

# **European & External Affairs Committee**

## **EUR(2) 01-06 (p.5)**

**Date: 18 January 2006**

**Time: 09.00 – 12.00**

**Venue: National Assembly for Wales, Cardiff Bay**

**Title: European Commission Legislative and Work Programme 2006: the implications for the Welsh Assembly Government**

### **Introduction**

The Commission work programme for 2006 feels lighter, in terms of potential impact on Wales, than its programme for 2005. Some of the most important issues for the Assembly Government during 2006 will be "carry-overs" from the 05 programme. Specifically these will include the Working Time Directive, the chemical registration REACH Directive and the Directive for a single market in Services.

Structural Funds will be at the forefront of the Assembly's work. With the budgetary arrangements in place, the Assembly Government will be heavily occupied negotiating programmes with partners in Wales and with the Commission in Brussels.

2006 will be the year of preparation for the start of the new programme on 01/01/07. Beyond the Structural Funds, a new generation of programmes in areas like rural development, innovation, research and education will open up. Wales has benefited from all of these in the past and demand should remain high. 2006 is also a critical year for the Lisbon strategy for growth and jobs which reaches a key implementation stage.

In the context of Wales' Presidency of the Regions with Legislative Powers (REGLEG) during 2006, the Commission's ambitions for "Delivery and Better Regulation" will be particularly important. A reduced legislative burden, in itself, indicates part of the Commission's response to improving regulation. The Commission has committed itself to the "rigorous application" of better regulation discipline through simplification, modernisation, consultation, and a careful evaluation of the impact of policies. Our role, with partners, is to assist the Commission in this work and to help hold them to account against commitments.

### **The Commission Preamble**

The present Commission set out some key strategic aims at the start of its mandate - prosperity, solidarity, security and Europe as a world partner – and its programme for 2006 is designed to reflect

these themes. In the absence of a ratified Constitution the Commission has launched a communication programme – "Plan D for democracy, dialogue and debate" – to help stimulate debate on Europe's future. The precise format of this effort and the extent of Member States' involvement will vary.

**Prosperity:** the Commission will report to the spring European Council on progress towards Lisbon through the 25 national reform programmes adopted by Member States. A European Institute of Technology is proposed and work will continue to launch the new framework programme for research from 2007. 2006 is designated the European Year of Mobility for Workers. Emphasis is placed on finalising the internal market for energy and work will continue to explore new technological solutions such as clean coal and renewable energies. The single market will be simplified in general but strengthened specifically on postal services, public procurement and banking. The potential for enlargement of the eurozone will be examined in the light of macroeconomic conditions.

**Solidarity:** the Commission will set out ideas on coping with the problem of demographic ageing; alongside this will be thoughts on the effective management of migration flows. There will be further discussions on climate change and proposed measures such as bringing the aviation sector into the emissions trading scheme. The sustainable management of natural resources will extend to reform of the wine, fruit and vegetables and the bananas sectors – this will bring the current process of agricultural reform into its final phase following the agreement on sugar reform. Soaring oil prices have under-lined the importance of competitive and secure energy supplies for Europe. Energy efficiency and renewable sources will be promoted and the potential of biofuels further explored. A new maritime strategy will pioneer an integrated approach to developing the maritime economy supported by excellence in marine science and technology.

**Security:** the cross-border nature of terrorism calls for better co-ordination between law enforcement authorities; the same applies for organised crime. A number of initiatives are planned in relation to confronting health risks, specifically in the fields of food safety and transport.

**Europe as a world partner:** enlargement preparations will continue for Bulgaria and Romania as well as accession talks with Turkey and Croatia. Further accession requests may be dealt with and neighbourhood action plans progressed, particularly in developing integrated energy markets. Major development commitments were made in 2005; the Union must deliver on these in 2006. The consequences of the Doha round of negotiations in Hong Kong will be followed up. The Union will contribute to an efficient multilateral approach to sustainable development worldwide.

**Delivery and Better Regulation:** Impact assessments are now standard for legislative and policy defining proposals. As a result of following Better Regulation principles, the Commission withdrew 68 proposals in 2005 and is committed to testing all proposals against subsidiarity and proportionality (in plain English, acting only when necessary and "in the lightest form consistent with achieving its objectives"). The Commission's approach to value for money is thus defined: "The EU Budget should only be used when it can offer better value for money than spending at national level." The Commission is committed to simplifying legislation and will focus on the automotive, construction and waste sectors during the

first phase.

Below is a more detailed summary of the Commission's plans divided into work sectors that reflect Assembly organisation.

## Economic Development Policy

The Commission will concentrate its economic development brief on taking forward the **Lisbon strategy for growth and jobs**. Indeed 2006 will be a crucial year for the implementation of Lisbon measures. This will entail the adoption of a new generation of EU programmes for the structural funds and rural development as well as frameworks for research, innovation and education. The commission will report to the **Spring European Council** on implementation at the national level in respect of the 25 national reform programmes (NRPs).

The following dossiers will be of primary interest to the WAG:

· Proposal for full accomplishment of internal market for postal services	Legislative/ Directive	To take forward plans to establish internal market for postal services in 2009.
· Communication on Financing Growth	Non-legislative	To consider concrete actions to create growth for innovative SMEs.
· Communication on a dedicated EU rail freight network	Non-legislative	To promote development of rail freight transport network.
· Communication to facilitate inter-modal transport	Non-legislative	To promote development of integrated freight transport network.

The following dossiers will be of secondary interest to the WAG:

· Communication on automotive regulatory framework	Non-legislative	To enhance competitiveness of automotive sector.
· Communication on EU mortgage credit market	Non-legislative	To promote creation of EU mortgage credit market.
· Galileo future applications	Non-legislative	To assess feasibility of regulatory measures related to Galileo applications development.

## Health & Social Affairs Policy

The main aims include the streamlining of the open methods of co-ordination in the social area, and the launch of co-operation on health and long-term care, to reinforce the support the EU provides to Member States in their efforts to modernise social protection systems and tackle social exclusion.

The Commission will set out ideas about how the EU can contribute to tackling the problem of Europe's demographic ageing; consideration of current labour law, including policies on gender equality and health and safety at work.

With regard to civil justice the programme covers areas such as divorce and matrimonial property regimes and enforcing compensation, the rights of the child in areas like family reunification, parental responsibilities and human trafficking. Enhancing health and confronting risks also important elements in the programme.

Dossiers of interest:

· Communication on Gender Equality	Non-legislative	To set out a road map on gender equality
· Communication on Health and Safety at Work strategy 2007-12	Non-legislative	Develop current strategy to increase quality of work and productivity

· Green Paper on the evolution of labour law	Non- legislative	Encourage debate on labour law to help identify major issues
· Communication on the demographic future of Europe	Non-legislative	Bring together the results of the Green Paper on Ageing and pilots to set out further action
· Proposal on the applicable law and jurisdiction in divorce matters	Legislative / Regulation	To establish Community rules in this field
· Green Paper on the property rights of married/unmarried couples	Non-legislative	Consultation on legal and practical issues
· Communication on implementing children's rights	Non-legislative	Framework / Action Plan to implement children's rights, in line with UN Convention of the Rights of the Child
· Green Paper on drugs and civil society	Non-legislative	Working with civil society to take forward the EU Drugs Action Plan 2005-2008
· Communication on tackling alcohol-related problems	Non-legislative	To reduce the health and social harm due to alcohol consumption
· Communication on organ donation and transplantation	Non-legislative	Measures to ensure high standards/ quality/safety.

## **Agriculture and Rural Development Policy**

Consolidation and implementation are the themes of this work programme. The introduction of a new Rural Development programme is picked out but the details of funding and associated modulation have

yet to be resolved. The Doha Development Round at the Hong Kong conference will shape Commission thinking during 2006. Following on from success in reforming the sugar regime, the Commission will be introducing legislative proposals to reform the wine, fruit and vegetables, and bananas sectors.

A training programme on food safety will be introduced and proposals are expected on avian flu. A review of the rules governing animal by-products will be proposed.

Finally, a Green Paper on a new environmentally sustainable maritime strategy will be presented.

The following dossiers will be of substantive interest to the WAG:

- A review of the Common Market Organisation for bananas aiming to maintain an acceptable balance at the level of marketing of the three sources of supply to the Community (EU, ACP and dollar banana imports).
- Reform of the CMO for fruit and vegetables aiming to improve competitiveness
- Reform of the CMO for wine aiming to improve competitiveness.
- A Green Paper on a future EU Maritime Policy.
- A White Paper on "Better training for safer food".
- A review of the health rules on animal by-products.

## **Environment Policy**

Although the Lisbon agenda and Better Regulation underpin the policies of the current Commission, the 2006 work programme also focuses on how solidarity and social justice are critical for the development of the EU. In this context a number of environmental objectives have been outlined, in particular climate change, resource use and sustainable development.

The following is a summary of the environment dossiers of substantive interest to the WAG for 2006 (note that there are also important legislative issues in progress).

- Thematic Strategy on pesticides

As part of Sixth Community Environment Action Programme (2002) the Commission released a Communication detailing measures constituting a thematic strategy for pesticides. The Parliament responded in 2003. The thematic strategy will aim at **controlling pesticides** rather than banning or creating a pesticide tax. The Commission will suggest defining '**pesticide free**' zones, especially in sensitive or nature areas (Natura 2000 zones).

## **Communication – Halting the decline of biodiversity**

The EU wants to halt the decline of biodiversity through the effects of poor policy development. The Communication will map priority actions to meet EU and global objectives to halt (EU) and

significantly reduce (global) decline in biodiversity by 2010.

- Green paper on adaptation to climate change

The green paper will identify actions needed to adapt to adverse effects of climate change; many issues already raised by previous Commission Communication ‘winning the battle on global climate change’.

- Communication – Results of the review of the community strategy to reduce CO<sub>2</sub> emissions from cars

The Communication will review current voluntary agreements with industry on how fuel efficiency measures are developing; proposals will follow review.

- Revision of Directive 2001/81/EC – on national emission ceilings (NEC) for certain atmospheric pollutants

The revision of the NEC Directive will contribute to the development of the EU thematic strategy on air Quality (October 2005). Limits will be introduced on acidifying and eutrophying pollutants. 2010 and 2020 will be benchmarks for establishing the national ceilings and for measuring reviews.

- Directive 2003/87/EC (Modification) in order to include aviation in the EU emissions scheme

The Commission will aim to incorporate aviation emissions in the emissions trading scheme (ETS) as part of effort to reduce CO<sub>2</sub>s.

## **Energy Policy**

The initiatives proposed in the field of energy are explained below. All measures are non-legislative:

- Commission Communication on Clean Coal Technologies. Aim to stimulate technological development and demonstration of new technologies at commercial level, in particular to improve efficiency of power plants using coal and open the way to carbon capture and storage.
- Commission on the future prospects for biofuels. The Communication, following up the existing biofuels directive, will present ideas on measures to promote the production of biofuels, including in less developed third countries.
- Action Plan on energy efficiency. This will follow up a public consultation in 2005 and propose ways to rein in energy consumption, saving 20% by 2020, in response to dependency on imports and soaring oil prices.
- Green Paper on a secure, competitive and sustainable energy policy for Europe. The Commission will consult widely to develop a basis for a Communication later in 2006.
- Communication concerning the Establishment of the Global Renewable Energy Fund of Funds. This will outline key features of an innovative public-private financing mechanism for Europe

and Developing Countries to (1) create affordable "patient" risk capital for renewable energy entrepreneurs and project developers, (2) increase engagement of private sector experts and investors, and (3) increase the leverage of public sector funds.

- Communication on the development of energy markets with neighbouring countries. This will relate to measures that will bring about a market for energy between the EU and neighbouring countries and takes into account Europe dependence on imports.

## **Research, ICT and Innovation Policy**

In addition to the initiatives below, the Commission will work with other stakeholders to finalise technical proposal for the Seventh EU Research Framework Programme so that it can be launched in 2007.

### Legislative Dossiers

- Proposal for a Council Regulation establishing the European Institute of Technology (EIT). This proposal will be presented to the 2006 Spring European Council and set out the main functions and characteristics, structures and budget for this potential facility. It represents a key action in promoting European technological excellence.
- Revision of the Directive laying down a procedure for the provision of information in the field of technical standards and regulations and rules on information society services. This represents pre-emptive action on standardisation to ensure the smooth functioning of the Internal Market for services by 2010. It will eliminate potential obstacles to the Internal Market for services before they appear and thus support the competitiveness of EU enterprises.

### Non- legislative Dossiers

- Communication Financing Growth - the European Way. The Communication will suggest ways of spreading best practices in relation to facilitating access to finance for European innovative firms, especially SMEs and mid-sized firms. It will also propose ways to remove obstacles to cross-border investment.
- Communication on the functioning of the regulatory framework for electronic communications and services. This will report on the functioning of the regulatory framework for electronic communications and services and launch a public consultation on a possible review.
- Communication on eGovernment. This will constitute an Action Plan for 2006-2010 as part of the i2010 Communication relating to the further development of the European information society.
- Communication on a strategy for a secure information society "Strengthening Trust in ICT". This will propose a general framework for future activities in the field of internet, network and information security.
- Communication on a European Cyber-security and Cybercrime policy. This will give an update on the Commission's cybercrime policy, including issues related to protection of the critical



information infrastructure, terrorist use of the internet, identity theft, pan-European admissibility of electronic evidence, combating on-line child pornography, and other issues.

## **Education Policy**

The principal dossier on the education side will be:

- The Recommendation for a European Qualification Framework.

This legislative proposal aims to improve the transparency and recognition of qualifications across the EU (The Welsh Assembly has responded to the ongoing Commission consultation on EQF and has drafted a position on behalf of the European regional lifelong learning network (EARLALL)).

The Commission will publish a revision of the Television without Frontiers Directive. This legislative proposal, which has the dual aim of promoting competitiveness and cultural diversity, covers new media for the first time (internet and mobile phones) and proposes modified rules to govern advertising in broadcasting. 2006 will also see the publication of the Joint Council-Commission Interim report on education and training which tracks progress vis-à-vis meeting the Lisbon goals in the area of education and training.

There are no specific proposals for youth and culture in the work programme but the Commission and Council will focus on implementing the European Youth Pact and on the contribution of culture to the Lisbon agenda.

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