils and identifies priorities for the next 5 years in order to keep the Lisbon Strategy on track. Published: January 2005
Mid-term review of the Sustainable Development Strategy	A review of the EU Sustainable Development Strategy adopted at the Göteborg European Council in June 2001. The review will include an examination of progress made, the effectiveness of the strategy, need to take account of new developments, and next steps in the implementation of the strategy. The review, which was originally planned for 2004, has been postponed
	to January 2005 because of its highly technical preparation. Actual forecast is that the review may take place in two steps with: - a short orientation paper for the Spring Summit in January) and
	- the full review by June or September 2005.

~	
Commission Communication on the future of State aid policy	Consultation document on the future State aid policy. The document will present reflections for the future State aid policy and will ask for comments from all interested parties. In light of these comments, the Commission will modify the existing rules. These modifications will take place between 2005 and 2008. Expected: March 2005
Revision of regional aid guidelines	Brief Description: Guidelines on determining which regions will be eligible to the derogations in Article 87(3)a) and 87(3)c) for the period 2007-2013, possible partial block exemption. The current guidelines expire at the end of 2006.
	Enlargement, conclusions of European Councils and coherence with conclusions of Third Cohesion Report will be taken into account. Expected: May 2005
	Expected. Way 2003
Commission Communication on Youth Policy	Youth policy needs to be developed in an integrated and holistic direction, encompassing each young person's life from school to active citizenship and working life, and enabling all young people to have access to the full range of tools and facilities with which to make a success of their lives. It would bring together in a coherent whole the main policy initiatives (social, education, citizenship, mobility, health, immigration, entrepreneurship) rebalancing policies giving greater priority to issues affecting youth, addressing the cross-cutting issues, and grounded in an approach based on knowledge-based policymaking. One proposed approach on these lines would be a European Pact for Youth.

A Communication Strategy	This document will aim at:	
	- providing a tool for improved co-ordination of Communication	
	strategies of the main EU institutional players.	
	- objective: contribute to a better image and communication of the EU	
	toward the EU citizen.	
	Expected: May 2005	

2. Work carried over from the Commission's 2004 work programme

	Indicative institutional timing
Communication from the Commission to the Council and the European Parliament - Financial Perspectives 2007 – 2013 - COM(2004) 487 final	European Parliament (ad hoc temporary committee) – awaiting opinion. Council – aiming for agreement in June.
Proposal for a Directive of the European Parliament and of the Council amending Directive 2003/88/EC concerning certain	European Parliament (EP) – awaiting first reading (April).
aspects of the organisation of working time.	awaiting first reading (April).
Proposal for a Directive of the European Parliament and of the Council on services in the internal market (2004/0001/COD)	EP – awaiting first reading (July).
Proposal for a Council Directive amending Directive 77/388/ EEC as regards the place of supply of services.	Council – awaiting decision.
Proposal for a Regulation of the European Parliament and of the Council concerning the Registration, Evaluation, Authorisation and Restriction of Chemicals (Reach), establishing a European Chemicals Agency and amending Directive 1999/45/EC and Regulation (EC) {on Persistent Organic Pollutants} (2003/256/COD)	EP – awaiting first reading (September).

Commission proposal for a Council Regulation laying down provisions on the European Regional Development Fund, the European Social Fund and the Cohesion Fund to replace Council Regulation 1260/1999 (2004/0163/AVC)	Council – under discussion pending agreement on the financial perspectives.
Commission proposal for a Regulation of the European Parliament and Council on the European Regional Development Fund to replace Regulation 1783/1999. (2004/0167/COD).	EP – awaiting first reading (July).
Commission proposal for a Council Regulation on the Cohesion Fund to replace Council Regulation 1264/1999 amending Regulation 1164/1994 establishing the Cohesion Fund (2004/0166/CNS).	Council – under discussion pending agreement on the financial perspectives.
Proposal for a Council Regulation on support for rural development by the European Agricultural Fund for Rural Development (EAFRD). (2004/0161/CNS).	Council – under discussion pending agreement on the financial perspectives.
Proposal for a Council Regulation on the financing of the common agricultural policy (2004/0164/CNS).	Council – under discussion pending agreement on the financial perspectives.
Proposal for a Council Regulation on the European Fisheries Fund (2004/0169/CNS).	Council – under discussion pending agreement on the financial perspectives.
Proposal for a Decision of the Parliament and the Council on Culture 2007 (2007-2013) (2004/150/COD).	European Parliament – first reading (September)
Proposal for a Regulation of the European Parliament and of the Council on the European Social Fund (2004/0165/COD).	European Parliament – first reading (July).

	European Parliament – first reading (July).

3. Commission work programme 2005: Other items which may be of interest to the Committee

Proposal for a Council decision setting up a community action programme promoting active citizenship	This programme will give more support to existing initiatives such as town twinning, and will introduce new measures such as the development of research projects, citizens' panels and networks of associations, institutes etc. with the aim of making citizenship more visible.
Communication setting up a new Social Agenda	A programming document outlining key initiatives to be deployed over the next 5 years to work towards meeting employment and social goals in the context of the Lisbon Strategy.
Communication on a new programme on health and consumer policy - proposal for a Decision of the European Parliament and of the Council	 Financial Perspectives 2007-2013 (Commission Communication 2004 – 487, heading 3 "citizenship"): health and consumer policy programme to replace the existing instruments in this area. Current consumer policy strategy runs out at the end of 2006, financial instrument expires 2007, combined instrument is to be launched by then. Current Public Health Programme expires at the end of 2008. New political approach for consumer policy and health, streamlining of instruments. This is consistent with the new Commission Health Strategy, which will take the form of a Commission Communication. If not done, this will leave consumer and public health policies without political and financial programmes in the medium term.

Proposal for a Decision of the European Parliament and the Council on the seventh multi-annual framework programme of the european Community for research, technological development and demostration activities, contributing towards the creation of a European Research Area (2007-20013)	These proposals concern the EU Framework Programmes for research funding for the period 2007- 2013. The research programmes will be designed and intended to reinforce the momentum towards the realisation of a knowledge-based society, building on the European Research Area. The proposals, containing the main orientations will be further detailed in a set of proposals for specific programmes and rules for participation. The overall aim is to maintain and reinforce momentum in creating an effective knowledge-based economy
Proposal for a Council Decision establishing a European Year of Mobility for Workers in 2006 – towards a European labour market.	The decision will designate 2006 as the European Year of Mobility for workers as a means of promoting geographical mobility within and between Member States as a contribution to improving the efficiency of European labour markets, economic performance, the professional prospects of workers and the quality of living and working conditions.
Green paper on the effects of the demographic evolution of the EU.	The objective of this Green Paper will be, on the one hand, to identify the consequences of the ageing of the EU population on employment, social protection, migration. It will, on the other hand look for mechanisms aimed at ensuring intergenerational solidarity necessary to guarantee EU internal social cohesion. The Green Paper will launch a broad debate and will allow to gather information and opinions from national and EU institutions as well as from the civil society (involved NGO for example).
Communication on eAccessibility	This communication addresses the barriers created by the applications of technology, in particular for elderly people and people with disabilities. It will outline European policies and actions to promote accessibility, focusing on public procurement, certification and legislation.

Communication on the new generation of tax and customs programmes	The programmes Fiscalis 2003-2007 and Customs 2007 expire at the end of 2007, while EMCS will expire at the end of 2008. New programmes are going to be proposed to improve security, increase the fight against fraud through financing informatics networks to exchange information between tax and customs authorities. The new programmes will extend the existing programmes to the new financial perspectives period, and will also cover security at the external frontier.
Enlargement	
Croatia	1.Mandate for negotiations with Croatia: Commission communication for the opening of negotiations with Croatia
	2. Draft Council decision for a European Partnership for Croatia: European Partnership for Croatia in order to support effort to move closer to the European Union. Draft Council decision on principles, priorities for action and conditions contained in the European Partnership. To set the framework for assistance programming taking stock of the new status of Croatia as a candidate country.
Turkey	1. Strengthen political and cultural dialogue with Civil Society between EU Member States and Turkey: The third pillar of the strategy on Turkey entails a substantial strengthening of political and cultural dialogue. The Commission will present proposals on how to support the political and cultural dialogue bringing people together from EU Member States and Turkey. Civil Society should play the most important role in this dialogue, which should be facilitated by the EU.
	2. Revised Accession Partnership for Turkey: the Revised Accession Partnership is representing the first pillar of the strategy drawn up by the recommendation on Turkey. In order to guarantee the sustainability and irreversibility of Turkey's progress to the continued fulfilment of the Copenhagen political criteria the EU should continue to monitor progress of the political reforms closely. This will be done on the basis of a Revised Accession Partnership setting priorities for further reforms.
	3. Mandate for negotiations with Turkey: This corresponds to the

second pillar of the strategy on Turkey. Commission communication for the opening of negotiations with Turkey and the specific way of approaching accession negotiations with Turkey
Opinion on the Former Yugoslav Republic of Macedonia. Assessment by the Commission whether to recommend that negotiations for accession to the European Union be opened with the Former Yugoslav Republic of Macedonia
2005 Enlargement package: Strategy paper on progress in the enlargement process Comprehensive monitoring reports for Bulgaria and Romania Regular report on Croatia's progress towards accession Regular report on Turkey's progress towards accession / A general review of progress of the political reforms.
To generate debate, commitments, agenda building in the area of finance for development, coherence for development and specific actions for Africa.

Communication to the Council and the European Parliament "Towards Monterrey II – Reinforced commitments as the contribution of the enlarged EU to sustainable financing for development"	Define EU contribution into the international processes on Financing for Development leading into the stocktaking event on the Millennium Development Goals (UN Major Event September 2005): Proposals for new political commitments by the EU that will impact on the global process, as EU collectively is the largest provider of development assistance world-wide; most prominent themes: (1) further increased ODA levels towards achieving the internationally agreed 0.7% ODA/ GNI target over time, (2) improved aid effectiveness, (3) Innovative Sources on Financing, (4) debt relief within/ beyond the HIPC initiative for Heavily In debt Poor Countries
Communication on an EU strategy for Africa	-Strategic Importance of EU-Africa relations -Development of insitutional relations to date between the EU and African Union (AU) -EU engagement to help Africa and to support the continental structures (UE, NEPAD – Network Partnership for Africa's Development) -EU engagement to make a particular effore to help Africa reach the Millenium Development Goals -EU engagement to support Africa in its new prevention and conflict resolution policy
Proposal for a new policy statement on EC development policy	Revised policy statement on the EC Development Policy setting objectives and key principles underlying the Community approach to development co-operation. The development policy statement is by definition an overarching document setting the general direction and objectives of EC development policy. It provides political guidance and defines some key principles underlying the Community's approach to development co-operation. Development co-operation contributes to different degrees to the various objectives of EU's external action: from human rights and democracy, to security and world peace, to sustainable development, to a sound system of global governance. In this framework development co-operation has a specific mission: eradicating poverty. It is by focusing on its specific mission that it can maximise its contribution to the overall external action of the Union.

The reform of the sugar CMO will substantially reduce internal EU sugar prices. This will in turn affect ACP countries benefiting from preferential access to the EU market through the Sugar Protocol. The Communication on the reform of the sugar CMO states that the Commission will support the adaptation process of affected ACP countries and India. The proposal for accompanying measures aims at defining EC objectives, orientations and priorities for trade and development support for affected countries.
Report for Western Balkans - SAP report: Report on the state of advancement of the Stabilisation and Association Process for Western Balkans. It aims to take stock of the progress made by the individual countries and by the region as a whole with respect to a certain number of political and economic criteria. Annual reports on the stabilisation and association process (Albania, Bosnia and Herzegovina, FYROM, Serbia and Montenegro). These annual reports concern the state of implementation of the stabilisation and association process and will be presented together with the enlargement package. They aim to take stock of the progress made by the individual countries and by the region as a whole with respect to a certain number of political and economic criteria within the framework of the SAP.
On the basis of Country Reports drawn up by the services, and its appraisal of the overall situation, the Commission may issue a recommendation to the Council to decide on the opening of bilateral consultations with Armenia, Azerbaijan or Georgia on the establishment of joint ENP Action Plans.
Communication will focus on deepening of economic partnership and on ways to upgrade the framework of EU-US relations.

Communication on the tenth anniversary of the Barcelona Process	To review the ten years of the Barcelona Process and make proposals for refocusing to be discussed at the Euro-Mediterranean Foreign Affairs Ministers' meeting in Luxembourg (29-30 May) and at the Ministerial meeting in Barcelona (29/30 November)
Five European Neighbourhood Action Plans with Egypt and Lebanon; Armenia, Azerbaijan and Georgia, on the basis of Country Reports presented earlier	Action Plans are the key instruments in the process of bringing our neighbours closer to the Union. Action Plans contain a set of jointly defined key priorities in the following selected areas: Political dialogue and reform; trade and measures preparing partners for gradually obtaining a stake in the EU's Internal Market; justice and home affairs; energy, transport, information society, environment and research and innovation; and social policy and people-to-people contacts. Action Plans are tailored to reflect the specific state of relations with each country, its needs and capacities, as well as the interests of the EU and the partner country concerned. Their implementation will be monitored on a regular basis, and the Action Plans adapted accordingly.
A new approach to the relations between the European Union and Latin-America	It is necessary to update and to revisit our strategy towards Latin America. This should include new approaches to our relations in order to build an alliance on global governance, to promote and defend the EU economic interest in the region, to strengthen the economic growth and sustainable development including social cohesion and to enable the EU to have a strong partner in particular for reasons of global peace and security. The last strategic EC Communication regarding our relations with Latin America dates ten years ago.
Proposal for a Council decision on negotations for bilateral economic integration agreements on services and investment between the EC and its Member States on the one hand and the mediterranean partners on the other.	The proposed Decision will allow the Commission to open negotiations with the countries of the Euromed process (except Turkey) on investment and trade in services and will give the Commission negotiating guidelines for these negotiations.

Annex B

European Commission Work Programme 2005:

Suggested priorities for Assembly Subject Committees

No priority issues were identified from the work programme for CWLS, ELL and LGPS.

EDT

- Communication on the future of state aid policy
- Action plan on innovation
- Framework programme for competitivity and innovation
- European strategic guidelines for cohesion policy
- Seventh framework programme for research
- A new social agenda (2006-2010)
- Green Paper on a European Energy Efficiency Initiative
- Communication on renewable energies

EPC

- EU Strategic Guidelines for rural development 2007-2013 programmes
- Thematic Strategy on air pollution: Clean Air for Europe (CAFE)
- Thematic strategy on waste prevention and recycling
- Thematic strategy on the sustainable use of natural resources
- Thematic strategy to protect and conserve the marine environment
- Thematic strategy on the sustainable use of pesticides
- Thematic strategy on soil protection
- Thematic strategy on the urban environment
- Halting the decline of biodiversity to 2010
- Action on climate change post 2012
- Managing the impact of air transport on climate change
- Revision of rules on conditions for aquaculture animals and control of certain fish and mollusc diseases: eg farming mussels, clams and abalones.

HSS

- Directive updating measures for the control of avian influenza
- Green Paper on a European programme on nutrition and health
- Regulation updating food additives legislation

SJR

Communication on Youth policy

• Communication on an Action Plan on the fight against drugs (2005-2008)

EOC

- Communication on a policy approach to non-discrimination
- Communication on eAccessibility
- Communication on Youth policy
- Annex C: The European Commission's Strategic Objectives 2005-2009

Unlike all its recent predecessors, this new Commission has no major EU milestones during its mandate, such as the unprecedented Enlargement of 2004, the adoption of the single currency or the creation of a single market.

This Commission 2005-2009 strategy therefore gives particular attention to implementation, improving regulation and delivery of the EU's objectives. Improving understanding and awareness of the EU is also a major priority. It paints a picture of a Europe at the cross-roads: it emphasises the achievements of the EU to date, while recognising that economic growth is lagging behind the targets set. It also acknowledges a growing tide of Euroscepticism across the EU and the challenge which this poses.

The Commission has set itself the key objective of releasing Europe's untapped potential through a Partnership for European Renewal. For the first time, it is proposing a joint programme of strategic objectives in partnership with the European Parliament and Council, as foreseen in the provisions of the draft Constitution. Its three aims are:

- Prosperity: competitiveness, productivity and growth. "The most urgent issue facing Europe today" is the lack of progress on the Lisbon strategy. The priority will be growth and job creation by nurturing a more business friendly environment; raising the level of investment in higher education and research and development; investment in the trans-european transport, telecom and energy networks; fostering entrepreneurship and attracting more people into the labour market.
- Solidarity: Key elements of this programme include using cohesion policies (structural funds) to promote competitiveness and growth, while reducing economic disparities; continued EU leadership on environmental protection including climate change and sustainable management of natural resources; the social agenda, including new initiatives on anti-discrimination and the establishment of a European Agency of Fundamental Rights.
- Security: Implementation of the Hague Programme on Justice and Home Affairs which was agreed in 2004 will be the key priority to ensuring a coordinated response to the security risks, in particular in the fight against terrorism. It will also focus on management of the EU's external borders, common rules on legal migration and a common asylum policy for the 25 EU member states. Environmental and health risks (such as natural disasters, outbreaks of diseases, major accidents, energy supply crises or terrorists attacks), must be tackled by securing the Union's ability to offer early warning and immediate response to particular crises situations and by long-term prevention.

A new Communications strategy will help implement this Partnership approach, mainly by extending the scope of public debate on EU policies. Consultation and participation is stressed, including the need to have full involvement of national Parliaments and public authorities at all levels. It lays down a commitment to a high level of openness and transparency.