

**THE SIX-MONTH PROGRAMME OF THE HUNGARIAN PRESIDENCY OF THE  
COUNCIL OF THE EUROPEAN UNION**

**STRATEGIC FRAMEWORK**

*Strong Europe with a human touch*

Events within the ever-changing European Union have recently gathered unprecedented speed, bringing fundamental shifts to the challenges ahead and making the need to find common means to tackle them more urgent. The first half of 2011 will be a period full of strategic and complex tasks to address. Hungary, as the last member of the Spanish-Belgian-Hungarian trio, has to continue with finding a path out of the economic crisis and laying the foundations for future development. The Union has overcome many crises and has always emerged with greater resilience.

**Strong Europe – this is our motto.** For we believe that the crisis and the decisions Member States have taken to overcome it show that the response to the current epochal challenges should be *more* and not *less* Europe. This is our aim as Presidency: to help create an **economically, socially, politically and institutionally stronger and more attractive Europe.**

The agenda of the Hungarian Presidency will be largely determined by handling the consequences of the economic crisis and launching new forms of cooperation; the aim is to ensure that we will be better equipped to prevent crises in the future. Europe's key tasks include establishing a European Stability Mechanism, reinforcing economic co-ordination and strengthening control over fiscal discipline.

Besides the urgent need to strengthen the means to tackle the effects of the economic crisis we have to focus on which kind of long term changes do we need to carry out so that the European economy can be successful and **competitive** in global terms. We have to make **economic growth** sustainable and recovery from the crisis irreversible, by effectively implementing the Europe 2020 Strategy and concentrating on job creation.

We need to renew and reinforce Europe on the basis of the EU 2020 Strategy for ensuring competitiveness in a globalised world and to meet new challenges facing the European Union. Only economic growth can increase employment in Europe. We are not interested in a jobless recovery from the crisis. Job creation is also what European citizens primarily expect from us. The key to recovery is systematic European policies which serve Member States' common goals and strengthen cohesion. At the same time, we shall be focussing on our capacity for innovation, which makes us more competitive in comparison with our economic partners. Over the next few years, we need to enhance solidarity and cohesion among Member States and deepen European unity by strengthening our common European policies.

The Presidency Programme is built around four main priority areas: promoting economic growth by strengthening economic governance and concentrating on job creation and social inclusion; strengthening of our common policies by finding ways to make them more efficient and competitive, while preserving the fundamental values underlying those policies and their ability to create cohesion in Europe; bringing Europe closer to its citizens; moving forward with the enlargement process in a credible and responsible manner.

The Presidency Programme is based on the **human factor**; the overarching goal of the Hungarian Presidency is to put Europe at the service of its citizens, re-focussing our policies on the human face of European integration. The adoption of the Lisbon Treaty with its new legal framework should help bring Europe closer to its citizens. Substantial progress must be made in this respect in order to demonstrate that the EU can effectively improve its citizens' lives. This approach needs to be taken into account for all European policies, including economic governance (so that we do not thrive at the cost of future generations), education and training, employability and job creation, improvements to social security, creating more stable and transparent opportunities through the internal market rules, the production of safe food, protection of the environment, providing clean drinking water, safeguarding cultural diversity and ensuring the security of our citizens in the widest possible sense – taking into consideration private, economic, environmental, medical and other issues.

The European citizens want an efficient European Union, which is able to respond quickly to new challenges. This necessitates strong and smooth cooperation amongst all the institutions of the Union. Strong Europe implies strong institutions and strong Member States working together for the common cause. The Hungarian Presidency is dedicated to this objective.

## **1. Growth, jobs and social inclusion**

*The economic crisis brings not only challenges but also opportunities: opportunities for closer co-operation and more concerted European action. The economic and financial crisis has demonstrated the limits of the free market and the need to create a new regulatory framework for economic development. Europe needs to ensure that state budgets are sustainable, strict fiscal discipline is adopted and economic growth stimulated. With regard to the latter, it is essential to prioritise employment policy. Europe cannot be competitive without creating new jobs or without a more efficient employment policy. European Union policies also need to support this aim.*

**Consolidation of the European economy remains a major task.** The EU institutions and Member States need to act together to strengthen economic co-ordination and begin implementation of the EU 2020 Strategy, with special regard to the European semester.

**It is a priority for the Hungarian Presidency to make progress in the field of European economic governance and apply the new instruments available.** The Member States have made major progress in recent months in creating a more stable system for economic co-ordination. It is important that together, the European institutions and the Member States find the right path for development: one which helps restore fiscal balance, but supports economic growth at the same time. To increase confidence and support sustainable development, employment and competitiveness, we need to reach a final compromise by June 2011 on the Commission's legislative proposals for enhanced economic governance as introduced in September 2010, taking into account the conclusions of the Task Force's report and those of the 2010 December European Council. The key points are improving fiscal discipline,

extending economic surveillance, deepening co-operation, strengthening the institutions and establishing the European Stability Mechanism by mid 2013. In line with the decision of the December 2010 European Council by March 2011 work has to be finalised on the intergovernmental arrangement setting up the European Stability Mechanism and the decision on the amendment of the Treaty necessary thereof has to be formally adopted.

**The Europe 2020 Strategy is our common instrument for boosting employment, enhancing competitiveness and social inclusion** – three closely interrelated and mutually supporting objectives. Targets have already been agreed upon, so in 2011, **our task will be to start implementing it both at national and at European level.** Our common task will be the evaluation of national reform programme implementation and the launch of the European semester. Discussions on flagship initiatives will continue, whereby we would like to pay attention to existing and potential synergies and complementarities between them, thus achieving more effective results. The Innovation Union flagship will be drawn up and implementation will begin. We consider it important that Heads of States and Governments hold a substantial debate on innovation during the meeting of the European Council in February. **Europe offers unique opportunities for developing and distributing new technologies. During our Presidency, we would like to explore how we can advance our capacity for innovation.** We see an outstanding opportunity in the promotion of a Digital Europe. The agenda for new skills and jobs will be discussed with special focus on job creation; Youth on the Move will be developed further through discussions on promoting learning mobility and eliminating barriers. Furthermore, it is planned to adopt Council conclusions on the Platform Against Poverty and on Resource Efficient Europe initiatives.

**In the framework of the European Platform Against Poverty, the Hungarian Presidency will pay special attention to Roma integration and child poverty.** Our special priority is to have the EU Framework on National Roma Integration Strategies endorsed and to provide new momentum for addressing this important European issue. Education and job creation should be in the centre of attention.

During the implementation of the Europe 2020 Strategy **due attention should be paid to demographic trends and family policy measures affecting the aims of the Strategy itself.** It is worth conducting a general assessment of the effects of these trends and measures and to share best practices among Member States in these fields, with a view to enhancing efficiency.

**In order to create stable and predictable financial markets, more efficient regulation is required and the financial supervisory system needs to be modernised.** The Hungarian Presidency will assist the start-up of the new European supervision structure at the beginning of 2011. Negotiations on the dossiers linked to the financial services roadmap will continue.

**Recovery from the economic crisis requires global action** in order to manage the risks related to financial sustainability, stabilisation of the financial sector, high unemployment, global commodity price volatility and recurring global macroeconomic imbalances. It remains vital that the EU, also as **part of the G20**, plays a leading role in this process and represents a unified position.

**The implementation of the Single Market Act will be high on the agenda of our Presidency.** It is necessary to complete the internal market by dismantling remaining barriers to free flow of goods and services, distorting fair competition. It is also a prerequisite for

reformed economic cooperation, enhanced surveillance of the financial markets and efficient implementation of the EU 2020 Strategy. **SMEs are key to Europe's competitiveness and have significant potential to create jobs.** The revision of the Small Business Act should lead to enhanced SME mobility and competitiveness. The creation of a **unitary patent protection** is a fundamentally important and also symbolic element for the EU single market.

## **2. Stronger Europe – building on the foundations and protecting the future**

*It is in the European Union's interest to maintain strong and efficient common policies. Future development of the EU will depend on our willingness to act together and our commitment to establishing strong European policies. The year 2011 will be decisive in this respect. It will be one of the Hungarian Presidency's tasks to review the future of our common policies. The Union can only cope with new challenges by building on the results of the funding policies developed over the last 50 years, while ensuring these policies are modernised and made more efficient. Europe also needs to exploit the opportunities offered by the new policies introduced by the Lisbon Treaty.*

**Economic, social and territorial cohesion is one of the main pillars of the EU.** An internally unified Europe is more competitive globally and more efficient in terms of external actions. We need to ensure that this remains the central objective for cohesion policy and that the necessary means for achieving it are maintained and, indeed strengthened.

**When discussing the future of the Common Agricultural Policy (CAP), Member States need to focus on two areas: preserving the values underpinning the common agricultural policy and facing up to new challenges.** When it comes to the instruments and objectives of the CAP, we should bear in mind citizens' expectation concerning the sustainability of a predictable food industry and guaranteeing food safety. Agriculture does not only provide food, but also contributes to the preservation of the landscape and rural life; it provides ecological services, increases employment and helps tackle demographic problems.

**New challenges require new policies: creating a unified and efficient common energy policy is a new priority and an important opportunity for the European Union.** One of the greatest challenges currently facing Europe is that of how to achieve energy security. We need to create a common European energy market, build the necessary infrastructure, devise adequate financing methods, agree on unified action vis-à-vis external partners and diversify sources, routes and suppliers. Besides energy security, a common energy policy would also offer an exit route from the crisis: "greening" of the energy sector provides an exceptional opportunity to increase employment. The special European Council in February 2011, dedicated to energy policy and innovation will be a flagship event during our Presidency. It will provide political orientation to building key infrastructure and financing necessary investments, as well as harmonising national technical regulations.

**The next Multiannual Financial framework has to be tailored to the future needs and developments identified during discussions on the future of our common European policies.** We need to match our common goals with the appropriate instruments. The Hungarian Presidency plans to launch preparatory discussions of strategic importance on the future of the CAP and cohesion policy, with the aim of drawing the conclusions needed to serve as a basis for discussions on the next multiannual budget

**Responsibility towards future generations is a common theme in many European policies.** Ensuring environmental sustainability and combating climate change are key concerns for European citizens. The EU has to maintain its leading role in the global fight against climate change. The Hungarian Presidency is committed to ensuring the implementation of the Cancún decisions of December 2010 in the EU, and to further advancing negotiations with a view to being able to adopt legally binding measures by the end of 2011. Biodiversity is part of our common heritage and must be preserved for our children. It should be placed in a larger context and relevant discussions integrated into the reform of key sectoral policies. Changing climate conditions and extreme water-related events make it necessary to find a response at Union level. The Hungarian Presidency wishes to devote special attention to the integrated and sustainable management of extreme water-related events.

**Various forms of macro regional co-operation have demonstrated their added value in strengthening cohesion and competitiveness.** Consequently, the endorsement and the implementation of the European Danube Region Strategy is a priority for the Hungarian Presidency.

### **3. A Union close to its citizens**

*We all want to live in a Europe that is safe and with European institutions that are close to the citizen. Measures need to be taken to guarantee citizens' freedoms and rights. The European Union has brought with it many opportunities, but these opportunities only exist in so far as they are made use of and it is our duty to show citizens how they can do this. The Lisbon Treaty opens new doors and gives the citizens of the Union new possibilities: their rights have been significantly extended, meaning they can play a greater part in the decision-making process and make their voices heard more clearly than ever. All this enhances the democratic legitimacy of the EU. Nevertheless, further steps are needed to make contact between individuals and citizens' everyday lives easier and imbue it with more certainty. We also need to take further measures to guarantee the security of citizens. Achieving these goals will help citizens experience the advantages of belonging to the European Union and realise that the Member States work with them and for them.*

**EU citizens can fully enjoy their freedoms and rights only if their safety is guaranteed. Further developing the common area of freedom, security and justice** based on the right balance between freedom and security is a major challenge. The Presidency will continue with the implementation of the **Stockholm Programme**, which provides the strategic framework for the EU's objectives in this field up until 2014. One of the main items on the Presidency agenda during the first half of 2011 will be promoting fair trial rights and helping victims of crime. In order to enhance public safety, important priorities will be the fight against organized crime and cybercrime. Emphasis will be placed on the protection of personal data and making cross-border relationships easier by facilitating the adoption of a common set of rules on succession. Easier access to justice via the European E-justice portal is also an important part of our programme.

**Since the entry into force of the Lisbon Treaty, the Charter of Fundamental Rights of the European Union introduced a new level in protecting and promoting our fundamental rights.** Assessing the implementation of the rights enshrined in the Charter will contribute to better use of the possibilities provided therein and could also lead to defining new measures. The Presidency intends to adopt Council conclusions.

**The European Citizens' Initiative opens new doors for citizens, enabling them to express their views directly.** The initiative shall encourage citizens to join forces with others and start thinking together about European issues. It enables them to take action at an EU level – action which all European institutions will need to take into consideration. The Hungarian Presidency intends to ensure that citizens can use the instrument as soon as possible.

**The abolition of internal border controls in the Schengen area is one of the most tangible achievements of European integration for EU citizens.** The Hungarian Presidency will make all efforts to promote and to bring about the accession of Romania and Bulgaria to the Schengen area. We wish to welcome these two Member States into the Schengen Area as soon as they meet all the requirements.

**Besides guaranteeing our rights, we also need to preserve our values.** The motto “United in diversity” truly reflects Europe’s cultural richness and the importance of diversity. The preservation of Europe’s inherent cultural diversity and heritage leads to deeper integration of its peoples. Getting to know each other, mutual understanding and respect all increase cohesion among Europe’s citizens. The Hungarian Presidency is supporting this process by promoting common thinking and supporting related initiatives in civil society.

**2011 is the European Year of Volunteering.** The Council intends to increase the recognition given to volunteering, which reflects a truly honourable, active attitude on the part of citizens. This attitude, which is focussed on helping other people and the community, needs to be supported both in Member States and at an EU level.

**Better management of migration flows is important to maintaining the stability and security and prosperity of the European Union.** Europe needs a geographically balanced migration policy, which should benefit society in the home as well as in the host country, and of course the migrants themselves.

#### **4. Enlarging responsibly and engaging globally**

*We live in a Union that is one of the most important actors in the international scene. A Union strong in its international relations has great support among the citizens. Through its international relations the EU can contribute to the prosperity, peace and well-being within and outside of its borders. One of the main driving forces behind the growing influence of the Union is its changing composition. With new states joining the EU, its impact on international affairs rises. The enlargement of the EU brings stability, peace and cohesion to ever greater parts of the continent. The Presidency will be devoted to maintain the openness of the European Union.*

##### ***4a. Enlargement***

*The enlargement process has contributed to the historic success of the European integration. The Hungarian Presidency regards the furthering of the enlargement process as an important task. The European Union must remain open towards those countries which fulfil the criteria and are ready to implement reforms in the spirit of European values, strengthening human rights and the rule of law. The credibility of the Union also depends on the reliability of this process.*

**The objective of the Presidency is to take the enlargement process forward.** The Presidency will do its utmost to take one step forward with each candidate country. The Presidency will cooperate hand in hand with the Member States, the Commission and the candidates in order to take the process forward.

**The conclusion of the accession negotiations with Croatia is within reach.** Croatia's accession to the EU, once it has met all related obligations, would send a positive signal to the entire Western Balkan region and thus contribute greatly to stability. Croatia's positive example would spur other states in the region to make greater efforts to meet European standards. Therefore our objective is to bring the negotiations to a successful conclusion during the Hungarian Presidency.

Another major goal of the Presidency is to make progress as far as possible in the accession negotiations with **Turkey**, on the basis of the benchmarks and the progress in the internal reform process. The Presidency will also engage in bringing the first tangible results in the negotiations with **Iceland**.

**It is our goal to further promote the enlargement process in the Western Balkans.** The Council's decision to start the avis process on the application of Serbia and to grant candidate status to Montenegro is a clear message of commitment to maintaining the credibility of enlargement. In the case of the Former Yugoslav Republic of Macedonia we are ready to start the accession negotiations, as soon as the Council reaches a decision.

#### ***4b. External relations***

*The Lisbon Treaty has established a new structure to deal with the external relations of the European Union. The Presidency will be ready to work closely with the actors in this new framework in order to provide coherence and efficiency in the international engagements of the EU.*

**Renewing the European Union's neighbourhood policy is a special priority.** The EU should pay significant attention to its closest neighbours and should strengthen its relations with those countries in economic, political and cultural terms. We should continue our commitment to a strong Euro-Mediterranean Partnership. The second Eastern Partnership summit will be held under the Hungarian Presidency, which will offer an appropriate opportunity for the strengthening of the Eastern dimension of the Union's external relations as well. Regarding the Eastern Partnership, our goal is to strengthen relations between the EU and the six participating non-EU member countries, and to fill in this political framework for cooperation with targeted programmes and projects, which are differentiated based on the needs and capabilities of those countries.

**The European Union is a strong global player.** The Lisbon Treaty has provided the European Union with a new institutional structure and new possibilities. These will enable the EU to develop its relations with third countries – especially with strategic partners – as well as with the EU's neighbours, so as to strengthen its global position. Furthermore, they will enable the EU to better represent its interests and values. The European External Action Service will take up its duties during the Hungarian Presidency and it will be a shared task to make use of the opportunities provided by this new body, and to ensure that it becomes fully functional as soon as possible in all parts of the world. The European External Action Service

and the delegations of the European Union constitute a network representing the European Union as a whole.

**The Union's relations with its strategic partners should evolve in a more united and clear-cut framework.** Relations with third countries should be constantly adjusted in keeping with new challenges in an ever-changing world. The European Council will set out the guidelines to develop the external relations of the EU based on the individual strategies devised for our partners. This will help taking into account the EU's options and interests and boosting the Union's international influence.

**Our upcoming task is to start implementing the Lisbon Treaty's innovations concerning common security and defence policy,** and to fill them with substance: to improve the EU's civil and military crisis-management capabilities as well as harmonising them with the crisis-management and crisis prevention structures in the framework of the evolving European External Action Service.

Along with foreign, security and trade policies, **the development policy of the EU** (international development cooperation) **is one of the most important components of the external action system.** As the largest donor in the world, the Union plays an important role in the global fight against poverty. Hungary takes over the EU Presidency at a significant time for international development cooperation. Debates commenced on the future of EU development policy, and on new ideas aimed at enhancing economic growth in the developing countries. We will need to elaborate on the progress of commitments towards reaching the Millennium Development Goals and draw up further plans for the period until 2015. During the Hungarian Presidency, the debate on increasing the effectiveness of aid provided by the EU and its Member States for developing countries will continue.



## A. OPERATIONAL PROGRAMME

### 1. GENERAL AFFAIRS

Under the Lisbon institutional framework, the primary role of the General Affairs Council (GAC) is to prepare and monitor the follow-up of the European Council meetings. The Hungarian Presidency is committed to ensuring that the GAC fulfils this role fully and efficiently. Strengthening the role of GAC in general is a priority. Accordingly, constructive political debate and follow-up of some important issues of horizontal significance will be included on the GAC agenda, in order to enhance the coordination of different sectoral aspects. These will include inter alia the Roma integration, the future of cohesion policy, the creation of a truly common energy policy and orientation debates for preparing the next Multiannual Financial Framework (MFF).

#### *Treaty amendment*

The European Council at its meeting of 16-17 December 2010 agreed on the text of the draft decision amending article 136 of the TFEU as necessary for the establishment of the European Stability Mechanism. It also launched the simplified revision procedure and set out its timeframe. Tasks arising from this decision will be carried out by the President of the European Council. The formal adoption of the decision should take place at the March 2011 European Council.

#### *Multiannual Financial Framework: common policies*

It is foreseen that the Commission proposals on the next (post-2014) Multiannual Financial Framework will be presented by June 2011, along with the first part of the related legislative package. The Hungarian Presidency plans to start orientation debates on major elements of expenditure – such as Common Agricultural Policy (CAP) and cohesion – based on the relevant Commission communications. The process of the debates in all Council formations will be synthesised, monitored and reported by the General Affairs Council.

The Hungarian Presidency plans to highlight the importance of cohesion policy, in providing the right solution to the EU's economic, social and regional disparities in an integrated manner. The Hungarian Presidency intends to hold an orientation debate about the future of cohesion policy in the General Affairs Council.

#### *Fundamental Rights*

The legally binding Charter of Fundamental Rights is a milestone for safeguarding the fundamental rights of European citizens. However, the Charter can only maintain its place at the heart of the European Union, if it is properly and systematically applied by the institutions and by the Member States when they are implementing the law of the European Union. The Hungarian Presidency believes that the Annual Report on the Application of the Charter will serve as a good opportunity to take stock of the implementation of the Charter, as well to draw first conclusions with regard to it.

#### *European Citizens' Initiative*

The citizens' initiative is an important innovation in the Lisbon Treaty, as it allows European citizens to directly influence the development of European policies for the first time. This instrument has a major contribution to make in bringing Europe closer to its citizens and to promoting substantial discussions on major European issues. The Hungarian Presidency will ensure that based on the political agreement reached during the Belgian Presidency, the regulation establishing the procedures and conditions for implementation is formally adopted without delay.

### ***Integration of Roma***

The GAC will play an important role in preparing political discussions on the integration of the Roma. Various aspects of Roma policies are on the agenda in various Council configurations. Coordination of these aspects and the creation of an overall policy framework for Roma policies is a horizontal challenge. It is high political priority for the Hungarian Presidency to reach an agreement at the highest level on the European Framework for National Roma Integration Strategies and to make tangible progress towards finding a solution to this common European challenge.

### ***EU Strategy for the Danube Region***

The Hungarian Presidency is unequivocally committed and will make every effort to have the EU Strategy for the Danube Region endorsed by the June European Council.

The Danube Region Strategy is the second comprehensive macro-regional EU initiative. Its objective is territorial development and it is based on the experiences of the Baltic Sea Strategy. From the 14 countries participating in the Strategy, eight are Member States (Austria, Bulgaria, Czech Republic, Germany, Hungary, Romania, Slovakia and Slovenia), while the six third countries concerned are Bosnia and Herzegovina, Croatia, Moldova, Montenegro, Serbia and Ukraine. The Strategy is not only aimed at fostering good neighbourly relations in the region, but it should also consolidate the European integration process with the Western Balkan countries. It should bring the EU closer to its citizens and promote cooperation with third countries. The Action plan for the Danube Region Strategy defines 11 priority areas. The projects of these 11 priority areas represent a vital contribution to sustainable development in the region.

### ***Enlargement***

The Presidency will place special emphasis on maintaining the impetus of the enlargement process. The process will be moved forward on the basis of the December 2006 renewed consensus on enlargement, with fair and thorough conditionality, in the framework of the relevant Council conclusions and existing procedures.

The conclusion of the accession negotiations with **Croatia** is within reach, and it is the objective of the Hungarian Presidency to bring these negotiations to a successful conclusion as soon as Croatia has met all the related obligations.

The Presidency aims to provide conditions which enable **Turkey** to proceed with the accession negotiations on the basis of its performance. The Presidency will support the opening of any negotiating chapters without delay, if the relevant benchmarks are met.

In line with the decision of the July 2010 European Council, the Presidency is ready to handle the tasks of the accession negotiations with **Iceland**.

The Presidency will monitor developments in the accession process of the **Former Yugoslav Republic of Macedonia**.

In general, the Presidency will work on furthering the integration process of all countries in the **Western Balkans**. If there are new candidate countries, the Presidency will assist their preparations for the accession negotiations.

## 2. ECONOMIC AND FINANCIAL AFFAIRS

In the context of the global financial and economic crisis and its aftermath, we are committed to promoting a number of highly important questions in the Economic and Financial Council (ECOFIN). Besides this, ECOFIN will be granted a significant role in the implementation of Europe 2020 Strategy.

The importance of **strengthening economic governance** in the EU has been highlighted by the economic and financial crisis. A key priority for our Presidency is to conduct the work within the Council on the discussion of the six legislative proposals published by the Commission in this subject, and to conclude debate of these proposals in the Council and in the relevant cases with the EP as a matter of urgency so that they can be adopted by June 2011.

One of the most important factors in the field of economic governance is tightening fiscal discipline by strengthening the rules of the Stability and Growth Pact (SGP), taking better account of public debt in the excessive deficit procedure (EDP) and strengthening the fiscal framework of the Member States. Another crucial issue is the establishment of a mechanism which identifies and addresses macroeconomic imbalances. Finalising work on the *permanent crisis resolution mechanism* for the euro area is also of high importance and *requires amendment of the Treaty*. In order to safeguard the financial stability of the euro area as whole in the long term, the European Stability Mechanism (ESM) will replace the European Financial Stability Facility (EFSF) and the European Financial Stabilisation Mechanism (EFSM), which will remain in force until June 2013. The shift to the **European Semester** in 2011 will give a clear ex-ante dimension to economic policy coordination at EU level, ensuring more timely policy guidance for Member States. The European Semester will provide the framework for aligning the timing of the submission of the *Stability and Convergence Programmes* on macroeconomic outlook and fiscal plans, with the *National Reform Programs* on the progress towards the Europe 2020 targets (whilst the integrity of the Stability and Growth Pact will be fully preserved, as will the specific responsibility of the ECOFIN Council in overseeing its implementation). Building on the discussions on the Annual Growth Survey, the Spring European Council will give Member States guidance, which must be followed when preparing the programmes; opinions and recommendations on the programmes submitted is to be taken into account in the preparation of the national budgets.

The recent financial and economic crisis has highlighted the need for better **financial services regulation**, and the Union has taken important steps in that respect. During the next six months, a number of dossiers related to financial services will be launched and we will also

proceed with the issues already on the table. The Hungarian Presidency **will consider carefully the coherence and the overall impact of the various reforms.**

*A new supervisory structure for the financial system* (the European Systemic Risk Board and the European Supervisory Authorities) will start to operate at a European Union level. We want to support the work of this new structure also by updating the relevant pieces of legislation (Omnibus II). In order to avoid future crises, it is important to *enhance transparency on derivatives markets*. We intend to achieve this via a common approach in the Council on the regulation of financial markets and contracts not yet subject to supervision. *The comprehensive crisis management framework* prevention and resolution instruments must be improved, in particular those intended to deal with systematically important and failing institutions and cross-border problems.

The question of **taxation** directly affects the fiscal sovereignty of Member States. However, it is essential to solve the problems that hinder the evolution of common policies. We would like to make substantial progress in the taxation of the financial sector. We will endeavour to achieve an agreement as regards the Savings Tax Directive and encourage discussions on the review of the Energy Tax Directive.

In the field of budgetary issues, the Hungarian Presidency's priority in the ECOFIN Council is the 2009 discharge procedure and the finalisation of the Lisbon Package.

### **3. JUSTICE AND HOME AFFAIRS**

In line with the efforts of recent years and the general guidelines set forth in the Lisbon Treaty, we will strive to bring the EU closer to citizens. Therefore, one of the goals of the Hungarian Presidency is to produce tangible, quantifiable and perceivable results in the areas of freedom, security and justice, which are highly relevant to the everyday life of people. Public safety, effective enforcement of citizens' rights, and legal certainty are key areas. We would like people to experience specific results of justice and home affairs cooperation at first hand, as foreseen in the Stockholm Programme.

#### ***Home Affairs***

The Hungarian Presidency will promote **the accession of Romania and Bulgaria to the Schengen Area**. The two countries have made great efforts in their preparations for accession and intend to fulfil all the necessary preconditions set forth in the *acquis*. We wish to welcome these two Member States into the Schengen Area as soon as they meet all the required conditions.

In a European Union where checks at internal borders no longer exist, organized crime poses a serious threat to the security of citizens and Member States. The Hungarian Presidency attributes great importance to citizens' right to security. Therefore, **increasing the efficiency of fight against organized crime** will be one of its priorities. To this end and in line with the Internal Security Strategy adopted by the European Council, the Presidency will continue with the implementation of the recently adopted policy cycle, which provides for increased coherence in operational cooperation. Our Presidency will rely on more active involvement of EU agencies in sharing experiences and training law-enforcement officers. Evaluation of the implementation of the Prüm Decisions, which provide for enhanced cross-border police cooperation, will also be an important task for the Presidency.

Better management of **migratory flows**, having home and host countries alike reaping the full benefits of migration and the integration of migrants remain of utmost importance. The Presidency wishes to draw attention to the necessity of achieving a **geographically balanced migration policy**.

Europe needs an asylum system that is efficient and provides a high level of protection everywhere in the EU to those in genuine need of international protection. It should be realistic and pragmatic, taking into account the Member States' capacities. To this end, the Hungarian Presidency will endeavour to contribute to the creation of a **Common European Asylum System** by 2012. If we want the Common European Asylum System to become a reality, the enhancement of practical cooperation between Member States and solidarity measures are of equal importance to legal harmonisation. Therefore, the Hungarian Presidency will facilitate the efforts of the European Asylum Support Office in these areas.

Migration management cannot be effective without **border management**; therefore the Presidency will continue to work on **strengthening FRONTEX** and amending the Schengen Borders Code to reflect the experience gained during the years of implementation and to address the new challenges we face.

**State-of-the-art IT systems** are necessary to guarantee the security of our citizens. Work on the second generation of the Schengen Information System (SIS II) will continue, and the main part of the Visa Information System (VIS) will be launched during the Hungarian Presidency.

The Presidency is committed to developing synergies and encouraging closer coordination between the internal and external dimensions of Europe's response to terrorism. The Presidency will take steps towards establishing a **European PNR-System**.

**Road safety** is yet another important aspect of the safety of our citizens. The Hungarian Presidency will make all possible efforts to speed up the on-going negotiations on the cross-border exchange of information on road safety-related traffic offences.

The world is witnessing an increase in the frequency and intensity of natural and man-made disasters; therefore, it is of utmost importance that cooperation between Member States in the field of **disaster management** is further enhanced. Particular attention will be paid by the Hungarian Presidency to flood management and risk assessment activities, in order to improve the protection of European citizens.

### *Justice*

The rights of citizens of the EU have been extended by the Lisbon Treaty and the Charter of Fundamental Rights. All Member States and Union institutions must see to it that citizens are in a position to enjoy their rights. The Presidency seeks to ensure the strengthening of **fundamental rights** in several areas during the next semester.

The **accession of the European Union to the European Convention on Human Rights** will enable citizens to initiate procedures against the EU at the European Court of Human Rights, which, consequently, will have the power to impose sanctions on the EU in case of breach of law. We will have a debate on the **fundamental rights policy of the EU**, and the first annual report on the **implementation of the Charter of Fundamental Rights** will provide a unique opportunity to look at the practices of each Member State. Last but not least, in order to identify and minimise the administrative burden citizens face in their everyday life in a cross-

border context (marriages, divorces, succession), we will organize a debate **concerning the rights of the citizens of the EU**.

Special attention will be paid to the rights of children. The key objectives of the Hungarian Presidency in this respect are the presentation and summary of the achievements in the field of childhood policy in the European Union, and review of good practices with the involvement of the Intergovernmental Group *L'Europe de l'Enfance*. In order to ensure the prevalence of the provisions of the Charter of Fundamental Rights in the everyday life of citizens, the Hungarian Presidency will pay due attention to the **protection of personal data**, including the forthcoming recast of the relevant Union legislation and also in relation to data exchange with the EU's partners, such as the US. The fight against crime requires new tools. One urgent task is to strike a clear balance between the need to use modern IT-solutions for the sake of security on the one hand and data protection rights on the other.

The European Union enables citizens to enjoy their rights freely, and guarantees their security across its entire territory. Initiatives concerning **protection of and assistance to victims of criminal offences** will be taken in order to progress in this direction. The EU will also continue work on creating a common set of minimum standards for fair trial rights, in particular regarding the **rights to information in criminal proceedings**.

In the area of judicial cooperation in civil matters the draft **regulation on succession and wills** will be considered a priority. Accordingly the Hungarian Presidency will work intensively to reach a political agreement. In addition, the review of the **Brussels I Regulation** on jurisdiction and the recognition and enforcement of judgments in civil and commercial matters will begin during our Presidency.

#### *External aspects of JHA policies*

It has become clear in recent years that intensified international cooperation in justice and home affairs matters is closely linked to the external relations of the Union. The Lisbon Treaty provides the means of better coherence between the internal and external dimensions of freedom, security and justice.

The Hungarian Presidency will make efforts to deepen the Union's strategic **transatlantic relations** in line with the Washington Declaration and the Toledo Joint Statement. Protection of personal data is a fundamental objective in the context of police and judicial co-operation in criminal matters with third States and it will be a key issue throughout the negotiations of the **PNR Agreements** with the US, Canada and Australia, as well as in the planned **EU-US Data Protection Framework Agreement**. The Presidency will be following these negotiations closely.

Building on the Union's previous achievements, the Presidency will seek to achieve progress in the visa dialogues with **Russia, Ukraine and Moldova**, and will support all initiatives that strengthen the stability and security of the Eastern Partnership countries.

Concerning the countries of the **Western Balkans**, the Presidency's aim is to intensify regional cooperation in the field of justice and home affairs, which will provide impetus for the region's European integration.

#### **4. AGRICULTURE AND FISHERIES**

## *Towards the new Common Agricultural Policy*

**Agriculture's** basic functions include providing consumers with healthy and safe food, preserving the environment and ensuring the vitality of rural areas. The renewal of this sector, which proved to be able to create employment during the world economic crisis, was made possible by adapting to new global challenges (the fight against climate change, preserving biodiversity, etc.) and strengthening the role of agricultural research and innovation.

Since its inception, the Common Agricultural Policy (CAP) – the first common policy of the EU – has undergone far-reaching reforms, but remains for the time being one of the most complex and significant policies of the Union. On the basis of the Communication of the Commission, the Hungarian Presidency is ready to foster debate on the **main orientations of CAP in the future**. To Hungarian Presidency will do its utmost to approximate the positions of the Member States with the aim of reaching a sensible consensus. It is a priority of the Presidency to develop a modern agricultural policy which guarantees protection to European producers and to ensure the information flow reflects the real value of CAP towards European society.

The situation of the milk sector has slightly improved due to measures resulted from great joint efforts related to the recent milk crisis. The Hungarian Presidency will pay special attention to moving forward the discussions on the Commission's legislative proposals (**milk package**).

Geographical indications which help European consumers to recognise high quality European agricultural products have come into the forefront over the last few years. The Hungarian Presidency will start the debate on the **agricultural products quality package** legislative proposals presented by the European Commission.

On the basis of the **Lisbon Treaty**, both technical and substantial modifications are needed concerning the four major CAP legislative acts. **Simplification** accelerated after the Health Check of the CAP in 2008. The Hungarian Presidency intends to make further progress on the dossiers in question, in order for an agreement to be reached as soon as possible.

The Hungarian Presidency will encourage the completion of evaluation work conducted during the last four years on the Action Plan on **animal welfare**, which will constitute an essential part of the new EU Animal Health Strategy.

Given the importance of the dossier, the Hungarian Presidency will aim at reaching final agreement on the proposal on **novel foods**. One of the main objectives of the proposal on the provision of **food information to consumers** is to simplify current legislation and introduce new elements such as mandatory nutrition labelling. The Hungarian Presidency will encourage the adoption of this new proposal.

Focusing on simplification and in the light of recent developments, the revision of present **blue tongue disease** legislation will be dealt with under the Hungarian Presidency.

The EU honeybee population plays an important role in both pollination and the production of honey and other apiculture products. To manage sanitary problems which have arisen in recent years, the Commission has presented a proposal on **honeybee health**. The Hungarian Presidency will work on delivering conclusions on the wide-ranging debate.



The drawing up of a strengthened policy framework for **sustainable forest management throughout Europe** will be on the agenda of the Ministerial Conference on the Protection of Forests in Europe to be held in Oslo, and at a global level, it will be discussed at the 9<sup>th</sup> session of the UN Forum on Forests (UNFF9) in New York. The Hungarian Presidency will pursue the discussion on European and global forestry policy issues.

### *Preparation of the reform of the Common Fisheries Policy*

The Hungarian Presidency will pay special attention to the **reform of the Common Fisheries Policy** (CFP). The simplification process which began in 2005, the Commission's Green Paper, the public consultations held in 2009 and the new proposals to be published by the Commission before the end of the Hungarian Presidency intend to promote sustainable fisheries and aquaculture, so contributing to the protection of the environment. The Presidency will welcome the proposals and launch the policy debate in the Council.

Concerning **horizontal fishing** rules, the Hungarian Presidency will aim at to adopt the prolongation of the temporary legislation on **technical measures**.

The Hungarian Presidency will encourage **fisheries partnership agreements** with third countries. With regard to the new legislative proposals and amendments the Presidency will promote the discussion on multiannual plans, on specific access requirements and associated conditions for fishing for deep-sea stocks and on fishing efforts.

## **5. TRANSPORT, TELECOMMUNICATIONS AND ENERGY**

### *Competitive, sustainable, secure and common European Energy Policy*

During the Hungarian Presidency, several energy policy issues of utmost strategic importance will be discussed which will largely determine the long-term objectives of European energy policy. Particular attention will be devoted to Commission communications on “**Energy 2020: a strategy for competitive, sustainable and secure energy**” and “**Energy infrastructure priorities for 2020 and beyond**”.

The special **European Council** dedicated to **energy** and **innovation** will be one of the major events during the Hungarian Presidency (February 2011). The aim is to send key political messages and to provide impetus on outstanding strategic issues of energy policy for enhancing energy security; this constitutes a priority for the European Union. Improving energy infrastructures and further legislation will be essential to developing a properly functioning integrated internal energy market, which is a cornerstone of the European energy policy. The aim of the Hungarian Presidency, in co-operation with the President of the European Council, is to provide political guidance on further development of necessary infrastructure investments of European interest and on national legislation aimed at removing technical barriers. The political guidelines adopted on the European Council can foster the future development of green technologies and lay down the basis for efficient, transparent and rules-based cooperation with key energy supplier and transit countries.

The European Commission proposed a mid-term European energy strategy: “**Energy 2020: strategy for competitive, sustainable and secure energy**”. Energy 2020 defines the main directions of the European energy policy in line with the long-term future objective to create a low-carbon economy in the European Union, in compliance with a previously agreed



EU decarbonisation target to reduce our greenhouse gas emissions by 80 – 95% by 2050. It is a high priority for the Hungarian Presidency to reach consensus on Council conclusions, which in turn could be confirmed by the March European Council. Moreover, an informal meeting for energy ministers will also be held to discuss a **roadmap** and policy options for moving towards a **low-carbon European economy by 2050**.

The European Union needs a new energy infrastructure policy: further efforts need to be taken to upgrade energy infrastructure in the coming decade to address the coordinated development of fragmented, obsolete networks and optimise the related financial needs. The development of oil, natural gas and electricity infrastructure and interconnections will constitute one of the key priorities for the Hungarian Presidency, as it is for the European Commission's communication on **Energy infrastructure priorities for 2020 and beyond**, published during the Belgian Presidency. The aim of the Hungarian Presidency is to adopt Council conclusions on the energy infrastructure priorities, oriented by the February European Council's key messages.

In order to meet one of the fundamental objectives of the EU' climate and energy policy, notably sustainable development, it is necessary to improve energy efficiency through the promotion of energy savings and the increased use of renewable energy. The Energy Efficiency Action Plan, adopted in 2006, has already set out the need for monitoring of the compliance of targets set for implementation by 2012. The European Union's targets – renewable sources have to contribute 20% to our total energy consumption, greenhouse gas emissions have to fall by 20% and energy efficiency gains have to deliver 20% savings in energy consumption by 2020 – was already reinforced in the Climate and Energy Package adopted in 2008 and in the Europe 2020 Strategy. During the Hungarian Presidency, special attention will be paid to the general energy efficiency approach up until 2020: the Presidency will endeavour to conclude the **revised Energy Efficiency Action Plan** and will initiate a first exchange of views on the Regulation on a Community energy efficiency labelling programme for office equipment ("Energy Star").

In order to restore market confidence following the aftermath of the global financial crisis on energy markets, the Hungarian Presidency will aim at reaching political agreement on the proposal for a Regulation on **energy markets' integrity and transparency**.

The disaster in the Gulf of Mexico in 2010 highlighted the need for action in relation to the **safety** aspects of **offshore oil and gas** exploration licensing, operation, inspection and the revision of overall responsibility. Therefore, the European Commission has presented a Communication on "Facing the challenge of the safety of offshore oil and gas operations". The Hungarian Presidency aims to have the first exchange of views on the European Commission's legislative proposal on the safety of offshore oil and gas activities.

### ***Sustainable, integrated, safe and secure European transport policy***

In the field of common transport policy, one of the most important tasks for the Council will be to discuss the **White Paper on the European Union's transport policy between 2011 – 2020**. The intention of the Hungarian Presidency is to ensure that the efficiency, environmental protection, cohesion and fiscal considerations appear appropriately in the next ten-year strategy adopted by the Council, as well as during **the revision of the directive of the Trans-European Networks (TEN-T)**. The issue of the TEN-T, which is closely related to the future of European transport, will be the main theme of the informal meeting of

transport ministers in February 2011, where the aim of the Hungarian Presidency is to conduct a preliminary discussion before the adoption of the Commission proposal.

The Hungarian Presidency is paying special attention to **the directive on the establishment of a single European railway area**, and aims at making progress on this directive, since the measures planned would increase the competitiveness and the efficiency of environmentally sound rail and could strengthen its position vis-à-vis other modes of transport.

The Presidency intends to adopt Council conclusions on the mid-term review of the **NAIADES programme for promoting inland waterway navigation in Europe**. This issue is also related to the planned Danube Region Strategy, as one of its priorities is to develop the inland waterway transport in an environmentally sound way.

The Hungarian Presidency shall endeavour to conclude an agreement with the European Parliament at second reading on amending the directive on the **charging of heavy goods vehicles for the use of certain infrastructure (Eurovignette)**, which could facilitate compensation for some negative environmental effects caused by heavy goods vehicles, via tolls.

The Hungarian Presidency intends to conclude negotiations on the detailed rules for access to the **public regulated service** offered by **GALILEO**. The mid-term evaluation of the European GNSS programmes will also be presented by the Commission during our Presidency.

***Strategy, security, spectrum: more secure and efficient information and communication technologies and resources for economic growth***

Information and Communication Technologies (ICT) play an increasingly important role in our everyday life. Reflecting this, as part of the EU 2020 Strategy the European Commission has issued the **Digital Agenda for Europe**, which supports economic recovery with horizontal measures and an action plan spanning several sectors. The successful implementation of the Digital Agenda – a strategy projecting the long-term development of the sector – is of key significance for ensuring economic recovery and competitiveness in Europe. The Hungarian Presidency is committed to continuing implementation of the action plan. The **Digital Assembly** will be organized by the Commission and the European Parliament for the first time in June 2011, with the involvement of all relevant stakeholders. Under the Hungarian Presidency, the European Commission is expected to prepare the first **Digital Scoreboard** for the implementation of the Digital Agenda for Europe, containing the first year's results and key performance targets.

Furthermore, the Presidency will focus on security in the field of ICT. In order to prevent attacks threatening ICT networks, increasing attention has to be paid to network security. The Presidency will work on successfully closing the negotiations on **the modernisation of the European Network and Information Security Agency**. In the field of information security, the Hungarian Presidency will organise a ministerial conference on **critical information infrastructure protection**.

The Hungarian Presidency will continue the negotiations on the first **European Radiospectrum Policy Program** and will seek to reach political agreement. Since spectrum is a scarce resource, it is highly important to manage it efficiently and far-sightedly in a

world, where mobile communication and frequencies play a significant role. In this respect, global spectrum harmonization is another important issue. The Hungarian Presidency plans to start the preparatory work for the 2012 **World Radiocommunications Conference (WRC-12)** so that Member States will be able to participate in the negotiations with positions reflecting common European interests.

## 6. COMPETITIVENESS

Using the impetus of the Europe 2020 Strategy, we have to give an answer to the challenges European competitiveness is facing. We have to seize the opportunity and do our utmost to boost the European economy. Carrying on the work started by our Trio Partners, we will implement the Europe 2020 Strategy. Driven by the vision of putting the EU on a smart, sustainable and inclusive growth path, special attention will be paid to delivering the first European Semester.

The Competitiveness Council will be invited to implement the flagship initiatives “Industrial Policy” and “Innovative Union”, creating tools for Member States to contribute to achieving EU-level quantitative targets and the aim of the Strategy.

### *Deepening the European Single Market*

A reinforced and deepened Single Market, based on mutual trust among all stakeholders, provides a solid foundation for recovery. Elimination of the existing barriers and those driven by the crisis is the cornerstone of a well-functioning Single Market. Therefore, we shall pay particular attention to the **Single Market Act**, proposed in October 2010. The Competitiveness Council will play a key role in adopting measures that eliminate existing bottlenecks, and also in effectively exploiting synergies with the Europe 2020 Strategy. Building upon the results of the public consultation, the Hungarian Presidency aims to adopt the prioritised proposals and their fast-track delivery quickly, with a view to achieving this by the 20<sup>th</sup> anniversary of the Single Market.

We have a shared responsibility to help our businesses to protect their intellectual properties throughout the European Union in a cost-efficient way. Creating a **unitary patent protection** will contribute to reaching this goal. We are committed to carry on the work on the adoption of the decision on enhanced co-operation. We would also like to work towards strengthening the enforcement framework. Legislation relating to collective rights management and orphan works is expected to provide significant added value to the European copyright system. Budapest will host the European Inventor Award in May 2011 organised jointly by the European Patent Office and the European Commission.

As the service sector represents more than 60% of the European economy, the **single market for services** is a core element for the recovery of our businesses. The implementation of the Services Directive serves as a basis for removing unjustified barriers and modernising the regulatory framework for services. The Presidency wishes to work towards a better functioning Single Market for services, based on the results of the mutual evaluation process of the Services Directive, and will invite the Council to evaluate this process.

European **small and medium-sized enterprises** play a central role in the performance of the European economy. Making them more competitive will contribute to the Europe 2020 Strategy from employment to social exclusion related targets, from internal trade and cross-

border business activities to the renewal of European industrial policy. Their importance must also be reflected in the vision of Europe 2020. The Hungarian Presidency will invite the Competitiveness Council to seek points of linkage between the Small Business Act and various flagships of Europe 2020, such as the Innovation Union. Beyond this, the mid-term review of the Small Business Act inspires the Hungarian Presidency to further facilitate market access and access to finance for SMEs. We would like to further enhance the Single Market by promoting the agreement on the Statute of the European Private Company.

The ongoing provision of information to **citizens and consumers** about the enforcement of their internal market rights is an indispensable element of a properly functioning Single Market. Our rights as consumers in the EU provide us with an example of the benefits of internal market legislation, which we can all experience personally. We are convinced that agreement on the consumer rights directive can help citizens feel the direct benefits of the Single Market, which is one of the greatest achievements of the European integration. However, the proper transposition and **application of internal market legislation** is also crucial in order to strengthen mutual trust in the Single Market. The Presidency will pay particular attention to developing administrative cooperation among Member State authorities. We consider it important that the methods and tools of Smart Regulation be used systematically in the European decision-making process, in order to strengthen the competitiveness of Europe.

### *Innovation as the engine of European competitiveness*

Exploiting the innovative capacity of European enterprises is one of the cornerstones of competitiveness. We need innovation instead of administration. We need to support our companies, including SMEs, by creating the right business environment and better access to finance, so enabling them to use innovative methods and come up with innovative products. Therefore, the Presidency will work towards bringing the Small Business Act closer and on promoting the **innovation dimension of Europe 2020**. The role of the Competitiveness Council is to provide measures to implement the Innovation Union flagship. On the basis of the debate on the 4<sup>th</sup> of February European Council, we would like to take steps towards a European Research Area streamlined with the aims of the Europe 2020 Strategy.

### *A new European industrial policy in the globalised era*

The challenges of globalisation and recovery from the economic downturn mean that we have to find new responses to the need for industrial restructuring. The industrial landscape of Europe has to be redesigned, with a view to maintaining a **competitive, strong and sustainable industrial base**. The EU needs to embrace an overarching approach, in which the whole value chain is taken into consideration, from raw materials to after-sales services. This is why particular attention will be paid to the Raw Materials Initiative. **Technical harmonisation** should also be modernised, in order to help our economies keep up with their competitors. Standardisation, the legislation on textile products and on special types of vehicles and the directive on agricultural and forestry tractors are to be revised.

### *A competitive European Research Area*

European research activity is fundamental for competitiveness. It is the Presidency's intention to contribute to the interim evaluation of the 7<sup>th</sup> Framework Programme, as well as to the debate on the Joint Technology Initiatives and the evaluation of the Art. 185. Initiatives

Programmes. The evaluation of the 7<sup>th</sup> Framework Programme will provide us with input for the 8<sup>th</sup> one. While preparing the 8<sup>th</sup> R&D Framework Programme, the Hungarian Presidency will pay special attention to the coherence of the Framework Programme with national and EU-level financing sources, so that research programmes can be implemented successfully and synergies exploited. Our work will be governed by our shared need to simplify Framework Programmes in order to leave our researchers more resources for their core activities.

Budapest is proud to be host to the European Institute of Innovation and Technology. By organising a high-level conference for all stakeholders, we would like to contribute to the adoption of its first seven-year Strategic Innovation Agenda.

## 7. EMPLOYMENT, SOCIAL POLICY, HEALTH AND CONSUMER AFFAIRS

The Agenda of the Council under the Hungarian Presidency will be determined by the **governance of the Europe 2020 Strategy**. The Presidency will **adopt the flagship initiatives related to the employment and social field** of the Strategy: special emphasis will be paid to opportunities for **job creation, child poverty** and **Roma integration**. The Presidency will also seek to find answers to the challenges posed by **demographic change** and the need for **sustainable health care systems**.

### *Employment*

In order to contribute to achieving the Europe 2020 Strategy employment target, the Hungarian Presidency will facilitate discussion on **job creation** and the **recommendations for the national reform programmes**. With a view to the Treaties and in close co-operation with the European Parliament, the Council will actively contribute to the European Semester.

As unemployment is alarmingly high among young people, the Hungarian Presidency will pay special attention to the implementation of the “**New skills and jobs**” and “**Youth on the Move**” flagship initiatives. We would like to focus our discussions on improving job opportunities for young people / job starters with different levels of knowledge and skills, to create attractive job opportunities for the younger generations.

The Presidency will start negotiations in the field of **safety and health of workers** (electromagnetic exposure), and on the amendment of **6 labour law directives** (seafarers). The Hungarian Presidency aims to adopt Council conclusions on the further development of an **electronic exchange system in the framework of the posting of workers directive**.

### *Social policy*

As a result of demographic change in our globalised world, family-friendly practices are gaining increasing attention in the Member States. Therefore, the **effects of the reconciliation of work and family life on demographic trends** will be highlighted. The Presidency will propose dedicating a **European Year to families**.

In the context of demographic challenges, issues related to the **ageing population** will also receive special attention, including initiatives such as the European Year of Active Ageing and Intergenerational Solidarity (2012). The objective of the Hungarian Presidency in this

respect is to support efforts to address challenges arising from ageing, so that elderly people can enjoy a good quality of life, and may continue to be useful members of our society.

One of the Hungarian Presidency's priorities is the improvement of the European Pact for Gender Equality based on the new Strategy for Equality between Women and Men 2010 – 2015.

Launching implementation of the **European Disability Strategy** for the 2010 – 2020 period is also a priority for the Hungarian Presidency.

The Council will continue its work on the revision of the Council Directive on the introduction of measures to encourage improvements in the **health and safety at work of pregnant workers** and workers who have recently given birth or are breastfeeding.

In accordance with the trio Presidency Programme and the trio Declaration adopted in Cordoba regarding the **importance of the social and economic integration of the Roma**, the Hungarian Presidency attaches great importance to adopting the EU Framework on National Roma Integration Strategies. In approaching this issue, we will build upon the results from different forums, such as the Integrated European Platform for Roma Inclusion and the Informal Contact Group meeting.

It is of utmost importance that the most vulnerable groups, including the Roma, people with disabilities or those marginalised on the labour market benefit from increased support. In the context of the Europe 2020 Strategy flagship initiative, **European Platform against Poverty**, the Hungarian Presidency intends to contribute to formulating priorities for the upcoming years in the fight against poverty.

In connection with the European Platform against Poverty, the Hungarian Presidency intends to facilitate progress in fighting child poverty, in accordance with the trio declaration in Marche-en-Famenne (3 September 2010). The Presidency will also organise the 10<sup>th</sup> Meeting of People Experiencing Poverty.

### ***Sustainable health care systems***

Member States are all facing similar **challenges in the healthcare sector**, although at different levels. We are all aware of these: the economic crisis, demographic aging, growing gaps in health status, increasing shortages in health professionals and the increasingly evident need for modernisation and better application of technology. As a response to these challenges, the Hungarian Presidency will focus on issues related to **investing in the healthcare systems of the future** and challenges due to **imbalances in health workforce availability**. The **innovative, efficient utilization of scarce resources** is a key element in building sustainable and modern health systems for the future. Therefore, evidence-based decision making and appropriate tools for monitoring outcomes are essential areas for investment. It is vital to support Member States' governments in their efforts to modernise their health care systems. The Hungarian Presidency intends to continue activities on **the health workforce**, building on the major achievements of previous presidencies. The Presidency will draw attention to the essential role of **e-Health** in modernising health services. E-Health can play a key role in cross-border care, in efforts to balance workforce shortages and in providing IT support to evidence-based health policy decision making. All

these issues will be addressed during a ministerial conference to be held as part of e-Health Week in May.

The Presidency will also put an emphasis on **health security** by organising a conference on **childhood immunisation**. It will seek to reach a positive outcome regarding the draft legislation on **information to patients on medicinal products**. During the Hungarian Presidency, the future of the **EU Public Health Programme** will be discussed and attention will also be paid to **mental health** and **healthier lifestyles** for children and young people, as well as on injury prevention and safety promotion.

## 8. ENVIRONMENT

### *New directions for European climate policy*

In order to combat climate change, it is becoming increasingly urgent to establish a new, ambitious and global climate regime beyond 2012. Following the **conference of the Parties to the UN Framework Convention on Climate Change and the Kyoto Protocol** (COP16/CMP6) held in December 2010 in Mexico, the Presidency will pay particular attention to fostering the implementation of the Cancún decisions within the EU, and also to discussing further steps needed. In accordance with the step-wise approach of the Union, the Presidency will start EU preparations for the next conference (COP17/CMP7) in 2011. The objective of the South Africa climate summit in November/ December 2011 is to set up a new global, comprehensive and legally binding framework on climate change, following the first commitment period of the Kyoto Protocol.

Parallel to international climate negotiations, the Presidency will advance tasks derived from the **implementation of the EU's climate and energy package**, including discussions on the issue of an eventual move beyond a 20% greenhouse gas emission reductions at EU level.

Depending on the proposals to be submitted by the European Commission, the Presidency wishes to start discussions on the **decarbonisation roadmap** for the period until **2050**, aimed at achieving a low carbon economy. This will also contribute to the resource efficiency flagship initiative.

### *Sustainable water management – extreme water related events*

Recent years have been characterized by a series of Europe-wide extreme water-related events, such as rainstorms, unexpected local floods and droughts. Most countries are not sufficiently prepared to deal with extreme events. Due to the intensification of climate change negative effects of future droughts interspersed with sharp increases in precipitation may arise. Therefore, our objective is to put the **integrated and sustainable management of extreme water-related events connected to climate change**, i.e. droughts, floods, inland inundation, irregularities in the distribution of precipitation in the focus of the Presidency water policy initiative. The primary objective of the Presidency initiative is to contribute to the EU's comprehensive water policy document – **'Blueprint for Europe's water'**, to be adopted in 2012. To prepare this future EU water policy document, we would like to emphasise the importance of the following potential new aspects relating to EU water policy; a) integrated management of extreme water-related and hydrological events; b) the role of ecosystem services provided by water, economic and international dimensions included; c)

the importance of international cooperation. The Hungarian EU Presidency aims to adopt Council conclusions related to these issues.

### *Protecting biodiversity*

It is of utmost importance to protect and utilize biodiversity and ecosystem services in a sustainable manner, on ethical grounds, to safeguard social and economic stability and to mitigate and adapt to the effects of climate change. The EU's efforts to stop loss of biodiversity and the decrease of natural and semi-natural habitats have yielded moderate results so far. At the same time, loss of biodiversity attributable to human activity continues at an unprecedented pace. Following the 10th Conference of the Parties to the **UN Convention on Biological Diversity** held in October 2010 in Nagoya, the task of the Hungarian Presidency is to advance the EU implementation of the Protocol on access to genetic resources and the fair and equitable sharing of benefits adopted at the summit, as well as the implementation of the supplementary Protocol on liabilities and redress. The Presidency aims to adopt the **Post-2010 EU Biodiversity Strategy**. Our objective in this area is to integrate the protection of biological diversity into other policies, to place biodiversity in a wider perspective and to examine biodiversity policy in connection with overarching reforms of specific policies, such as Common Agricultural Policy, Common Fisheries Policy, and the discussion on the new financial perspective.

### *Genetically modified organisms – taking local interests into consideration*

Experiences so far have shown that Member States deal with the issue of **genetically modified organisms (GMOs)** on central, regional or local level. This issue is closely interrelated with land use, the characteristics of local agricultural structures and the local population's sensitivity to the problem. Therefore, in July 2010 the European Commission launched a new proposal on genetically modified organisms, in order to confer more freedom on Member States to allow, restrict or ban the cultivation of GMOs on part or all of their territory. The Presidency is committed to moving forward with the negotiations for a draft regulation.

### *Resource efficiency – sustainable development*

Under the Hungarian Presidency, it is expected that a Commission communication on the **resource efficiency roadmap** will be launched, which will also touch upon the issues of sustainable material management, sustainable production and consumption and waste management. The resource efficiency flagship initiative of the EU 2020 Strategy has substantial impact on environment and competitiveness and is closely connected to the new proposal on European industrial policy. The Hungarian Presidency will continue the work started by the Belgian Presidency and aims at delivering progress in the discussions among Member States.

### *Other relevant issues*

The Sixth Environment Action Programme will expire in 2012. Supporting the timely **assessment** of the implementation of the **Sixth Environmental Action Programme** is a key priority for the Hungarian Presidency.



The Hungarian Presidency will further discussions on the revised proposal on the directive on **waste electrical and electronic equipment** and will aim at reaching a compromise with the European Parliament. The Presidency will continue the work on the proposal for a regulation concerning the placing on the market and use of **biocidal products** and on the proposal on the emissions from **non-road mobile machinery**. Provided that the Commission completes the review on the control of major-accident hazards, the Hungarian EU Presidency may start discussions on the review of the **SEVESO II** directive on the control of major-accident hazards. Furthermore the review of the Prior Informed Consent Regulation (**PIC**) and on the **review of the Mercury Strategy may begin**.

Several major rounds of **international negotiations** on the environment will take place in the period of the Hungarian Presidency. Negotiations relating to international conventions on chemicals, chemical safety, air pollution, sustainable development and other relevant topics, such as food and forestry are of particular importance.

## 9. EDUCATION, YOUTH, CULTURE, AUDIOVISUAL POLICY AND SPORT

Education and training are essential factors for later employability, competitiveness, innovation and cultural development, as well as being tools for promoting social inclusion. Furthermore, as components of the above outputs, education and training contribute to the improvement of overall economic performance – an approach which is reflected in the Europe 2020 Strategy. The Hungarian Presidency will dedicate special attention to the evaluation of national reform programs implementing the Strategy. With the entry into force of the Lisbon Treaty, sport is now one of the supplementary competences of the European Union. The Presidency intends to promote that the Council adopts a resolution in this area.

### *Links between education and training and job creation*

With regard to **education**, the Hungarian Presidency will seek to contribute to achieving the Europe 2020 Strategy objectives, namely to reduce school drop-out rates below 10% and to reach at least 40% of 30 – 34-year-olds completing third level education (or equivalent) by 2020. This will be complemented by the establishment of a comprehensive European framework and exchange of best practices. The Presidency wishes to promote student mobility for educational purposes and the improvement of the quality of mobility-related services. The Presidency also intends to focus on the links between employability and education and training.

Improving access and the quality of **early childhood education** can have a positive impact on later education and work opportunities. In order to help to reduce the number of early school-leavers and to integrate vulnerable children, the EYCS Council will launch the policy cooperation of the Member States at European level and establish the framework of such cooperation in the field of early childhood education.

The Hungarian Presidency seeks to support European cooperation on modernising **higher education** by examining the governance aspects of diversification and quality of higher education, so that they contribute to implementing the Smart Growth pillar of the Europe 2020 Strategy and achieving the related objectives for higher education. The Hungarian Presidency will discuss the results of the Action Plan on Adult Learning and will continue the Belgian Presidency's work on **vocational training**, placing special emphasis on enhancing

the relevance and the attractiveness of vocational training, while bearing in mind the needs of the labour market.

### *Youth participation and structured dialogue*

Building on the results of the Spanish and Belgian Presidencies, the Hungarian Presidency will continue the **structured dialogue process** on youth employment and will evaluate the results of the first 18-month work-cycle. The Presidency aims to further develop the issue of **youth participation and active citizenship**. Linked to the purposes of the European Year of Voluntary Activities Promoting Active Citizenship (2011), the Hungarian Presidency will address the question of how **voluntary activities** can contribute to democracy in local communities.

### *Protection of cultural heritage and the contribution of culture to competitiveness*

The Hungarian Presidency will carry forward the legislative process on the **European Heritage Label**, recognising and rewarding the shared yet diverse cultural heritage of Europe and reinforcing a common European identity. The Presidency will also pay special attention to the implementation of the Council's Work Plan for Culture (2011 – 2014) and wishes to hold a Council debate on the future Culture Programme of the European Union after 2013.

In the context of the implementation of the Europe 2020 Strategy, the Hungarian Presidency intends to identify those areas and means by which culture can contribute to the smart, sustainable and inclusive growth and to achieving the Strategy objectives. In this regard, it is important to recognise the role **cultural and creative industries** play in strengthening competitiveness, the role of culture in social cohesion, the links between culture and education and to draw attention to the synergies resulting from linking innovation and culture. The Presidency wishes to support the analysis of barriers to artists' and other cultural professionals' mobility and the setting up of an information system on mobility.

### *New challenges in audiovisual media policy*

The European Union's initiatives in the field of creative online content provide a solid base for future measures aimed at strengthening the European **audiovisual** and online industry. The primary focus is on the development of the audiovisual content industry and its positive impact on the economy. The Presidency will deal with protecting the interests of right holders, alternative distribution channels for audiovisual works (digital distribution, digital cinema) and the issue of digital cultural and creative content.

Considering that the **protection of minors** is an essential element of the European Union's media legislation, the Hungarian Presidency will devote special attention to continuing work in this area. Our aim is to determine the next steps necessary relating to changes in the technical and legislative circumstances, as well as the results of consultations.

## *Sport policy*

Since 1<sup>st</sup> December 2009, the European Union has had competence to carry out actions to support, coordinate or supplement the actions of the Member States in the field of **sport**.

The Presidency intends to discuss the upcoming Communication of the European Commission on sport and the future sport policy of the European Union at multiple forums, whilst encouraging common thinking about the possibilities and objectives for cooperation in the field of sport. Cultural diversity in sport programmes play an important role of helping communities develop trust, openness and respect for different cultures. This can lead to greater cooperation and a higher level of unity and social cohesion within those communities. Cultural diversity through sport promotes a shared sense of belonging, which builds strong bonds within culturally diverse communities, encouraging involvement not only in the game but in the wider community.

## **10. EXTERNAL RELATIONS**

### *External Policy of the Union*

According to the Lisbon Treaty, in the field of Common Foreign and Security Policy the rotating Presidency does not play a central role. We expect the **European External Action Service** to become operational during the Hungarian Presidency. The Presidency aims at providing all possible support to the High Representative and the EEAS in fulfilling all their tasks enshrined in the Treaty.

**Relations with strategic partners** should help the EU to strengthen its global position. The review of strategic partnerships will continue during the Hungarian Presidency. The Presidency intends to contribute to the preparation of tailor-made strategies on individual partners, which will be developed with the leadership of the High Representative and in accordance with the strategic guidance of the European Council.

The forthcoming **Eastern Partnership** Summit is embedded in the context of the ongoing review of the European Neighbourhood Policy. The EaP Summit to be held in May 2011 will be one of the highlights of the Hungarian Presidency. The Presidency wants to foster common understanding between Member States as well as between the EU and our Eastern neighbours for the sake of assuring the success of the summit. Having a clear understanding of the Treaty of Lisbon, the Hungarian Presidency will assume a constructive role supporting the activities of the relevant EU actors and is ready to take up the responsibility involved with this. The Presidency intends to host a summit which will provide further impetus to the Eastern Partnership both at the conceptual level and in terms of implementation of specific programmes.

During the Hungarian Presidency, the most important task in the field of the **Common Security and Defence Policy (CSDP)** is the successful management of CSDP missions and operations. Furthermore, it is important to make progress on the implementation of the new, CSDP-related provisions of the Treaty of Lisbon; to continue strengthening the EU's civilian and military crisis management capabilities; and to enhance synergies between conflict prevention and crisis management structures within the framework of the European External Action Service (EEAS). It is expected that by the first day of the Presidency, the EEAS will

have taken over most of the tasks of the rotating Presidency; however, the Hungarian Presidency might be asked to support the European External Action Service. In addition, the Presidency is going to organize several CSDP-related events.

### *Trade Policy*

The Hungarian Presidency shall focus on moving forward the implementation of the new trade policy strategy of the Union, designed as a core component of the EU 2020 Strategy. It should be ensured that trade policy effectively supports competitiveness and contributes to generating growth and jobs in Europe, in particular for small and medium size enterprises.

Completing the Doha Round of the World Trade Organisation (WTO) is of priority importance. The commitment of the EU to reach an ambitious, balanced and comprehensive outcome without reopening the fundamental structure and objectives of the negotiations remains unchanged. The Hungarian Presidency will devote all the needed attention to these important talks. Special attention will be paid to the progress in and potential conclusion of WTO accession processes of Russia, Serbia, Montenegro, Bosnia-Herzegovina, Kazakhstan and least developed countries.

During the Hungarian Presidency the EU shall continue bilateral or regional free-trade negotiations with a large number of trading partners. Negotiations with Canada, India, Singapore and Ukraine are expected to advance substantially and may come close to or arrive at a successful conclusion. The Hungarian Presidency will also work for progress in other ongoing negotiations, bearing in mind the vital, long-term economic interests of the Union.

Increased attention needs to be paid to initiatives for fostering regulatory convergence with major economic partners, including the United States, China and Japan. In these relationships differences in domestic regulations often result in more substantial barriers to trade and investment than tariffs.

Building on practices established by previous Presidencies, the Hungarian Presidency shall strive to maintain close and efficient co-operation with the European Parliament in pursuing the Union's trade policy objectives. Regarding legislative initiatives, the attention of the Council and the European Parliament will likely be centered on the proposed regulations on the transitional arrangements for bilateral investment agreements between Member States and third countries, the extension of the validity of the current GSP scheme, the autonomous trade preferences for Pakistan and the indication of the country of origin of certain imported products, respectively. The submission by the European Commission of the proposal to review the Union's Generalised System of Preferences for developing countries, while not losing sight of the underlying development policy considerations, will provide a unique opportunity to reflect the profound changes in the global economy and within Europe, and to improve the effectiveness of the scheme.

### *Development cooperation and humanitarian aid*

The Hungarian Presidency aims at providing all relevant support to the High Representative and will strive to chair the development and humanitarian aid related Council Working groups in a constructive manner. We will take over the EU Presidency at a significant time for **international development cooperation**, when debates will have commenced on the future of EU development policy, and on new ideas aimed at enhancing economic growth in

developing countries. We will need to elaborate on the progress of commitments made by EU member states towards reaching the Millennium Development Goals and set further plans for the period until 2015. During the Hungarian Presidency, the debate on increasing the effectiveness of aid provided by the EU and its member states for developing countries will continue. As a result, a joint EU statement will have to be formulated to be delivered at the high level aid effectiveness conference, (HLF4) planned to take place in South Korea during the second half of 2011.

Another important task will be to prepare for the fourth UN high level international conference on Least Developed Countries (LDC IV) to be held in Istanbul in May 2011, to facilitate the conveying of a common EU message. A significant target of the Hungarian Presidency will be to emphasize – in line with our national priorities – the importance of the role of water in international development cooperation. Hungary joined the EU in 2004, and wishes to facilitate discussion on the European Transition Compendium, an initiative focused on sharing social, economic and political experiences gained during the transition period.

During our Presidency, Hungary will host several international conferences, such as the ACP-EU Joint Parliamentary Assembly, and the Structural Dialogue Conference on the role of civil society and local government in development cooperation.

With regard to **humanitarian aid**, the most important tasks include the implementation of the Mid-Term Review of the Action Plan of the European Humanitarian Consensus, preparatory work on the European Voluntary Humanitarian Aid Corps (EVHAC) and the renegotiation of the Food Aid Convention (FAC).