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COMMISSION REPORT

2007 General Report — FINAL — Group 1

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<T1>Note to readers

The General Report and its role as a source of information on the activities of the European Union

For the sake of readability, the General Report concentrates exclusively on the highlights of the past year — both general trends and key policy activities, including legislative measures. From a methodological point of view, this quest for readability goes hand-in-hand with the need to take account of the wider system of information on Union activities available to the public from numerous co-existing sources, including:

- the wealth of information now available online on Europa, the ‘Gateway to the European Union’ (<HYP>http://europa.eu/index_en.htm</HYP>), which can be consulted using various search criteria — activities by subject, institutions, documents or services (statistics, library, contacts, etc.);
- the frequently updated databases on the servers of the various Community institutions (e.g. Commission DG websites) or sources outside the institutions; links to these databases and references to Europa are included among the ‘General references and other useful links’ at the end of each section of the General Report;
- the real-time record of events contained in the *Bulletin of the European Union*; produced by the Commission in electronic form only (<HYP><http://europa.eu/bulletin/en/welcome.htm></HYP>), the Bulletin provides a detailed summary of all Community activities, direct references to official texts, and hyperlinks to the relevant information and databases; the Bulletin is designed as a monthly review but information is posted online at more frequent intervals, so that readers can learn about all the activities in a given month as and when these updates appear; the Bulletin is therefore an essential companion to the General Report, for which it is also one of the key sources of information; together they form the lynchpin of an information service for readers who want both a general overview of the European Union’s activities and a tool for conducting more detailed research.

With this system of comprehensive coverage, there is no need for detailed information to be systematically reproduced in the General Report, which is concise in form and content in line with its dual role of providing a panoramic view of current events and highlighting key trends Union-wide.

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<T1>Introduction

Mid-term for the European Parliament and the Commission which took office in 2004, 2007 was also an important historical and political milestone for the European Union, in the light both of its past and of its future.

Looking back, 2007 marked the 50th anniversary of the Treaties of Rome founding the European Economic Community and the European Atomic Energy Community. Unlike the Coal and Steel Community, which was disbanded in 2002, at the end of its 50th anniversary, as provided by the Treaty of Paris, both these Communities essentially still exist, revitalised by successive amendments to the Treaties since 1957 and caught up in the momentum specific to the European Union and European Community as such. On 25 March, to mark the 50th anniversary of the Treaties of Rome, the Presidents of the European Parliament, the Council and the Commission signed the Declaration of Berlin, citing the European Union's commitment to a set of common values including fundamental rights, peace and freedom, democracy and the rule of law, and justice and solidarity. A number of Member States also issued a special two-euro coin to mark the event.

Looking forward, a new landmark was reached in 2007 with the signature in Lisbon on 13 December of a new 'amending' Treaty. The new Treaty amends the Treaty on European Union and the Treaty establishing the European Community, renamed the Treaty on the Functioning of the European Union. Steering clear of the constitutional aspects of the previous draft drawn up in 2004, the Treaty of Lisbon is designed to put in place more efficient institutional arrangements for a 27-member Union and increased democratic legitimacy, relating for example to the respective competences of and distribution of powers between the Union and the Member States, the special nature of the common foreign and security policy, and the role of the national parliaments. The new Treaty also sets out, in the form of a Charter signed by the European Parliament, the Council and the Commission, the fundamental rights of European Union citizens. The successive Presidencies in 2007 played a pivotal role in the Treaty reform process: on the initiative of the German Presidency, the June European Council agreed on a very detailed mandate for the Intergovernmental Conference which opened in July; the technical discussions continued until October, when political agreement was reached under the leadership of the Portuguese Presidency. Hungary became the first Member State to ratify the Treaty, a few days after it had been signed. The ambition expressed by the European Council is to see the entire ratification process completed before the European Parliament elections in June 2009.

The signing of the new Treaty reinforces the capacity for action of the enlarged Union — particularly timely following the accession of Bulgaria and Romania to the European Union on 1 January. This new enlargement represented the culmination of a process launched some 10 years previously, when all the countries of central and eastern Europe had applied to join the Union. It also involved the extension of the Union's external borders to a new maritime frontier, leading the Commission in April to recommend enhancing regional cooperation as part of a 'Black Sea synergy'. This marked another step forward in the development of the European neighbourhood policy, other developments being an effective start to programming of the European Neighbourhood and Partnership Instrument created in 2006 and the presentation by the Commission of new proposals for strengthening the policy in the immediate future.

As for prospective enlargements, accession negotiations continued with the candidate countries and closer links were forged with the potential candidate countries. More generally, the main challenges for 2007–08 were analysed in a communication adopted by the Commission on 6 November. Following the renewed consensus on enlargement endorsed by

the European Council in December 2006, the Commission communication outlines a strategy for meeting the challenges in question, in particular as regards State building, and administrative and judicial reforms.

The year 2007 also saw a number of internal ‘enlargements’. For example, on 1 January Slovenia joined the euro area, becoming the 13th Member State to use the single currency. Preparations for Cyprus and Malta to join the euro area as of 1 January 2008 were also completed successfully, while over the year as a whole the euro continued to strengthen against other currencies. On another front — the free movement of persons — the Schengen area was enlarged on 21 December with nine new countries acceding to this area without internal borders. Passport-free travel is now a reality for 22 of the EU countries.

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In 2007 the European Union focused on three major challenges.

First, the Union made quite clear its determination to play a key role in facing up to the problems of climate change, reflecting public concern about the future of the planet. In January the Commission outlined the way ahead for 2020 and beyond, with a specific objective: limiting global warming to two degrees Celsius. Its proposals subsequently received the support of the other Community institutions. In June it published a Green Paper outlining the options for Union action as regards adapting to climate change in Europe. And in September it advocated a global climate change alliance between the European Union and poor developing countries.

Second, following on from initiatives on which work had started in preceding years, priority was given in 2007 to developing a European energy policy. In a communication presented on 10 January, in parallel with the one on climate change, the Commission proposed an integrated approach: establishing a European energy policy with ambitious objectives for combating climate change. This approach was endorsed by the spring European Council under the German Presidency, which also hosted the G8 summit in Heiligendamm, which likewise delivered a strong message in response to the climate change challenge. The Commission went on to complete its contribution to defining the European energy policy: in September it adopted a package of legislative proposals with the object of completing the internal market for electricity and natural gas; and in November it proposed a European strategic energy technology plan (SET-Plan) with a view to helping pave the way, by means of research and the use of renewable energies, to a low-carbon future.

Lastly, the third key challenge on which the Union focused in 2007 was globalisation, a recurring theme. This was a topic on which the Commission invited the Heads of State or Government to reflect at their informal meeting in October, submitting a communication with the revealing title of ‘The European interest: succeeding in the age of globalisation’. This concern was also taken up by the December European Council, which adopted a declaration on globalisation stressing in particular that the Union’s aim is to shape globalisation in the interests of all its citizens and on the basis of its common values and principles. At the same time 2007 saw the first decisions on payments from the European Globalisation Adjustment Fund, set up in 2006 to assist workers made redundant as a result of a company relocation with re-entering the labour market.

Also largely in response to the challenge of globalisation, 2007 saw new developments with respect to the Lisbon strategy, relaunched in 2005. To take just a few specific examples, the Commission established a link between pursuing the Lisbon strategy for growth and jobs and a number of other objectives, such as developing e-skills for the 21st century, consolidating and extending the European research area and implementing an integrated ‘flexicurity’ approach. More generally, thanks to a mid-term review of the Lisbon strategy, in December the Commission set out a series of guidelines and proposed a new programme for the period 2008–10.

The various institutions have come to regard small-business policy as one of the pillars of the renewed Lisbon partnership. In an interim report adopted on 4 October, the Commission highlighted the key role of small and medium-sized enterprises. Concern for businesses, and particularly small businesses, is also reflected in another project that has been a Union priority in recent years: the desire for better regulation. In 2007 the institutions focused in particular on reducing the administrative burden on businesses. In January the Commission presented an action programme to this end, with the specific objective of reducing the burden resulting from legislation in force in the European Union by 25 % by 2012. This initiative received the support of the Council and the European Council. The independent Impact Assessment Board, answerable to the President of the Commission, came into operation in early 2007 and in the course of the year issued some 100 impact analyses on Commission initiatives with a view to improving quality and facilitating legislative debate. The Commission also pressed on assiduously with the implementation of its rolling programme for the simplification of the Community *acquis*.

In broader terms, setting its sights resolutely on the longer term (2020–30) the December European Council established an independent reflection group chaired by Mr González, former Prime Minister of Spain, to help the Union anticipate and meet long-term challenges more effectively. Taking as its starting point the challenges set out in the Berlin Declaration (see above), the group has been charged with identifying the key issues and developments the Union is likely to face and to analyse how these might be addressed. It will conduct its reflections within the framework set out in the Lisbon Treaty.

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Besides focusing on a number of major challenges, the European Union also made progress in 2007 on the numerous ongoing initiatives that form part of its vast range of internal and external policies.

As announced in 2006, it reviewed a number of areas regarded as exemplary in terms of public expectations. For example, in the context of the spring European Council, the Commission conducted a social reality stocktaking exercise and proposed exploring new approaches for the single market. Both these review exercises produced concrete results in the form of two new Commission initiatives adopted on 20 November: a communication ‘A single market for 21st century Europe’ presenting an operational set of initiatives to reposition the single market, accompanied by a paper on services of general interest; and a communication ‘Opportunities, access and solidarity: towards a new social vision for 21st century Europe’ stressing the need to invest in a number of areas such as youth, culture and mobility, which are mainly the responsibility of the Member States. Also on 20 November the Commission took the first steps towards another forward-looking reflection exercise by

adopting a communication ‘Preparing for the “health check” of the CAP reform’. In September it launched a wide-ranging consultation with a view to stimulating an open debate on budget reform. Moreover, the financial framework for 2007–13 saw its first specific commitments made in the fields of research, justice, and economic and social cohesion. Following fruitful interinstitutional cooperation, it was also revised for the first time in December in order to take account of the agreement to provide Community funding for the European global navigation satellite system programmes (EGNOS and Galileo), thereby ensuring that this promising project for European technology could continue.

Progress on internal policies in 2007 was made essentially on two fronts:

- first, continued unification of markets, as witnessed, for example, by Commission initiatives to promote the internal market for goods as a cornerstone of Europe’s competitiveness and to establish a common framework for the marketing of products, the adoption by the European Parliament and the Council of the third railway package, and proposals for legislation with a view to completing the internal market for electricity and natural gas;
- second, the emergence of new approaches or measures in connection with the quality of life. Making 2007 the European Year of Equal Opportunities for All sent out a strong signal in this respect, as did the creation of the European Union Agency for Fundamental Rights. As regards public safety, in November the Commission proposed a package of measures designed to combat terrorism more effectively. Reforms undertaken in the fruit and vegetables sector not only continued the drive launched in 2003 to make European agriculture more competitive and more environmentally-friendly but also addressed health concerns with a view to encouraging the consumption of products necessary to good health. This overlapping of policy areas was also evident in the link that the Commission established between demography and technical progress in its June communication ‘Ageing well in the information society’, which sets out an action plan on information and communication technologies and ageing. Concerns relating to the quality of life were also reflected in the Union’s consumer policy strategy for 2007–13, with its three-fold objective of empowering consumers, enhancing their welfare and effectively protecting them, and in a flagship measure — the regulation adopted on 27 June by the European Parliament and the Council on roaming on public mobile networks. By introducing a eurotariff, the regulation is designed to ensure that mobile network users do not pay excessive prices for roaming services when making or receiving calls while travelling within the European Union.

As regards its external policies, in 2007 the European Union continued to pursue a wide range of activities with a view to assuming a role as a leading partner on the world stage.

Now a traditional feature of external policy, the practice of holding regular summits with major industrialised or emerging countries such as the United States, Japan, Russia, China and India and provided an opportunity to take stock of bilateral relations, debate major international issues and, in some cases, conclude political, economic or technical agreements. At the G8 summit held under the German Presidency in June, the launching of the ‘Heiligendamm process’ enabled the defining of a new form of dialogue with a number of countries, notably China and India. Furthermore, in July the first ever EU–Brazil summit was held with a view to concluding a comprehensive strategic partnership.

Whether through diplomatic channels or on the ground by way of special representatives or police or peacekeeping missions, the European Union also continued to concern itself closely with the situation in sensitive areas or countries such as Afghanistan, Chad, Iran, Iraq, Kosovo, Lebanon, Myanmar (Burma), Pakistan, Sudan and the Middle East. It was also asked on numerous occasions to provide electoral observation missions to a number of continents.

However, two specific facets of external relations which saw important developments in 2007 also deserve a mention: the promotion of a competitive and open Europe and the affirmation of Europe as a contributor to international solidarity.

First, promoting a competitive and open Europe essentially involved delivering internal policies with a coherent external dimension. For example, in air transport, an important ‘open skies’ agreement was concluded with the United States in April. A forerunner of similar agreements with other parts of the world, it allowed European airlines, and US airlines likewise, to provide passenger flights between any point in the United States and any other point on European Union territory; a similar arrangement applies to air freight. As regards consolidating the area of freedom, security and justice, efforts were made to apply the global approach to migration to the eastern and south-eastern regions neighbouring the European Union and to establish mobility partnerships between the European Union and non-member countries. At the end of the year, a number of agreements on short-stay visas and the readmission of illegal residents were concluded with several eastern European and western Balkan countries. Lastly, as regards external trade, in April in connection with the Lisbon strategy, the Commission proposed establishing a stronger partnership to improve access to foreign markets for European exporters.

Second, demonstrating Europe’s support for international solidarity involved continuing, establishing or reviving a number of international partnerships with various regions of the world. For example, 2007 saw the 30th anniversary of ever-closer collaboration with the Association of Southeast Asian Nations and the launch of a partnership with central Asia. A strategic partnership with Africa was also relaunched at the EU–Africa summit held in Lisbon in December. Lastly, in the field of humanitarian aid, a key step was taken in 2007 with the signature by the European Parliament, the Council and the Commission of the statement on the European consensus, confirming the principles and best practices for humanitarian action aimed at promoting a coordinated approach with a view to maximising the Union’s contribution to international humanitarian aid. This initiative also reflects a concern for a consistent approach in relations with developing countries, in so far as a European consensus had previously been adopted by the three institutions on the subject of development policy.

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However wide-ranging and important, even complex, the activities of the European Union may seem, they cannot be dissociated, 50 years after the signing of the founding Treaties, from the close involvement of all stakeholders in European integration, whether they be the initiators or the beneficiaries. That is why, following on from initiatives designed or implemented in preceding years, the desire for stakeholder ‘ownership’ of policies was a core feature of the activities of the institutions in 2007. Several public consultations were organised on topics as diverse as enlargement, the family and immigration. The consultation launched in 2006 on a future maritime policy for the European Union is a very good example of this type of exercise, from which the Commission drew conclusions in October, proposing

a new maritime strategy on the basis of some 500 contributions and more than 250 events. Also in October, and on a more general front, the Commission defined a partnership approach to communication, with the aim of improving citizens' access to information, increasing their understanding of the impact of Community policies at European, national and local level and involving them in an ongoing dialogue on European issues. This initiative was particularly well-timed, with the Eurobarometer surveys showing that trust in the European institutions rose significantly in 2007 and is now at the same level as in the 1980s. This new trend, shared by all the institutions, each in its own way, marks a turning point in the way the 'ownership' referred to above is destined to become part of the process of European integration on the ground. It takes on particular significance in the light of the current process of ratifying the Lisbon Treaty, intended as a new starting point for a Europe strengthened by the achievements of the last 50 years and looking resolutely to the future.

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<T4>Chapter I

<T1>General policy framework

<T6>Section 1

<T2>1.1. Governance and better regulation

Background

In 2005 a new impetus was given to the political objective of improving the quality of European legislation by placing this issue at the heart of the Lisbon strategy for growth and jobs. The Commission, in particular, revised the action plan for improving the regulatory environment which it had launched in 2002 and agreed on a series of new approaches aimed at making the achievements more tangible. The success of this initiative, however, remains conditional on the objective being endorsed by all the European Union institutions involved in the legislative process and by the Member States. Better regulation is a joint responsibility. In 2006 the Commission carried out a strategic analysis of the progress achieved and the challenges that still have to be overcome if further advances are to be made in this area. It also strengthened the existing control mechanisms by setting up an Impact Assessment Board answerable to the President of the Commission.

<T3>1.1.1. Better regulation

The progress made in recent years with the strategy to create a modern and effective regulatory culture throughout Europe was consolidated in 2007. The Commission used the experience gained from the measures taken to improve legislation in order to refine its approach further and satisfy the demands of European citizens and economic operators for a simple and accessible regulatory framework.

The priorities for 2007 were to implement the simplification programme, monitor the quality of impact analyses, improve compliance with Community law and launch an ambitious strategy aimed at reducing the administrative burden.

Policymaking

The tools to ensure the application of high-quality legislation were further consolidated in 2007. All new Commission initiatives were prepared with the help of an integrated impact assessment and consultations with experts and stakeholders. The Impact Assessment Board came into operation, charged with providing qualitative support and monitoring the quality of Commission impact assessments. In 2007 the Board issued 112 opinions on impact assessments accompanying initiatives presented by the Commission. In addition, following the completion of an external evaluation of the Commission's impact assessment system, a roadmap for revising its current impact assessment guidelines was drawn up, with due regard for the principles of subsidiarity and proportionality.

As a result, the strategic and priority initiatives presented under the Commission's legislative and work programme for 2007 were the subject of an impact assessment. Public consultations were held as part of the preparatory process, to give ordinary citizens and all interested parties an opportunity to contribute to the formulation of Community policies and programmes.

Reliable and coherent statistical information about the economic, social and environmental situation of the European Union and its constituent bodies at national and regional level are needed for implementing, monitoring and evaluating Community policies. To this end the European Parliament and the Council adopted a decision setting up a Community statistical programme for the period 2008–12 ⁽¹⁾ on 11 December.

Modernisation of existing legislation

Good progress was made with updating the Commission's ambitious rolling programme of simplification. Under this multiannual programme aimed at reducing the burden on economic operators and citizens, the Commission presented 44 new simplification initiatives in 2007. These included important simplification initiatives relating to legislation in the areas of agriculture, the environment, the labour market and product regulation. The revision of Community insurance law (Solvency II) ⁽²⁾ and the repeal of the GSM directive ⁽³⁾, in particular, will have a direct impact on businesses and individuals.

The Commission presented several initiatives aimed at reducing the volume of the *acquis* and improving the accessibility and implementation of Community legislation, as provided for in its indicative codification programme, which was relaunched in 2006 in all the official languages, including the new ones. Declarations of obsolescence were used to repeal legal acts that had become obsolete. Consolidated texts of the Community *acquis* were also published on the Internet on EUR-Lex and will gradually become available in all the official languages.

As a result of the 2006 screening of proposals adopted by the Commission in 2004 and still pending before the legislator, it withdrew 10 of its proposals. It has also included this annual exercise of withdrawing proposals in its 2008 legislative and work programme.

The application of Community law

⁽¹⁾ Decision 1578/2007/EC (OJ L 344, 28.12.2007).
⁽²⁾ See 'Review and progress of the internal market' in Chapter II, Section 2, of this Report.
⁽³⁾ See 'Information society and media' in Chapter II, Section 2, of this Report.

In its communication of 5 September 'A Europe of results — Applying Community law' ⁽⁴⁾, the Commission set out its policy for ensuring the correct application of Community law by taking steps to:

- prevent infringements by incorporating aspects of transposition and application more effectively into the preparation of legislative proposals;
- pilot a new method of working with the Member States to find constructive and quick solutions to problems raised by citizens and businesses;
- improve its working methods, for example by giving priority to the management of infringement proceedings and by introducing more frequent decision-taking in infringement cases;
- increase transparency for the public as regards the stages in its work on infringements, the transposition of directives by the Member States and the communication by the Member States of tables showing the correlation between the articles in the national implementing measures and the articles of the directive being implemented.

The Commission has agreed to alter its annual report on monitoring the application of Community law so as to provide a more strategic overview of its priorities and proposed actions.

<T3>1.1.2. Reducing the administrative burden

On 24 January the Commission presented an action programme to reduce the administrative burden on companies resulting from legislation in force in the European Union by 25 % by 2012 ⁽⁵⁾. This will focus on the 13 sectors thought to be responsible for most of the administrative burden. The work of mapping and measuring the costs started at the beginning of the summer and should be completed by the end of 2008. At the same time, the Commission presented legislative proposals and draft executive measures aimed at reducing the administrative burden in the short term. In this way, 10 quick measures liable to produce significant results by making only minor changes to current legislation were carried through in 2007.

The March European Council recognised the progress made in improving the regulatory environment in 2006 and welcomed the Commission action programme to reduce the administrative burden. It called on each Member State to set a target for reducing the burden resulting from purely national requirements. It also asked the Commission regularly to update its simplification programme and urged the Council to pay particular attention to proposals in this area. The action programme received the support of the European Parliament in a resolution adopted on 10 July.

On 19 July, following a communication on reducing the statistical burden on businesses ⁽⁶⁾, the Commission adopted a proposal for a programme to modernise European enterprise and trade statistics (MEETS) ⁽⁷⁾. The objectives of the MEETS programme are as follows:

⁽⁴⁾ COM(2007) 502 (OJ C 4, 9.1.2008).
⁽⁵⁾ COM(2007) 23 (OJ C 138, 22.6.2007).
⁽⁶⁾ COM(2006) 693 (OJ C 78, 11.4.2007).
⁽⁷⁾ COM(2007) 433 (OJ C 191, 17.8.2007).

- to develop target sets of indicators and review priorities;
- to achieve a streamlined framework of business-related statistics;
- to support the implementation of a more efficient way of collecting data;
- to modernise and simplify statistics on trade in goods between Member States (Intrastat).

On 31 August the Commission decided to set up a high-level group on reducing the administrative burden, composed of independent stakeholders. The Commission appointed Mr Stoiber, former Minister-President of Bavaria, as its chairman.

On 21 September the Commission officially launched the online consultation service on reducing the administrative burden ⁽⁸⁾. This new site will allow business leaders to suggest how this could be achieved.

<T3>1.1.3. Subsidiarity and proportionality

On 6 June the Commission adopted its 14th annual report ‘Better lawmaking 2006’ ⁽⁹⁾, pursuant to Article 9 of the protocol on the application of the principles of subsidiarity and proportionality. Reflecting the European Union’s desire to pay more attention to improving the regulatory environment and, in particular, the quality and accessibility of Community legislation, the Commission listed the main tasks to be tackled: improving the quality of impact assessments and using them in the preparation and adoption of legislation; better assessment of the administrative burden; and eliminating unnecessary requirements in European and national legislation.

In addition, the Commission continued to use impact assessments and explanatory memoranda to explain how the measures it proposed were consistent with the principles of subsidiarity and proportionality.

<T3>1.1.4. Transparency

On 21 March the Commission presented the results ⁽¹⁰⁾ of the public consultation launched as part of the ‘European transparency initiative’ Green Paper ⁽¹¹⁾. In the area of interest representation and pressure groups, the Commission plans to use a voluntary register and a standard template for Internet consultations. The register should become operational in spring 2008. The Commission wants to tighten up the minimum standards for its public consultations, for example through proper staff training, the sharing of best practice between departments and more coherence between consultations. The inclusion in the legislation of provisions on the publication of information about the beneficiaries of Community funding is seen by the Commission as only the first stage in what will necessarily be a complex undertaking, requiring a step-by-step approach.

⁽⁸⁾ <HYP>http://ec.europa.eu/enterprise/admin-burdens-reduction/index_en.htm</HYP>.

⁽⁹⁾ COM(2007) 286 (OJ C 191, 17.8.2007).

⁽¹⁰⁾ COM(2007) 127 (OJ C 181, 3.8.2007).

⁽¹¹⁾ COM(2006) 194 (OJ C 151, 29.6.2006).

The Committee of the Regions welcomed the Green Paper at its session in February ⁽¹²⁾, but urged the Commission to take greater account of the local and regional dimension of this policy.

On 18 April the Commission launched a public consultation and adopted a Green Paper ⁽¹³⁾ on the application of Regulation (EC) No 1049/2001 on public access to documents held by institutions of the European Community ⁽¹⁴⁾. After reviewing the application of the regulation, the Commission is now seeking the public's opinion on questions such as improving public registers and making more documents available online, harmonising the rules on public access to documents with the specific rules on access to environmental information laid down by the Aarhus Convention, clarifying the balance to be struck between transparency on the one hand and the protection of personal data and economic and business interests on the other.

The Council adopted its annual report on the implementation of Regulation (EC) No 1049/2001 on 23 April. This shows that in 2006 the Council achieved the objectives laid down by the Treaties and the regulation.

<T3>1.1.5. Interinstitutional cooperation

A joint declaration by the European Parliament, the Council and the Commission on practical arrangements for the co-decision procedure was published in the Official Journal on 30 June ⁽¹⁵⁾, clarifying the working methods for the co-decision procedure and the practical arrangements for implementing them at each stage of the process. This complements the interinstitutional agreement on better lawmaking, and in particular the provisions relating to the co-decision procedure ⁽¹⁶⁾. The institutions undertake to respect these commitments in line with the principles of transparency, accountability and efficiency, paying particular attention to making progress on simplification proposals while respecting the Community *acquis*. The signatories to the declaration also commend the system of tripartite meetings ('trialogues'), which has demonstrated its vitality and flexibility.

Between June and September Parliament adopted a series of resolutions on improving legislation, expressing its support for the Commission's better lawmaking initiative. It endorsed the objectives of the Commission action programme to reduce the administrative burden, agreed that there was a need for quick actions and supported the creation of a group of independent experts to implement the programme. In the area of simplification, Parliament welcomed the Commission efforts to step up the codification of the Community *acquis* and expressed the view that the simplification programme should be accompanied by equivalent national initiatives. Parliament proposed the conclusion of an interinstitutional agreement on an accelerated working method for all simplification measures. It also underlined the importance of the system of impact assessments used by the Commission to ensure the quality of legislation. It called on the Commission to evaluate the added value of the Impact Assessment Board's assessment procedures before the end of 2008 and asked it to develop indicators for this purpose, drawing on the experience of international organisations and the Member States. Parliament also suggested that the Commission agree the arrangements for consulting it before adopting non-binding legal instruments and ensure continuous evaluation of the performance of co-regulation and self-regulation.

⁽¹²⁾ OJ C 146, 30.6.2007.

⁽¹³⁾ COM(2007) 185 (OJ C 181, 3.8.2007).

⁽¹⁴⁾ OJ L 145, 31.5.2001.

⁽¹⁵⁾ OJ C 145, 30.6.2007.

⁽¹⁶⁾ OJ C 321, 31.12.2003.

The Commission welcomed Parliament's support and stressed that the institutions and the Member States must share responsibility if practical results are to be attained. It also noted that Parliament had amended its rules of procedure to adapt them to the requirements of the simplification of Community legislation.

<T3>1.1.6. Governance

On 27 June the Commission proposed the amendment ⁽¹⁷⁾ of Regulation (EC) No 2004/2003 on the regulations governing political parties at European level and the rules regarding their funding ⁽¹⁸⁾. The proposal seeks to alter the rules on the funding of political parties at European level, so as to give them more flexibility to manage their annual budgets, introduce provisions on the creation and funding of political foundations affiliated to European-level political parties, and allow European parties to use Community budget appropriations to fund electoral campaigns for elections to the European Parliament. The new regulation was adopted by Parliament and the Council on 18 December ⁽¹⁹⁾.

On 16 October the Commission adopted a proposal ⁽²⁰⁾ to revise the basic legal framework governing the production of statistics at European level, the aim being to adapt it to the current situation and improve it in order to be better able to respond to future changes and challenges. This initiative is designed to enhance and supplement statistical governance. Similarly, in 2007 the various institutions continued to work on proposals to set up a European Statistical Governance Advisory Board ⁽²¹⁾ and a European Advisory Committee on Community Statistical Information Policy ⁽²²⁾.

General references and other useful links

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<T6>Section 2

<T2>1.2. Communication strategy

Aware of the need to increase the involvement of citizens in European political life, which took on its full significance during the discussions on the future of Europe, the EU institutions set themselves the objective of improving communication with citizens. The Commission therefore included communication among its strategic objectives.

On 3 October the Commission adopted a communication recommending applying a partnership approach to communication and increasing coherence and synergy between the activities of the Member States and the various institutions ⁽²³⁾. The aim is to improve citizens' access to information, to increase their understanding of the European, national and local dimensions of Community policies and to include them in a constant dialogue on European issues. To do this, the Commission suggests mobilising, as communication channels, the

⁽¹⁷⁾ COM(2007) 364 (OJ C 246, 20.10.2007).

⁽¹⁸⁾ OJ L 297, 15.11.2003.

⁽¹⁹⁾ Regulation (EC) No 1524/2007 (OJ L 343, 27.12.2007).

⁽²⁰⁾ COM(2007) 625 (OJ C 9, 15.1.2008).

⁽²¹⁾ COM(2006) 599 (OJ C 332, 30.12.2006).

⁽²²⁾ COM(2006) 653 (OJ C 78, 11.4.2007).

⁽²³⁾ COM(2007) 568 (OJ C 9, 15.1.2008).

national education systems and the European political parties, whose role is to lead and structure public debate on European issues.

The Commission communication proposes the following:

- an interinstitutional agreement to provide an appropriate framework for better cooperation on the EU communication process, while respecting the autonomy of the institutions and Member States;
- voluntary management partnerships with Member States;
- development of the network of European public spaces in the representations;
- identification of aspects of school education where joint action at EU level could support Member States;
- strengthening Eurobarometer;
- implementation of pilot information networks.

To improve direct communication with citizens, the Commission has also set up a network of field offices for multilingualism in its representations in the Member States. They present the messages of the European Union in clear language, understandable by everyone, and adapt the information to the local situation and to local needs.

The Commission's overall communication strategy comprises first of all an internal element, which was defined in a communication adopted on 4 July ⁽²⁴⁾. This recognises the importance of internal communication and staff engagement for ensuring that the Commission receives significant benefits when it communicates with the public. Communication with staff is essential for ensuring that the latter are well informed and that they receive the necessary support in their contact with citizens and stakeholders. The communication also aims to further enhance the link between internal communication and external communication, so that they are coherent and mutually reinforcing. It establishes an action plan at Commission level to further improve internal communication and staff engagement and clarifies the remit and reference framework for staff whose work involves communicating with the public.

General references and other useful links

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<T6>Section 3

<T2>1.3. The future of Europe

<T3>1.3.1. The Berlin Declaration

⁽²⁴⁾ SEC(2007) 912.

On 25 March, on the occasion of the 50th anniversary of the signature of the Treaties of Rome in 1957, the Presidents of the European Parliament, the Council and the Commission signed the Berlin Declaration.

This solemn declaration highlights the contribution made by European unification to peace and prosperity and the part it has played in creating a sense of community and overcoming differences. It stresses that, for the European Union, the individual is paramount, and cites the Union's commitment to a set of common values including fundamental rights, peace and freedom, democracy and the rule of law, mutual respect and shared responsibility, prosperity and security, tolerance and participation, justice and solidarity. The Union's role in protecting the identities and diverse traditions of the Member States is also highlighted, as is the variety of its languages, cultures and regions.

For the authors of the declaration, the European Union is also the response to a number of major challenges which do not stop at national borders. The European model is a reference for combining economic success and social responsibility, and the single market and the euro are what enable Europe to confront an increasingly interdependent global economy. Europe's wealth lies in the knowledge and ability of its people; this is what constitutes the key to growth, employment and social cohesion. Other challenges facing Europe include the fight against terrorism and organised crime, the peaceful resolution of conflicts, promoting development in the world and the need to make progress in the field of energy policy and climate protection.

The declaration closes with an expression of conviction that the European Union will continue to thrive both on openness and on the will of its Member States to consolidate its internal development, a commitment to continually renew the political shape of Europe in keeping with the times, and a reiteration of unity in the aim to place the European Union on a renewed common basis before the European Parliament elections in 2009.

In broader terms, setting its sights resolutely on the longer term (2020–30) the December European Council established an independent reflection group chaired by Mr González, former Prime Minister of Spain, to help the Union anticipate and meet long-term challenges more effectively. Taking as its starting point the challenges set out in the Berlin Declaration, the group has been charged with identifying the key issues and developments the Union is likely to face and to analyse how these might be addressed. It will conduct its reflections within the framework set out in the Lisbon Treaty.

<T3>1.3.2. Reform of the Treaties

Background

Signed in Rome on 29 October 2004 by the Heads of State or Government of the European Union, the Treaty establishing a Constitution for Europe has been submitted for ratification in accordance with the respective constitutional procedures of all the Member States. The negative outcome of the referendums in France and the Netherlands in 2005 led the European Council of June 2005 to launch a 'period of reflection' designed to encourage a broad debate on the future of the Union. In October 2005 the Commission presented its own Plan D for democracy, dialogue and debate on the future of Europe, proposing new ways of involving citizens and helping them take ownership of Community policies, which in the process would become easier for them to understand. Given the clear need to reform the European Union and its Treaties, the success of the period of dialogue and reflection led to a common desire

for a new start, beginning with the opening of negotiations on a new Treaty for the Union amending the Treaty on European Union and the Treaty establishing the European Community.

After 2005, which had seen a slowdown in the process of Union reform following the ‘no’ votes in the referendums on the Treaty establishing a Constitution for Europe, in France and the Netherlands, and 2006, which had been largely devoted to reflection on the future of Europe, 2007 marked a major turning point. The main focus of this process was the new Intergovernmental Conference (IGC) charged with the task of drawing up a Treaty amending the existing Treaties.

The ground had already been prepared before the IGC began its work with the tabling of a number of texts including a report by the German Presidency to the European Council, a Committee of the Regions own-initiative opinion on relaunching the process of reforming the European Union ⁽²⁵⁾ adopted on 6 June and a European Parliament resolution on the roadmap for the Union’s constitutional process adopted on 7 June.

At its meeting of 21 and 22 June the European Council decided to convene an Intergovernmental Conference and asked the incoming Portuguese Presidency to draw up a draft Treaty text for submission to the IGC as soon as it opened. The European Council agreed on a detailed mandate for the IGC, annexed to its conclusions, in which it made a number of general observations and spelled out the amendments to be made to the Treaty on European Union and the Treaty establishing the European Community. The IGC was to complete its work as quickly as possible, and in any case before the end of 2007, so as to allow for sufficient time to ratify the resulting Treaty before the European Parliament elections in June 2009.

On 10 July the Commission adopted its opinion on the convening of the IGC in a communication looking at how a reform Treaty could reflect the demands currently facing the European Union ⁽²⁶⁾. The Commission welcomed the convening of the IGC, gave its unreserved support to the mandate agreed by the European Council, and undertook to contribute to its success.

In a resolution adopted on 11 July the European Parliament expressed a favourable opinion on the convening of the IGC and welcomed the efforts deployed by the German Presidency. It welcomed the degree of precision of the mandate and the tight timetable for conclusion of the IGC, and called on the Member States not to retreat from the commitments to which they had subscribed. But it reserved the right to make concrete proposals to the IGC on specific items within the scope of the mandate and stated that it would respond in due time to the invitation made by the European Council to deal with the issue of its own composition.

Following the favourable opinion delivered by the Council on 16 July, the IGC officially opened in Brussels on 23 July. The Council stressed that the IGC would carry out its work in accordance with the mandate set out in the European Council Presidency conclusions. The foreign ministers of the 27 Member States of the Union were present at the official opening, as were Mr Barroso, President of the Commission, and three representatives of the European Parliament.

⁽²⁵⁾ OJ C 197, 24.8.2007.

⁽²⁶⁾ COM(2007) 412 (OJ C 246, 20.10.2007).

The Presidency presented a draft Treaty amending the existing Treaties, which was examined from July until October by a group of legal experts from the Member States, the Commission and Parliament.

The foreign ministers met on 7 and 8 September in Viano do Castelo (Portugal) and on 15 October in Luxembourg to review the progress of the IGC negotiations.

On conclusion of this work the IGC was able to reach agreement on the Treaty amending the Treaty on European Union and the Treaty establishing the European Community at the meeting of Heads of State or Government held in Lisbon on 18 October.

The Treaty was signed in Lisbon (at the Jeronimo Monastery) on 13 December. The President of the European Commission, Mr Barroso, the President of the European Parliament, Mr Pöttering, and the President of the European Council, Mr Sócrates, each delivered a speech welcoming the signing of the Treaty. On the previous day, the three Presidents had signed and formally proclaimed the Charter of Fundamental Rights ⁽²⁷⁾ in an official ceremony at the European Parliament in Strasbourg.

The Lisbon Treaty must now be ratified in the 27 Member States in accordance with their respective constitutional procedures. On 17 December Hungary became the first Member State to complete the ratification process.

The Lisbon Treaty is scheduled to enter into force on 1 January 2009.

<T3>1.3.3. A citizens' agenda

Background

In May 2006 the Commission presented 'A citizens' agenda' ⁽²⁸⁾ based on an initial review of the discussions on the future of Europe launched in 2005. Among the practical measures for addressing the expectations of European Union citizens and reinvigorating their support for the European project, the Commission proposed carrying out a fundamental review of the single market and taking comprehensive stock of the reality of European society. This approach was welcomed by the European Council in June 2006.

On 20 November the Commission adopted a set of initiatives ⁽²⁹⁾ designed to transform its citizens' agenda into a package of coherent measures. This package, underpinned by a strong social and environmental dimension, is based on wide-ranging consultations and follows on from the 2004 White Paper on services of general interest ⁽³⁰⁾ and the 2006 communication on social services of general interest ⁽³¹⁾.

The review of the single market and the European social reality stocktaking are discussed in Chapter II, Section 2, and Chapter III, Section 1, of this Report.

In the broader context of dialogue with the public, the European Economic and Social Committee organised a conference on the future of Europe on 27 and 28 October, to which it invited representatives of civil society, the European institutions and the national economic

⁽²⁷⁾ OJ C 303, 14.12.2007.

⁽²⁸⁾ COM(2006) 211 (OJ C 176, 28.7.2006).

⁽²⁹⁾ COM(2007) 724, COM(2007) 725 and COM(2007) 726.

⁽³⁰⁾ COM(2004) 374.

⁽³¹⁾ COM(2006) 177 (OJ C 151, 29.6.2006).

and social councils. The topics discussed included democratic legitimacy, participation by civil society, citizens' rights, and European Union policies from the point of view of the draft reform Treaty.

Parliament also organised its first Citizens' Agora event on 8 and 9 November. The meeting brought together representatives of the European institutions and of civil society to discuss the future of Europe. Five workshops concentrated on the tasks of the European Union, new rights and instruments, external relations, and relations between the institutions and civil society.

General references and other useful links

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<T4>Chapter II

<T1>Prosperity

<T6>Section 1

<T2>2.1. Economic and social environment

<T3>2.1.1. The Lisbon strategy: a partnership for growth and employment

Background

In 2005 the Lisbon strategy priorities were refocused on jobs and growth by mobilising to a greater extent all national and Community resources in the strategy's three dimensions (economic, social and environmental) with a view to tapping more effectively into their synergies in the general context of globalisation and sustainable development.

The Member States sent their national reform programmes to the Commission, which began evaluating them in detail in 2006 with a view to fostering useful exchanges of ideas while putting forward measures to make good the shortcomings revealed. The Commission also undertook an analysis of progress achieved in applying the strategy at both Community and national levels, and made practical suggestions for carrying it forward.

On 14 February a European Parliament resolution⁽³²⁾ on ideas on the Lisbon strategy for the 2007 spring Council praised the Commission and the Member States for their efforts in making the strategy a success. It noted that the strategy was Europe's response to the challenges of globalisation, but it also pointed out that its implementation called for adequate, well-targeted financial resources, which are currently lacking.

After the Member States presented their initial activity reports on the implementation of their national reform programmes, the Council adopted a document on 27 February setting out the key questions on the strategy. It called for full advantage to be taken of the improved conditions for growth, which are now better than they have been for many years, in order to

⁽³²⁾ OJ C 287 E, 29.11.2007.

push ahead with structural reforms in line with the broad economic policy guidelines, including the special recommendations for each country.

For its part, the European Council of 8 and 9 March noted that the Lisbon strategy was beginning to bear fruit and reforms should be stepped up now that the European economy was improving. It called on the Commission to present an interim report in autumn 2007 with an eye to its proposal on integrated guidelines for growth and jobs for 2008–11. The European Council also highlighted the conclusions of the Tripartite Social Summit of 8 March as regards the vital role played by the social partners, which must continue to contribute actively to achieving the Lisbon objectives. The new cohesion policy programmes for 2007–13 adopted in 2007 will also help all actors involved to achieve the growth and jobs objectives in towns, cities and regions ⁽³³⁾.

On 3 October the Commission adopted a communication ‘The European interest: succeeding in the age of globalisation — Contribution of the Commission to the October meeting of Heads of State or Government’ ⁽³⁴⁾. This strategic report assesses implementation of the renewed Lisbon strategy and puts forward proposals for the forthcoming three-year cycle, and in particular a new series of integrated guidelines, country-specific recommendations and a new Community Lisbon programme. At the informal European Council of 18 and 19 October there was broad consensus on the basis of that communication in favour of the Commission’s approach with regard to the next phase of the Lisbon strategy to be adopted in spring 2008. The European Council welcomed the Commission’s strategic report at its meeting on 14 December. It also adopted a declaration on globalisation stressing in particular that the Union’s aim is to shape globalisation in the interests of all its citizens and on the basis of its common values and principles.

On 13 November the Council adopted conclusions on the new three-year cycle of the Lisbon strategy, and on 5 and 6 December it adopted conclusions on the future prospects for the European employment strategy as part of the new phase of the Lisbon strategy.

On 11 December the Commission adopted a communication ‘Strategic report on the renewed Lisbon strategy for growth and jobs: launching the new cycle (2008–10)’ ⁽³⁵⁾. The communication gives a mid-term assessment of the renewed Lisbon strategy and prepares the ground for the 2008 spring European Council as regards the launch of the new phase.

On the same day the Commission adopted a communication ‘Proposal for a Community Lisbon programme 2008–10’ ⁽³⁶⁾. It sets out an ambitious but realistic series of objectives to be achieved at Community level by 2010. The proposal for a new Community Lisbon programme is based on the integrated guidelines and on the four priority areas identified by the 2006 spring European Council.

<T3>2.1.2. Sustainable development strategy

Background

When the European Council relaunched the Lisbon strategy as a partnership for growth and jobs in 2005, it also laid down the guiding principles for sustainable development in Europe.

⁽³³⁾ See ‘Regional dimension and Cohesion Fund’ in Chapter III, Section 1, of this Report.

⁽³⁴⁾ COM(2007) 581 (OJ C 4, 9.1.2008).

⁽³⁵⁾ COM(2007) 803.

⁽³⁶⁾ COM(2007) 804.

Those principles underpin economic prosperity based on an economy that is innovative and efficient in ecological terms, on protecting and improving the quality of the environment, and on promoting fairness and social cohesion in solidarity with the rest of the world.

In June 2006 the Council adopted a new sustainable development strategy. Designed for an enlarged European Union in a world where solidarity is vital, the new strategy seeks to take up seven priority challenges to set Europe on the path to sustainable development while maintaining its prosperity and well-being at their current levels: climate change and clean energy; environmentally friendly transport; sustainable consumption and production patterns; conservation and management of natural resources; public health; social inclusion; population growth, migration and poverty in the world.

On 22 October the Commission presented its first progress report on the renewed sustainable development strategy⁽³⁷⁾. The report considers the results achieved in moving towards the seven core objectives and lists the policy initiatives taken at European Union and Member State level that have contributed to those results.

The report shows relatively modest progress in practical terms, but development of policy initiatives is more encouraging and should bring results on the ground in the years to come. The stocktaking will provide the basis for discussions on the need to adjust the course or pace of policy initiatives with a view to redefining and recalibrating objectives over the longer term. The Commission reaffirms the validity of the priorities set in 2006, but stresses that efforts to implement the strategy need to be kept up in all areas, with special emphasis on climate change and clean energy.

In 2007 climate change and sustainable energy became major priorities for both the European Union and the Member States. The report shows that continued efforts will still need to be made to meet the targets within the agreed deadlines. The European Union has accordingly taken significant forward-looking initiatives, the most important being the Council's new integrated climate change and energy policy adopted in March⁽³⁸⁾, which sets ambitious, binding targets for 2020 for the reduction of greenhouse-gas emissions, renewable energies and biofuels. Other initiatives include work on carbon capture and storage. Meeting those targets will mean paying constant attention to the proper application of the Community emissions trading scheme, promoting renewables and sustainable use of biofuels, and developing climate change adaptation strategies and plans.

In the transport sector, progress has been made on reducing pollutant emissions, though greenhouse-gas emissions are still rising. The switch to environmentally friendly transport modes is lagging behind with varying results among the Member States. Road traffic and congestion continue to increase.

In terms of sustainable consumption and production patterns, more and more businesses are reporting on environmental performance and the number of sustainable products and services on the market is rising fast.

There are areas of concern for the conservation and management of certain natural resources, in particular biodiversity loss, although the indicators are stable and even show a slight fall in

⁽³⁷⁾ COM(2007) 642.

⁽³⁸⁾ See 'Energy' in Section 2 of this chapter, and 'Environment' in Chapter III, Section 2, of this Report.

overall use, as a result of more efficient use and especially of better forest management and lower waste generation.

The trend with regard to public health is positive and, although social inclusion and integration remain major challenges in many countries, unemployment is falling in all Member States.

Progress made in the quality of development aid and the fight to eradicate global poverty is encouraging, though environmental sustainability is still subject to high pressures, in particular for access to key resources.

As in the case of the seven priority challenges, some progress has been recorded in the following intersectoral policies: education and training; research and development; economic and financial instruments; communication, mobilising actors and multiplying success; and producing and monitoring results. Nonetheless, implementation on the ground must be continued to ensure the challenges are properly and consistently targeted in all policy areas.

<T3>2.1.3. Macroeconomic framework

General approach

On 15 February the European Parliament resolution on the European economic situation ‘Preparatory report on the broad economic policy guidelines for 2007’⁽³⁹⁾ called for good use to be made of the economic upswing and sounder public finances to achieve lasting, quality improvements in growth and jobs. Parliament looked in particular at how Member States implemented the integrated guidelines in this favourable economic climate and made a series of recommendations with an eye to their review in 2008.

In its recommendation⁽⁴⁰⁾ of 27 March 2007 on the 2007 update of the broad guidelines for the economic policies of the Member States and the Community and on the implementation of Member States’ employment policies, the Council laid down guidelines for each Member State and specified the measures for implementing the broad economic policy guidelines. It also made recommendations regarding the euro area.

In a report⁽⁴¹⁾ of 3 May pursuant to Regulation (EC) No 501/2004 on quarterly financial accounts for general government⁽⁴²⁾, the Commission considered that the Member States had achieved significant progress overall regarding the compilation of the data concerned.

Stability and Growth Pact

The Community institutions carried out the annual examination of the situation of each Member State. On the basis of Commission recommendations, the Council successively adopted opinions on the Member States’ updated stability and convergence programmes. It found that, depending on the case, they complied fully, broadly or partially with the requirements of the revised Stability and Growth Pact (SGP).

⁽³⁹⁾ OJ C 287 E, 29.11.2007.

⁽⁴⁰⁾ OJ L 92, 3.4.2007.

⁽⁴¹⁾ COM(2007) 230 (OJ C 181, 3.8.2007).

⁽⁴²⁾ OJ L 81, 19.3.2004.

On 30 January and 9 October respectively the Council repealed the previous decisions on the existence of excessive deficits in France ⁽⁴³⁾ and the United Kingdom ⁽⁴⁴⁾ in the light of the recovery in the countries concerned. On 27 February the Council called on the Polish authorities to put an end to the excessive deficit in Poland. Similarly, on 5 June it closed the excessive-deficit procedures for three countries: Germany ⁽⁴⁵⁾, Greece ⁽⁴⁶⁾ and Malta ⁽⁴⁷⁾. On 10 July, however, it adopted a decision ⁽⁴⁸⁾ to the effect that action taken by the Czech Republic to correct its excessive deficit had proved inadequate, and on 9 October it adopted a recommendation on ending the excessive deficit there. In all these cases the Council followed the Commission's recommendations.

On 13 June the Commission adopted a communication ⁽⁴⁹⁾ assessing action taken by Hungary to correct its excessive deficit in response to the Council's recommendation of October 2006. In July the Council agreed with the Commission's opinion. On 20 November the Commission adopted a similar communication ⁽⁵⁰⁾ concerning Poland in response to the Council's recommendation of February. On 4 December the Council expressed agreement with the Commission's opinion.

On 13 June the Commission adopted a communication on public finances in economic and monetary union ⁽⁵¹⁾. It underlines the smooth implementation of excessive-deficit procedures in the recent period, but also notes some deviations from the policy rules of the preventive arm of the SGP. According to the Commission, the challenge now is to use the opportunity offered by the current favourable conditions and move swiftly towards the medium-term budget objectives. The communication sets out practical proposals building on the 2005 reform to strengthen the effectiveness of the SGP's preventive arm in some respects. On 26 April the European Parliament commented on the previous Commission communication ⁽⁵²⁾ presented in 2006. It welcomed the significant efforts of some Member States to meet their obligations under the SGP, but expressed concerns regarding the implementation of its preventive arm. And on 9 October the Council adopted conclusions on improving the effectiveness of the SGP.

Quality and sustainability of public finances

In its conclusions of 5 June on the quality of public finances, the Council emphasised the need to optimise public-sector activities and achieve better outcomes given limited public funds. It supported steps to intensify links between institutional settings and the effectiveness of public spending and called on Eurostat and national statistical authorities to intensify their efforts to make more detailed data available on the composition of public budgets, in particular for education, healthcare, social protection and R & D.

The quality of public finances was also the subject of Council conclusions at its meeting of 9 October. In these the Council emphasised that the modernisation of public administration can play a role in enhancing competitiveness, delivering better services, achieving better value for

⁽⁴³⁾ Decision 2007/154/EC (OJ L 68, 8.3.2007).
⁽⁴⁴⁾ Decision 2007/738/EC (OJ L 300, 17.11.2007).
⁽⁴⁵⁾ Decision 2007/490/EC (OJ L 183, 13.7.2007).
⁽⁴⁶⁾ Decision 2007/465/EC (OJ L 176, 6.7.2007).
⁽⁴⁷⁾ Decision 2007/464/EC (OJ L 176, 6.7.2007).
⁽⁴⁸⁾ Decision 2007/640/EC (OJ L 260, 5.10.2007).
⁽⁴⁹⁾ SEC(2007) 775.
⁽⁵⁰⁾ SEC(2007) 1543.
⁽⁵¹⁾ COM(2007) 316 (OJ C 191, 17.8.2007).
⁽⁵²⁾ COM(2006) 304.

taxpayers' money and controlling public expenditure. It considered that national systems to measure efficiency and evaluate reforms in the public sector needed to be improved.

Economic and monetary union

To commemorate the 50th anniversary of the Treaties of Rome on 24 and 25 March, all the countries in the euro area decided to issue a two-euro coin showing an open book — the Treaty — against a background representing the pavement of Rome's Piazza del Campidoglio where the Treaties were signed on 25 March 1957. Cyprus, Hungary and Romania also struck coins of the same design in their own currencies to mark the event.

On a general level, on 3 May the Commission adopted its annual statement⁽⁵³⁾ and annual report on the euro area. The statement highlights the main challenges currently facing the euro area. In its resolution of 12 July on the 2007 annual report, the European Parliament considered that new measures are needed if the euro area's external representation is to reflect its growing importance in the global economy.

In its communication 'The introduction of the euro in Slovenia'⁽⁵⁴⁾ of 4 May, the Commission noted that the operation had gone swiftly and smoothly, and even if the prices of certain goods and services had risen, the general level of inflation had remained stable overall in the weeks following the changeover.

On 16 May the Commission and the European Central Bank (ECB) adopted convergence reports on Cyprus and Malta⁽⁵⁵⁾. In the light of its assessment, the Commission proposed decisions on the adoption of the euro by those countries. After these proposals had been discussed at the June European Council and Parliament had issued a favourable opinion, the Council adopted the decisions⁽⁵⁶⁾ on 10 July, with effect on 1 January 2008. The Commission also presented its fifth⁽⁵⁷⁾ (16 July) and sixth⁽⁵⁸⁾ (27 November) reports on the practical preparations for the future enlargement of the euro area. These reports focus on Cyprus and Malta, as mentioned above, but they also pay special attention to preparations in Slovakia, which wishes to adopt the euro in 2009.

Throughout the year, the Commission carried out communication activities in the Member States, in particular in Cyprus, Malta and Slovakia, to prepare them for the introduction of the euro. It also helped to finance national communication activities under partnership agreements with Cyprus and Malta.

On 20 June Parliament adopted a resolution on improving the method for consulting it in procedures relating to the enlargement of the euro area. Regarding the latter, it called on the Council and the Commission to reach an interinstitutional agreement on a future timetable for and approach to cooperation.

In a resolution of 12 July on the 2006 ECB annual report, Parliament stated that the rule by which a fiscal deficit can be accounted for by investments only should be given consideration. It called on the ECB to monitor developments closely in the use of the euro as a reserve

⁽⁵³⁾ COM(2007) 231 (OJ C 191, 17.8.2007).

⁽⁵⁴⁾ COM(2007) 233 (OJ C 191, 17.8.2007).

⁽⁵⁵⁾ COM(2007) 255 (Cyprus) and COM(2007) 258 (Malta) (OJ C 191, 17.8.2007).

⁽⁵⁶⁾ Decisions 2007/503/EC (Cyprus) and 2007/504/EC (Malta) (OJ L 186, 18.7.2007).

⁽⁵⁷⁾ COM(2007) 434 (OJ C 246, 20.10.2007).

⁽⁵⁸⁾ COM(2007) 756.

currency by central banks and, in connection with its annual report on the international role of the euro, to quantify and analyse the effects of this, particularly as regards exchange rates.

On 26 September the European Economic and Social Committee delivered an opinion ⁽⁵⁹⁾ on the Commission communication ‘The EU economy: 2006 review — Strengthening the euro area: key policy priorities’ ⁽⁶⁰⁾.

<T3>2.1.4. Taxation

General

At its plenary session in March the European Economic and Social Committee adopted an opinion ⁽⁶¹⁾ on the Commission communication concerning the need to develop a coordinated strategy to improve the fight against fiscal fraud ⁽⁶²⁾. It regretted that the Commission’s initiatives in this area had not received adequate backing in terms of cooperation from the Member States and expressed the view that cooperation between national anti-fraud bodies needed to be constantly enhanced.

On 11 December Parliament and the Council adopted the Fiscalis 2013 action programme ⁽⁶³⁾. The programme has a budget of EUR 157 million and implementation is due to start in 2008. It aims to provide the Member States with the means to combat fiscal fraud more effectively and to reduce the costs borne by economic operators in complying with Community VAT and excise legislation. It will make it possible to encourage cooperation between the tax administrations and to assist them in achieving the right balance between effective controls and burdens on taxpayers. It will also contribute towards the development of trans-European computerised systems in the fiscal area.

Direct taxation

On 26 February the Commission adopted a communication on the work of the European Union’s joint transfer-pricing forum in the field of dispute avoidance and resolution procedures and on guidelines for advance-pricing agreements within the Union ⁽⁶⁴⁾. The objective is to prevent transfer-pricing disputes and associated double taxation from arising by encouraging the use of prior bilateral agreements. The communication was endorsed by the Council on 5 June.

The Council also recognised the value of discussions on enhancing cooperation and coordination of direct-taxation systems between Member States in the internal market, as its conclusions in March on this topic show. It called on the Member States to continue their work with the Commission to identify areas where there may be a need for greater coordination.

On 26 September the European Economic and Social Committee delivered an opinion ⁽⁶⁵⁾ on the Commission communications ‘Coordinating Member States’ direct tax systems in the

⁽⁵⁹⁾ OJ C 10, 15.1.2008.

⁽⁶⁰⁾ COM(2006) 714 (OJ C 126, 7.6.2007).

⁽⁶¹⁾ OJ C 161, 13.7.2007.

⁽⁶²⁾ COM(2006) 254 (OJ C 184, 8.8.2006).

⁽⁶³⁾ Decision 1482/2007/EC (OJ L 330, 15.12.2007).

⁽⁶⁴⁾ COM(2007) 71 (OJ C 138, 22.6.2007).

⁽⁶⁵⁾ OJ C 10, 15.1.2008.

internal market’, ‘Tax treatment of losses in cross-border situations’ and ‘Exit taxation and the need for coordination of Member States’ tax policies’ ⁽⁶⁶⁾.

In its communication ‘Implementing the Community programme for improved growth and employment and the enhanced competitiveness of EU business’ ⁽⁶⁷⁾ of 2 May, the Commission outlined progress made in 2006 and the next steps towards a proposal for a common consolidated corporate tax base (CCCTB). It remained convinced that a comprehensive approach involving the introduction of the CCCTB could provide the largest overall benefits as regards the taxation of profits of companies operating in the internal market.

In its conclusions of 25 June on the taxation of savings, the Council confirmed its agreement on the functional and technical specifications for the exchange of information under Directive 2003/48/EC ⁽⁶⁸⁾ and on the use of the common communications network CCN-Mail 2 as the channel after the end of 2007.

On 10 December the Commission adopted a communication on the application of anti-abuse measures in the area of direct taxation within the European Union and in relation to non-member countries ⁽⁶⁹⁾. The communication invites the Member States to undertake a general review of their anti-abuse rules in the area of direct taxation with due regard to the principles flowing from the case-law of the Court of Justice of the European Communities and to consider the scope for coordinated solutions in this area.

Indirect taxation

On 13 March the Commission adopted a proposal ⁽⁷⁰⁾ amending Directive 2003/96/EC ⁽⁷¹⁾. The proposal seeks to reduce distortions of competition stemming from excessive differences in excise duty on commercial gas oil in the road-haulage sector.

On 28 March the Commission adopted a Green Paper on market-based instruments for environment-related policy purposes ⁽⁷²⁾ presented jointly by Mr Kovacs and Mr Dimas. It explores possible ways forward on the energy taxation directive with the aim of carrying out a review of its provisions. It also explores options for a more intensive use of market-based instruments in different areas of environment policy.

On 5 June the Council considered a package of measures for simplifying the VAT arrangements for businesses. It confirmed its intention of formally adopting the VAT package before 31 December so that it could come into force on 1 January 2010 at the latest. On 4 December the Council reached political agreement on two proposals for directives and a proposal for a regulation aimed at changing the rules on VAT in order to ensure that VAT on services accrues to the country of consumption, and to prevent distortions of competition between Member States operating different VAT rates.

The so-called VAT package will be adopted without further discussion at a forthcoming Council meeting in 2008. It contains: a proposal for a directive on the place of supply of services; provision for a mini one-stop shop for telecommunication, broadcasting and e-

⁽⁶⁶⁾ COM(2006) 823, COM(2006) 824 and COM(2006) 825 (OJ C 126, 7.6.2007).

⁽⁶⁷⁾ COM(2007) 223 (OJ C 181, 3.8.2007).

⁽⁶⁸⁾ OJ L 157, 26.6.2003.

⁽⁶⁹⁾ COM(2007) 785.

⁽⁷⁰⁾ COM(2007) 52 (OJ C 181, 3.8.2007).

⁽⁷¹⁾ OJ L 283, 31.10.2003.

⁽⁷²⁾ COM(2007) 140 (OJ C 181, 3.8.2007). See also ‘Environment’ in Chapter III, Section 2, of this Report.

commerce services; a proposal for a directive on procedures for VAT refunds to non-established businesses; and a proposal for a regulation on improved administrative cooperation as regards VAT and the exchange of information between Member States.

On 5 July the Commission presented a proposal for a directive relating to certain temporary provisions concerning rates of VAT ⁽⁷³⁾. The proposal gives substance to the idea of ensuring equal treatment for the Member States by extending to the end of 2010 most of the derogations concerning VAT rates granted to the Member States that joined the Union after 1 January 1995, the objective being to work towards a comprehensive new package of legislation on VAT rates to come into force after 2010. With that in mind, on the same day the Commission adopted a communication ⁽⁷⁴⁾ on VAT rates other than standard VAT rates, with the aim of launching a debate on the future of reduced VAT rates.

On 7 November the Commission adopted a proposal for a directive ⁽⁷⁵⁾ amending various provisions of the VAT directive of 28 November 2006 ⁽⁷⁶⁾. It proposed in particular to extend the scope of the special scheme introduced for gas and electricity in 2003 and to apply the exemption for international bodies to joint undertakings not carrying out any economic activity.

Similarly, on 28 November the Commission adopted two legislative proposals to update Community legislation on the treatment of insurance and financial services as regards VAT. This initiative comprises a proposal for a directive ⁽⁷⁷⁾ and a proposal for an implementing regulation ⁽⁷⁸⁾.

On 23 November, in the follow-up to the communication on the fight against fiscal fraud ⁽⁷⁹⁾, the Commission adopted a communication concerning some key elements contributing to the establishment of the VAT anti-fraud strategy within the European Union ⁽⁸⁰⁾. The communication sums up discussions between the tax authorities, businesses and the Commission. It also calls on the Council to provide the necessary political guidance for the Commission's further work as regards conventional measures.

For its part, the Council took the view that a Community-wide strategy to combat fiscal fraud, in particular in the area of indirect taxation, was needed urgently to back up efforts at national level. In its conclusions of 5 June the Council indicated certain measures on which the Commission should continue to work as a priority. These involved conventional measures to strengthen the current VAT system and more ambitious measures to amend it.

<T3>2.1.5. Competition

Background

In 2004 two mainstays in the modernisation of European competition law as it affects business came into play: first, a set of rules implementing the EC Treaty provisions on

⁽⁷³⁾ COM(2007) 381 (OJ C 246, 20.10.2007).

⁽⁷⁴⁾ COM(2007) 380 (OJ C 191, 17.8.2007).

⁽⁷⁵⁾ COM(2007) 677 (OJ C 9, 15.1.2008).

⁽⁷⁶⁾ Directive 2006/112/EC (OJ L 347, 11.12.2006).

⁽⁷⁷⁾ COM(2007) 747.

⁽⁷⁸⁾ COM(2007) 746.

⁽⁷⁹⁾ COM(2006) 254 (OJ C 184, 8.8.2006).

⁽⁸⁰⁾ COM(2007) 758 (OJ C 196, 7.6.2007).

restrictive agreements (Article 81) and abuses of dominant positions (Article 82), and second, a new merger regulation.

In 2005 the reform continued with the presentation by the Commission of an action plan designed to lead, over a five-year period, to a comprehensive reform of State aid policy.

In 2006 the Commission pushed ahead with its reform programme, putting special emphasis on State aid. It adopted new guidelines on venture capital and aid for R & D and innovation, a regulation granting exemptions for regional investment aid and, lastly, a new regulation on de minimis aid.

In 2007 competition policy continued to promote and create conditions for markets to operate within a competitive framework in the interest of European businesses and consumers alike. Action undertaken involved tackling market deficiencies resulting from anti-competitive behaviour by operators and certain market structures and helping to put in place, for all sectors of the economy, an overall economic policy framework that is conducive to effective competition.

On 25 June the Commission adopted the 2006 report on competition policy ⁽⁸¹⁾, which provides an overview of how the instruments of competition policy, namely the antitrust, merger and State aid rules, were developed and applied in general.

State aid

The Commission updated the State aid scoreboard in spring ⁽⁸²⁾ and autumn ⁽⁸³⁾ 2007. It presents the volume and nature of State subsidies in the context of the State aid control system established by the EC Treaty and describes the Commission's continued implementation of the State aid action plan ⁽⁸⁴⁾.

On 21 May the Commission adopted a report ⁽⁸⁵⁾ on the application of Council Regulation (EC) No 1407/2002 on State aid to the coal industry, which describes how policies have evolved in the Member States since the regulation came into force. The Commission sees no need to amend the regulation for the time being.

On 12 December the Commission adopted a regulation ⁽⁸⁶⁾ amending Regulation (EC) No 794/2004 implementing Council Regulation (EC) No 659/1999 laying down detailed rules for the application of Article 93 of the EC Treaty. The regulation includes new details on the notification procedure and new forms for notifying aid in the areas of venture capital and research.

Also in line with the State aid action plan, on 24 April ⁽⁸⁷⁾ and 8 September the Commission presented proposals for the block exemption regulation designed to simplify and consolidate into one text the four existing block exemptions for aid to SMEs, including R & D aid, aid for employment, training aid and regional aid. The new regulation would also allow the block

⁽⁸¹⁾ COM(2007) 358.

⁽⁸²⁾ COM(2007) 347.

⁽⁸³⁾ COM(2007) 791.

⁽⁸⁴⁾ COM(2005) 107.

⁽⁸⁵⁾ COM(2007) 253 (OJ C 181, 3.8.2007).

⁽⁸⁶⁾ IP/07/1911.

⁽⁸⁷⁾ IP/07/549.

exemption of three new types of aid: environmental aid, aid in the form of risk capital and R & D aid, including to large enterprises.

The statistics show that, at 777, the number of State aid notifications to the Commission was down in 2007 compared with 2006. It also took 653 final decisions ⁽⁸⁸⁾. It approved aid in about 96 % of cases while, in the remaining 4 %, it took a negative decision after concluding that the measures did not comply with State aid rules or the common market.

Competition rules applicable to enterprises

In a resolution of 25 April, the European Parliament gave its opinion on the 2005 Commission Green Paper ‘Damages actions for breach of the EC antitrust rules’ ⁽⁸⁹⁾.

The Commission levied fines totalling around EUR 3.33 billion on members of cartels operating in markets including the market for lifts and escalators ⁽⁹⁰⁾, the flat-glass market ⁽⁹¹⁾, the beer market in the Netherlands ⁽⁹²⁾, and the market for fasteners and attaching machines ⁽⁹³⁾.

On 4 July it levied a fine of EUR 151 million on Telefónica for abuse of a dominant position to impose unfair prices for over five years on the Spanish broadband market, involving a margin squeeze between the wholesale prices it charged to competitors and the retail prices it charged to its own customers ⁽⁹⁴⁾.

On 17 September the Court of First Instance confirmed, with regard to the substance, the Commission decision of March 2004 that found against Microsoft. In that decision, Microsoft was fined EUR 497 million for infringing the EC Treaty rules on abuse of a dominant market position (Article 82) by leveraging its near monopoly in the market for personal computer operating systems onto the markets for work group server operating systems and media players.

In another antitrust action the Commission addressed a decision to Groupement des Cartes Bancaires (France), in which it concluded that the latter had infringed the EC Treaty rules prohibiting practices which restrict competition by adopting price measures that hinder the issuing of cards at competitive rates ⁽⁹⁵⁾. Similarly, on 3 October the Commission fined Visa EUR 10 million for an infringement of the EC Treaty and the EEA Agreement rules on restrictive business practices ⁽⁹⁶⁾. On 19 December the Commission decided that MasterCard's multilateral interchange fees for cross-border payment card transactions with MasterCard- and Maestro-branded debit and consumer credit cards in the EEA violate EC Treaty rules on restrictive business practices ⁽⁹⁷⁾.

In the area of company mergers, notifications to the Commission continued to increase as compared with previous years. More than 97 % of notified mergers were approved, most within a month. A few cases were nonetheless the subject of thorough investigations. The

⁽⁸⁸⁾ These covered sectors such as the manufacturing and services sectors, agriculture and transport, fisheries and the coal industry.

⁽⁸⁹⁾ COM(2005) 672 (OJ C 49, 28.2.2006).

⁽⁹⁰⁾ IP/07/209.

⁽⁹¹⁾ IP/07/1781.

⁽⁹²⁾ IP/07/509.

⁽⁹³⁾ IP/07/1362.

⁽⁹⁴⁾ IP/07/1011.

⁽⁹⁵⁾ IP/07/1522.

⁽⁹⁶⁾ IP/07/1436.

⁽⁹⁷⁾ IP/07/1959.

Commission continued and completed the investigation into the takeover of the Aer Lingus airline by its rival Ryanair ⁽⁹⁸⁾. On 27 June the Commission opposed this takeover plan, which would have harmed consumers by removing competition and creating a monopoly or dominant position on 35 routes operated by both companies. The Commission opened in-depth investigations into inter alia the SFR/Tele2 ⁽⁹⁹⁾ and the Kronospan/Constantia ⁽¹⁰⁰⁾ mergers and the Sony/BMG recorded-music joint venture ⁽¹⁰¹⁾. These investigations allowed the identification of some competition concerns in each of these cases, which the parties addressed in modifying the notified transaction. On this basis, the Commission authorised the mergers on 18 July ⁽¹⁰²⁾, 19 September ⁽¹⁰³⁾ and 3 October ⁽¹⁰⁴⁾ respectively.

Asserting a proactive policy

In line with the proactive competition policy advocated by the Commission ⁽¹⁰⁵⁾, the results of two sector inquiries into the European gas and electricity sectors and retail banking markets were made public on 10 January ⁽¹⁰⁶⁾ and 31 January ⁽¹⁰⁷⁾ respectively. The Commission stressed in those inquiries that it was vital to apply both competition and regulatory-based remedies. Similarly, on 25 September the Commission presented the results ⁽¹⁰⁸⁾ of the sector inquiry into business insurance and recommended a series of measures to step up competition in this sector.

In the area of international cooperation, on 23 April the Council adopted negotiating directives for a draft agreement between the European Community and South Korea in the area of competition.

In a resolution of 19 June on the 2005 report on competition policy, the European Parliament welcomed the Commission's economic approach to competition-policy enforcement and its efforts to improve the quality of enforcement of decisions within the European competition network.

On 10 July the Commission adopted guidelines explaining its current practice with regard to jurisdictional issues in merger control ⁽¹⁰⁹⁾. It had consolidated the existing texts and adapted them in the light both of recent judgments of the European courts and of the new merger regulation adopted in 2004. It would also provide up-to-date guidance on its competence to review transactions under the regulation.

On 13 September the Commission launched a public consultation ⁽¹¹⁰⁾ on draft guidelines on the application of European Union competition rules to the maritime transport sector. This involved an intermediate stage in the preparation of the guidelines, which should be presented in their final form in 2008. The draft guidelines followed the repeal of the block exemption for liner shipping conferences and the extension of the scope of the competition law

⁽⁹⁸⁾ IP/07/893.
⁽⁹⁹⁾ IP/07/347.
⁽¹⁰⁰⁾ IP/07/842.
⁽¹⁰¹⁾ IP/07/272.
⁽¹⁰²⁾ IP/07/1120.
⁽¹⁰³⁾ IP/07/1360.
⁽¹⁰⁴⁾ IP/07/1437.
⁽¹⁰⁵⁾ COM(2004) 293 (OJ C 122, 30.4.2004).
⁽¹⁰⁶⁾ COM(2006) 851 (OJ C 138, 22.6.2007).
⁽¹⁰⁷⁾ COM(2007) 33 (OJ C 181, 3.8.2007).
⁽¹⁰⁸⁾ COM(2007) 556 (OJ C 4, 9.1.2008).
⁽¹⁰⁹⁾ IP/07/1043.
⁽¹¹⁰⁾ IP/07/1325.

implementing rules to tramp shipping (maritime transport on demand) and cabotage services (Regulation (EC) No 1/2003) ⁽¹¹¹⁾ decided by the Council on 25 September 2006.

General references and other useful links

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<T6>Section 2

<T2>2.2. Levers of prosperity

<T3>2.2.1. Review and progress of the internal market

Review of the single market

In early 2007 the institutions set about a review of the single market, thereby heralding the start of a new phase in the development of this key component of the European integration process.

Thus on 17 January the European Economic and Social Committee adopted an exploratory own-initiative opinion ‘The review of the single market’ ⁽¹¹²⁾ and on 27 March the Committee of the Regions adopted an opinion ‘The future of the single market and stocktaking of European society’ ⁽¹¹³⁾.

On 22 February the Commission adopted a communication ‘A single market for citizens — interim report to the 2007 spring European Council’ ⁽¹¹⁴⁾, setting out its vision for the single market of the 21st century. It also suggested exploring new approaches to make the single market more impact-driven, result-oriented and network-based and to enhance its effectiveness, decentralisation, responsiveness to the global context and accessibility. In its conclusions of 19 February and 22 November, the Council took note of the ongoing revision of the review of the single market. For its part the March European Council took note of this approach and stressed the need to improve still further the way the internal market worked so it could adapt to the new economic facts.

On 4 September the European Parliament adopted a resolution on the single market review, in which it proposed to tackle barriers and inefficiencies through better implementation and enforcement of existing rules.

The review led to the communication ‘A single market for 21st century Europe’ ⁽¹¹⁵⁾, adopted by the Commission on 20 November. That communication turned the February interim report into an operational set of measures with the aim of repositioning the single market. It was accompanied by a communication on services of general interest, including social services of general interest ⁽¹¹⁶⁾, and a paper setting out a ‘new social vision’ for Europe ⁽¹¹⁷⁾. The package

⁽¹¹¹⁾ OJ L 1, 4.1.2003.

⁽¹¹²⁾ OJ C 93, 27.4.2007.

⁽¹¹³⁾ OJ C 156, 7.7.2007.

⁽¹¹⁴⁾ COM(2007) 60 (OJ C 138, 22.6.2007).

⁽¹¹⁵⁾ COM(2007) 724.

⁽¹¹⁶⁾ COM(2007) 725.

⁽¹¹⁷⁾ COM(2007) 726.

of measures was based in addition on a series of working papers providing further details on the way the Commission intends to modernise the single market policy.

In particular, the communication announces a new approach and a series of measures to ensure the single market does more to take advantage of globalisation, empower consumers, open up for small businesses, stimulate innovation and help to maintain high social and environmental standards. Among the major policy actions included in the single market package are initiatives to:

- help consumers to exercise their contractual rights and obtain redress across borders;
- help consumers to benefit to a greater extent from the opening-up of financial markets;
- provide better information for consumers and small businesses;
- respond to weaknesses in sectors where the single market should deliver more;
- propose a ‘small business act’ and introduce a ‘researcher passport’;
- specify how Community rules are to apply to services and social services of general interest and promote the quality of social services across the Union.

General strategy

The Commission adopted an important package of legislation on the development of the internal market, the key communication for which was ‘The internal market for goods: a cornerstone of Europe’s competitiveness’ ⁽¹¹⁸⁾. The package comprised four initiatives, which form part of the new strategy for the single market of the 21st century, in particular as regards improving the way the latter functions (see below).

Free movement of goods

On 14 February the Commission adopted a package of measures on the single market for goods comprising four initiatives to streamline freedom of movement of goods and to simplify and modernise the rules and principles governing the single market, while stepping up the rules on product safety:

- a proposal for a regulation laying down procedures relating to the application of certain national technical rules to products lawfully marketed in another Member State ⁽¹¹⁹⁾;
- a proposal for a regulation setting out the requirements for accreditation and market surveillance relating to the marketing of products ⁽¹²⁰⁾;
- a proposal for a decision on a common framework for the marketing of products ⁽¹²¹⁾;
- lastly, an interpretative communication on procedures for the registration of motor vehicles originating in another Member State ⁽¹²²⁾. On 21 March the Commission adopted a

⁽¹¹⁸⁾ COM(2007) 35 (OJ C 138, 22.6.2007).

⁽¹¹⁹⁾ COM(2007) 36 (OJ C 138, 22.6.2007).

⁽¹²⁰⁾ COM(2007) 37 (OJ C 138, 22.6.2007).

⁽¹²¹⁾ COM(2007) 53 (OJ C 138, 22.6.2007).

⁽¹²²⁾ SEC(2007) 169.

report⁽¹²³⁾ on the operation from 2002 to 2005 of Directive 98/34/EC⁽¹²⁴⁾, which provides for an information procedure on standards and technical regulations. The report's conclusions confirm the Member States' positive view of the way the directive has been applied. It also puts forward some avenues that are worth considering if users, and in particular economic operators, are to derive maximum benefit from the directive.

As part of the defence package, on 5 December the Commission adopted a proposal for a directive relating to transfers of defence-related products within the Community⁽¹²⁵⁾ with the aim of reducing the barriers to trade in such products within the Union.

Freedom to provide services and freedom of establishment

Financial services have been the focus of attention since the beginning of 2007. On 27 February the Council adopted conclusions on the clearing and settlement of securities transactions (and in particular the code of conduct signed by the providers of negotiation and post-negotiation infrastructure), a key component of financial integration within the European Union where significant progress is needed to improve the efficiency and the reliability of post-trading services.

On 19 March the Commission presented an interpretative communication⁽¹²⁶⁾ on the respective powers retained by the home Member State and the host Member State in the marketing of undertakings for collective investment in transferable securities (UCITS) pursuant to Section VIII of the UCITS directive⁽¹²⁷⁾. The communication seeks to correct diverging interpretations of the directive and thereby improve the way it works.

In April it adopted a report on the continued appropriateness of the requirements for professional indemnity insurance imposed on intermediaries under Community law⁽¹²⁸⁾ and a Green Paper on retail financial services in the single market⁽¹²⁹⁾. Acknowledging that major efforts are needed in both these areas if citizens are to reap the benefit of a genuine single market in financial services, it proposed areas to explore and actions to be undertaken.

On 8 May the Council adopted two sets of conclusions. The first welcomed the Commission's White Paper on enhancing the single market framework for investment funds⁽¹³⁰⁾. The second acknowledged that hedge funds have contributed significantly to fostering the efficiency of the financial system, but drew attention to the associated potential systemic and operational risks.

In a resolution of 23 May, Parliament confirmed its position on the organisational peculiarities of each healthcare system and called on the Commission to submit a proposal for an appropriate instrument with a view, in particular, to codifying the case-law of the Court of Justice on patients' rights. Parliament called for very wide freedom for patients and health practitioners. It also invited the Commission actively to support the introduction of e-health and telemedicine.

⁽¹²³⁾ COM(2007) 125 (OJ C 181, 3.8.2007) and SEC(2007) 350.

⁽¹²⁴⁾ OJ L 204, 21.7.1998.

⁽¹²⁵⁾ COM(2007) 765.

⁽¹²⁶⁾ COM(2007) 112 (OJ C 181, 3.8.2007).

⁽¹²⁷⁾ Directive 85/611/EEC (OJ L 375, 31.12.1985).

⁽¹²⁸⁾ COM(2007) 178 (OJ C 181, 3.8.2007).

⁽¹²⁹⁾ COM(2007) 226 (OJ C 181, 3.8.2007).

⁽¹³⁰⁾ COM(2006) 686 (OJ C 181, 3.8.2007).

On 30 May the European Economic and Social Committee adopted an own-initiative opinion ‘The internal market in services — Requirements as regards the labour market and consumer protection’ ⁽¹³¹⁾, which aims to clarify the effects of the current strategy for the internal market in services on the job market, employment conditions and consumer protection and in so doing to be of practical use to those affected and the European institutions.

In a report of 25 June on certain issues relating to motor insurance ⁽¹³²⁾, the Commission referred to the effectiveness of national penalties introduced in respect of the reasoned offer/reply procedure and the coverage of legal costs.

On 10 July the Commission presented a proposal for a directive on the taking-up and pursuit of the business of insurance and reinsurance (Solvency II) ⁽¹³³⁾. It calls for insurers to meet stricter solvability requirements in order to ensure that they have sufficient assets to cope with adverse circumstances, such as floods, storms and serious car accidents. Under the proposal, insurers will also be required to own the assets necessary to cover market risk, credit risk and operational risk, which are not covered by the current European Union regime.

In a resolution of 11 July on financial services policy (2005–10), Parliament referred to market concentration, alternative investment vehicles, access to finance in the retail segment, financial literacy and users’ input in policymaking, better regulation, systemic risks, architecture of regulation and supervision, and global impact of measures.

On 26 September the Committee adopted an own-initiative opinion ‘The economic and social consequences of financial market trends’ ⁽¹³⁴⁾. It sets out recommendations on four areas: information, transparency and protection of investors and consumers; risk management and diversification; reconciling the financial strategy and the European social model; and equal tax treatment.

On 18 September the Council adopted negotiating directives for an agreement with the United States on gambling and betting services.

On 9 October it also adopted conclusions on the European Union’s financial stability arrangements and others on clearing and settlement.

A report setting out solutions to post-trading fiscal compliance barriers in the European Union was drafted by the fiscal compliance expert group (FISCO) and presented on 23 October at a conference in Brussels. The Commission will consider practical action based on FISCO’s work and will establish a timeframe.

In the financial services sector, on 13 November the European Parliament and the Council adopted a directive ⁽¹³⁵⁾ facilitating payments within the European Union, in particular credit transfers, direct debits and card payments, by laying down the legal basis for introducing a single euro payments area. The directive strengthens the rights and protection of all users of payment services.

⁽¹³¹⁾ OJ C 175, 27.7.2007.

⁽¹³²⁾ COM(2007) 207.

⁽¹³³⁾ COM(2007) 361.

⁽¹³⁴⁾ OJ C 10, 15.1.2008.

⁽¹³⁵⁾ Directive 2007/64/EC (OJ L 319, 5.12.2007).

On 18 December the Commission adopted a White Paper on the integration of European Union mortgage credit markets ⁽¹³⁶⁾. Mindful of the importance of mortgage credit markets, the Commission conducted a comprehensive review of the level of integration of these markets and the way they operate. The White Paper summarises the conclusions of this review and identifies a balanced package of measures designed to improve the competitiveness and the efficiency of the European Union's residential mortgage markets, which will benefit consumers, lenders and investors.

On the same day the Commission adopted a communication 'Financial education' ⁽¹³⁷⁾. It sets out certain non-binding principles by way of guidance for the Member States and the other parties concerned when drawing up and implementing financial education schemes.

Moreover, in its communication ⁽¹³⁸⁾ of 21 December the Commission put forward measures to increase cross-border investments by venture capital funds.

In 2007 work on completing the single market in postal services ⁽¹³⁹⁾ continued within the various institutions.

Company law, corporate governance and the fight against financial crime

In a resolution of 1 February setting out 11 recommendations on the European private company statute ⁽¹⁴⁰⁾, the European Parliament requested the Commission to submit a legislative proposal to it in this area during 2007. The recommendations relate in particular to Community law as the basis for the form of company, procedures for formation, capital stock, and net liability of executive directors and members in the event of a reduction in net worth.

In a communication ⁽¹⁴¹⁾ of 10 July the Commission presented considerations on a simplified business environment for companies in the areas of company law, accounting and auditing. Given developments in recent years (globalisation of economies and radical developments in technology, new international accounting standards and the development of case-law), it felt there was a need to review existing directives to assess their continued relevance. It therefore intends to have discussions on the subject with the Member States, Parliament and other interested parties.

On 11 July Parliament and the Council signed a directive on the exercise of certain rights of shareholders in listed companies ⁽¹⁴²⁾. It seeks to remove the main obstacles to cross-border voting in listed companies which have their registered office in one Member State by introducing special requirements concerning shareholders' rights in relation to the general meeting.

On 13 November Parliament and the Council signed a directive ⁽¹⁴³⁾ concerning the requirement for an independent expert's report on the occasion of mergers or divisions of public limited liability companies. The proposal is one of 10 practical proposals for fast-track action in the action programme for reducing administrative burdens in the European

⁽¹³⁶⁾ COM(2007) 807.

⁽¹³⁷⁾ COM(2007) 808.

⁽¹³⁸⁾ COM(2007) 853.

⁽¹³⁹⁾ COM(2006) 594 (OJ C 332, 30.12.2006).

⁽¹⁴⁰⁾ OJ C 250 E, 25.10.2007.

⁽¹⁴¹⁾ COM(2007) 394 (OJ C 191, 17.8.2007).

⁽¹⁴²⁾ Directive 2007/36/EC (OJ L 184, 14.7.2007).

⁽¹⁴³⁾ Directive 2007/63/EC (OJ L 300, 17.11.2007).

Union ⁽¹⁴⁴⁾. It gives shareholders the direct possibility of forgoing the written expert report on the draft terms of merger or division, thereby bringing two directives ⁽¹⁴⁵⁾ into line with the current requirements of the 10th company law directive on cross-border mergers of limited liability companies ⁽¹⁴⁶⁾.

Accountancy and auditing

On 6 July the Commission presented its first report to the European Securities Committee and to the European Parliament on convergence between international financial reporting standards and non-member country national GAAPs (generally accepted accounting principles) ⁽¹⁴⁷⁾. The report mainly concerns the work timetables on the subject as anticipated by the national authorities of Canada, Japan and the USA. It also contains certain preliminary information about convergence efforts by some other third countries.

Intellectual and industrial property

In a resolution of 13 March ⁽¹⁴⁸⁾ on the Commission recommendation on collective cross-border management of copyright and related rights for legitimate online music services ⁽¹⁴⁹⁾, the European Parliament invited the Commission to make it clear that the recommendation applied exclusively to online sales of music recordings, and to present a proposal as soon as possible for a framework directive regulating the collective management of copyright and related rights as regards online music services, while taking account of the specificity of the digital era and safeguarding European cultural diversity.

For its part, the spring European Council stressed the need to step up international action to protect intellectual property rights and the fight against counterfeiting and product piracy.

In the field of patent policy, on 3 April the Commission adopted a communication ‘Enhancing the patent system in Europe’ ⁽¹⁵⁰⁾, which sets out the results of a consultation launched in January 2006. The communication should be followed up in 2008 by a strategy for tackling the main issues pending in all areas of intellectual property.

In May in its conclusions on the financial perspectives of the Office for Harmonisation in the Internal Market (Trade Marks and Designs), the Council stated that, since its establishment in 1996, the body had contributed substantially to improving the way the internal market functioned. The Council called on the Commission to start work on a study on the overall functioning of the Community trademark system to be completed as a matter of priority.

On 27 July the Commission adopted the measures needed to tie the Community system for registering designs in with the international system of the World Intellectual Property Organisation.

Public procurement

⁽¹⁴⁴⁾ See ‘Reducing the administrative burden’ in Chapter I, Section 1, of this Report.

⁽¹⁴⁵⁾ Directives 78/855/EEC (OJ L 295, 20.10.1978) and 82/891/EEC (OJ L 378, 31.12.1982).

⁽¹⁴⁶⁾ Directive 2005/56/EC (OJ L 310, 25.11.2005).

⁽¹⁴⁷⁾ COM(2007) 405 (OJ C 191, 17.8.2007).

⁽¹⁴⁸⁾ OJ C 301 E, 13.12.2007.

⁽¹⁴⁹⁾ OJ L 276, 21.10.2005.

⁽¹⁵⁰⁾ COM(2007) 165 (OJ C 191, 17.8.2007).

In January, in an opinion ⁽¹⁵¹⁾ on the award of public contracts in the European Union, the European Economic and Social Committee analysed the situation as it stands and proposed avenues to explore with a view to further improving the way this important aspect of the internal market functions.

On 23 May the European Parliament and the Council adopted a directive ⁽¹⁵²⁾ repealing Directive 71/304/EEC concerning the abolition of restrictions on freedom to provide services in respect of public works contracts and on the award of public works contracts to contractors acting through agencies or branches. This action is part of efforts to simplify the *acquis communautaire*.

In a resolution of 20 June, Parliament noted that the deadline for transposing the public procurement directives into national legislation was 31 January 2006 and that, on that date, only 20 out of 27 Member States had complied. It therefore recommended that the Commission propose an action plan to encourage Member States to fulfil their obligation and focus on illegal direct awards and late or incorrect transposition.

Article 30 of Directive 2004/17/EC provides for the possibility of exempting ‘liberalised’ activities from its scope, that is activities that are ‘directly exposed to competition on markets to which access is not restricted’. Under those provisions the Commission adopted four decisions ⁽¹⁵³⁾ in 2007 concerning the supply of electricity and gas in England, Scotland and Wales, certain courier and parcel services in Denmark, certain services in the postal sector in Finland (excluding the Åland Islands) and the production and sale of electricity in Sweden.

On 11 December Parliament and the Council signed a directive ⁽¹⁵⁴⁾ revising the Community rules on review procedures concerning the award of public contracts. The directive improves national review procedures available to undertakings where they consider a public contract has been awarded unfairly.

As part of the defence package, on 5 December the Commission adopted a proposal for a directive on public contracts in the defence and security markets ⁽¹⁵⁵⁾. The proposed directive relaxes the rules on the award of certain public works contracts, public supply contracts and public service contracts in the fields of defence and security.

<T3>2.2.2. Innovation and enterprise policy

In connection with the implementation of the Lisbon strategy, on 4 April the Commission presented a communication ‘Improving knowledge transfer between research institutions and industry across Europe’ ⁽¹⁵⁶⁾. It noted that such interactions had been increasing gradually over the past decade. In the course of its analysis, the Commission also presented guidelines to help research institutions identify shared interests with industry and to facilitate mutually beneficial knowledge transfer arrangements. That communication was the subject of an opinion of the Committee of the Regions ⁽¹⁵⁷⁾ adopted on 11 October.

⁽¹⁵¹⁾ OJ C 93, 27.4.2007.

⁽¹⁵²⁾ Directive 2007/24/EC (OJ L 154, 14.6.2007).

⁽¹⁵³⁾ Decisions 2007/141/EC (OJ L 62, 1.3.2007), 2007/169/EC (OJ L 78, 17.3.2007), 2007/564/EC (OJ L 215, 18.8.2007) and 2007/706/EC (OJ L 287, 1.11.2007).

⁽¹⁵⁴⁾ Directive 2007/66/EC (OJ L 335, 20.12.2007).

⁽¹⁵⁵⁾ COM(2007) 766.

⁽¹⁵⁶⁾ COM(2007) 182 (OJ C 181, 3.8.2007).

⁽¹⁵⁷⁾ OJ C 305, 15.12.2007.

In an own-initiative opinion ⁽¹⁵⁸⁾ of 11 July, the European Economic and Social Committee analysed the links between innovation and industrial change and made recommendations on aspects of the innovative system which are conducive to making direct commercial use of research findings, and to strengthening and promoting the development of European industry and economic performance. It also welcomed the efforts of the European Investment Bank to boost innovation. On 12 July it adopted an opinion on investment in knowledge and innovation in line with the Lisbon strategy ⁽¹⁵⁹⁾.

On 11 September the Commission adopted a communication on public–private dialogue in security research and innovation ⁽¹⁶⁰⁾, which provides in particular for the establishment of a European Security Research and Innovation Forum ⁽¹⁶¹⁾.

Innovation

On 22 February the Commission published its sixth European innovation scoreboard (EIS), for 2006. The EIS was introduced under the Lisbon strategy to evaluate and compare the performance of the Member States, the USA and Japan. Two major strands emerge from the sixth EIS: first, the innovation gap between the European Union and the USA has narrowed for the fourth consecutive year, and second, national innovation performances are beginning to converge as the new Member States come closer to the Union’s average.

On 23 February the Commission also published a working paper ‘Guide on dealing with innovative solutions in public procurement: 10 elements of good practice’ ⁽¹⁶²⁾, which reviews possibilities for stimulating innovation through public procurement.

With a view to a public consultation, on 27 July the Commission published a working paper ‘Towards a European strategy in support of innovation in services: challenges and key issues for future actions’ ⁽¹⁶³⁾.

On 22 November the Council welcomed progress in implementing the innovation strategy adopted in December 2006.

Promoting entrepreneurship and SME policy

In an opinion ⁽¹⁶⁴⁾ of 14 February on the Commission communication on financing SME growth ⁽¹⁶⁵⁾, the Committee of the Regions drew attention to the key problem created by the withdrawal of large banks from local markets in rural and underpopulated or economically weak areas. It felt that a change of regulation in this field could have an important impact on the availability of funding to SMEs. Favouring a better environment for risk-capital investment, it recommended in particular that the Commission include regional best practices in its further discussions at European level.

For its part, the March European Council was in favour of reducing administrative burdens in order to boost Europe’s economy, especially through its impact on SMEs.

⁽¹⁵⁸⁾ OJ C 256, 27.10.2007.

⁽¹⁵⁹⁾ OJ C 256, 27.10.2007.

⁽¹⁶⁰⁾ COM(2007) 511 (OJ C 4, 9.1.2008).

⁽¹⁶¹⁾ See also ‘Research’ in Section 2 of this Chapter.

⁽¹⁶²⁾ SEC(2007) 280.

⁽¹⁶³⁾ SEC(2007) 1059.

⁽¹⁶⁴⁾ OJ C 146, 30.6.2007.

⁽¹⁶⁵⁾ COM(2006) 349.

In its third report published on 4 May on the financial instruments of the multiannual programme for enterprise and entrepreneurship ⁽¹⁶⁶⁾, the Commission concluded that the SME guarantee facility had been very well taken up by the market and that the loan guarantee and micro-credit windows had been successful, allowing the participating financial intermediaries to increase volumes and to take on more risk. It noted that the Community financial instruments in the competitiveness and innovation framework programme (CIP) would support both SMEs operating in traditional sectors and those investing in information and communication technologies (ICTs) and innovation, including eco-innovation. The CIP should therefore become one of the main Community measures contributing to competitiveness and the Lisbon strategy.

A call for proposals was issued by the Commission under the CIP with a view to replacing the existing Euro Info Centre and Innovation Relay Centre networks with a new single European support network for SMEs, which will provide integrated support to businesses to foster entrepreneurship and innovation. The single network will be operational from January 2008.

Management of the network project has been delegated to the Executive Agency for Competitiveness and Innovation (EACI). The Commission set up the EACI on 31 May after renaming, and extending the scope of, the Intelligent Energy Executive Agency, which was established in 2004. In addition to the network, the EACI manages the intelligent energy Europe programme under the CIP and the Marco Polo programme in the field of transport.

In accordance with the CIP's legal basis, participation is open to non-member countries. The year 2007 saw the completion of the negotiations and formalities on participation by the EEA/EFTA countries, Croatia, the former Yugoslav Republic of Macedonia and Israel in the specific programme for entrepreneurship and innovation under the CIP. Negotiations are under way with other States.

At its sitting of 24 May, the European Parliament stressed the need to improve access to financing for SMEs. It noted that the Commission's strategy as set out in its communication on a broad-based innovation strategy for the European Union ⁽¹⁶⁷⁾ emphasised the present venture-capital system, which in its view did not meet the funding needs of SMEs, small and micro-enterprises. It is in favour of a specific programme for developing innovation in SMEs, the provision of financial support to SMEs for their patent applications and greater use of public procurement to support innovation.

On 12 July the European Economic and Social Committee adopted an own-initiative opinion on business potential, especially of SMEs ⁽¹⁶⁸⁾. In particular it urged the Commission and the Council to make every effort to contribute to making the 'think small first' principle a guiding principle in all relevant legislation. It also called for the Commission to make an analysis of SME involvement in Community programmes.

On 4 October the Commission adopted a communication 'Small and medium-sized enterprises — Key for delivering more growth and jobs: a mid-term review of modern SME policy' ⁽¹⁶⁹⁾, which outlines progress since 2005 in SME policy and notes encouraging results in the mainstreaming of SMEs' interests in policymaking at both national and Community level.

⁽¹⁶⁶⁾ COM(2007) 235.

⁽¹⁶⁷⁾ COM(2006) 502.

⁽¹⁶⁸⁾ OJ C 256, 25.10.2007.

⁽¹⁶⁹⁾ COM(2007) 592 (OJ C 4, 9.1.2008).

In its communication of 5 October ‘Overcoming the stigma of business failure — For a second chance policy — Implementing the Lisbon partnership for growth and jobs’⁽¹⁷⁰⁾, the Commission stated that the high cost of bankruptcies could be reduced if businesses at risk were better assisted and, in the event of bankruptcy, a fresh start were facilitated. It stressed that developing a second-chance policy would be beneficial for Europe’s economy.

On 8 October the Commission adopted a communication ‘Small, clean and competitive: a programme to help small and medium-sized enterprises comply with environmental legislation’⁽¹⁷¹⁾. The programme to assist SMEs in complying with environmental legislation fulfils a commitment under the sixth Community environment action programme.

At its meeting on 22 November, the Council adopted conclusions on SME policy in connection with the integrated approach to competitiveness.

Industrial policy

In its conclusions of 22 May on industrial policy, the Council welcomed the progress made at Community level, and in particular the positive results of the sectoral initiatives concerning the automotive industry, biotechnology, ICT and shipbuilding. It considered, however, that the challenges of globalisation required further efforts while account needed to be taken of social and environmental goals and concerns about climate change. Reaffirming its support for the Commission’s integrated approach to industrial policy (see below), the Council called on the latter to implement the conclusions of the March European Council, bearing in mind the following factors that are important for the competitiveness of industry: the need for integration and complementarity in the environmental, energy and industrial policies; the ‘better regulation’ agenda; efforts to give fresh impetus to the internal market for goods; the negotiation of free-trade agreements, the completion of the Doha Round and the market access strategy; and the innovation strategy. On 22 November the Council also adopted conclusions on industrial policy under its integrated approach to competitiveness.

On 4 July the Commission presented the results of a mid-term review of industrial policy⁽¹⁷²⁾, for which it had done the groundwork in 2005 by laying out an integrated approach⁽¹⁷³⁾. Taking stock of progress made since, it felt there was no need for a fundamental change in the proactive, albeit not interventionist, policy thus set out. Nonetheless, it did consider that globalisation, technological and climate change all put competitive pressure on the Union’s economy to adjust. The Commission was accordingly considering new initiatives over the period 2007–09, such as support for sustainable policies in the field of energy and climate change, safeguarding access to raw materials, and measures to take account of the special situation of energy-intensive industries and to encourage innovation. It also identified those areas where efforts under way needed to be stepped up, including simplifying and improving the regulatory environment and the transition towards a low-carbon and energy-efficient economy.

Corporate social responsibility

Convinced that businesses’ growing social and environmental responsibility represented an essential element of the European social model and the European Union’s strategy for

⁽¹⁷⁰⁾ COM(2007) 584 (OJ C 4, 9.1.2008).

⁽¹⁷¹⁾ COM(2007) 379 (OJ C 4, 9.1.2008).

⁽¹⁷²⁾ COM(2007) 374 (OJ C 246, 20.10.2007).

⁽¹⁷³⁾ COM(2005) 474 (OJ C 49, 28.2.2006).

sustainable development, in a resolution of 13 March ⁽¹⁷⁴⁾ the European Parliament suggested establishing a European labelling standard for products complying with human rights and workers' fundamental rights on the model existing at European level for the environment and developing a professional framework, including specific qualifications in the field of social audit and certification. It called on the Commission to work towards drawing up a list of criteria for enterprises to respect if they claimed to be responsible, such as the obligation to disseminate good practice.

Tourism

On 19 October the Commission adopted a communication 'Agenda for a sustainable and competitive European tourism' ⁽¹⁷⁵⁾, which carries forward the new tourism policy for the Union ⁽¹⁷⁶⁾. All the actors concerned were encouraged to step up the contribution of sustainable practices promoting the competitiveness of Europe as one of the world's most popular tourist destinations. On 22 November the Council adopted conclusions on tourism policy.

Product policy

Automotive industry

On 7 February the Commission adopted a communication 'A competitive automotive regulatory framework for the 21st century' (CARS 21) ⁽¹⁷⁷⁾. The communication seeks to establish a regulatory framework for the sector that will safeguard the competitiveness of the automotive industry in Europe. In the wake of the recommendations in this communication, on 14 November the United Nations Economic Commission for Europe adopted regulations on electronic stability control and on daytime running lights.

On 7 February the Commission also adopted a communication 'Results of the review of the Community strategy to reduce CO₂ emissions from passenger cars and light-commercial vehicles' ⁽¹⁷⁸⁾. On 19 December the Commission adopted a proposal for a regulation ⁽¹⁷⁹⁾ based on that communication. The proposed legislation sets emission standards for new cars as part of the Community's integrated approach to lowering carbon dioxide emissions.

On 5 September the European Parliament and the Council adopted Directive 2007/46/EC ⁽¹⁸⁰⁾ to establish a new framework for the approval of motor vehicles and their trailers, and of systems, components and separate technical units intended for such vehicles. Henceforward, European Union legislation on the approval of vehicles and their components will seek to ensure that new vehicles and vehicle parts and equipment placed on the market provide a high level of safety and environmental protection.

To reduce the number of fatal accidents on European roads, on 3 October the Commission adopted a proposal for a regulation on the protection of pedestrians and other vulnerable road users ⁽¹⁸¹⁾. The proposal will allow the requirements under the existing legislation to apply

⁽¹⁷⁴⁾ OJ C 301 E, 13.12.2007.

⁽¹⁷⁵⁾ COM(2007) 621 (OJ C 4, 9.1.2008).

⁽¹⁷⁶⁾ COM(2006) 134 (OJ C 130, 3.6.2006).

⁽¹⁷⁷⁾ COM(2007) 22 (OJ C 138, 22.6.2007).

⁽¹⁷⁸⁾ COM(2007) 19 (OJ C 138, 22.6.2007).

⁽¹⁷⁹⁾ COM(2007) 856.

⁽¹⁸⁰⁾ OJ L 263, 9.10.2007.

⁽¹⁸¹⁾ COM(2007) 560 (OJ C 4, 9.1.2008).

while introducing a requirement for an active safety system. This combined approach will improve safety for pedestrians and will allow the brake-assist system to be used for cars from 2009.

On 10 October the Commission put forward a proposal for a regulation ⁽¹⁸²⁾ to simplify the type-approval of hydrogen-powered motor vehicles so they are seen more often on Europe's roads. The proposed regulation seeks to approximate safety requirements across the Member States in order to strengthen the single market as far as such vehicles are concerned.

On 21 December the Commission adopted a proposal for a regulation ⁽¹⁸³⁾ on type-approval of motor vehicles and engines with respect to emissions from heavy-duty vehicles. The proposed regulation seeks to protect the environment from pollutant emissions from such vehicles.

Dangerous products

On 25 September the European Parliament and the Council adopted Directive 2007/51/EC ⁽¹⁸⁴⁾ amending Directive 76/769/EEC relating to restrictions on the marketing of certain measuring devices containing mercury.

Units of measurement

On 10 September the Commission adopted a proposal for a directive on the approximation of the laws of the Member States relating to units of measurement ⁽¹⁸⁵⁾.

Medical devices

By adopting Directive 2007/47/EC ⁽¹⁸⁶⁾ on 5 September, the European Parliament and the Council expanded the legal framework of Directive 90/385/EEC on the approximation of the laws of the Member States relating to active implantable medical devices and amended Directive 93/42/EEC concerning medical devices and Directive 98/8/EC concerning the placing of biocidal products on the market.

Space policy

On 26 April the Commission adopted a communication on European space policy ⁽¹⁸⁷⁾. The strategic mission of the policy, which is based on the peaceful exploitation of outer space by all Member States and the European Space Agency, will be: to develop and exploit space applications serving Europe's public-policy objectives (with, first and foremost, Galileo for positioning services, and the GMES (global monitoring for environment and security) joint initiative for Earth observation); to meet Europe's security and defence needs; to ensure a strong and competitive space industry; to contribute to the knowledge-based society by investing strongly in space-based science; and to secure unrestricted access to new and critical technologies, systems and capabilities in order to ensure independent European space applications.

<T3>2.2.3. Competitiveness in the key sectors

⁽¹⁸²⁾ COM(2007) 593 (OJ C 4, 9.1.2008).

⁽¹⁸³⁾ COM(2007) 851.

⁽¹⁸⁴⁾ OJ L 257, 3.10.2007.

⁽¹⁸⁵⁾ COM(2007) 510 (OJ C 4, 9.1.2008).

⁽¹⁸⁶⁾ OJ L 247, 21.9.2007.

⁽¹⁸⁷⁾ COM(2007) 212 (OJ C 181, 3.8.2007).

Defence sector

As part of the defence package, on 5 December the Commission adopted a communication ‘A strategy for a stronger and more competitive European defence industry’⁽¹⁸⁸⁾. The communication sets out various recommendations to increase the sector’s competitiveness.

<T3>2.2.4. Research

European research area: new perspectives

In a Green Paper of 4 April ‘The European research area: new perspectives’⁽¹⁸⁹⁾, the Commission raised a number of questions on how to deepen and widen the European research area so that it fully contributes to the renewed Lisbon agenda. The European research area needed by the scientific community, businesses and citizens should have: an adequate flow of competent researchers, world-class research infrastructures, excellent research institutions, effective knowledge-sharing and well-coordinated research programmes and priorities. It must also be open to the world.

Implementation of the European research area

The seventh framework programme of the European Community for research, technological development and demonstration activities and the seventh framework programme of the European Atomic Energy Community (Euratom) (together: seventh framework programme), which have a budget of EUR 53.2 billion, are the European Union’s main instrument for European-level research funding.

The seventh framework programme of the European Community came into force on 1 January 2007 and will end on 31 December 2013. It centres on four specific programmes which correspond to the four main objectives of European research policy:

- ‘cooperation’: promoting cooperation between industry and universities to achieve greater leadership in key technological areas;
- ‘ideas’: supporting basic research at the frontiers of science — programme implemented by the European Research Council (ERC);
- ‘people’: facilitating the mobility and career development of researchers in Europe and throughout the world;
- ‘capacities’: helping to develop the capacities Europe needs to become a prosperous knowledge-based economy.

In addition, a specific programme deals with the Joint Research Centre’s non-nuclear activities.

The seventh Euratom framework programme came into force on 1 January 2007 and will end on 31 December 2011. It covers research activities on fusion energy, nuclear fission and radiation protection, the details of which are set out in a specific programme. In 2007 Estonia, Cyprus and Malta became members of the European Fusion Development Agreement, and are

⁽¹⁸⁸⁾ COM(2007) 764.

⁽¹⁸⁹⁾ COM(2007) 161 (OJ C 181, 3.8.2007).

now invited to create transnational research units with other Euratom associations. Estonia has already created a research unit with Euratom's Finnish association. A further specific programme deals with the Joint Research Centre's nuclear activities.

During the first year of the seventh framework programme, the Commission adopted work programmes for the implementation of these specific programmes with a budget of about EUR 7 billion for 2007. It also adopted rules for the submission of proposals and the evaluation, selection and award procedures for the indirect actions under the two framework programmes.

The specific programme on cooperation for the first time provides for the setting-up of public-private partnerships through joint technology initiatives (JTIs) to stimulate research in six areas. With this in mind, in 2007 the Commission adopted five proposals for regulations on the establishment of joint undertakings in specific areas (which are crucial for competitiveness in the motor-vehicle, aerospace, multimedia, telecommunications, medical systems and transport industries, and for the environment and industrial processing, especially in the field of information and communication technologies):

- on 10 May for innovative medicines ⁽¹⁹⁰⁾;
- on 15 May for embedded computing systems ('Artemis') ⁽¹⁹¹⁾;
- on 13 June for green air-transport technologies ('Clean sky') ⁽¹⁹²⁾;
- on 22 June for nanoelectronics ⁽¹⁹³⁾;
- on 9 October for fuel cells and hydrogen ⁽¹⁹⁴⁾ to accelerate the development of hydrogen technologies up to the stage of their commercial launch between 2010 and 2020.

A sixth JTI for the GMES (global monitoring for environment and security) joint initiative is also planned (see also 'Space policy' above).

The 'Ideas' specific programme provides for the setting-up of an agency in Europe, the European Research Council, which will offer a competitive funding mechanism at European level for exploratory research by individual teams: the ERC is one of the major innovations of the seventh framework programme.

Against this background, on 2 February the Commission adopted a decision ⁽¹⁹⁵⁾ defining the ERC's structure, which comprises the Scientific Council, the ERC Secretary-General and the dedicated implementation structure. This structure is due to be transferred by the Commission to an executive agency ⁽¹⁹⁶⁾.

Along with the launching of the seventh framework programme, on 9 July the Commission adopted a proposal for a decision to revise the multiannual technical guidelines for the

⁽¹⁹⁰⁾ COM(2007) 241 (OJ C 181, 3.8.2007).

⁽¹⁹¹⁾ COM(2007) 243 (OJ C 181, 3.8.2007).

⁽¹⁹²⁾ COM(2007) 315 (OJ C 191, 17.8.2007).

⁽¹⁹³⁾ COM(2007) 356 (OJ C 246, 20.10.2007).

⁽¹⁹⁴⁾ COM(2007) 571.

⁽¹⁹⁵⁾ Decision 2007/134/EC (OJ L 57, 24.2.2007).

⁽¹⁹⁶⁾ Regulation (EC) No 58/2003 (OJ L 11, 16.1.2003).

research programme of the Research Fund for Coal and Steel ⁽¹⁹⁷⁾. The new guidelines ensure the continuity of the initial rules and adapt these rules to take account of the experience gained during the first few years of implementation of this research programme, which was launched in 2003.

On 16 August the Commission adopted a communication ‘Competitive European regions through research and innovation: a contribution to more growth and more and better jobs’ ⁽¹⁹⁸⁾. It describes the synergies of design of the European research, innovation and cohesion policies, takes stock of the current situation and calls on Member States and regions to make more effective use of European Union research, innovation and cohesion policies and instruments. The Commission stresses in particular that greater efforts could be made at the national and regional level to improve information about the instruments available and their use.

Similarly, on 6 September the Commission adopted a communication ‘Nanosciences and nanotechnologies: an action plan for Europe 2005–09 — First implementation report 2005–07’ ⁽¹⁹⁹⁾, and on 13 September the annual report on research and technological development activities of the European Union in 2006 ⁽²⁰⁰⁾.

On 11 September the European Security Research and Information Forum was set up with the aim of developing a strategic security research and innovation plan involving European stakeholders and setting out European research needs and priorities in this area. In a communication published the same day, the Commission undertook to create mutual trust and pave the way for closer integration of security-related Community initiatives and between public and private bodies and research bodies ⁽²⁰¹⁾.

As part of the implementation of the seventh framework programme and the Community’s participation in R & D programmes undertaken by several Member States (Article 169 of the EC Treaty), on 14 June the Commission adopted a proposal for improving the quality of life of the elderly using new information and communication technologies (see ‘Promotion of information and communication technologies (ICT)’ below) and on 12 September a proposal to support SMEs which perform research and development ⁽²⁰²⁾.

In an opinion ⁽²⁰³⁾ of 26 September, the European Economic and Social Committee expressed the view that the European Union’s economic commitment should be stepped up to improve the results of and investment in research and development, which should also take account of the Union’s new objectives with regard to carbon dioxide emissions.

International developments

On 30 January an agreement was concluded with Japan for the joint implementation of broader approach activities in the field of fusion energy research.

With a view to associating South Korea with the European Community in the field of research, technological development and demonstration activities, a scientific and

⁽¹⁹⁷⁾ COM(2007) 393 (OJ C 191, 17.8.2007).

⁽¹⁹⁸⁾ COM(2007) 474.

⁽¹⁹⁹⁾ COM(2007) 505 (OJ C 4, 9.1.2008).

⁽²⁰⁰⁾ COM(2007) 519 (OJ C 4, 9.1.2008).

⁽²⁰¹⁾ COM(2007) 511 (OJ C 4, 9.1.2008).

⁽²⁰²⁾ COM(2007) 514 (OJ C 4, 9.1.2008).

⁽²⁰³⁾ OJ C 10, 15.1.2008.

technological cooperation agreement was signed with that country on 27 March ⁽²⁰⁴⁾. Similar agreements were signed with Switzerland ⁽²⁰⁵⁾ on 25 June, and Israel ⁽²⁰⁶⁾ on 10 July. The scientific and technological cooperation agreement with India ⁽²⁰⁷⁾ was renewed in November.

Following the signing of memoranda of understanding with the Commission on 13 June, Croatia, the former Yugoslav Republic of Macedonia and Serbia ⁽²⁰⁸⁾ are now eligible to participate in the seventh framework programme on the same terms as the Member States. The Commission signed a similar agreement with Turkey on 1 June.

The ‘associated countries’ can now participate in all calls for proposals under the seventh framework programme, including those launched since the beginning of the year. The agreement offers these countries’ researchers the same rights as Member States’ researchers to participate in all research activities under the programme.

International thermonuclear experimental reactor

For the International Thermonuclear Experimental Reactor (ITER) project, 2007 was an important year. Following its application on a temporary basis at the end of 2006, the ITER agreement came into force on 24 October, and the first ITER Council meeting was held in November.

On 27 March the Council adopted a decision ⁽²⁰⁹⁾ establishing a joint European undertaking for ITER and the development of fusion energy. It will manage the contribution of the European Atomic Energy Community to the ITER International Fusion Energy Organisation.

The joint undertaking has been established for 35 years and will be based in Barcelona. Its role will be extended to include the broader approach activities with Japan for the rapid realisation of fusion energy. Over the longer term, the joint undertaking will progressively implement a programme of activities aimed at the construction of a demonstration fusion reactor and related facilities, including the International Fusion Materials Irradiation Facility. The indicative total resources deemed necessary for the joint undertaking amount to EUR 9.653 billion (including EUR 1.717 billion for 2007–11).

Joint Research Centre

The Joint Research Centre (JRC) celebrated its 50th anniversary in 2007, the year that the seventh framework programme, including the specific programmes of the JRC, was launched.

As part of its role of providing technical and scientific support for Community policies, the JRC contributed to the setting-up, on 15 March, of three new Community reference laboratories, which will support the national authorities in their work to prevent the contamination of food and animal feed by dangerous substances.

In connection with the fate of pollutants in terrestrial and aquatic ecosystems initiative (FATE), it prepared a new atlas to study the effect of nutrients, in particular agro-chemical nutrients, on the environment.

⁽²⁰⁴⁾ Decision 2007/241/EC (OJ L 106, 24.4.2007).

⁽²⁰⁵⁾ Decision 2007/502/EC (OJ L 189, 20.7.2007).

⁽²⁰⁶⁾ Decision 2007/585/EC (OJ L 220, 25.8.2007).

⁽²⁰⁷⁾ COM(2007) 576 (OJ C 4, 9.1.2008).

⁽²⁰⁸⁾ Including Kosovo as defined by UN Security Council Resolution 1244 of 10 June 1999.

⁽²⁰⁹⁾ Decision 2007/198/Euratom (OJ L 90, 30.3.2007).

The JRC also presented the ‘Bio4EU’ study, which is assessing the impact of biotechnology on European industries, and launched the free application software Iuclid 5, which is essential for the chemical industry to meet the requirements of the new REACH legislation (registration, evaluation, authorisation and restriction of chemicals).

The JRC has also developed a medical intelligence system ‘MediSys’, to identify public health threats by gathering and processing information published on the Internet.

The JRC also contributed towards monitoring the forest fires which occurred during the summer by providing satellite imaging and information generated by the European forest fire information system.

The JRC carried out several studies in support of the European Union’s energy policies. In particular, it drew up a report which takes stock of the research capabilities of the Member States, and describes the technical measures which could be taken to reverse the present trend.

In the field of nuclear safeguards, the JRC provided national authorities, especially those in Belgium and Germany, with expertise on combating and tracing illicit nuclear materials.

<T3>2.2.5. Information society and media

General aspects — Coordination of the i2010 strategic initiative

On 30 March the Commission adopted the 2007 annual information society report ⁽²¹⁰⁾, in which it considers that the record for 2006 is generally positive. The main indicators are moving in the right direction, and information and communication technologies (ICTs) are still a major factor in driving growth and innovation. On the policy side, the European Union’s initiatives announced in June 2005 in the i2010 communication ⁽²¹¹⁾ are well on track. The Commission proposed that the mid-term review of the initiative in 2008 should address three issues: networks and the Internet, the role of users and their protection, including in terms of innovation, and strengthening the single market in ICT-related products and services.

Electronic communications policy and network security

On 1 June the Commission adopted a communication ⁽²¹²⁾ setting out the findings and recommendations of an independent group of experts who evaluated the European Network and Information Security Agency (ENISA). In the communication the Commission also announced the launching of a public consultation and an impact assessment, including an analysis of the cost/benefit of extending the Agency and its future.

On 20 December the Commission proposed ⁽²¹³⁾ amending the regulation establishing ENISA ⁽²¹⁴⁾. The proposal involved extending the Agency’s mandate for two years.

Legal framework

⁽²¹⁰⁾ COM(2007) 146 (OJ C 181, 3.8.2007).

⁽²¹¹⁾ COM(2005) 229 (OJ C 236, 24.9.2005).

⁽²¹²⁾ COM(2007) 285 (OJ C 191, 17.8.2007).

⁽²¹³⁾ COM(2007) 861.

⁽²¹⁴⁾ Regulation (EC) No 460/2004 (OJ L 77, 13.3.2004).

In its 12th report on European electronic communications regulation and markets in 2006 ⁽²¹⁵⁾, presented on 29 March, the Commission focused on major developments on the electronic communications markets and the main regulatory issues.

On 27 June the European Parliament and the Council signed Regulation (EC) No 717/2007 ⁽²¹⁶⁾ on roaming on public mobile telephone networks within the Community and amending Directive 2002/21/EC ⁽²¹⁷⁾. Under the regulation, charges for calls made within the European Union will be limited to 49 cents and those for calls received to 24 cents during the first year. These charges will fall to 46 cents and 22 cents respectively during the second year, and to 43 cents and 19 cents during the third year. The wholesale charge limits will be 30, 28 and 26 cents respectively.

On 11 July the Commission adopted its second report on market reviews under the European Union's regulatory framework ⁽²¹⁸⁾. It assesses the first three years of operation of the Community consultation mechanism for electronic communications and the experience gained so far from its application. Generally, this mechanism, which was introduced in preference to imposing regulatory measures, has made market analyses more consistent. However, the Commission believes there are still obstacles to the potential of the single market being fully exploited.

On 18 July the Commission adopted a communication 'Strengthening the internal market for mobile TV' ⁽²¹⁹⁾, the main objective of which is to promote the emerging mobile television market in the European Union. It identifies the three major areas for action considered essential for this purpose: technology and standards, authorisation regimes and spectrum.

On 22 August the Commission adopted a proposal for a decision on the selection and authorisation of systems providing mobile satellite services ⁽²²⁰⁾. The proposal aims to facilitate the development of a competitive single market for mobile satellite services in the Community. These systems will provide innovative services ranging from high-speed Internet access to mobile television, public protection and disaster relief.

On 13 November the Commission adopted a set of legislative proposals ⁽²²¹⁾ aimed at reforming the Community rules in the telecommunications sector. This reform should enable people throughout the European Union to benefit from better-quality communications services at lower prices. The reform provides for the setting-up of a European Electronic Communications Market Agency to help the Commission and the national regulatory authorities to ensure that market rules and consumer protection are applied uniformly and more consistently in the 27 Member States.

The reform proposal package also contains a new recommendation ⁽²²²⁾ on markets which should be subject to sectoral regulation. In view of the progress on competition and consumer choice made in recent years in most Member States, the Commission has concluded that in principle 10 of the 18 markets initially identified can be taken off the list.

⁽²¹⁵⁾ COM(2007) 155 (OJ C 191, 17.8.2007).

⁽²¹⁶⁾ OJ L 171, 29.6.2007.

⁽²¹⁷⁾ OJ L 108, 24.4.2002.

⁽²¹⁸⁾ COM(2007) 401 (OJ C 246, 20.10.2007).

⁽²¹⁹⁾ COM(2007) 409 (OJ C 246, 20.10.2007).

⁽²²⁰⁾ COM(2007) 480 (OJ C 246, 20.10.2007).

⁽²²¹⁾ COM(2007) 697, COM(2007) 698 and COM(2007) 699.

⁽²²²⁾ COM(2007) 696.

Radio spectrum policy

On 8 February the Commission adopted a communication ‘Rapid access to spectrum for wireless electronic communications services through more flexibility’⁽²²³⁾. It proposes defining the practical measures to be taken by 2010 to pave the way towards more flexible spectrum management. It also calls for agreement on a Community-wide set of proportionate rights and authorisation conditions which should apply in the selected spectrum bands.

In February the Commission also adopted two decisions on the harmonised use of radio spectrum in the 2 GHz frequency bands for the implementation of systems providing mobile satellite services⁽²²⁴⁾, and for equipment using ultra-wideband technology⁽²²⁵⁾. Similarly, on 16 May it adopted a decision on the harmonised availability of information regarding spectrum use within the Community⁽²²⁶⁾.

On 2 July the Commission adopted a communication⁽²²⁷⁾ informing the European Parliament and the Council about Community policies which could be affected by the conclusions of the World Radiocommunication Conference 2007. At its meeting on 1 and 2 October the Council adopted conclusions on this conference.

On 25 July the Commission adopted a proposal⁽²²⁸⁾ to repeal the directive in force on the frequency bands reserved for GSM electronic communication services in order to allow these frequency bands to be used by systems capable of providing electronic communication services other than GSM.

On 13 November the Commission adopted a communication ‘Reaping the full benefits of the digital dividend in Europe: a common approach to the use of the spectrum released by the digital switchover’⁽²²⁹⁾. The Commission proposed a common plan for the use of the radio frequencies released by the switch from analogue to digital television, thereby allowing for the development of new services such as wireless broadband.

Promotion of information and communication technologies (ICTs)

On 29 January the Commission adopted a communication on the implementation of the multiannual Community programme to make digital content in Europe more accessible, usable and exploitable (the ‘eContentplus’ programme)⁽²³⁰⁾. In it the Commission stated that the programme contributed to the objectives of the i2010 initiative, and especially the emergence of affordable and secure ‘high bandwidth communications, rich and diverse content and digital services’.

On 14 February the Commission adopted a communication on scientific information in the digital age (access, dissemination and preservation)⁽²³¹⁾. The communication comes from two policy strands: the digital libraries initiative and the Community research policy. It covers access to and the dissemination of scientific information, and the preservation of digital material.

⁽²²³⁾ COM(2007) 50 (OJ C 138, 22.6.2007).

⁽²²⁴⁾ Decision 2007/98/EC (OJ L 43, 15.2.2007).

⁽²²⁵⁾ Decision 2007/131/EC (OJ L 55, 23.2.2007).

⁽²²⁶⁾ Decision 2007/344/EC (OJ L 129, 17.5.2007).

⁽²²⁷⁾ COM(2007) 371 (OJ C 191, 17.8.2007).

⁽²²⁸⁾ COM(2007) 367 (OJ C 191, 17.8.2007).

⁽²²⁹⁾ COM(2007) 700.

⁽²³⁰⁾ COM(2007) 28 (OJ C 181, 3.8.2007).

⁽²³¹⁾ COM(2007) 56 (OJ C 181, 3.8.2007).

On 15 March the Commission adopted a communication ‘Radio-frequency identification (RFID) in Europe: steps towards a policy framework’⁽²³²⁾. RFID is a radio-frequency identification system that uses a micro-chip and radio waves to enable objects, animals or persons bearing a data-emitting tag to be recognised or identified from a greater or lesser distance and in the shortest possible time. RFIDs are today seen as the likely gateway to a new phase of development of the information society, often referred to as the ‘Internet of things’. The Commission announced its intention to monitor developments in this field closely and, by the end of 2008, to publish a communication analysing these developments and their effects.

On 14 June the Commission adopted a communication ‘Ageing well in the information society: an i2010 initiative — Action plan on information and communication technologies and ageing’⁽²³³⁾. In it the Commission addresses the market barriers for ICT services and tools. It seeks to make use of opportunities, particularly for older people, by raising awareness, building common strategies, removing technical and regulatory hurdles, and promoting ICT take-up, joint research and innovation. On the same day the Commission adopted a proposal for a decision on the Community’s participation in an R & D programme to enhance the quality of life of older people through the use of new ICTs, to be undertaken by several Member States⁽²³⁴⁾. This proposal is an essential part of the Commission’s action to respond to the demographic challenge faced by all European Union countries.

On 6 July the Commission adopted a report on the implementation and effectiveness of the ‘.eu’ top-level domain⁽²³⁵⁾. In it the Commission stresses the great popularity of the domain, which has resulted in far more registrations than expected. The report states that the start-up phase of the ‘.eu’ domain was managed efficiently overall by the registry and that the legal framework set up to prevent abuse of the system also performed well.

On 7 September the Commission presented a communication ‘E-skills for the 21st century: fostering competitiveness, growth and jobs’⁽²³⁶⁾. This long-term agenda includes key components that may serve as a basis for the development and implementation of consistent strategies and measures for e-skills, which are crucial for promoting innovation, productivity and employability and meeting the challenges of globalisation.

From 18 June to 1 October the Commission conducted an online public consultation to prepare the European Union’s strategy on ICTs.

On 8 November the Commission adopted a communication ‘To be part of the information society’⁽²³⁷⁾ relating to the European i2010 initiative on e-inclusion. It proposes a European initiative on the subject and a strategic action framework to implement the 2006 Riga ministerial declaration on inclusion in the information society. In particular, the Commission will work towards raising awareness and combining efforts in 2008 through an e-inclusion campaign known as ‘e-Inclusion, be part of it!’ and will help to ensure a horizontal legislative approach to create an accessible information society in order to guarantee equal rights and the effectiveness of the single market.

⁽²³²⁾ COM(2007) 96 (OJ C 181, 3.8.2007).

⁽²³³⁾ COM(2007) 332 (OJ C 191, 17.8.2007).

⁽²³⁴⁾ COM(2007) 329 (OJ C 191, 17.8.2007).

⁽²³⁵⁾ COM(2007) 385 (OJ C 191, 17.8.2007).

⁽²³⁶⁾ COM(2007) 496 (OJ C 4, 9.1.2008).

⁽²³⁷⁾ COM(2007) 694.

Audiovisual and media policy

On 11 December the European Parliament and the Council signed a directive⁽²³⁸⁾ to update the rules in the audiovisual services sector. It provides a legal framework that covers all audiovisual media services, less detailed and more flexible regulation and modernised rules on TV advertising to improve the funding of audiovisual content.

On 20 December the Commission adopted a communication ‘A European approach to media literacy in the digital environment’⁽²³⁹⁾ in response to calls from Parliament. It supplements the European Union’s audiovisual policy. It is linked to the audiovisual media services directive and the MEDIA 2007 programme. The Commission wishes to promote the development and exchange of good practices in media literacy in the digital environment through existing programmes and initiatives. It will also encourage research into criteria for assessing media literacy.

Research and development of information society technologies

On 17 September the Commission presented a communication ‘Towards Europe-wide safer, cleaner and efficient mobility: the first intelligent car report’⁽²⁴⁰⁾, which focuses on road vehicles and infrastructures and builds on advanced information and communication technologies to address the safety and environmental challenges arising from increased road use.

On 11 December the Commission adopted a communication ‘Pre-commercial procurement: driving innovation to ensure sustainable high-quality public services in Europe’⁽²⁴¹⁾. It seeks to raise awareness about the opportunities available to the European public sector for the procurement of R & D services as a way of obtaining products and services that ultimately meet its needs better, and of boosting innovation.

<T3>2.2.6. Education and training

Background

In connection with the relaunch of the Lisbon strategy, the 2005 spring European Council deemed human capital to be Europe’s greatest asset. It therefore called on the Member States to step up their efforts to raise the general standard of education and reduce the number of early school-leavers, in particular by continuing with the education and training 2010 work programme designed to dovetail with the Lisbon strategy. The European Council also stressed that lifelong learning is a sine qua non for achieving the Lisbon objectives. For its part, the Commission paid particular attention to the modernisation of education and training systems, especially at European universities.

In 2006 the Council stressed the dual socioeconomic role of education and training, and the need for greater effort with regard to reform in two areas: targeted investment and improved governance.

Education and training 2010 work programme

⁽²³⁸⁾ Directive 2007/65/EC (OJ L 332, 18.12.2007).

⁽²³⁹⁾ COM(2007) 833.

⁽²⁴⁰⁾ COM(2007) 541 (OJ C 4, 9.1.2008).

⁽²⁴¹⁾ COM(2007) 799.

On 21 February the Commission adopted a communication ⁽²⁴²⁾ on a framework of indicators for monitoring progress towards the Lisbon objectives in education and training in conjunction with the more detailed objectives of the education and training 2010 programme ⁽²⁴³⁾. Eight main areas of intervention make up this general assessment framework, this in turn being supported where necessary by a more concentrated set of 20 core indicators and indicator areas as well as other European benchmarks, such as the proportion of early school-leavers and the average level of participation in lifelong learning.

In May in its conclusions on ‘a coherent framework of indicators and benchmarks for monitoring progress towards the Lisbon objectives in education and training’, the Council recognised the importance of the continuous and concerted efforts of the Member States and of the Commission to develop such a framework. It called on them to maintain their close cooperation.

On 3 August the Commission presented a communication ‘Improving the quality of teacher education’ ⁽²⁴⁴⁾. In appraising the current situation, it wished to encourage and support the national reforms envisaged by the Member States to adapt their education and teacher-training systems to the changes in the labour market and society in general. To this end it offered the Member States a set of guidelines which can provide a common framework for the development of their policies and practices.

On 12 July the Commission also launched a public consultation, open until 15 December, on the development and modernisation of school education in the Member States.

On 27 September the Commission adopted an ‘Action plan on adult learning — It is always a good time to learn’ ⁽²⁴⁵⁾. A working group was set up at the end of 2007 to help the Commission and the Member States to delineate measures and projects under this action plan and see to its further implementation.

In its 12 November report ‘Delivering lifelong learning for knowledge, creativity and innovation’ ⁽²⁴⁶⁾ on the implementation of the education and training 2010 work programme, the Commission took stock of progress in modernising the education and training systems in Europe and also highlighted their development prospects with a view to contributing to implementation of the new integrated guidelines for growth and jobs.

In its resolutions of 15 November ‘Education and training as a key driver of the Lisbon strategy’ and ‘New skills for new jobs’, the Council stressed the importance of the contribution made by education and training to attaining the Lisbon goals, and in particular the links with other policy areas such as employment, social affairs, innovation, enterprise and research.

Lifelong learning programme

The year 2007 was the first year of implementation of the lifelong learning programme 2007–13 ⁽²⁴⁷⁾. Through this the Commission provided subsidies for projects in the fields of school (Comenius), university (Erasmus), vocational (Leonardo da Vinci) and adult (Grundtvig)

⁽²⁴²⁾ COM(2007) 61 (OJ C 138, 22.6.2007).

⁽²⁴³⁾ COM(2003) 685 (OJ C 96, 21.4.2004).

⁽²⁴⁴⁾ COM(2007) 392 (OJ C 246, 20.10.2007).

⁽²⁴⁵⁾ COM(2007) 558 (OJ C 4, 9.1.2008).

⁽²⁴⁶⁾ COM(2007) 703.

⁽²⁴⁷⁾ Decision 1720/2006/EC (OJ L 327, 24.11.2006).

education. It also supported crosscutting measures on political cooperation, languages, information and communication technologies and the exploitation and dissemination of results. In addition the Commission published the political priorities for the programme for 2008–10 ⁽²⁴⁸⁾.

European Institute of Innovation and Technology

In 2007 the Commission continued negotiations with the European Parliament and the Council on its proposal for a regulation establishing the European Institute of Technology ⁽²⁴⁹⁾, which aims to strengthen the innovative capacity of the Community and the Member States by involving the best actors in the knowledge triangle (research teams, enterprises and public authorities). This communication engendered favourable opinions from the Committee of the Regions ⁽²⁵⁰⁾ and the European Economic and Social Committee ⁽²⁵¹⁾. On 25 June the Council, for its part, adopted a general approach on the Institute. Parliament, in turn, expressed the wish, in a resolution of 26 September, that the Institute's name should include the word 'innovation' and that it should not be set up until after the successful completion of an initial feasibility and testing phase. Discussions on the point concerning the Institute resulted in a political agreement in the Council on 23 November.

Multilingualism

On 13 April the Commission adopted a communication 'Framework for the European survey on language competences' ⁽²⁵²⁾. This survey will provide knowledge about the multilingual capacities of young people, on where good practice and performance can be found, and on progress towards the objective of improving foreign-language learning.

On 25 September the Commission adopted a report on the implementation of the 'Promoting language learning and language diversity' action plan ⁽²⁵³⁾. The report concluded that the Member States have made efforts towards a considerable number of goals set out in the action plan and that emphasis must now be put on adult language learning, widening the range of stakeholders to include the business sector, continuous vocational training, and informal language learning through the media and cultural activities.

International cooperation

The Tempus III programme for the modernisation of the higher-education systems and institutions of countries neighbouring the European Union having entered its final phase in 2007, the Commission has prepared the new phase of the programme (Tempus IV). The results of assessments and consultations of its principal beneficiaries have enabled some improvements to this new phase.

In April a joint declaration on the strengthening of cooperation between the European Union and Australia was signed. It envisages the organisation of joint consortia projects and an action-oriented political dialogue on issues such as the Bologna process, quality assurance, the setting of benchmarks and reference points, efficiency and fairness, and qualifications frameworks.

⁽²⁴⁸⁾ <HYP>http://ec.europa.eu/education/programmes/llp/call08/prior_en.pdf</HYP>

⁽²⁴⁹⁾ COM(2006) 604 (OJ C 332, 30.12.2006).

⁽²⁵⁰⁾ OJ C 146, 30.6.2007.

⁽²⁵¹⁾ OJ C 161, 13.7.2007.

⁽²⁵²⁾ COM(2007) 184 (OJ C 181, 3.8.2007).

⁽²⁵³⁾ COM(2007) 554.

On 12 July the Commission adopted a proposal for a decision renewing the Erasmus Mundus programme for 2009–13 ⁽²⁵⁴⁾, with a budget slightly in excess of EUR 950 million. Launched in 2004, Erasmus Mundus is a key external policy project of the Commission in the field of higher education: more than 4 000 students from 100 non-member countries have benefited under the programme, as well as some 270 European and 100 non-European universities. This second programme was established on the basis of the report ⁽²⁵⁵⁾ on the interim evaluation of the Erasmus Mundus programme for 2004–08, and is divided into three parts, covering joint programmes, partnerships with non-member countries' higher education institutions, and enhancing the attractiveness of European higher education.

In the interest of taking account of developments in the European Union's policy outlook in both the education and training and the external relations fields, on 25 July the Commission proposed ⁽²⁵⁶⁾ a recasting of the European Training Foundation's founding regulation ⁽²⁵⁷⁾.

The date 14 September saw the launching of the cooperation projects with the United States under the Atlantis agreement. Their objective is to encourage transatlantic academic cooperation through innovative student exchanges leading to double degrees, the drafting of joint programmes and policy studies.

<T3>2.2.7. Transport

On 23 October the European Parliament and the Council signed the public-service obligation regulation on public passenger transport services by rail and by road ⁽²⁵⁸⁾.

On 18 October the Commission adopted the 'goods transport in Europe' package. It comprises two communications, 'The EU's freight transport agenda: boosting the efficiency, integration and sustainability of freight transport in Europe' ⁽²⁵⁹⁾, and 'Freight transport logistics action plan' ⁽²⁶⁰⁾, as well as communications concerning rail transport and maritime transport (see below).

Rail transport

On 23 October the European Parliament and the Council adopted the third package of railway measures, which aims to make rail transport more competitive and more attractive. This rail transport package comprises:

- a regulation ⁽²⁶¹⁾ on the rights and obligations of rail passengers, which is intended to enhance and improve these passengers' rights. It covers all journeys and rail services provided throughout the Community by one or more railway undertakings;
- a directive ⁽²⁶²⁾ amending Directive 91/440/EEC on the development of the Community's railways. This directive provides for the opening-up to competition of the international rail passenger transport services market in 2010 and includes the right for international trains

⁽²⁵⁴⁾ COM(2007) 395 (OJ C 191, 17.8.2007).

⁽²⁵⁵⁾ COM(2007) 375 (OJ C 191, 17.8.2007).

⁽²⁵⁶⁾ COM(2007) 443.

⁽²⁵⁷⁾ Regulation (EEC) No 1360/90 (OJ L 131, 23.5.1990).

⁽²⁵⁸⁾ Regulation (EC) No 1370/2007 (OJ L 315, 3.12.2007).

⁽²⁵⁹⁾ COM(2007) 606.

⁽²⁶⁰⁾ COM(2007) 607.

⁽²⁶¹⁾ Regulation (EC) No 1371/2007 (OJ L 315, 3.12.2007).

⁽²⁶²⁾ Directive 2007/58/EC (OJ L 315, 3.12.2007).

to provide cabotage services, i.e. to take up and set down passengers at stations in the same Member State;

- a directive ⁽²⁶³⁾ on the certification of train drivers operating locomotives and trains on the railway system in the Community.

On 18 October the Commission adopted a communication on monitoring development of the rail market ⁽²⁶⁴⁾. The communication provides a first statistical analysis of development of the rail market and lays the foundation for regular reporting. In particular it presents the regulatory and institutional framework established for the purpose of liberalising this market, the degree of that liberalisation, the development of the rail market from the point of view of goods and passenger transport performance, and the financial performance of the sector, including information on the capacity of rail infrastructure and on development of the supply industry.

The logistics package for freight adopted by the Commission on 18 October includes a communication ‘Towards a rail network giving priority to freight’ ⁽²⁶⁵⁾, which aims to make rail freight transport more competitive, in particular by reducing transit times and improving the reliability of rail and its responsiveness to customers’ demands.

Road transport

The first European Road Safety Day was organised on 27 April, an occasion which also saw the first publication by the Commission of the results of the ‘SafetyNet’ project. In association with the project, which was funded by the Commission, the European Road Safety Observatory produced a major study on performance indicators for road safety which helped in the development of a European road safety scoreboard.

On 23 May the Commission adopted a legislative package containing three proposals aiming to regulate admission to the occupation and access to the market in the road haulage and passenger transport sector in order to ensure more safety and better conditions on the market. The package includes a proposal for a regulation on common rules for admission to the occupation of road transport operator ⁽²⁶⁶⁾. A second proposal for a regulation concerns common rules for access to the market for transport services by coach and bus ⁽²⁶⁷⁾. Lastly, the Commission proposed a regulation on common rules for access to the international road haulage market ⁽²⁶⁸⁾.

On 25 September the Commission adopted a Green Paper ‘Towards a new culture for urban mobility’ ⁽²⁶⁹⁾. The Green Paper addresses the main challenges related to urban mobility by five main themes: towards free-flowing towns and cities; towards greener towns and cities; towards smarter urban transport; towards accessible urban transport; towards safe and secure urban transport. It then looks at ways of contributing to the creation of a new culture for urban mobility, and tackles the question of financial resources and how to use them for the development of sustainable urban mobility. The Commission’s Green Paper launches a debate on various options which serve as a basis for 25 questions. The public consultation will

⁽²⁶³⁾ Directive 2007/59/EC (OJ L 315, 3.12.2007).

⁽²⁶⁴⁾ COM(2007) 609.

⁽²⁶⁵⁾ COM(2007) 608.

⁽²⁶⁶⁾ COM(2007) 263 (OJ C 191, 17.8.2007).

⁽²⁶⁷⁾ COM(2007) 264.

⁽²⁶⁸⁾ COM(2007) 265.

⁽²⁶⁹⁾ COM(2007) 551 (OJ C 4, 9.1.2008).

remain open until the beginning of 2008 and an action plan will be presented at the start of autumn 2008.

On 19 December the Commission adopted a proposal for a directive on the promotion of clean and energy-efficient road transport vehicles⁽²⁷⁰⁾. The proposal aims to reduce fuel consumption as well as CO₂ and pollutant emissions from road vehicles. A substantial reduction could be achieved by public authorities procuring clean and energy-efficient vehicles to introduce into their public transport fleets. Residents of urban areas will be the major beneficiaries of these measures.

Maritime transport

On 7 June the Council adopted a decision⁽²⁷¹⁾ authorising Member States to ratify, in the interests of the European Community, the Maritime Labour Convention 2006 of the International Labour Organisation.

The package of maritime policy measures was adopted by the Commission on 10 October. The Commission presented the conclusions⁽²⁷²⁾ of the consultation on a maritime policy for the Union launched with the adoption of the Green Paper 'Towards a future maritime policy for the Union: a European vision for the oceans and seas'⁽²⁷³⁾. The consultation culminated in the proposal for an integrated maritime policy for the European Union⁽²⁷⁴⁾. This new policy aims at a thriving maritime economy and the full use of the sea's potential in an environmentally sustainable manner. It will require an integrated, cross-sectoral approach to maritime affairs, and the development and delivery of a coherent and wide-ranging work programme.

The package of freight logistics measures adopted by the Commission on 18 October also included a communication on a European ports policy⁽²⁷⁵⁾, a consultation document on the new concept of a European maritime transport space without barriers, and a progress report and a consultation on the motorways of the sea.

As part of the 10 October package, with regard to the social dimension the Commission adopted a communication on reassessing the regulatory social framework for more and better seafaring jobs in the European Union⁽²⁷⁶⁾, and on 16 October a proposal for a directive on the minimum level of training of seafarers (recasting)⁽²⁷⁷⁾.

Inland navigation

On 5 December the Commission presented a first progress report on the implementation of the Naiades action programme for the promotion of inland waterway transport⁽²⁷⁸⁾. According to this first report, progress has been made in many areas, in particular the launching of initiatives to improve market conditions, modernise the fleet, make the profession more attractive and improve inland waterway infrastructure. It also indicates the next stages of implementation of the programme.

⁽²⁷⁰⁾ COM(2007) 817.
⁽²⁷¹⁾ Decision 2007/431/EC (OJ L 161, 22.6.2007).
⁽²⁷²⁾ COM(2007) 574.
⁽²⁷³⁾ COM(2006) 275.
⁽²⁷⁴⁾ COM(2007) 575.
⁽²⁷⁵⁾ COM(2007) 616.
⁽²⁷⁶⁾ COM(2007) 591 (OJ C 4, 9.1.2008).
⁽²⁷⁷⁾ COM(2007) 610 (OJ C 4, 9.1.2008).
⁽²⁷⁸⁾ COM(2007) 770.

In the area of international developments, on 7 June the Council adopted, on the basis of the Commission recommendation of 12 May 2003, a decision authorising the Commission to negotiate with the Danube Commission terms and conditions for the European Community's accession to the Belgrade Convention.

Air transport

In order to combat growing airport congestion and overcrowding of European airspace and to boost the economic competitiveness of the sector, the Commission adopted several initiatives in 2007.

On 24 January the Commission adopted a communication 'An action plan for airport capacity, efficiency and safety in Europe' ⁽²⁷⁹⁾. In this it sets out an action plan for applying a strategy to decongest Europe's airports. It proposes five main measures: make better use of existing capacity; adopt a consistent approach to air safety operations at aerodromes; promote 'co-modality', the integration and collaboration of the transport modes; improve the environmental capacity of airports and the planning framework for new airport infrastructure; develop and implement cost-efficient technological solutions.

The communication was accompanied by a proposal for a directive on airport charges ⁽²⁸⁰⁾. The proposal aims to induce airport operators to follow principles of non-discrimination and transparency and to consult airport users when setting airport charges.

On 27 February the Council adopted a regulation ⁽²⁸¹⁾ on the establishment of a joint undertaking to develop the new generation European air traffic management system (SESAR). The seat of the joint undertaking will be located in Brussels. Its main task is to manage the SESAR project's research, development and validation activities by combining public-sector financing with the private funding provided by its members and using external technical resources and in particular Eurocontrol's experience and expertise.

On 15 March the Commission adopted a communication 'State of progress with the project to implement the new generation European air traffic management system (SESAR) ⁽²⁸²⁾, in which it reported on the state of play with SESAR and in particular on industry participation in the project's development phase.

The same day the Commission presented a mid-term status report on building the single European sky through functional airspace blocks ⁽²⁸³⁾. Even though almost all Member States have launched initiatives to create such tools in order to transform a mosaic of fragmented systems into regional blocks, the Commission sees a need for a redoubling of effort to reach the defragmentation objectives laid down in Regulation (EC) No 551/2004 ⁽²⁸⁴⁾.

On 4 April the Commission adopted a communication ⁽²⁸⁵⁾ on the operation and the results of the regulation establishing common rules on compensation and assistance to passengers in the event of denied boarding and of cancellation or long delay of flights ⁽²⁸⁶⁾. The Commission

⁽²⁷⁹⁾ COM(2006) 819 (OJ C 138, 22.6.2007).
⁽²⁸⁰⁾ COM(2006) 820 (OJ C 138, 22.6.2007).
⁽²⁸¹⁾ Regulation (EC) No 219/2007 (OJ L 64, 2.3.2007).
⁽²⁸²⁾ COM(2007) 103 (OJ C 181, 3.8.2007).
⁽²⁸³⁾ COM(2007) 101 (OJ C 138, 22.6.2007).
⁽²⁸⁴⁾ OJ L 96, 31.3.2004.
⁽²⁸⁵⁾ COM(2007) 168 (OJ C 191, 17.8.2007).
⁽²⁸⁶⁾ Regulation (EC) No 261/2004 (OJ L 46, 17.2.2004).

stressed that the enlargement of the scope of passengers' rights is insufficiently implemented and called for clarification and monitoring.

On 15 November the Commission adopted a communication ⁽²⁸⁷⁾ on the application of the regulation on the allocation of slots at Community airports ⁽²⁸⁸⁾. The Commission notes that the regulation has brought some improvements in the use of scarce airport capacity, but it considers that the scope for introducing local guidelines should be expanded and a more structured approach to market-based slot allocation schemes should be introduced.

The same day the Commission adopted a proposal for a regulation ⁽²⁸⁹⁾ to simplify and modernise the rules on computerised reservation systems (CRSs). The revised rules will allow CRSs and subscribing travel agents to expand their offer and compete more effectively in the airline ticket distribution market.

On 28 November the Commission adopted an update of the Community 'blacklist' of air carriers banned from operating in the European Union ⁽²⁹⁰⁾. Following corrective action on their part a number of companies have been taken off the list; providing the best possible proof that the list is working as it should and having a positive impact.

On 20 December the Commission adopted a progress report on implementation of the 'single sky' legislation ⁽²⁹¹⁾. The report points to some achievements but finds that progress has been inadequate, often as a result of the reluctance of the Member States to share their sovereignty in this area; hence the Commission's intention to accelerate implementation by focusing on improving performance and clarifying the legal framework.

Intermodal approach

Galileo

On 16 May ⁽²⁹²⁾ and 19 September ⁽²⁹³⁾ the Commission adopted communications on re-profiling the European (global navigation satellite system) GNSS programmes and, on 19 September, it also adopted an amended proposal ⁽²⁹⁴⁾ for a regulation on the further implementation of the European satellite radionavigation programmes, EGNOS (European Geostationary Navigation Overlay Service) and Galileo. It considered that the failure of the negotiations on a concession contract for the deployment and commercial operation of Galileo and the consequential rescheduling of the programme called for amendments to its original proposal for a regulation. It fixed the amount of budgetary resources at EUR 3.4 billion for the period 1 January 2007 to 31 December 2013.

At its meeting of 29 and 30 November the Council adopted conclusions concerning the future development of Galileo which define the principles for financing, governance and policy as regards the award of contracts. With the conclusions of the Council and the agreement of 23 November on the financing of the programme, the Commission is now assured it has the means to implement the next phase of the European GNSS programmes, which covers

⁽²⁸⁷⁾ COM(2007) 704.

⁽²⁸⁸⁾ Regulation (EC) No 793/2004 (OJ L 138, 30.4.2004).

⁽²⁸⁹⁾ COM(2007) 709.

⁽²⁹⁰⁾ Regulation (EC) No 1400/2007 (OJ L 311, 29.11.2007).

⁽²⁹¹⁾ COM(2007) 845.

⁽²⁹²⁾ COM(2007) 261 (OJ C 191, 17.8.2007).

⁽²⁹³⁾ COM(2007) 534 (OJ C 4, 19.1.2008).

⁽²⁹⁴⁾ COM(2007) 535.

ensuring EGNOS' operational availability within the next two years, awarding contracts for Galileo and bringing a Galileo operational system into being by 2013. The deployment of Galileo will be carried out and financed by the Community.

In its conclusions the Council reaffirmed the importance of the European GNSS programmes EGNOS and Galileo as a key project for the European Union, and supported, as an overall programme objective for Galileo, the deployment by 2013 of a European satellite navigation system providing five navigation services.

International developments

On 9 January the Commission adopted a communication on developing a Community civil aviation policy towards Canada ⁽²⁹⁵⁾. The Council's decision mandating the Commission was adopted on 2 October.

On 25 April the Council adopted a decision ⁽²⁹⁶⁾ on the signing and provisional application of the air transport agreement with the United States, which was signed in Washington on 30 April. This first transatlantic aviation agreement establishes for the first time a single framework for air transport between the European Union and the United States and will allow European and US airline companies to operate without constraint between any Community airport and any US airport. Furthermore, the agreement introduces cooperation in key areas for aviation (competition, State aid, safety, etc.), thanks to cooperation bodies (joint committees) and a system for settling disputes.

On 7 May the Council adopted a decision on the signing and provisional application of the agreement with Russia on agreed principles of the modernisation of the existing system of utilisation of the trans-Siberian routes. The aim of the agreement is to end the system of Siberian overflight payments (royalties) by European companies by 2013.

With regard to Community agreements with non-member countries on certain aspects of air services, on 30 May the Council adopted a decision ⁽²⁹⁷⁾ on the signing and provisional application of agreements with Kyrgyzstan. It adopted similar decisions with Jordan on 25 June and the United Arab Emirates on 30 October; this agreement was signed on 30 November. On 18 June the Council adopted a decision on the signing of an agreement with Panama and a decision ⁽²⁹⁸⁾ on the conclusion of an agreement with New Zealand on 18 September. On 26 April the Commission adopted a proposal for a decision ⁽²⁹⁹⁾ relating to the signing, provisional application and conclusion of the agreement between the European Community and Vietnam. The Commission also proposed similar decisions with Armenia on 20 November ⁽³⁰⁰⁾ and with the government of Mongolia on 21 November ⁽³⁰¹⁾. The aim of these decisions is to bring Member States' existing bilateral aviation agreements with those non-member countries into line with Community law. On 30 November the Council gave the Commission a negotiating mandate to set up an agreement with Jordan in the aviation field.

⁽²⁹⁵⁾ COM(2006) 871, (OJ C 126, 7.6.2007).

⁽²⁹⁶⁾ Decision 2007/339/EC (OJ L 134, 25.5.2007).

⁽²⁹⁷⁾ Decision 2007/470/EC (OJ L 179, 7.7.2007).

⁽²⁹⁸⁾ Decision 2007/633/EC (OJ L 256, 2.10.2007).

⁽²⁹⁹⁾ COM(2007) 221 (OJ C 181, 3.8.2007).

⁽³⁰⁰⁾ COM(2007) 729.

⁽³⁰¹⁾ COM(2007) 731.

On 9 November the Commission adopted a communication ‘Developing a common aviation area with Israel’⁽³⁰²⁾. The objectives set out in the communication are the opening up of the market in order to create new economic opportunities and new possibilities for investment, and the launching of a process of convergence in the area of regulation, making it possible to apply uniform conditions for fair and equitable competition.

Trans-European transport networks (TEN-T)

On 31 January the Commission adopted a communication ‘Extension of the major trans-European transport axes to the neighbouring countries — Guidelines for transport in Europe and neighbouring regions’⁽³⁰³⁾. The aim of this first step towards a transport policy integrating the neighbouring countries is to ensure that legislation, standards and technical specifications of the European Union’s main trade partners are compatible with its own.

In a 21 March communication ‘Trans-European networks: towards an integrated approach’⁽³⁰⁴⁾, the Commission described the state of play for the trans-European transport, energy and telecommunications networks. It recommended the development of synergies between the trans-European networks with a view to exchanging best practice and finding financial solutions.

On 20 June the European Parliament and the Council adopted the regulation⁽³⁰⁵⁾ laying down general rules for the granting of Community financial aid in the field of the trans-European transport and energy networks.

On 21 November the Commission presented its proposals⁽³⁰⁶⁾ for the financing of TEN-T projects over the period 2007–13. The Commission gave priority to cross-border projects and environmentally sustainable modes of transport such as inland waterways and rail.

<T3>2.2.8. Energy

General approach

On 10 January the Commission proposed an integrated energy and climate change package to cut greenhouse gas emissions and boost the Union’s energy security and competitiveness.

In its communication ‘An energy policy for Europe’⁽³⁰⁷⁾, the Commission advocated a common energy policy to provide Europe with competitive and sustainable energy, the main thrusts of which are the fight against climate change, boosting competitiveness with a regulatory framework conducive to it and limiting the European Union’s dependence on gas and oil imports. With this communication the Union is setting itself the ambitious objective of reducing greenhouse gas emissions by 20 % by 2020 and of going even further (up to 30 % in the same period) in the framework of an international agreement. The communication highlights the promotion of renewable energy and the improvement of energy efficiency as well as the completion of the single market in electricity and gas and a consistent external energy policy. It also stresses the importance of internal and external solidarity between

⁽³⁰²⁾ COM(2007) 691.

⁽³⁰³⁾ COM(2007) 32 (OJ C 138, 22.6.2007).

⁽³⁰⁴⁾ COM(2007) 135 (OJ C 181, 3.8.2007).

⁽³⁰⁵⁾ Regulation (EC) No 680/2007 (OJ L 162, 22.6.2007).

⁽³⁰⁶⁾ IP/07/1744.

⁽³⁰⁷⁾ COM(2007) 1 (OJ C 138, 22.6.2007).

Member States. The communication presents an action plan for 2007–09 and is accompanied by an initial package of specific proposals.

In the same connection, pursuant to Article 40 of the Euratom Treaty ⁽³⁰⁸⁾ the Commission prepared a communication on the nuclear illustrative programme ⁽³⁰⁹⁾. Following a favourable opinion from the European Economic and Social Committee ⁽³¹⁰⁾, the Commission adopted this communication ⁽³¹¹⁾. It reviews investments in the nuclear field over the last 10 years and describes the economic aspects of nuclear energy production, its impact on the energy mix and the conditions for its acceptability by society. The Commission stresses that it is for each Member State to decide whether or not to opt for nuclear. It points out that even though nuclear may make up an important part of the European Union's energy mix, it is essential to continue looking at safety and security issues.

At the European Council of 8 and 9 March, the foundations for a European energy policy, including commitments, binding targets and procedures, were adopted:

- with regard to climate change, an independent commitment by the Union to reduce greenhouse-gas emissions by at least 20 % by 2020 compared with 1990 and a commitment to a 30 % reduction if other developed countries undertake to make comparable emission reductions;
- as regards the single market for gas and electricity, effective separation of supply and production activities from network operations (unbundling);
- as regards renewable energies, the binding target of 20 % by 2020 with a minimum share of biofuels of 10 % of overall petrol and diesel consumption in the European Union.

The European nuclear energy forum, launched by the Commission and supported by the March European Council, was inaugurated in Bratislava on 26 November. The forum brings together the various stakeholders for a broad, open discussion on the opportunities and risks of nuclear energy, and will meet twice a year under the aegis of the Czech Republic and Slovakia and under the responsibility of the Commission.

On 30 March the Commission adopted the work programme for implementing the 2007 intelligent energy Europe II programme (IEE II), which now forms an integral part of the competitiveness and innovation framework programme. In association with this programme, the Commission also decided ⁽³¹²⁾ to establish the Executive Agency for Competitiveness and Innovation with responsibility in particular for implementation of IEE II, which also allows the Commission's departments to concentrate on strategic tasks essential to the promotion of renewable energy and energy efficiency.

On 5 July the Commission adopted a communication 'Towards a European charter on the rights of energy consumers' ⁽³¹³⁾. This follows up the communications of 10 January concerning, respectively, energy policy (see above) and the gas and electricity market (see below), in which the Commission committed itself to ensuring that the interests of consumers

⁽³⁰⁸⁾ Article 40 of the Euratom Treaty requires the Commission to 'periodically publish illustrative programmes indicating in particular nuclear energy production targets and all the types of investment required for their attainment'.

⁽³⁰⁹⁾ COM(2006) 844 (OJ C 138, 22.6.2007).

⁽³¹⁰⁾ OJ C 256, 27.10.2007.

⁽³¹¹⁾ COM(2007) 565.

⁽³¹²⁾ Decision 2007/372/EC (OJ L 140, 1.6.2007).

⁽³¹³⁾ COM(2007) 386 (OJ C 191, 17.8.2007).

are fully taken into account. The new communication outlines points that could form part of a future charter of energy consumers' rights.

Internal market for energy

In its package of 10 January the Commission included a communication 'Prospects for the internal gas and electricity market' ⁽³¹⁴⁾, which sounded the alarm on the present state of the internal market. The final report of the sectoral inquiry on competition ⁽³¹⁵⁾ demonstrated that numerous restrictions on free competition, and in particular obstacles to infrastructure access, lack of investment in interconnections and excessive market concentration, have not yet allowed a truly competitive gas and electricity market to be created.

As regards interconnections, on the same day the Commission adopted a communication 'Priority interconnection plan' ⁽³¹⁶⁾, the objective of which is to prepare an interconnection plan, to facilitate the completion of priority infrastructure projects contributing to the diversification of energy supply and to integrate regional markets into the single market. On 12 September the Commission designated four European coordinators to facilitate the implementation of three projects for electricity interconnections and a major gas pipeline project, Nabucco.

In a resolution of 10 July on prospects for the internal gas and electricity market, the European Parliament advocated separating ownership of the energy networks from the energy operators' other activities as a means of promoting investment in infrastructure, fair access to the grid for new entrants and transparency in the market.

On 19 September the Commission adopted a package of legislative proposals with the object of completing the single market in electricity and natural gas, in which it proposes:

- amending Directives 2003/54/EC and 2003/55/EC concerning common rules for the internal market in, respectively, electricity ⁽³¹⁷⁾ and natural gas ⁽³¹⁸⁾;
- adopting a regulation establishing an Agency for the Cooperation of Energy Regulators ⁽³¹⁹⁾; and
- amending Regulations (EC) Nos 1228/2003 and 1775/2005 on conditions for access to, respectively, the network for cross-border exchanges in electricity ⁽³²⁰⁾ and the natural gas transmission networks ⁽³²¹⁾.

These proposals are aimed at:

- the effective separation of supply and production activities from network operation;
- the further harmonisation of the powers and enhanced independence of the national energy regulators;

⁽³¹⁴⁾ COM(2006) 841 (OJ C 138, 22.6.2007).

⁽³¹⁵⁾ COM(2006) 851 (OJ C 138, 22.6.2007).

⁽³¹⁶⁾ COM(2006) 846 (OJ C 138, 22.6.2007).

⁽³¹⁷⁾ COM(2007) 528 (OJ C 4, 9.1.2008).

⁽³¹⁸⁾ COM(2007) 529 (OJ C 4, 9.1.2008).

⁽³¹⁹⁾ COM(2007) 530 (OJ C 4, 9.1.2008).

⁽³²⁰⁾ COM(2007) 531 (OJ C 4, 9.1.2008).

⁽³²¹⁾ COM(2007) 532 (OJ C 4, 9.1.2008).

- the establishment of an independent mechanism for cooperation among national regulators;
- the creation of a mechanism for transmission system operators to improve the coordination of network operation and security, cross-border trade and network operation;
- greater transparency in energy market operations.

Fossil fuels and sustainable power generation

On 10 January the Commission adopted a communication ‘Sustainable power generation from fossil fuels: aiming for near-zero emissions from coal after 2020’⁽³²²⁾. While recognising the importance of fossil fuels and particularly the contribution of coal to the security of energy supply, the Commission stressed that their future use must be made compatible with sustainability objectives and climate-change policy.

Renewable energy

On 10 January the Commission adopted a renewable energy road map ‘Renewable energies in the 21st century: building a more sustainable future’⁽³²³⁾. In this it proposed establishing a legally binding target of 20 % for renewable energy’s share of energy consumption in the European Union by 2020 and a new legislative framework for the promotion and use of renewable energy in the Union.

On the same day the Commission adopted two reports:

- the first⁽³²⁴⁾ seeks to assess to what extent Member States have made progress towards achieving their national targets⁽³²⁵⁾ in the area of renewable electricity. This report is a follow-up to the Green Paper on a European strategy for sustainable, competitive and secure energy⁽³²⁶⁾;
- the second⁽³²⁷⁾ concerns progress made in the use of biofuels and other renewable fuels in the Member States.

Energy technologies

On 10 January the Commission adopted a communication ‘Towards a European strategic energy technology plan’⁽³²⁸⁾. The Commission stresses the need for a sea-change in European energy technology innovation, from basic research right through to market take-up, to accelerate development and deployment of affordable, clean, efficient, low-carbon technologies.

On 22 November the Commission presented a European strategic energy technology plan (SET-plan)⁽³²⁹⁾. SET-plan is part of the energy policy worked out by the March European Council, and basically seeks to speed up the development and implementation of future low-

⁽³²²⁾ COM(2006) 843 (OJ C 138, 22.6.2007).
⁽³²³⁾ COM(2006) 848 (OJ C 138, 22.6.2007).
⁽³²⁴⁾ COM(2006) 849 (OJ C 138, 22.6.2007).
⁽³²⁵⁾ Directive 2001/77/EC (OJ L 283, 27.10.2001).
⁽³²⁶⁾ COM(2006) 105 (OJ C 104, 3.5.2006).
⁽³²⁷⁾ COM(2006) 845 (OJ C 138, 22.6.2007).
⁽³²⁸⁾ COM(2006) 847 (OJ C 138, 22.6.2007).
⁽³²⁹⁾ COM(2007) 723.

carbon technologies. It formulates specific proposals for action to set in train a long-term process.

Nuclear energy

Euratom Treaty

On 20 March the Commission adopted a communication ‘50 years of the Euratom Treaty’⁽³³⁰⁾. It noted the contribution the European Atomic Energy Community has made to scientific progress and to the existence of a high level of radiation protection in the European Union. According to the Commission, the Treaty has given rise to, and continues to be, the origin of a large body of Community legislation.

Euratom Supply Agency

On 16 March the Commission adopted a proposal for a decision establishing new statutes for the Agency⁽³³¹⁾, and a proposal for a regulation which aims to provide the Agency with a financial regulation taking account of enlargement, modern financial rules and the special features of the Agency⁽³³²⁾.

International developments

On 6 June the Council adopted a decision on the conclusion of a framework agreement on a multilateral nuclear environmental programme in the Russian Federation, together with a protocol on claims, legal proceedings and indemnification to that agreement, signed on 21 May. The agreement establishes a multilateral legal framework for projects connected with the nuclear field undertaken by western countries in north-western Russia, as well as the objectives of the protocol, in order to regulate liability issues resulting from the activities carried out in this context.

On 26 September the European Parliament adopted a resolution ‘Towards a common European foreign policy on energy’. This called for the setting-up, at European Union level, of a common foreign policy on energy which would make a significant contribution to guaranteeing the security of energy supply throughout the Union while ensuring the pursuit of a sustainable policy at international level. It also recommended that for the medium term the Commission be accorded the institutional authority to negotiate the Union’s framework agreements with non-member countries on energy supply matters.

The Commission adopted a draft negotiating mandate for the accession of Moldova, Norway, Turkey and Ukraine to the Energy Community. On 17 December the Energy Community Ministerial Council delivered a favourable opinion on Georgia’s application for observer status.

<T3>2.2.9. Labour mobility

As regards the first phase of the transitional provisions applicable to the free movement of workers from Romania and Bulgaria (2007–09), 10 of the other 25 Member States (the Czech Republic, Estonia, Cyprus, Latvia, Lithuania, Poland, Slovenia, Slovakia, Finland and

⁽³³⁰⁾ COM(2007) 124 (OJ C 181, 3.8.2007).

⁽³³¹⁾ COM(2007) 119.

⁽³³²⁾ COM(2007) 108.

Sweden) informed the Commission of their decision to open up their labour markets to Bulgarians and Romanians as from the date of their accession, 1 January.

Three years after the 2004 enlargement, a majority of nine out of the 15 pre-enlargement Member States have now opened their labour markets to nationals from the eight Member States subject to the transitional provisions on the free movement of workers under the 2003 Treaty of Accession: Ireland, Greece, Spain, Italy, Portugal, Finland, Sweden and the United Kingdom were followed by the Netherlands, which stopped applying transitional measures from 1 May. Luxembourg has decided to lift its restrictions by the end of 2007.

Other issues relating to workers' mobility are dealt with in Chapter III, Section 1, of this Report.

General references and other useful links

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<T4>Chapter III

<T1>Solidarity

<T6>Section 1

<T2>3.1. Consolidating economic and social cohesion

<T2>3.1.1. Regional dimension and Cohesion Fund

General

On 30 May the Commission adopted its fourth report on economic and social cohesion ⁽³³³⁾, which describes the economic, social and territorial situation in the enlarged Union of 27 Member States and 268 regions. The report contains a detailed analysis of the position of the regions in terms of GDP, productivity and employment and identifies a series of challenges which Member States will face in the coming years. It provides a first assessment of the impact of European cohesion policy in the 2000–06 programming period and of the preparation for the new period 2007–13. The report includes 10 questions to kick off the debate within the European institutions and beyond on the future of this major policy area.

The debate was officially opened at the Cohesion Forum held in Brussels on 27 and 28 September, which was attended by more than 800 national and regional representatives. At this forum the Commission also launched a broad public consultation on the future of cohesion policy.

In the course of the year the European Parliament adopted several resolutions on regional policy.

In particular, in April it adopted a resolution on the consequences of future enlargements for cohesion policy.

⁽³³³⁾ COM(2007) 273 (OJ C 191, 17.8.2007).

On 10 May Parliament adopted a resolution on housing and regional policy in which it stressed the need to take into account the specific problem of housing in all European Union policies in order to favour a balanced policy on spatial planning that countered segregation and the depopulation of rural areas. The Committee of the Regions⁽³³⁴⁾ and the European Economic and Social Committee⁽³³⁵⁾ adopted resolutions on this subject which followed the same lines as Parliament's resolution.

On 12 July Parliament adopted a resolution on the role and effectiveness of cohesion policy in reducing disparities in the poorest regions of the European Union. It urged that resolute action be taken to reduce development shortcomings in the Union's poorest regions, and noted that the new Member States required special support. Parliament expressed concern that Community aid that had been granted to certain regions which were unable to improve their situation despite having received funding for several years was not sufficiently targeted.

On 22 March the Committee of the Regions adopted a resolution on the leverage effect of the Structural Funds, which stated that the leverage effect was an essential part of the added value of the Union's cohesion policy.

On 25 April the European Economic and Social Committee issued an exploratory opinion entitled 'European metropolitan areas: socioeconomic implications for Europe's future'⁽³³⁶⁾. On the same date it issued a second opinion entitled 'Territorial agenda'. This provides a strategic framework which sets priorities for the spatial development of the European Union.

In general, sustainable development continued to be applied as a cross-cutting principle in the implementation of cohesion policy, in line with the renewed sustainable development strategy adopted by the European Council in June 2006⁽³³⁷⁾.

National strategic reference frameworks and 2007–13 operational programmes

In 2007 the new generation of cohesion policy programmes was launched. These programmes, which are at the heart of the Lisbon strategy, have a budget of EUR 347.4 billion (at current prices) for the period 2007–13. In line with the renewed Lisbon strategy, they are intended to promote investments which stimulate growth and employment, encourage the growth of the knowledge economy by promoting research and innovation capacities, new information and communication technologies, human capital and entrepreneurship, and encourage more people to set up businesses.

The Commission approved the national strategic reference frameworks established by the 27 Member States in line with the Community strategic guidelines for 2007–13. This paved the way for the adoption of the operational programmes financed by the Community Structural Funds. On 31 December the Commission formally adopted 302 operational programmes (European Regional Development Fund and Cohesion Fund), constituting 96 % of the programmes planned for the period 2007–13.

On 11 December the Commission adopted a communication 'Member States and regions delivering the Lisbon strategy for growth and jobs through EU cohesion policy, 2007–13'⁽³³⁸⁾.

⁽³³⁴⁾ OJ C 146, 30.6.2007.

⁽³³⁵⁾ OJ C 161, 13.7.2007.

⁽³³⁶⁾ OJ C 168, 20.7.2007.

⁽³³⁷⁾ See 'Sustainable development strategy' in Chapter II, Section 1, of this Report.

⁽³³⁸⁾ COM(2007) 798.

This communication sets out an initial overview of the results of the negotiations on the new generation of cohesion policy strategies and programmes for the period 2007–13. In addition, with a view to the 2008 spring European Council, the communication also reflects on the potential role of cohesion policy programmes in taking the renewed Lisbon strategy forward during its next three-year cycle.

Outermost regions

The Commission reaffirmed the importance accorded to the Union's seven outermost regions⁽³³⁹⁾ by adopting a communication on 12 September entitled 'Strategy for the outermost regions: achievements and future prospects'⁽³⁴⁰⁾. It welcomed the progress made since 2004, for example in the reform of the European sugar and banana markets. In future, the Commission intends to involve these regions fully in the Lisbon strategy and to make their economies more competitive. To this end, specific measures will be taken under the cohesion policy 2007–13, but also via the seventh framework programme for research and development. This communication also launches a debate on the challenges which the outermost regions will face in future.

3.1.2. Social dimension

European social reality stocktaking

In an exploratory opinion issued on 18 January⁽³⁴¹⁾, the European Economic and Social Committee felt that taking stock of the reality of European society should involve a broader approach than just reviewing social issues in the traditional sense. It recommended building a new consensus on the social challenges facing Europe and a new programme of social action.

On 26 January the Commission adopted an interim report for the spring European Council on the social reality stocktaking⁽³⁴²⁾. Noting that there was no shared diagnosis of the social challenges caused by globalisation and demographic changes, it pointed out that the stocktaking exercise aimed to develop that diagnosis and generate a debate on Europe's social situation, which would also feed into the mid-term review of the social policy agenda. At the same time the Commission launched a wide consultation on the social issues and challenges facing Europe with a view to reaching out to different constituencies to discuss what constitutes Europe's 'social reality', thereby placing itself in 'listening' mode, not testing policy options.

On 20 November the Commission adopted a communication 'Opportunities, access and solidarity: towards a new social vision for 21st century Europe'⁽³⁴³⁾, which is intended to feed into the social reality consultation that has been extended until 15 February 2008, and to pave the way for launching a renewed social agenda, which the Commission will present in mid-2008. The communication presents a new 'life chances' social vision for 21st century Europe, based on a preliminary analysis of how our societies are changing, the new social challenges they face and how Member States and the Union could work in partnership to address those challenges. The Commission's social vision identifies the need to invest in a number of areas; this is mainly the responsibility of the Member States, but European contributions are not

⁽³³⁹⁾ The Azores, Madeira, the four French overseas departments and the Canaries.

⁽³⁴⁰⁾ COM(2007) 507 (OJ C 4, 9.1.2008).

⁽³⁴¹⁾ OJ C 93, 27.4.2007.

⁽³⁴²⁾ COM(2007) 63 (OJ C 138, 22.6.2007).

⁽³⁴³⁾ COM(2007) 726.

excluded. These areas include youth, career opportunities, longer and healthier lives, gender equality, inclusion and non-discrimination, mobility and integration, culture, participation and dialogue.

Employment

On 22 February the Council adopted the joint employment report, which takes stock of the progress made and of what remains to be done to achieve the Lisbon strategy goals.

At its meeting on 21 and 22 June, the European Council said it looked forward to receiving the communication on flexicurity, which was subsequently adopted on 27 June⁽³⁴⁴⁾. In this communication the Commission explained why an integrated flexicurity approach was needed to achieve the objectives of the Lisbon strategy and underlined the need to modernise the European social model. On 9 October the Council welcomed the approach adopted in this communication, which is intended to promote coordinated policies designed to improve both labour market flexibility and employment security. The European Parliament adopted a resolution on the common principles of flexicurity on 29 November. At its meeting on 5 and 6 December the Council adopted conclusions ‘Towards common principles of flexicurity’.

On 10 July the Council adopted a decision⁽³⁴⁵⁾ on guidelines for the employment policies of the Member States which maintained for 2007 the guidelines provided for in Decision 2005/600/EC⁽³⁴⁶⁾. The guidelines’ objectives are full employment, job quality, labour productivity and social cohesion.

Following an examination of the applications submitted by France relating to the redundancies in the suppliers of Peugeot and Renault, for the first time since the European Globalisation Adjustment Fund⁽³⁴⁷⁾ was established, a decision⁽³⁴⁸⁾ to mobilise the Fund for a total of EUR 3.8 million was adopted by the European Parliament and the Council on 23 October. The Commission adopted the corresponding financing decisions on 4 December.

On 18 December the Parliament and the Council adopted a decision⁽³⁴⁹⁾ to mobilise the Fund for collective redundancies in two companies in the mobile phone sector, BenQ in Germany and Perlos in Finland, for a total of EUR 14.8 million. The Commission adopted the corresponding financing decisions on the same day.

On 13 December the Commission approved the conclusion⁽³⁵⁰⁾ proposed following the application submitted by Malta relating to redundancies in the textile sector. It will submit to the budgetary authority a proposal to authorise appropriations amounting to EUR 681 207.

On 24 October the Commission adopted a communication ‘Stepping up the fight against undeclared work’⁽³⁵¹⁾, the aim of which is to take stock of the actions undertaken in the Member States and illustrate the scope for mutual learning and the exchange of best practices. On the same date it also adopted a communication ‘Outcome of the public consultation on the Commission’s Green Paper — Modernising labour law to meet the challenges of the 21st

⁽³⁴⁴⁾ COM(2007) 359 (OJ C 246, 20.10.2007).

⁽³⁴⁵⁾ Decision 2007/491/EC (OJ L 183, 13.7.2007).

⁽³⁴⁶⁾ OJ L 205, 6.8.2005.

⁽³⁴⁷⁾ Regulation (EC) No 1927/2006 (OJ L 406, 30.12.2006).

⁽³⁴⁸⁾ Decision 2007/726/EC (OJ L 294, 13.11.2007).

⁽³⁴⁹⁾ Decision 2008/30/EC (OJ L 6, 10.1.2008).

⁽³⁵⁰⁾ SEC(2007) 1657.

⁽³⁵¹⁾ COM(2007) 628 (OJ C 9, 15.1.2008).

century’⁽³⁵²⁾. In this communication the Commission concludes that the public consultation has achieved its objective and given rise to a debate at national and European levels.

With regard to statistical systems, on 12 March the Commission adopted a proposal for a regulation⁽³⁵³⁾ on quarterly statistics on Community job vacancies. This proposal is intended to establish a legal basis for the regular collection of harmonised and comparable data on job vacancies by sector of economic activity, so that the Commission and the European Central Bank can assess labour market conditions.

Social protection and social inclusion

On 19 January the Commission adopted a communication entitled ‘Proposal for the joint report on social protection and social inclusion 2007’⁽³⁵⁴⁾. This proposal is based on the reports submitted by the 27 Member States on strategies for social inclusion, pensions, healthcare and long-term care. The reports show that the Member States have undertaken to address child poverty and have recognised active inclusion as a powerful means of promoting the social and labour market integration of the most disadvantaged. In the area of healthcare and long-term care, the Member States have listed several priorities, such as: ensuring equal access for all, reducing health inequalities in outcomes and guaranteeing safe and high-quality care. With regard to pension reforms, the emphasis is on the need to have more people working — and working longer.

The Council adopted the joint report on social protection and social inclusion on 22 February.

On 17 October the Commission adopted a communication ‘Modernising social protection for greater social justice and economic cohesion: taking forward the active inclusion of people furthest from the labour market’⁽³⁵⁵⁾, in which it sets out proposals which will be subject to public consultation. Following this communication, at its meeting on 5 and 6 December the Council adopted conclusions on the active inclusion of people furthest from the labour market.

On 12 December the Commission adopted a proposal for a decision⁽³⁵⁶⁾ on the European Year for Combating Poverty and Social Exclusion (2010).

Workers’ mobility and coordination of social security schemes

On 25 January the Commission adopted a ‘Final report on the implementation of the Commission’s action plan for skills and mobility’⁽³⁵⁷⁾. The purpose of this report is to give an account of the progress made and to identify a number of policy directions at European and national levels in support of the progressive emergence of a labour market at European level. The Commission sets out a series of challenges to be met in relation to lifelong learning, the legal, administrative and cultural obstacles to mobility, economic migration and the integrated approach to mobility.

At its meeting on 21 and 22 June the European Council said it was looking forward to the presentation of an amended proposal for a directive on minimum requirements for enhancing

⁽³⁵²⁾ COM(2007) 627 (OJ C 9, 15.1.2008).

⁽³⁵³⁾ COM(2007) 76 (OJ C 138, 22.6.2007).

⁽³⁵⁴⁾ COM(2007) 13 (OJ C 138, 22.6.2007).

⁽³⁵⁵⁾ COM(2007) 620 (OJ C 4, 9.1.2008).

⁽³⁵⁶⁾ COM(2007) 797.

⁽³⁵⁷⁾ COM(2007) 24.

worker mobility by improving the acquisition and preservation of supplementary pension rights. It also pointed out that, in the social policy area, work on the coordination of social security systems must be pursued vigorously with a view to resolving the remaining outstanding chapters as soon as possible.

On 13 June the Commission adopted a communication ⁽³⁵⁸⁾ on the posting of workers, in line with the undertaking given in April 2006 ⁽³⁵⁹⁾. The aim of this communication is to present an objective view of the situation in the Member States, assess whether progress has been achieved, draw operational conclusions from the monitoring exercise and indicate the appropriate steps and measures to rectify the situation, if necessary.

On 3 July the Commission submitted a proposal for a regulation ⁽³⁶⁰⁾ amending the annexes to Regulation (EC) No 883/2004 ⁽³⁶¹⁾ on the coordination of social security systems, which modernises and simplifies the coordination of social security systems within the European Union. The regulation came into force in May 2004 but will not be applicable until its annexes are completed. On 23 July the Commission also proposed ⁽³⁶²⁾ extending the provisions of this regulation to nationals of third countries who are not already covered by these provisions solely on the ground of their nationality, and replacing Regulation (EC) No 859/2003 ⁽³⁶³⁾. The objective is to ensure legal continuity for third-country nationals who are legally resident in the Community and are in a cross-border situation.

In the light of the results of the 2006 European Year of Workers' Mobility and the strong connection between worker mobility and a number of ongoing policy debates, such as flexicurity, lifelong learning and demographic change, on 6 December the Commission launched a job mobility action plan for 2007–10 ⁽³⁶⁴⁾. The objectives of this action plan are to: improve existing legislation and administrative practices regarding worker mobility; ensure policy support for mobility from authorities at all levels; reinforce the European Employment Services (EURES) network as the main instrument for facilitating the mobility of workers and their families; foster awareness of the possibilities and advantages of mobility among the wider public.

In the course of 2007 the EURES network improved the quality of its services and in particular its website. This has become an important website for jobseekers and employers, with 1 million visitors every month consulting some 1.7 million job vacancies, labour market developments, and living and working conditions in the various European Union Member States.

Health and safety at work

On 7 February the Commission adopted a proposal for a regulation ⁽³⁶⁵⁾ to establish a common framework for the systematic production of Community statistics in all areas of public health and health and safety at work.

⁽³⁵⁸⁾ COM(2007) 304 (OJ C 191, 17.8.2007).
⁽³⁵⁹⁾ COM(2006) 159 (OJ C 130, 3.6.2006).
⁽³⁶⁰⁾ COM(2007) 376 (OJ C 191, 17.8.2007).
⁽³⁶¹⁾ OJ L 166, 30.4.2004.
⁽³⁶²⁾ COM(2007) 439 (OJ C 191, 17.8.2007).
⁽³⁶³⁾ OJ L 124, 20.5.2003.
⁽³⁶⁴⁾ COM(2007) 773.
⁽³⁶⁵⁾ COM(2007) 46 (OJ C 138, 22.6.2007).

On 21 February the Commission adopted a communication ‘Improving quality and productivity at work: Community strategy 2007–12 on health and safety at work’⁽³⁶⁶⁾ It considered that the innovative approach of the Community strategy 2002–06⁽³⁶⁷⁾ was already bearing fruit and that the Member States had made real progress by drawing up strategies and national action programmes which were more focused. The Commission proposes that efforts be continued and stepped up during the next five years. The June European Council called on Member States to implement the new strategy without delay. On 25 June the Council adopted a resolution⁽³⁶⁸⁾ in which it noted the Commission’s opinion that, in order to achieve an ongoing, sustainable and consistent reduction in accidents at work and occupational illnesses, the parties involved must pursue a number of objectives for which an overall approach has to be further developed. The Commission’s communication led the Committee of the Regions to issue an opinion on 28 November.

In the context of improving health and safety at work, on 20 June the European Parliament and the Council signed Directive 2007/30/EC⁽³⁶⁹⁾ amending Directive 89/391/EEC⁽³⁷⁰⁾, its individual directives and Directives 83/477/EEC⁽³⁷¹⁾, 91/383/EEC⁽³⁷²⁾, 92/29/EEC⁽³⁷³⁾ and 94/33/EC⁽³⁷⁴⁾, with a view to simplifying and rationalising the reports on practical implementation.

On 26 October the Commission adopted a proposal for a directive⁽³⁷⁵⁾ amending Directive 2004/40/EC⁽³⁷⁶⁾ on minimum health and safety requirements regarding the exposure of workers to the risks arising from physical agents (electromagnetic fields). The aim of this proposal is to postpone until 30 April 2012 the deadline for the transposition of Directive 2004/40/EC in order to take account of the concerns of the medical community.

Combating discrimination

The year 2007 was declared ‘European Year of Equal Opportunities for All’, with the general objective of increasing the participation in society of groups that are victims of discrimination, in particular by supporting the Member States and other countries concerned in implementing the Community legislation on equal treatment and non-discrimination.

In an exploratory opinion on ‘Equal opportunities for people with disabilities’ of 17 January⁽³⁷⁷⁾, the European Economic and Social Committee hoped that the European Year of Equal Opportunities for All in 2007 would be put to the fullest possible use in securing equal opportunities for people with disabilities.

In a resolution of 26 April on the situation of women with disabilities in the European Union, the European Parliament called for better implementation of Community anti-discrimination and gender-equality legislation and better use of the opportunities provided by relevant Community programmes and the European Social Fund.

⁽³⁶⁶⁾ COM(2007) 62 (OJ C 138, 22.6.2007).

⁽³⁶⁷⁾ COM(2002) 118.

⁽³⁶⁸⁾ OJ C 145, 30.6.2007.

⁽³⁶⁹⁾ OJ L 165, 27.6.2007.

⁽³⁷⁰⁾ OJ L 183, 29.6.1989.

⁽³⁷¹⁾ OJ L 263, 24.9.1983.

⁽³⁷²⁾ OJ L 206, 29.7.1991.

⁽³⁷³⁾ OJ L 113, 30.4.1992.

⁽³⁷⁴⁾ OJ L 216, 20.8.1994.

⁽³⁷⁵⁾ COM(2007) 669.

⁽³⁷⁶⁾ OJ L 159, 30.4.2004.

⁽³⁷⁷⁾ OJ C 93, 27.4.2007.

On 26 November the Commission adopted a communication ‘Situation of disabled people in the European Union: the European action plan 2008–09’⁽³⁷⁸⁾. The objectives of this communication are to: analyse developments in the situation of disabled people, assess the achievements of the second phase of the Commission’s disability action plan (2006–07) and define priorities for the third phase of the action plan (2008–09) in line with the Commission’s strategic objectives to encourage equal opportunities for people with disabilities.

At its meeting of 5 and 6 December the Council adopted a resolution on the follow-up to the European Year of Equal Opportunities for All in 2007. The resolution welcomes the high level of participation in the European Year and the fact that, for the first time, the countries covered all the discrimination grounds set out in the EC Treaty and fully involved civil society and stakeholders in their work.

Gender equality

On 7 February the Commission adopted a report on equality between women and men in 2007⁽³⁷⁹⁾. It sets out the main developments concerning the respective situations of men and women in several policy areas and highlights the challenges involved in promoting gender equality. It also stresses the contribution of gender policy to meeting the Lisbon objectives. It confirms that, despite some progress, major gender gaps remain in many areas.

On 23 April the Commission adopted the ‘Work programme of the roadmap for equality between women and men (2006–10): achievements of 2006 and plans for 2007’⁽³⁸⁰⁾. It sets out the measures implemented in 2006 and those planned for 2007 in order to fulfil the Commission’s commitments concerning gender equality in six priority areas: equal economic independence for women and men, reconciliation of private and professional life, equal representation in decision-making, eradication of all forms of gender-based violence, elimination of gender stereotypes and promotion of gender equality in external and development policies.

To this end the Commission adopted a communication on 18 July on the pay gap between women and men⁽³⁸¹⁾, the aim of which is to examine the causes of this gap and put forward possible ways of reducing it at Community level. This involves exploring ways to improve the legislative framework and its implementation, exploiting to the full the European strategy for growth and jobs in relation to the pay gap, encouraging employers to respect equal pay and supporting the exchange of good practice at Community level.

Reconciling work and private and family life

On 10 May the Commission decided to begin the second phase of the consultation with European social partners on the question of reconciling work and private and family life. It asked the social partners to deliver opinions or, if appropriate, make recommendations on the objectives and content of the planned proposals, or to inform the Commission if they intended to launch the negotiation process on the provisions of their framework agreement on parental leave with a view to revising it, and to report by March 2008 at the latest on the progress made.

⁽³⁷⁸⁾ COM(2007) 738.

⁽³⁷⁹⁾ COM(2007) 49 (OJ C 138, 22.6.2007).

⁽³⁸⁰⁾ SEC(2007) 537.

⁽³⁸¹⁾ COM(2007) 424 (OJ C 246, 20.10.2007).

On 19 June the European Parliament adopted a resolution on a regulatory framework for measures enabling young women in the European Union to combine family life with a period of study. It encourages the Commission and the Member States to promote policies which make it easier for young people to assume family responsibilities and enable them to optimise their contribution to European growth and competitiveness.

<T3>3.1.3. Demographic challenges

In its exploratory opinion of 14 March on the ‘Economic and budgetary impact of ageing populations’ ⁽³⁸²⁾, the European Economic and Social Committee concentrated on areas connected with the consequences of an ageing population on employment and on a number of related aspects. It recommended that greater attention be given to employing older workers in the production cycle. The Committee believed that lifelong learning programmes were the key to making effective use of older workers, both within companies and beyond. It also believed that immigration was one of the necessary responses to the challenge of an ageing population.

In an opinion of 15 March on ‘The family and demographic change’ ⁽³⁸³⁾, the Committee said that, in order to respond appropriately to demographic change, decision-makers at European Union, national and local levels needed to carry out a detailed study of demographic developments. It suggested that the Commission set up a European register on best practice in family policy.

In its conclusions of 8 May on ‘ageing and financial markets’, the Council endorsed the report on the implications of ageing for financial markets, drawn up by the Financial Services Committee in accordance with the mandate it had been given. It stressed in particular the need to develop or strengthen adequate statistical tools to better monitor the composition of households’ portfolios and changes in households’ risk profiles.

On 10 May the Commission adopted a communication ‘Promoting solidarity between the generations’ ⁽³⁸⁴⁾. This is the first step along the road opened up by its communication of 12 October 2006 on the demographic future of Europe ⁽³⁸⁵⁾. It aims to improve the conditions for family life by stimulating a debate on and promoting policy research and by encouraging partnership, in a context in which family links constitute an essential area of solidarity for Europeans. This communication led the European Economic and Social Committee to issue an opinion on 13 December.

In its conclusions of 30 May on the importance of family-friendly policies in Europe and the establishment of an Alliance for Families, the Council and the representatives of the Member States’ governments pointed out that the basic changes in the composition of the population as a result of demographic change would have consequences for the structure of social life and for the economy, posing challenges that must be met with coherent, long-term strategies. They believed therefore that the Alliance for Families constituted a platform for the exchange of views and knowledge. At its June meeting, the European Council called on the Member States to make good use of the Alliance for Families.

⁽³⁸²⁾ OJ C 161, 13.7.2007.

⁽³⁸³⁾ OJ C 161, 13.7.2007.

⁽³⁸⁴⁾ COM(2007) 244 (OJ C 191, 17.8.2007).

⁽³⁸⁵⁾ COM(2006) 571 (OJ C 78, 11.4.2007).

On 6 June the Committee of the Regions issued an opinion on the demographic future of Europe ⁽³⁸⁶⁾. It welcomes the Commission initiative, which aims to follow on from the discussion of the Green Paper ‘Confronting demographic change: a new solidarity between the generations’ ⁽³⁸⁷⁾. It supports the Commission’s strategies aimed at creating a Europe which supports demographic renewal by helping families to fulfil their wish to have children, places a higher value on work and promotes employment and a long active life of high quality.

General references and other useful links

<LIENS3.1></LIENS3.1>

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<T6>Section 2

<T2>3.2. Solidarity with future generations and management of natural resources

<T3>3.2.1. Environment

Overall strategy

On 30 April the Commission adopted a communication on the mid-term review of the sixth Community environment action programme (EAP) ⁽³⁸⁸⁾. This communication assesses the extent to which the EU is currently meeting its commitments under the sixth EAP and, after examining the latest scientific evidence on the state of the environment, confirms that climate change, biodiversity, health and resource use remain the most pressing environmental challenges. It concludes that the sixth EAP is still the correct framework for future action at Community level but that it is still too early to see the results of most of the measures proposed. Work should therefore focus on implementing and building on the sixth EAP by improving application of the principles of ‘better regulation’ in environmental policy, promoting the incorporation of environmental objectives in other policies and strengthening international cooperation. In June the Council adopted conclusions on this communication, confirming the validity of the priority themes under the action programme.

On the same day the Commission adopted a communication ‘2006 environment policy review’ ⁽³⁸⁹⁾ which describes the action taken by the European Union on the environment in 2006. According to the communication, there were four key issues in 2006: the greater interest in energy efficiency and renewable energy due to volatile oil and gas prices, the fear of supply disruptions and the impact of energy consumption on climate change; speeding up the application of biodiversity measures; the adoption of the final three of seven thematic strategies (for the urban environment, soil protection and pesticides); the close links between resource efficiency, climate change and biodiversity loss on the one hand and growth and employment on the other.

On 14 March the European Parliament and the Council signed Directive 2007/2/EC establishing an infrastructure for spatial information in the European Community ⁽³⁹⁰⁾. The

⁽³⁸⁶⁾ OJ C 197, 24.8.2007.

⁽³⁸⁷⁾ COM(2005) 94 (OJ C 172, 12.7.2005).

⁽³⁸⁸⁾ COM(2007) 225 (OJ C 181, 3.8.2007).

⁽³⁸⁹⁾ COM(2007) 195 (OJ C 181, 3.8.2007).

⁽³⁹⁰⁾ OJ L 108, 25.4.2007.

directive supports environmental protection policies by requiring the Member States to make geographical data available in a coordinated manner.

On 28 March the Commission adopted a Green Paper on market-based instruments for environment and related policy purposes ⁽³⁹¹⁾, which in particular covers taxes and charges, permit trading schemes and grants. This Green Paper launched a public consultation and aims to stimulate a discussion on promoting the use of these instruments.

On 21 May the Commission adopted a communication ‘Commission cooperation with the environment for Europe process after the 2007 ministerial conference in Belgrade’ ⁽³⁹²⁾ setting out its intention to give priority, within this process, to environmental measures which are consistent with the European Union’s bilateral work and represent an optimum use of resources.

On 21 December the Commission adopted the revised directive on industrial emissions (integrated pollution prevention and control) ⁽³⁹³⁾. The Commission proposes recasting seven directives currently in force. The new single directive will streamline and strengthen EU policy on industrial emissions, thereby contributing to improving air quality and achieving other key EU environmental objectives, while reducing the administrative burden.

Environment, health and quality of life

In its communication of 11 June ‘Mid-term review of the European environment and health action plan 2004–10’ ⁽³⁹⁴⁾, the Commission examined the progress made, gave a policy update and highlighted areas on which future work should focus, such as climate change and health, nanotechnology and anti-microbial resistance.

The Commission communication ‘A thematic strategy on the sustainable use of pesticides’ ⁽³⁹⁵⁾ prompted a positive opinion from the Committee of the Regions on 13 February ⁽³⁹⁶⁾. In its conclusions of 20 February on the thematic strategy the Council supports the Commission’s approach. On 24 October Parliament adopted a resolution on the thematic strategy concerning the sustainable use of pesticides and called for it to cover certain biocides similar to plant-protection products and to set quantitative targets for reducing pesticide use.

On 16 February the Council adopted Regulation (EC) No 172/2007 ⁽³⁹⁷⁾ which introduces maximum concentration limits for persistent organic pollutants and amends the existing rules ⁽³⁹⁸⁾. The new limits are better for ensuring a high level of protection.

On 10 July the Commission adopted a communication on the implementation of the Community’s strategy for dioxins, furans and polychlorinated biphenyls ⁽³⁹⁹⁾. This is the second activity report and sets out the progress made during the period 2004–06.

On 23 October Parliament and the Council signed a directive on the assessment and management of flood risks ⁽⁴⁰⁰⁾. Its aim is to establish a framework for assessing and managing

⁽³⁹¹⁾ COM(2007) 140 (OJ C 181, 3.8.2007).

⁽³⁹²⁾ COM(2007) 262 (OJ C 191, 17.8.2007).

⁽³⁹³⁾ COM(2007) 844.

⁽³⁹⁴⁾ COM(2007) 314 (OJ C 191, 17.8.2007).

⁽³⁹⁵⁾ COM(2006) 372.

⁽³⁹⁶⁾ OJ C 146, 30.6.2007.

⁽³⁹⁷⁾ OJ L 55, 23.2.2007.

⁽³⁹⁸⁾ Regulation (EC) No 850/2004 (OJ L 158, 30.4.2004).

⁽³⁹⁹⁾ COM(2007) 396 (OJ C 191, 17.8.2007).

flood risks to reduce the adverse impact of floods in the European Union on health, the environment, the cultural heritage and economic activity.

Water protection

On 19 March the Commission adopted its third report on the implementation of Directive 91/676/EEC on the protection of waters against pollution caused by nitrates from agricultural sources for the period 2000–03 ⁽⁴⁰¹⁾.

On 22 March the Commission adopted a communication ‘Towards sustainable water management in the European Union — First stage in the implementation of the Water Framework Directive 2000/60/EC’ ⁽⁴⁰²⁾ in which it examines the progress made by the Member States in this area. In the annex to this, the Commission presented the fourth report ⁽⁴⁰³⁾ on the implementation of the urban waste water treatment directive (91/271/EEC) ⁽⁴⁰⁴⁾.

On 18 July the Commission adopted a communication ‘Addressing the challenge of water scarcity and droughts in the European Union’ ⁽⁴⁰⁵⁾, which sets out a series of strategic options for stimulating a debate on how to adapt to water scarcity. The Commission is due to send a report to the European Parliament and the Council in 2008 assessing the progress made.

Sustainable use of resources: consumption, sustainable production and waste

On 16 January in a report on the directive on end-of-life vehicles ⁽⁴⁰⁶⁾ the Commission concluded that the targets in the directive do not need revising.

On 13 February Parliament adopted a resolution on a thematic strategy for recycling waste in which it emphasises that the key priority is the full implementation of current Community rules on waste and their uniform application in all Member States.

On 21 February the Commission adopted a communication ⁽⁴⁰⁷⁾ on the interpretative communication on waste and by-products to improve legal security regarding waste and the understanding and application of these terms, in particular in the light of the case-law of the Court of Justice of the European Communities.

Parliament passed a resolution on 25 April setting out its opinion on a thematic strategy on the sustainable use of natural resources. Parliament calls for binding policy and sectoral targets to be set to develop and implement best practices for all production chains and to reduce the use of natural resources. In addition it calls for grants to be given in such a way as to promote the use of new technologies and to improve Europe’s competitiveness in the world.

On 22 May the Commission adopted a Green Paper on better ship dismantling ⁽⁴⁰⁸⁾, which explains the issue and sets out options for action at EU level. Following the public consultation which finished at the end of September, the Commission intends to present its

⁽⁴⁰⁰⁾ Directive 2007/60/EC (OJ L 288, 6.11.2007).

⁽⁴⁰¹⁾ COM(2007) 120 (OJ C 181, 3.8.2007).

⁽⁴⁰²⁾ COM(2007) 128.

⁽⁴⁰³⁾ SEC(2007) 363.

⁽⁴⁰⁴⁾ OJ L 135, 30.5.1991.

⁽⁴⁰⁵⁾ COM(2007) 414 (OJ C 246, 20.10.2007).

⁽⁴⁰⁶⁾ COM(2007) 5 (OJ C 138, 22.6.2007).

⁽⁴⁰⁷⁾ COM(2007) 59 (OJ C 138, 22.6.2007).

⁽⁴⁰⁸⁾ COM(2007) 269 (OJ C 191, 7.8.2007).

analysis of the responses received and, if appropriate, proposals for an EU strategy on ship dismantling.

Climate change

On the issue of climate change, on 10 January the Commission adopted a communication ‘Limiting global climate change to 2 degrees Celsius — The way ahead for 2020 and beyond’ ⁽⁴⁰⁹⁾. In it the Commission emphasises that the EU’s goal is to prevent global warming from exceeding pre-industrial levels by more than 2 °C. The communication sets out proposals for measures to be taken by the European Union and the international community as a whole to prevent climate change from having irreversible global consequences and is part of a package of measures initiating a new European energy strategy. It is a key contribution to the international discussions underway on the future of international arrangements for combating climate change after 2012 when the Kyoto Protocol commitments on emissions reductions expire. Parliament passed a resolution ⁽⁴¹⁰⁾ on this issue on 14 February. In its conclusions of 20 February, the Council supported the targets proposed by the Commission to step up efforts to combat climate change beyond 2012. On 8 and 9 March the spring European Council approved the energy and climate package based on this communication.

In its decision of 25 April Parliament decided to set up a temporary committee tasked with drafting proposals on the future integrated EU policy on climate change.

On 29 June the Commission adopted an initial policy paper on climate change. The Green Paper ‘Adapting to climate change in Europe — Options for EU action’ ⁽⁴¹¹⁾ is based on the work carried out and the conclusions drawn under the European climate change programme. The document sets out the dual challenge posed by the need for substantial reductions in greenhouse gas emissions as we adapt to a changing climate. It proposes possible ways for the EU to act. The main aim is to launch a debate and an EU-wide public consultation to decide how to go forward on the issue. A number of areas for priority action are identified.

With a view to revising Directive 2003/87/EC on the European emissions trading scheme, the Commission has launched a consultation process and, under the climate change programme, set up a working group with a large number of stakeholders to draft recommendations for improving the current system. The group’s work covers extending the scope of the scheme, harmonisation, monitoring to improve compliance with the scheme and its application, and the link between the EU scheme and other schemes outside the European Union.

On 18 September the Commission adopted a communication entitled ‘Building a global climate change alliance between the European Union and poor developing countries most vulnerable to climate change’ ⁽⁴¹²⁾. The alliance will provide technical and financial support for various measures and contribute to the preparation of an international agreement on climate change after 2012.

On 31 January the Commission adopted a legislative proposal amending the specification of petrol, diesel and gas oil and introducing a mechanism to monitor and reduce greenhouse gas emissions from the use of road transport fuels ⁽⁴¹³⁾. The aim of the proposal is to require the

⁽⁴⁰⁹⁾ COM(2007) 2 (OJ C 138, 22.6.2007).

⁽⁴¹⁰⁾ OJ C 287 E, 29.11.2007.

⁽⁴¹¹⁾ COM(2007) 354 (OJ C 191, 17.8.2007).

⁽⁴¹²⁾ COM(2007) 540 (OJ C 4, 9.1.2008).

⁽⁴¹³⁾ COM(2007) 18 (OJ C 181, 3.8.2007).

Member States to reduce by 1 % per year, from 2011 to 2020, the greenhouse gas emissions of these fuels throughout their life cycle. On 17 October the Commission adopted its fourth annual report ⁽⁴¹⁴⁾, for 2005, on the quality of petrol and diesel fuel used for road transport in the European Union.

On 7 February the Commission presented a new Community strategy to reduce carbon dioxide emissions from new passenger cars and light-commercial vehicles sold in the European Union ⁽⁴¹⁵⁾. The Commission concluded that the voluntary commitments had not produced the results expected and that other measures were needed to ensure that the target for carbon dioxide emissions of 120 g/km is ultimately met for new cars sold in the European Union. The Commission has decided to propose, by mid-2008 at the latest, a legislative framework aimed at reducing carbon dioxide emissions from new cars and light commercial vehicles to give the car industry sufficient lead time and regulatory predictability. On 19 December the Commission proposed a regulation ⁽⁴¹⁶⁾ setting emission performance standards for new passenger cars.

On 27 November the Commission published its annual report on the progress made by the European Union towards achieving the Kyoto objectives for reducing greenhouse gas emissions ⁽⁴¹⁷⁾. The report concludes that the Community will reach its Kyoto target provided that the Member States put in place and implement their additional policies and measures as soon as possible.

A conference of the parties to the United Nations Framework Convention on Climate Change was held from 3 to 14 December in Bali, Indonesia. The conference adopted the ‘Bali roadmap’, which provides for the opening of formal negotiations intended to reach agreement by 2009 on a system for combating climate change after 2012.

Environmental crime

On 9 February the Commission adopted a proposal for a directive on the protection of the environment through criminal law ⁽⁴¹⁸⁾, which is intended to supplement administrative and civil law provisions in order to provide a level of environmental protection throughout the Community for more efficient implementation of EU environmental policy. In its opinion ⁽⁴¹⁹⁾ of 26 September, the European Economic and Social Committee proposed increasing the responsibility of legal persons and removing references to offences committed by criminal organisations.

On 14 November the Commission adopted a communication ⁽⁴²⁰⁾ on the review of Recommendation 2001/331/EC ⁽⁴²¹⁾, which lays down minimum criteria for environmental inspections. The communication launches a wide-ranging consultation with the institutions and stakeholders.

Protection of nature and biodiversity, and forests

⁽⁴¹⁴⁾ COM(2007) 617.
⁽⁴¹⁵⁾ COM(2007) 19 (OJ C 138, 22.6.2007).
⁽⁴¹⁶⁾ COM(2007) 856.
⁽⁴¹⁷⁾ COM(2007) 757.
⁽⁴¹⁸⁾ COM(2007) 51 (OJ C 138, 22.6.2007).
⁽⁴¹⁹⁾ OJ C 10, 15.1.2008.
⁽⁴²⁰⁾ COM(2007) 707.
⁽⁴²¹⁾ OJ L 118, 27.4.2001.

On 15 February the European Economic and Social Committee issued a favourable opinion ⁽⁴²²⁾ on the Commission's communication 'Halting the loss of biodiversity by 2010 — and beyond — Sustaining ecosystem services for human well-being' ⁽⁴²³⁾, which stresses the importance of conserving biodiversity.

On 22 May Parliament passed a resolution expressing its concern about the persisting decline of biodiversity in Europe. It called for more emphasis on biodiversity in agricultural and fisheries policies and in local, regional and national planning policy to strengthen the resistance of ecosystems to climate change.

In its resolution of 6 September Parliament underscored the European Union's objectives with a view to the eighth meeting of the Conference of the Parties to the UN Convention to Combat Desertification. It called for general forestry management measures to minimise the likelihood of fires occurring and the speed at which they are able to spread. It invited the Commission to consider setting up a European drought observatory, which would pool knowledge in this field and propose follow-up measures to minimise the effects of droughts in Europe.

Ozone layer protection

On 19 September the 19th meeting of the parties to the Montreal Protocol on substances that deplete the ozone layer adopted several important decisions, in particular a change to the protocol to accelerate the timeframe for eliminating hydrochlorofluorocarbons (HCFCs). Under this measure, negotiated by the 191 parties to the protocol, HCFCs will be eliminated by 2020 for industrialised countries and by 2030 for developing countries. For the European Communities, the agreement necessitates slight changes to Regulation (EC) No 2037/2000 to amend the stages for the reductions to be made by 2015 and 2020 and to change the final date for stopping the use of HCFCs from 2025 to 2020.

Financial Instrument for the Environment (LIFE)

On 23 May Parliament and the Council adopted a regulation on the LIFE+ financial instrument ⁽⁴²⁴⁾. This new instrument merges a wide range of existing environmental programmes and instruments into a single mechanism and has a budget of EUR 1.9 billion for the period 2007–13.

<T3>3.2.2. Agriculture and rural development

Content of the common agricultural policy

On 27 March the Council adopted a regulation laying down a legal basis to permit Portugal and the United Kingdom to apply the system of voluntary modulation ⁽⁴²⁵⁾.

In its resolution of 29 March on the integration of the new Member States into the common agricultural policy (CAP), Parliament welcomed the Commission's intention to draw up a long-term, post-2013 vision of the CAP's future that would allow the policy to benefit from the excellent opportunities for expansion offered by the forecast growth in global agri-food

⁽⁴²²⁾ OJ C 97, 28.4.2007.

⁽⁴²³⁾ COM(2006) 216 (OJ C 184, 8.8.2006).

⁽⁴²⁴⁾ Regulation (EC) No 614/2007 (OJ L 149, 9.6.2007).

⁽⁴²⁵⁾ Regulation (EC) No 378/2007 (OJ L 95, 5.4.2007).

trade and enable the agricultural industry to play its part in terms of production and other activities.

On 23 May the Commission adopted a proposal for a regulation on information provision and promotion measures for agricultural products on the internal market and in third countries ⁽⁴²⁶⁾. In the light of experience over the last few years and in the interests of simplification, the Commission is proposing to merge Regulations (EC) Nos 2702/1999 ⁽⁴²⁷⁾ and 2826/2000 ⁽⁴²⁸⁾ into a single regulation. For the stakeholders of promotion policy, a single legal framework would facilitate access to and participation in the scheme. The Council adopted the regulation on 17 December ⁽⁴²⁹⁾.

On 29 March the Commission adopted a report ⁽⁴³⁰⁾ on the application of the system of cross-compliance provided for by Article 8 of Regulation (EC) No 1782/2003 ⁽⁴³¹⁾. In its conclusions on the report, adopted on 11 June, the Council stressed that the goals for simplification must be achieved rapidly and requested the Commission to ensure that the proposed legislative measures were adopted quickly and, where possible, could be applied from 2007. On 29 August the Commission proposed amending Council Regulation (EC) No 1782/2003 ⁽⁴³²⁾, referred to above, and Regulation (EC) No 1698/2005 ⁽⁴³³⁾. The Commission's aim is to implement, from 2008, the conclusions of the report on cross-compliance, inter alia by introducing the concept of minor infringements requiring no reduction in payments and a de minimis rule under which a reduction in payments for an infringement might not be applied where that reduction is below a predetermined threshold.

On 13 June the Commission adopted a report ⁽⁴³⁴⁾ on the implementation of Regulation (EC) No 814/2000 on information measures relating to the CAP ⁽⁴³⁵⁾. The report describes these measures, both those submitted by third-party organisations and those carried out on the initiative of the Commission, during the financial years 2003–06.

On 26 September the Council adopted a regulation under an emergency procedure derogating from Regulation (EC) No 1782/2003 as regards set-aside for the year 2008 ⁽⁴³⁶⁾. The purpose of the regulation was to reduce the set-aside rate from 10 % to 0 % of agricultural land for sowing in autumn 2007 and spring 2008. The measure should make it possible to increase European cereal production.

On 9 November, as part of the CAP reform, the Commission proposed a revised reform of the support scheme for cotton that takes account of the Court of Justice's decision to annul the existing scheme because of the shortcomings in the impact study carried out by the Commission ⁽⁴³⁷⁾. Under the proposal, 65 % of the aid, subject to cross-compliance, will be decoupled, (i.e. will no longer be dependent on production), while the remaining 35 % will be linked to cotton production in the form of area payments.

⁽⁴²⁶⁾ COM(2007) 268 (OJ C 191, 17.8.2007).
⁽⁴²⁷⁾ OJ L 327, 21.12.1999.
⁽⁴²⁸⁾ OJ L 328, 23.12.2000.
⁽⁴²⁹⁾ Regulation (EC) No 3/2008 (OJ L 3, 5.1.2008).
⁽⁴³⁰⁾ COM(2007) 147 (OJ C 181, 3.8.2007).
⁽⁴³¹⁾ OJ L 270, 21.10.2003.
⁽⁴³²⁾ COM(2007) 484 (OJ C 246, 20.10.2007).
⁽⁴³³⁾ OJ L 277, 21.10.2005.
⁽⁴³⁴⁾ COM(2007) 324 (OJ C 246, 20.10.2007).
⁽⁴³⁵⁾ OJ L 100, 20.4.2000.
⁽⁴³⁶⁾ Regulation (EC) No 1107/2007 (OJ L 253, 28.9.2007).
⁽⁴³⁷⁾ COM(2007) 701 (OJ C 9, 15.1.2008).

On 20 November the Commission adopted a communication ‘Preparing for the “health check” of the CAP reform’⁽⁴³⁸⁾. In it, the Commission gives an overview of the adjustments needed by various elements of the CAP, including the single payment scheme and certain market support instruments, and of how to master new challenges, such as climate change, the growth in biofuels and water management. The purpose of the ‘health check’ was to rationalise the CAP and further modernise it, the aim being to improve the way it operates on the basis of experience since 2003 and to adjust it in the light of new challenges and the opportunities arising in 2007 in a European Union of 27 Member States. The communication launches a wide-ranging consultation over a period of six months, following which the Commission will present its legislative proposals. The aim is to find answers to three main questions: how to make the system of direct payments more effective and simple; how to ensure that market support instruments, originally conceived for a Community of six Member States, are relevant in the current world context; and how to master current challenges. The ‘health check’ is a preliminary to the development by the Commission of its approach to the 2008–09 budgetary review.

On 26 November⁽⁴³⁹⁾, the Council amended Regulation (EC) No 1290/2005 on the financing of the CAP⁽⁴⁴⁰⁾. The purpose of this initiative is to comply with the obligation to publish information on the beneficiaries of Community funding introduced by Regulation (EC, Euratom) No 1995/2006, which lays down that the necessary details are to be stipulated in the corresponding sectoral rules⁽⁴⁴¹⁾.

Rural development

In its conclusions of 19 March ‘Employment in rural areas: closing the jobs gap’, the Council recalled the importance of the European model of agriculture for rural employment and preserving the beauty and diversity of the countryside and the need to develop the second CAP pillar further as a key instrument to accompany the reform. In particular, the Council requests the Commission to deliver an updated report and stresses that creating and maintaining jobs must be one of the priorities of rural development programmes.

Product quality

On 28 June the Council adopted Regulation (EC) No 834/2007⁽⁴⁴²⁾ on organic production and the labelling of organic products and repealing Regulation (EEC) No 2092/91⁽⁴⁴³⁾. The new regulation responds to increased consumer demand seen over recent years and the growth in the market share of organic products in most Member States. It aims to improve product traceability and consumer information by means of compulsory indications, such as ‘EU Agriculture’, certifying that the agricultural raw material has been farmed in the European Union. It will also offer the possibility of using the Community organic production logo alongside national and private logos. The new regulation confirms the ban on the use of genetically modified organisms and ionising radiation and lays down harmonised rules for the production and marketing of organic products, including processed products, and for controls on the import of such products.

⁽⁴³⁸⁾ COM(2007) 722.

⁽⁴³⁹⁾ Regulation (EC) No 1437/2007 (OJ L 322, 7.12.2007).

⁽⁴⁴⁰⁾ OJ L 209, 11.8.2005.

⁽⁴⁴¹⁾ OJ L 390, 30.12.2006.

⁽⁴⁴²⁾ OJ L 189, 20.7.2007.

⁽⁴⁴³⁾ OJ L 198, 22.7.1991.

Agricultural prices and related measures

On 27 June the Commission adopted a report on the evolution of the market in milk products and competing products⁽⁴⁴⁴⁾. It takes the view that Regulation (EEC) No 1898/87 should continue to apply, since it ensures both the correct labelling of milk and milk products and a level playing field for milk products and competing products. However, in the Commission's view, annual reporting is no longer justified.

Common market organisation

By a decision of 16 April⁽⁴⁴⁵⁾, the Council authorised the Commission to vote on behalf of the Community within the International Grains Council in favour of extending the Grains Trade Convention 1995 for a further period of up to two years. On 11 June the Council adopted a regulation on the common organisation of the market in cereals⁽⁴⁴⁶⁾. The regulation lays down a ceiling on the quantities of maize eligible for intervention. The legal instrument of intervention is maintained pending re-examination of the operation of the common market organisation (CMO) for cereals as part of the 'health check' to be carried out on the common agricultural policy in 2008.

In the milk and milk products sector, on 26 September the Council adopted a directive and two regulations amending and simplifying the existing legislation:

- Directive 2007/61/EC⁽⁴⁴⁷⁾ authorises the standardisation of the protein content of certain partly or wholly dehydrated preserved milk for human consumption;
- Regulation (EC) No 1152/2007⁽⁴⁴⁸⁾ improves the school milk scheme and simplifies intervention measures for butter;
- Regulation (EC) No 1153/2007⁽⁴⁴⁹⁾ liberalises the market for drinking milk by authorising the production and marketing within the Community of milk with different fat contents.

On 12 December the Commission adopted a report on the market outlook for the dairy sector⁽⁴⁵⁰⁾. The report examines developments in the production of milk and dairy products, prices for milk and dairy products and the use of market-management tools between 2003 and 2007. The report then goes on to present the EU market outlook for the period 2007–14 and the world outlook for the period 2006–16.

In the fruit and vegetables sector, on 26 September the Council adopted Regulation (EC) No 1182/2007⁽⁴⁵¹⁾ which amends or repeals certain legislative instruments. The regulation, which brings the fruit and vegetables sector into line with the rest of the reformed common agricultural policy, aims to make the sector more competitive and market-orientated to ensure sustainable production that is competitive on the EU market and external markets; to reduce income fluctuations resulting from market crises; to increase the consumption of fruit and

⁽⁴⁴⁴⁾ COM(2007) 360 (OJ C 191, 17.8.2007).
⁽⁴⁴⁵⁾ Decision 2007/317/EC (OJ L 119, 9.5.2007).
⁽⁴⁴⁶⁾ Regulation (EC) No 735/2007 (OJ L 169, 29.6.2007).
⁽⁴⁴⁷⁾ OJ L 258, 4.10.2007.
⁽⁴⁴⁸⁾ OJ L 258, 4.10.2007.
⁽⁴⁴⁹⁾ OJ L 258, 4.10.2007.
⁽⁴⁵⁰⁾ COM(2007) 800.
⁽⁴⁵¹⁾ OJ L 273, 17.10.2007.

vegetables within the European Union; to continue the action already started by the sector to preserve and protect the environment; and to reinforce the role of producer organisations.

On 21 December the Commission adopted a regulation ⁽⁴⁵²⁾ laying down implementing rules for Council regulations in force in the fruit and vegetables sector ⁽⁴⁵³⁾.

On 22 October the Council adopted Regulation (EC) No 1234/2007 establishing a common organisation of agricultural markets and on specific provisions for certain agricultural products (single CMO regulation) ⁽⁴⁵⁴⁾. The regulation seeks to simplify the regulatory environment of the CAP by creating a horizontal legal framework for the agricultural markets. The instrument amalgamates in a single regulation the 21 existing common market organisations and the 23 acts of the Council relating to them, based on a horizontal approach.

On 11 June the Council adopted a regulation establishing a quota system in relation to the production of potato starch ⁽⁴⁵⁵⁾. The regulation extends the existing quotas for the 2007/08 and 2008/09 marketing years. On 22 October the Commission adopted a regulation amending ⁽⁴⁵⁶⁾ Regulation (EC) No 1947/2005 ⁽⁴⁵⁷⁾ as regards national aid granted by Finland for seeds and cereal seed. The new regulation amends the common market organisation, abolishing, after the 2010 harvest, the possibility granted to Finland of paying such aid.

By Decision 2007/316/EC of 16 April ⁽⁴⁵⁸⁾, the Council authorised the Commission to vote on behalf of the Community within the International Sugar Council in favour of extending the International Sugar Agreement 1992 for a further period of two years until 31 December 2009.

On 7 May the Commission adopted a communication ⁽⁴⁵⁹⁾ and proposals to amend Regulations (EC) Nos 318/2006 and 320/2006 ⁽⁴⁶⁰⁾ relating to the reform of the sugar sector carried out in November 2005. On 9 October the Council adopted amendments to the two regulations ⁽⁴⁶¹⁾ in view of the low level of restructuring of the sugar industry during the first two years of the reform.

On 11 June, the Council adopted a regulation on the marketing of the meat of bovine animals aged 12 months or less ⁽⁴⁶²⁾.

In a resolution of 15 February Parliament proposed a reform of the common organisation of the market in wine to simplify and harmonise legislation and strengthen competitiveness. Following this, on 4 July the Commission adopted a proposal for a regulation reforming the common organisation of the market in wine ⁽⁴⁶³⁾. It takes the view that a fundamental reform is necessary to replace cost-inefficient policy tools by a more sustainable and coherent legal framework.

⁽⁴⁵²⁾ Regulation (EC) No 1580/2007 (OJ L 350, 31.12.2007).

⁽⁴⁵³⁾ Regulations (EC) Nos 2200/96, 2201/96 and 1182/2007.

⁽⁴⁵⁴⁾ OJ L 299, 16.11.2007.

⁽⁴⁵⁵⁾ Regulation (EC) No 671/2007 (OJ L 156, 16.6.2007).

⁽⁴⁵⁶⁾ Regulation (EC) No 1247/2007 (OJ L 282, 26.10.2007).

⁽⁴⁵⁷⁾ OJ L 312, 29.11.2005.

⁽⁴⁵⁸⁾ OJ L 119, 9.5.2007.

⁽⁴⁵⁹⁾ COM(2007) 227 (OJ C 191, 17.8.2007).

⁽⁴⁶⁰⁾ OJ L 58, 28.2.2006.

⁽⁴⁶¹⁾ Regulations (EC) Nos 1260/2007 and 1261/2007 (OJ L 283, 27.10.2007).

⁽⁴⁶²⁾ Regulation (EC) No 700/2007 (OJ L 161, 22.6.2007).

⁽⁴⁶³⁾ COM(2007) 372 (OJ C 191, 17.8.2007).

On 7 May the Council adopted a regulation authorising the presence of malic acid in wines imported into the Community from Argentina⁽⁴⁶⁴⁾ against the background of the comprehensive negotiations on, among other things, an agreement between the Community and the Southern Common Market (Mercosur) on the mutual recognition of oenological practices.

European Agricultural Guidance and Guarantee Fund, Guarantee Section

On 11 June the Council adopted a regulation⁽⁴⁶⁵⁾ amending Regulation (EEC) No 1883/78⁽⁴⁶⁶⁾. The purpose of this measure is to reduce, in 2007 and 2008, the financial burden of storage operations in Member States in which interest rates are very high, such as in Hungary, the country with the highest stocks of maize.

3.2.3. Fisheries and maritime strategy

Content of the common fisheries policy

On 10 April the Commission adopted a report on the monitoring of the Member States' implementation of the common fisheries policy (CFP) during the period 2003–05⁽⁴⁶⁷⁾.

On 5 February the Commission adopted a communication on improving fishing capacity and effort indicators under the common fisheries policy⁽⁴⁶⁸⁾. The communication seeks to open up a debate on the most appropriate way of quantifying fishing capacity under the CFP.

On 18 April the Commission adopted a proposal for a regulation concerning the establishment of a Community framework for the collection, management and use of data in the fisheries sector and support for scientific advice regarding the CFP⁽⁴⁶⁹⁾. The aim is to develop long-term, well-integrated regional sampling programmes covering biological, economic, environmental and social data. Against this background, on 13 November the Council adopted a regulation amending⁽⁴⁷⁰⁾ the regulation establishing a Community framework for the collection and management of the data needed to conduct the CFP.

On 28 March the Commission adopted a communication 'A policy to reduce unwanted by-catch and eliminate discards in European fisheries'⁽⁴⁷¹⁾. The instruments proposed for this policy are the progressive introduction of a discard ban so that eventually all finfish and crustaceans caught will have to be landed, and supplementary measures such as encouragement to improve the selectivity of fishing gear, requirements to change fishing ground and real-time closures.

For its part, in an opinion delivered on 25 April⁽⁴⁷²⁾, the European Economic and Social Committee gave its views on the Commission communication of July 2006 concerning consideration of the maximum sustainable yield in the CFP⁽⁴⁷³⁾. The Committee recommends

⁽⁴⁶⁴⁾ Regulation (EC) No 519/2007 (OJ L 123, 12.5.2007).
⁽⁴⁶⁵⁾ Regulation (EC) No 734/2007 (OJ L 169, 29.6.2007).
⁽⁴⁶⁶⁾ (OJ L 216, 5.8.1978).
⁽⁴⁶⁷⁾ COM(2007) 167 (OJ C 181, 3.8.2007).
⁽⁴⁶⁸⁾ COM(2007) 39 (OJ C 138, 22.6.2007).
⁽⁴⁶⁹⁾ COM(2007) 196 (OJ C 246, 20.10.2007).
⁽⁴⁷⁰⁾ Regulation (EC) No 1343/2007 (OJ L 300, 17.11.2007).
⁽⁴⁷¹⁾ COM(2007) 136 (OJ C 181, 3.8.2007).
⁽⁴⁷²⁾ OJ C 168, 20.7.2007.
⁽⁴⁷³⁾ COM(2006) 360.

giving careful consideration to the advantages and disadvantages of this principle, from the economic, social and environmental points of view.

On 11 June the Council amended certain provisions of Decision 2004/585/EC establishing regional advisory councils under the CFP to allow them to receive financial aid from the Community as bodies pursuing an aim of general European interest ⁽⁴⁷⁴⁾.

On 10 July the Council adopted a regulation on the conservation and sustainable exploitation of fisheries resources under the CFP ⁽⁴⁷⁵⁾. The regulation seeks to adjust the Community fishing fleet in order to improve safety, hygiene, working conditions, product quality and the energy efficiency of vessels.

On the same day Parliament adopted a resolution on industrial fisheries and the production of fishmeal and fish oil. It stressed the importance of continuing research into the impact of industrial fisheries and their effect on other fisheries as well as on the wider marine environment. It emphasised the problem of discards from marine fisheries and called on the Commission to carry out studies to investigate the current situation concerning discards and the possibility of their being used by the industrial fishing sector.

On 25 July the Commission adopted a communication on serious infringements of the rules of the CFP in 2005 ⁽⁴⁷⁶⁾. Member States notified the Commission of 10 443 cases of serious infringements detected in 2005, slightly up on the previous year (9 660 cases).

Management of fishing activities

In a communication of 26 February on rights-based management tools in fisheries ⁽⁴⁷⁷⁾, the Commission examined the options for improving the effectiveness of fisheries management while facilitating the achievement of the basic objectives that are being pursued by the Community and by Member States within the framework of the CFP. These options relate, in particular, to the conservation of fish stocks and the competitiveness of the fisheries sector.

With a view to simplifying and improving the procedures for managing authorisations for fishing activities, on 18 June the Commission adopted a proposal for a regulation concerning authorisations for fishing activities of Community fishing vessels outside Community waters and the access of third-country vessels to Community waters ⁽⁴⁷⁸⁾.

Combating illegal fishing

In a resolution ⁽⁴⁷⁹⁾ of 15 February, Parliament reiterated its determination to combat illegal, unreported and unregulated fishing. It takes the view that the first measures the European Union should take are to implement the existing provisions of the CFP and the relevant Community legislation, in order to reduce illegal fishing by Community vessels in Community waters, and to prevent the landing and marketing of products of fish caught illegally outside the Community.

⁽⁴⁷⁴⁾ Decision 2007/409/EC (OJ L 155, 15.6.2007).

⁽⁴⁷⁵⁾ Regulation (EC) No 865/2007 (OJ L 192, 24.7.2007).

⁽⁴⁷⁶⁾ COM(2007) 448 (OJ C 246, 20.10.2007).

⁽⁴⁷⁷⁾ COM(2007) 73 (OJ C 138, 22.6.2007).

⁽⁴⁷⁸⁾ COM(2007) 330 (OJ C 191, 17.8.2007).

⁽⁴⁷⁹⁾ OJ C 287 E, 29.11.2007.

For its part, on 17 October the Commission adopted a communication ⁽⁴⁸⁰⁾ and a proposal for a regulation establishing a Community system to prevent, deter and eliminate illegal, unreported and unregulated fishing ⁽⁴⁸¹⁾.

Conservation and management of fishery resources

On 29 January the Commission adopted a communication ‘Review of the management of deep-sea fish stocks’ ⁽⁴⁸²⁾.

On 7 May the Council adopted a regulation establishing a multiannual plan for the sustainable exploitation of the stock of sole in the western Channel ⁽⁴⁸³⁾ and a regulation laying down technical and conservation measures applicable to the capture and landing of tuna, marlins, swordfish and other highly migratory species and the capture of by-catches by Community fishing vessels ⁽⁴⁸⁴⁾. On 11 June it adopted a regulation establishing a multiannual plan for fisheries exploiting stocks of plaice and sole in the North Sea ⁽⁴⁸⁵⁾ and a regulation introducing new measures to ensure the recovery of stocks of bluefin tuna based on the recommendations of the International Commission for the Conservation of Atlantic Tunas (ICCAT) ⁽⁴⁸⁶⁾. On 18 September the Council adopted a regulation establishing measures for the recovery of the stock of European eel ⁽⁴⁸⁷⁾ and a regulation establishing a multiannual plan for the cod stocks in the Baltic Sea and the fisheries exploiting those stocks ⁽⁴⁸⁸⁾ and amending and derogating from the regulations in force ⁽⁴⁸⁹⁾.

On 6 June the Commission adopted a communication on the fishing opportunities for 2008 ⁽⁴⁹⁰⁾. It explains how the Commission intends to assign fish stocks into a small number of objective categories based on scientific advice, to treat all stocks within each conservation category in the same way and to apply consistent rules concerning adjustments to levels of total allowable catches (TACs), quotas and fishing efforts that it will propose for 2008.

On 11 June the Council adopted a regulation ⁽⁴⁹¹⁾ to implement at Community level the recovery plan for bluefin tuna adopted by the ICCAT. On 17 December it adopted a similar regulation for the Eastern Atlantic and the Mediterranean ⁽⁴⁹²⁾.

On 22 October the Council adopted a regulation laying down conservation and enforcement measures applicable in the regulatory area of the Northwest Atlantic Fisheries Organisation ⁽⁴⁹³⁾.

On 26 November the Council adopted a regulation fixing the fishing opportunities and associated conditions for certain fish stocks and groups of fish stocks applicable in the Baltic Sea for 2008 ⁽⁴⁹⁴⁾. On 20 December it adopted a similar regulation for the Black Sea ⁽⁴⁹⁵⁾.

⁽⁴⁸⁰⁾ COM(2007) 601 (OJ C 9, 15.1.2008).
⁽⁴⁸¹⁾ COM(2007) 602 (OJ C 9, 15.1.2008).
⁽⁴⁸²⁾ COM(2007) 30 (OJ C 138, 22.6.2007).
⁽⁴⁸³⁾ Regulation (EC) No 509/2007 (OJ L 122, 11.5.2007).
⁽⁴⁸⁴⁾ Regulation (EC) No 520/2007 (OJ L 123, 12.5.2007).
⁽⁴⁸⁵⁾ Regulation (EC) No 676/2007 (OJ L 157, 19.6.2007).
⁽⁴⁸⁶⁾ Regulation (EC) No 643/2007 (OJ L 151, 13.6.2007).
⁽⁴⁸⁷⁾ Regulation (EC) No 1100/2007 (OJ L 248, 22.9.2007).
⁽⁴⁸⁸⁾ Regulation (EC) No 1098/2007 (OJ L 248, 22.9.2007).
⁽⁴⁸⁹⁾ Regulations (EEC) No 2847/93 and (EC) No 779/97.
⁽⁴⁹⁰⁾ COM(2007) 295 (OJ C 9, 15.1.2008).
⁽⁴⁹¹⁾ Regulation (EC) No 643/2007 (OJ L 151, 13.6.2007).
⁽⁴⁹²⁾ Regulation (EC) No 1559/2007 (OJ L 340, 22.12.2007).
⁽⁴⁹³⁾ Regulation (EC) No 1386/2007 (OJ L 318, 5.12.2007).
⁽⁴⁹⁴⁾ Regulation (EC) No 1404/2007 (OJ No 312, 30.11.2007).

On 17 December the Council amended Regulations (EC) Nos 2015/2006 and 41/2007 as regards fishing opportunities and associated conditions for certain fish stocks ⁽⁴⁹⁶⁾.

Fisheries agreements with non-member countries

In 2007 the Commission embarked on the renegotiation of fisheries agreements and protocols with a number of non-member countries. The new partnership agreements, which provide the means to ensure the sustainable exploitation of resources in the interests of all parties, also aim to guarantee greater consistency between the various Community policies. During the year, such agreements were concluded with Gabon, Greenland, Kiribati, Madagascar, Mozambique and São Tomé and Príncipe.

On 15 October the Commission adopted a proposal for a regulation concerning modifications to protocols of fisheries partnership agreements concluded between the European Community and third countries ⁽⁴⁹⁷⁾.

Maritime policy

In an opinion ⁽⁴⁹⁸⁾ of 13 February on the Green Paper ‘Towards a future maritime policy for the Union: a European vision for the oceans and seas’, published in June 2006 ⁽⁴⁹⁹⁾, the Committee of the Regions welcomed the fact that the Commission has recognised the importance of the regional dimension in the management of maritime activities. For its part, the European Economic and Social Committee issued a favourable opinion ⁽⁵⁰⁰⁾ on 26 April in which it endorsed most of the proposals contained in the Green Paper.

On 12 July Parliament adopted a resolution on future maritime policy for the European Union. It takes the view that this policy calls for the integration of policies, actions and decisions relating to maritime affairs and promotes better coordination, more openness and increased cooperation between all players whose actions have an impact on Europe’s oceans and seas.

On 7 June the Commission adopted a communication ⁽⁵⁰¹⁾ following its evaluation of the EU recommendation on integrated coastal zone management. It identifies two priority themes for coastal areas: adaptation to climate change and risks and increased cooperation concerning regional seas, including better coherence between plans and programmes and the management of the land–sea interface.

On 17 October the Commission adopted a proposal for a regulation on the protection of vulnerable marine ecosystems in the high seas from the adverse impacts of bottom fishing gears ⁽⁵⁰²⁾.

General references and other useful links

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⁽⁴⁹⁵⁾ Regulation (EC) No 1579/2007 (OJ L 346, 29.12.2007).
⁽⁴⁹⁶⁾ Regulation (EC) No 1533/2007 (OJ L 337, 21.12.2007).
⁽⁴⁹⁷⁾ COM(2007) 595 (OJ C 4, 9.1.2008).
⁽⁴⁹⁸⁾ OJ C 146, 30.6.2007.
⁽⁴⁹⁹⁾ COM(2006) 275.
⁽⁵⁰⁰⁾ OJ C 168, 20.7.2007.
⁽⁵⁰¹⁾ COM(2007) 308 (OJ C 191, 17.8.2007).
⁽⁵⁰²⁾ COM(2007) 605.

<T6>Section 3

<T2>3.3. Promoting common values within the European Union

<T3>3.3.1. Protecting fundamental rights and combating discrimination

European Union Agency for Fundamental Rights

The European Union Agency for Fundamental Rights⁽⁵⁰³⁾ was established by a regulation adopted by the Council on 15 February⁽⁵⁰⁴⁾. The objective of the Agency is to provide the institutions, bodies, offices and agencies of the Community and its Member States with assistance and expertise relating to fundamental rights in order to support them in fully respecting these rights when they implement Community law.

That same day, the Commission received the authorisation to open negotiations with the Council of Europe with a view to the conclusion of a cooperation agreement between the Agency and the Council of Europe. On 21 August the Commission adopted a proposal for a Council decision on the conclusion of such an agreement between the European Community and the Council of Europe⁽⁵⁰⁵⁾. The agreement negotiated by the Commission provides for regular contacts and meetings, the exchange of information with due respect for the rules on data protection and the coordination of activities, particularly with regard to preparation of the Agency's annual work programme.

On 12 September the Commission adopted a proposal for a decision implementing Regulation (EC) No 168/2007 as regards the adoption of a multiannual framework for the Agency for 2007–12⁽⁵⁰⁶⁾. The proposal contains the thematic areas for the activities of the Agency over the period in question.

Consular protection

In an opinion⁽⁵⁰⁷⁾ of 14 March on the Green Paper on diplomatic and consular protection of European Union citizens in third countries published in November 2006⁽⁵⁰⁸⁾, the European Economic and Social Committee noted that the right to diplomatic and consular protection for European Union citizens in third countries strengthens the idea of EU citizenship. The Committee welcomed the proposal to extend protection to include EU citizens' family members, where they are citizens of third countries, and to extend the protection provided to include the identification and transfer of corpses of EU citizens and members of their families who do not have EU citizenship.

On 5 December the Commission adopted a communication entitled 'Effective consular protection in third countries: the contribution of the European Union — Action plan 2007–09'⁽⁵⁰⁹⁾. This communication aims to strengthen the right of European Union citizens to Community consular protection, enshrined in Article 20 of the EC Treaty and taken up in Article 46 of the Charter of Fundamental Rights. It is the follow-up to the public consultation launched by the publication of the Green Paper in February 2006.

⁽⁵⁰³⁾ See also 'Protecting and promoting common values beyond the borders of the European Union' in Chapter V, Section 3, of this Report'.

⁽⁵⁰⁴⁾ Regulation (EC) No 168/2007 (OJ L 53, 22.2.2007).

⁽⁵⁰⁵⁾ COM(2007) 478 (OJ C 246, 20.10.2007).

⁽⁵⁰⁶⁾ COM(2007) 515 (OJ C 4, 9.1.2008).

⁽⁵⁰⁷⁾ OJ C 161, 13.7.2007.

⁽⁵⁰⁸⁾ COM(2006) 712 (OJ C 126, 7.6.2007).

⁽⁵⁰⁹⁾ COM(2007) 767.

Actions within the European Union

On 26 April the European Parliament adopted a resolution on homophobia in Europe. It underlines that the European Union is first and foremost a community of values, with respect for human rights and fundamental freedoms, democracy and the rule of law, equality and non-discrimination among its most cherished values. Parliament called for worldwide decriminalisation of homosexuality and announced that it would mark the International Day against Homophobia on 17 May each year.

European Group on Ethics in Science and New Technologies

In 2007 the European Group on Ethics in Science and New Technologies (EGE) worked towards the publication, in December, of an opinion on the ethical aspects of animal cloning for food supply. To encourage civil society to become involved, a round table was held in September, followed by the publication of the proceedings, and a public consultation was organised. Over 800 contributions received through this consultation enabled the EGE to finalise the adoption of the opinion on animal cloning for food supply.

In July the EGE adopted an opinion on the ethical review of projects financed by the European Union concerning research on human embryonic stem cells. The EGE recognised the need for promoting responsible research that is transparent, serves the public interest, respects Member States' autonomy, preserves public trust, promotes international cooperation and requires the embedding of ethics within research practice. The group also suggested considerations that should be taken into account in EU-funded research projects involving the use of human embryonic stem cells.

Throughout the year the EGE organised meetings with the national ethics committees (NEC) and representatives of the Forum of National Ethics Councils (NEC Forum) in the 27 Member States, in order to gather the necessary information on the ethical, legislative and social aspects of the matters discussed by the group.

On 28 and 29 November 2007 the Commission hosted the seventh meeting of the United Nations Inter-Agency Committee on Bioethics, which brings together organisations active in this field. This event is an important platform for interinstitutional discussions on matters relating to bioethics and ethics in science.

3.3.2. Culture

In its communication on a European agenda for culture in a globalising world ⁽⁵¹⁰⁾, adopted on 10 May, the Commission proposes a new agenda, based on shared objectives and new forms of partnership with the Member States and civil society. It identifies three main sets of objectives: promotion of cultural diversity and intercultural dialogue, promotion of culture as a catalyst for creativity in the framework of the Lisbon strategy and promotion of culture as a vital element in the Union's international relations. To achieve these objectives, the Commission suggests new partnerships and working methods: pursuing a structured dialogue with the cultural sector, setting up an open method of coordination, supporting evidence-based policymaking, and mainstreaming culture in all relevant policies. In a resolution adopted on 16 November the Council endorsed the three objectives that will form a common cultural strategy, together with the main working methods proposed by the Commission.

⁽⁵¹⁰⁾ COM(2007) 242 (OJ C 181, 3.8.2007).

The year 2008 has been proclaimed the European Year of Intercultural Dialogue, with the aim of establishing a foundation for sustained European policy initiatives in the field of intercultural dialogue beyond 2008. It is also an active expression of the impact of the new European agenda for culture in a globalising world, in which promotion of cultural diversity and intercultural dialogue is one of the three key objectives. The Year has been allocated a budget of EUR 10 million to support the information campaign, conduct surveys and studies on intercultural dialogue, and co-finance the seven flagship European projects and 27 national projects (one for each Member State) on intercultural dialogue across the European Union. The <http://www.dialogue2008.eu> website has also been inaugurated.

<T3>3.3.3. Youth, active citizenship and sport

Youth policy

On 23 March the Committee of the Regions issued an opinion⁽⁵¹¹⁾ on the Commission communication on European policies concerning youth participation and information⁽⁵¹²⁾. In this opinion it judged it essential, especially given the current debate on the future of Europe, to step up participation by, and information for, young people in the communities where they live, in order to increase their feeling of belonging to the Union, ensure that they can exercise the rights set out in the European Union's Charter of Fundamental Rights, and help give new impetus to the European venture by making the concept of European citizenship a reality.

At its meeting on 24 and 25 May the Council considered the full participation of young people in society and equal opportunities for all young people in Europe. It called on the Member States and the Commission to facilitate the transition from school to working life, to contribute to reconciling family, private and professional life, and to prioritise the concerns of young people in the national reform programmes and the key policies which affect the quality of life of young people.

On 5 September the Commission adopted a communication entitled 'Promoting young people's full participation in education, employment and society'⁽⁵¹³⁾. In the Commission's view, developing cross-cutting youth strategies must be a priority — at both EU and national levels — covering a broad range of policy areas such as education, employment, health, enterprise, culture, youth and sport.

Sport

The Commission took an initiative to address sports-related issues in a comprehensive manner with the presentation on 11 July of a White Paper on sport⁽⁵¹⁴⁾. This draws attention to issues such as the application of EU law to sport and seeks to set out further sports-related action at EU level. The White Paper is made up of four sections, relating to the societal role of sport, its economic dimension, the organisation of sport, and the follow-up to the initiatives presented in the White Paper through the implementation of a structured dialogue with sport stakeholders and cooperation with the Member States. Concrete proposals for future EU action are brought together in an action plan named after Pierre de Coubertin which contains activities to be conducted or supported by the Commission.

⁽⁵¹¹⁾ OJ C 156, 7.7.2007.

⁽⁵¹²⁾ COM(2006) 417.

⁽⁵¹³⁾ COM(2007) 498 (OJ C 4, 9.1.2008).

⁽⁵¹⁴⁾ COM(2007) 391 (OJ C 4, 9.1.2008).

On 29 March the European Parliament adopted a resolution on the future of professional football in Europe. It took note of the many problems encountered in this field and of the importance of the sport in Europe and certain third countries. On 11 October the Committee of the Regions adopted an own-initiative opinion on equal opportunities and sport.

General references and other useful links

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<T4>Chapter IV

<T1>Security and freedom

<T6>Section 1

<T2>4.1. European area of freedom, security and justice

<T3>4.1.1. Implementing the Hague programme

Background

The Hague programme, covering the period 2005–09, encompasses all aspects of policies on freedom, security and justice, including the external dimension, notably fundamental rights and citizenship, asylum and immigration, border management, integration, the fight against terrorism and organised crime, judicial and police cooperation, and civil law. The programme is accompanied by a strategy on drugs adopted by the European Council in December 2004.

In 2005 a joint Council and Commission action plan set the priorities on which the Hague programme was to focus in the years ahead. A strategy for the external dimension of the area of freedom, security and justice was also mapped out.

On 3 July the Commission adopted a report on the implementation of the Hague programme for 2006 ⁽⁵¹⁵⁾. The report reviews the adoption of measures provided for in the programme, including those under the drugs action plan, the strategy on the external aspects of the area of freedom, security and justice and the action plan on the fight against terrorism, which supplement the Hague programme plan. It takes stock of all the actions scheduled for 2006 or not achieved in 2005, as well as those taken on a regular or ongoing basis.

<T3>4.1.2. European law-enforcement area

Fundamental rights

On 19 April the Council adopted a decision ⁽⁵¹⁶⁾ establishing, for the period 2007–13, the specific programme ‘Fundamental rights and citizenship’ as part of the general programme ‘Fundamental rights and justice’. The programme’s objectives are to promote the development of a European society based on respect for fundamental rights; to strengthen

⁽⁵¹⁵⁾ COM(2007) 373 (OJ C 191, 17.8.2007).

⁽⁵¹⁶⁾ Decision 2007/252/EC (OJ L 110, 27.4.2007 and OJ L 141, 2.6.2007).

civil society and encourage an open, transparent and regular dialogue with it in respect of fundamental rights; to fight against racism, xenophobia and anti-Semitism; and to enhance mutual trust and intercultural and inter-faith understanding and improve tolerance throughout the European Union.

On 20 June the European Parliament and the Council adopted a decision ⁽⁵¹⁷⁾ establishing, for the period 2007–13, the specific programme ‘Daphne III’ as part of the general programme ‘Fundamental rights and justice’. The programme’s objectives are to contribute to the protection of children, young people and women against all forms of violence and to attain a high level of health protection, well-being and social cohesion.

Civil and commercial justice

On 11 July the European Parliament and the Council adopted Regulation (EC) No 864/2007 on the law applicable to non-contractual obligations (Rome II) ⁽⁵¹⁸⁾. The same day they adopted Regulation (EC) No 861/2007 ⁽⁵¹⁹⁾ intended to simplify and speed up litigation concerning small claims in cross-border cases and to reduce costs by establishing a European small claims procedure.

On 25 September the European Parliament and the Council adopted a decision ⁽⁵²⁰⁾ establishing, for the period 2007–13, the specific programme ‘Civil justice’ as part of the general programme ‘Fundamental rights and justice’. The programme’s objectives are to promote judicial cooperation with the aim of contributing to the creation of a genuine European area of justice in civil matters based on mutual recognition and mutual confidence, to promote the elimination of obstacles to the good functioning of cross-border civil proceedings in the Member States, to improve the daily life of individuals and businesses by enabling them to assert their rights throughout the European Union, notably by fostering access to justice, and to improve the contacts, exchange of information and networking between legal, judicial and administrative authorities and the legal professions, including by way of support of judicial training, with the aim of better mutual understanding.

Criminal justice

On 12 February the Council adopted a decision ⁽⁵²¹⁾ establishing, for the period 2007–13, the specific programme ‘Criminal justice’ as part of the general programme ‘Fundamental rights and justice’. This decision will help strengthen the area of freedom, security and justice.

On 11 July the Commission adopted a report ⁽⁵²²⁾ on the implementation, since 2005, of the Council framework decision of 13 June 2002 on the European arrest warrant and the surrender procedures between Member States. It sets out to identify good practice in the Member States and the problems remaining in transposing the European arrest warrant. It confirms that, despite an initial delay of up to 16 months and difficulties due to constitutional requirements in at least two Member States, implementation of the framework decision has been a success. The European arrest warrant has been operational in all the Member States since 1 January and its positive impact is borne out daily in terms of judicial control, efficiency and speed, always with full respect for fundamental rights.

⁽⁵¹⁷⁾ Decision 779/2007/EC (OJ L 173, 3.7.2007).

⁽⁵¹⁸⁾ OJ L 199, 31.7.2007.

⁽⁵¹⁹⁾ OJ L 199, 31.7.2007.

⁽⁵²⁰⁾ Decision 1149/2007/EC (OJ L 257, 3.10.2007).

⁽⁵²¹⁾ Decision 2007/126/JHA (OJ L 58, 24.2.2007).

⁽⁵²²⁾ COM(2007) 407 (OJ C 191, 17.8.2007).

<T3>4.1.3. Police and customs cooperation

Europol and CEPOL

On 15 February the Council adopted a decision adding Montenegro to the list of third States and non-EU-related bodies with which Europol's Director is authorised to enter into negotiations⁽⁵²³⁾. The same day the Director was given the go-ahead to conclude a draft agreement with Australia with the aim of helping Member States and Australia tackle serious forms of international crime, notably through exchange of information and regular contacts at the appropriate levels.

Data protection and exchange of information

On 7 March the Commission adopted a communication on the follow-up of the work programme for better implementation of the data protection directive⁽⁵²⁴⁾ set out in its first report on the implementation of the directive⁽⁵²⁵⁾. In it the Commission examined the progress made and still to be made under the work programme. In the Commission's view the general legal framework laid down in the directive is substantially appropriate and technologically neutral and ensures a high standard of protection for personal data throughout the European Union with considerable benefits for citizens, business and authorities. As a consequence, the Commission does not envisage submitting a legislative proposal to amend the directive. On the other hand a series of steps will be taken to improve its operation and the Member States will have to ensure that national legislation is implemented properly. In order to reduce the discrepancies between such national legislation the Commission intends to frame an interpretative communication concerning a number of provisions: the work programme will be pursued; the working group must do more to help harmonise the practices followed by the control authorities; and the need for specific legislation will be considered in cases where a particular type of technology regularly causes data protection problems.

On 2 May the Commission adopted a communication on promoting data protection by privacy enhancing technologies or PETs⁽⁵²⁶⁾. Those technologies should make it harder to breach certain data protection rules and help detect such breaches. The communication points up the advantages of such technologies and the Commission's goals in furthering them. It defines measures to achieve those goals by backing the development of such technologies and their use, both by those responsible for processing data and by consumers.

On 12 June the Council adopted a decision defining the rules on access to and use of personal data held by Europol, their security and how long the data may be kept⁽⁵²⁷⁾. On 23 July it adopted a decision on the signing of an agreement between the European Union and the United States on the processing and transfer of passenger name record (PNR) data by air carriers to the United States Department of Homeland Security⁽⁵²⁸⁾.

On 12 July the European Parliament adopted a resolution on the PNR agreement with the United States in which it expressed concern at the persistent lack of legal certainty as regards the consequences and scope of the obligations imposed on the airlines.

⁽⁵²³⁾ Decision 2007/117/EC (OJ L 51, 20.2.2007).

⁽⁵²⁴⁾ COM(2007) 87 (OJ C 138, 22.6.2007).

⁽⁵²⁵⁾ COM(2003) 265 (OJ C 76, 25.3.2004).

⁽⁵²⁶⁾ COM(2007) 228 (OJ C 181, 3.8.2007).

⁽⁵²⁷⁾ Decision 2007/413/JHA (OJ L 155, 15.6.2007).

⁽⁵²⁸⁾ Decision 2007/551/CFSP/JHA (OJ L 204, 4.8.2007).

<T3>4.1.4. Fight against terrorism, crime and drugs

Fight against terrorism

On 12 February the Council adopted a decision ⁽⁵²⁹⁾ establishing, for 2007–13, a specific programme on prevention, preparedness and consequence management of terrorism and other security-related risks. Its aim is to support Member States' efforts to prevent and prepare for terrorist attacks and other security risks and to protect people and infrastructure.

On 15 February the European Parliament adopted a resolution on the external dimension of the fight against terrorism ⁽⁵³⁰⁾. It stressed the urgent need fully and properly to implement all the political measures adopted at the highest political level as part of the European Union counter-terrorism strategy, the action plan and the strategy for combating radicalisation and recruitment to terrorism, so that the mechanisms and other proposals set out in those documents can result as soon as possible in specific and effective measures. Parliament recommended that the European Union make its anti-terrorist policy more coherent and effective in its relations with third countries, and called on the Commission and the European Counter-Terrorism Coordinator to table an annual report to it on their activities in this field and to take due account of Parliament's observations and recommendations in that regard.

On 11 July the Commission adopted a Green Paper on bio-preparedness ⁽⁵³¹⁾. The aim is to stimulate a debate and launch a consultation process at European level on awareness of the existing legislative framework and shortcomings in implementing it. Improving the Union's ability to prevent, respond to and recover from a biological incident or deliberate criminal act requires coherent action in different policy sectors, which means that all stakeholders in the Member States and at European level need to be consulted. Political action involving the creation of a European programme on bio-risks, underpinned by a European network and a plan of action, could be envisaged on the strength of the consultation's findings.

On 6 November the Commission adopted a package of proposals aimed at reinforcing the Union's capabilities in the fight against terrorism. The package includes proposals to introduce penalties for public provocations to commit terrorist offences and for recruitment and training for terrorist purposes, including via the Internet ⁽⁵³²⁾, a proposal for a framework decision on the use of PNR data for law-enforcement purposes ⁽⁵³³⁾, a communication aimed at combating the use of explosive devices by terrorists in the Union ⁽⁵³⁴⁾, a proposal for a framework decision amending the existing framework decision ⁽⁵³⁵⁾ on combating terrorism ⁽⁵³⁶⁾ and a report on the implementation of the framework decision on combating terrorism ⁽⁵³⁷⁾. The basic aim of the security package is to equip legal systems in all the Member States of the Union with adequate instruments to bring criminals involved in terrorist activities to justice.

Fight against crime

⁽⁵²⁹⁾ Decision 2007/124/EC, Euratom (OJ L 58, 24.2.2007).

⁽⁵³⁰⁾ OJ C 287 E, 29.11.2007.

⁽⁵³¹⁾ COM(2007) 399 (OJ C 191, 17.8.2007).

⁽⁵³²⁾ COM(2007) 649.

⁽⁵³³⁾ COM(2007) 654.

⁽⁵³⁴⁾ COM(2007) 651.

⁽⁵³⁵⁾ Framework decision 2002/475/JHA (OJ L 164, 22.6.2002).

⁽⁵³⁶⁾ COM(2007) 650.

⁽⁵³⁷⁾ COM(2007) 681.

On 12 February the Council adopted a decision⁽⁵³⁸⁾ establishing, as part of the general programme ‘Security and safeguarding liberties’, the specific programme ‘Prevention of and fight against crime’. The programme’s objective is to contribute to a high level of security for citizens by preventing and fighting crime, in particular terrorism, trafficking in human beings and offences against children, illicit drug trafficking, arms trafficking, corruption and fraud.

On 22 May the Commission adopted a communication entitled ‘Towards a general policy on the fight against cyber crime’⁽⁵³⁹⁾. In the light of the needs identified and the limited powers of the Union in this field, the policy will focus on measures designed to boost international cooperation and coordination in order to strengthen operational collaboration between police authorities in the different Member States.

On 18 June the Commission adopted a report⁽⁵⁴⁰⁾ on the Council framework decision on combating corruption in the private sector. As the Commission has no authority under the third pillar to initiate infringement procedures against Member States, the report is limited to a factual evaluation of the transposal measures adopted, with the Commission expressing concern at the delays and reminding Member States of the importance attached to tackling private-sector corruption.

On 17 and 20 December the Commission adopted a report⁽⁵⁴¹⁾ on the implementation of the Council framework decision⁽⁵⁴²⁾ on confiscation of crime-related proceeds, instrumentalities and property, and a report⁽⁵⁴³⁾ on the implementation of the Council decision⁽⁵⁴⁴⁾ concerning arrangements for cooperation between financial intelligence units of the Member States in respect of exchanging information.

Fight against drugs

On 25 September the European Parliament and the Council adopted a decision⁽⁵⁴⁵⁾ establishing, for 2007–13, the specific programme ‘Drug prevention and information’ as part of the general programme ‘Fundamental rights and justice’. The programme’s objectives are to prevent and reduce drug use, drug dependence and drug-related harm and to support the implementation of the European Union drugs strategy.

On 10 December the Commission adopted a communication on the implementation of the European Union action plan on drugs for 2005–08⁽⁵⁴⁶⁾. The communication provides a general overview of the key elements of the European Union drugs policy, describes in detail how the objectives and actions adopted in the drugs action plan for 2005–08 are being implemented, and sets out the conclusions of the 2007 progress review. The communication indicates the progress made in demand-side and supply-side reduction, and discusses fundamental issues including coordination, international cooperation and information, research and evaluation. It includes detailed information received from all the Commission services involved, and from the European Monitoring Centre for Drugs and Drug Addiction and Europol.

⁽⁵³⁸⁾ Decision 2007/125/JHA (OJ L 58, 24.2.2007).

⁽⁵³⁹⁾ COM(2007) 267 (OJ C 191, 17.8.2007).

⁽⁵⁴⁰⁾ COM(2007) 328 (OJ C 246, 20.10.2007).

⁽⁵⁴¹⁾ COM(2007) 805.

⁽⁵⁴²⁾ Framework decision 2005/212/JHA (OJ L 68, 15.3.2005).

⁽⁵⁴³⁾ COM(2007) 827.

⁽⁵⁴⁴⁾ Decision 2000/642/JHA (OJ L 271, 24.10.2000).

⁽⁵⁴⁵⁾ Decision 1150/2007/EC (OJ L 257, 3.10.2007).

⁽⁵⁴⁶⁾ COM(2007) 781.

On 17 July the Commission adopted a proposal for a Council decision on defining 1-benzylpiperazine (BZP) as a new synthetic drug which is to be made subject to control measures and criminal provisions ⁽⁵⁴⁷⁾.

<T3>4.1.5. Border management and immigration

Migration flows, asylum and immigration

On 13 February the Committee of the Regions adopted an opinion ⁽⁵⁴⁸⁾ on the Commission communications ‘Policy plan on legal migration’ ⁽⁵⁴⁹⁾ and ‘Policy priorities in the fight against illegal immigration of third-country nationals’ ⁽⁵⁵⁰⁾ and on the Green Paper on the future of the European migration network ⁽⁵⁵¹⁾. The Committee emphasised the key role played by local and regional bodies owing to the experience they have gained through their relations with countries of origin and their measures to integrate immigrants, particularly in the fields of healthcare, housing, education and employment.

On 16 May the Commission adopted a communication on applying the global approach to migration to the eastern and south-eastern regions neighbouring the European Union ⁽⁵⁵²⁾, and a communication on circular migration and mobility partnerships between the European Union and third countries ⁽⁵⁵³⁾. Both communications are a response to the request from the European Council in December 2006 aimed at strengthening the dialogue with third countries on migration issues and identifying specific measures. The same day the Commission presented a proposal for a directive providing for sanctions against employers of illegally staying third-country nationals ⁽⁵⁵⁴⁾.

In May the Council adopted a series of decisions establishing several funds as part of the general programme ‘Solidarity and management of migration flows’ for the period 2008–13: the External Borders Fund ⁽⁵⁵⁵⁾, the European Refugee Fund ⁽⁵⁵⁶⁾ and the European Return Fund ⁽⁵⁵⁷⁾.

The aim of the External Borders Fund is to contribute to a more efficient organisation of checks and surveillance at the external borders, the efficient management of the flows of persons at the external borders, the uniform application by border guards of Community law on the crossing of borders, and better management of action taken by consular services of the Member States in third countries with regard to flows of third-country nationals. The aim of the European Refugee Fund is to support and encourage the Member States in welcoming refugees and displaced persons and in managing the impact of their efforts, taking account of Community legislation in the field. This decision replaces the second-generation Fund (2005–10) in order to support the new objectives of the Hague programme, in particular in the field of practical cooperation and resettlement. And lastly, the European Return Fund is designed to support the efforts made by the Member States to improve the management of return in all its dimensions through the use of the concept of integrated return management. It provides for

⁽⁵⁴⁷⁾ COM(2007) 430 (OJ C 191, 17.8.2007).

⁽⁵⁴⁸⁾ OJ C 146, 30.6.2007.

⁽⁵⁴⁹⁾ COM(2005) 669 (OJ C 70, 22.3.2006).

⁽⁵⁵⁰⁾ COM(2006) 402 (OJ C 78, 11.4.2007).

⁽⁵⁵¹⁾ COM(2005) 606 (OJ C 49, 28.2.2006).

⁽⁵⁵²⁾ COM(2007) 247 (OJ C 191, 17.8.2007).

⁽⁵⁵³⁾ COM(2007) 248 (OJ C 191, 17.8.2007).

⁽⁵⁵⁴⁾ COM(2007) 249 (OJ C 191, 17.8.2007).

⁽⁵⁵⁵⁾ Decision 574/2007/EC (OJ L 144, 6.6.2007).

⁽⁵⁵⁶⁾ Decision 573/2007/EC (OJ L 144, 6.6.2007).

⁽⁵⁵⁷⁾ Decision 575/2007/EC (OJ L 144, 6.6.2007).

joint actions by Member States or national actions under the principle of solidarity and the Community legislation in the field and in compliance with fundamental rights.

On 6 June the Commission presented a Green Paper on the future common European asylum system⁽⁵⁵⁸⁾ as part of the implementation of the Hague programme. The Green Paper seeks to identify the available options under the current Community legal framework for shaping the second stage of the construction of a common European asylum system. The findings of the consultation will provide the basis for an action programme to be published in 2008.

The same day the Commission adopted a report on the evaluation of the Dublin system⁽⁵⁵⁹⁾, designed to determine which Member State is responsible for examining an asylum application lodged by a third-country national on the territory of one of the Member States, or in Iceland or Norway.

On 25 June the Council adopted a decision⁽⁵⁶⁰⁾ establishing, for the period 2007–13, the European Fund for the Integration of Third-country Nationals as part of the general programme ‘Solidarity and management of migration flows’. The Fund will support the efforts made by the Member States to enable third-country nationals from different economic, social, cultural, religious, linguistic and ethnic backgrounds to fulfil the conditions for residence and to facilitate their integration into European society.

On 11 July the European Parliament and the Council adopted a regulation on Community statistics on migration and international protection⁽⁵⁶¹⁾. Its purpose is to ensure better availability, reliability and comparability of these statistics throughout the Union.

On 10 August the Commission adopted a proposal for a decision establishing a European migration network⁽⁵⁶²⁾. The network’s aim is to meet the information needs of Community institutions, Member States’ authorities and the public on asylum and migration with a view to supporting policy- and decision-making in the European Union in these areas. The financial framework earmarks EUR 56.7 million for the period 2008–13.

On 11 September the Commission presented the third annual report on migration and integration⁽⁵⁶³⁾. This report discusses Community and national initiatives taken to improve the integration of third-country nationals.

Two proposals for directives concerning economic migration were presented on 23 October. The first is for a framework directive establishing criteria for allowing highly qualified third-country nationals to enter the European Union and introducing a European ‘blue card’ for that purpose⁽⁵⁶⁴⁾. The second is for a directive on a single application procedure for a residence and work permit and on a common set of rights for third-country workers legally residing in a Member State⁽⁵⁶⁵⁾.

On 26 November the Commission published a report⁽⁵⁶⁶⁾ on the application of the directive laying down minimum standards for the reception of asylum-seekers (Directive 2003/9/EC of

⁽⁵⁵⁸⁾ COM(2007) 301 (OJ C 191, 17.8.2007).
⁽⁵⁵⁹⁾ COM(2007) 299 (OJ C 191, 17.8.2007).
⁽⁵⁶⁰⁾ Decision 2007/435/EC (OJ L 168, 28.6.2007).
⁽⁵⁶¹⁾ Regulation (EC) No 862/2007 (OJ L 199, 31.7.2007).
⁽⁵⁶²⁾ COM(2007) 466 (OJ C 246, 20.10.2007).
⁽⁵⁶³⁾ COM(2007) 512 (OJ C 4, 9.1.2008).
⁽⁵⁶⁴⁾ COM(2007) 637.
⁽⁵⁶⁵⁾ COM(2007) 638.
⁽⁵⁶⁶⁾ COM(2007) 745.

27 January 2003, often referred to as the reception conditions directive). The results of the report, along with the conclusions of the consultation on the Green Paper on the future common European asylum system, will provide the basis for a more harmonised legislative framework regarding reception conditions by 2010 in line with the objectives of the Hague programme.

On 5 December the Commission adopted a communication 'Towards a common immigration policy' ⁽⁵⁶⁷⁾ highlighting how the Union can best face up to the current challenges posed by immigration by developing a new commitment to build a common European policy on immigration that better exploits economic opportunities and integration measures, and is based on solidarity and burden sharing.

Visas, crossing of borders and internal movement

On 1 June the agreements between the European Community and Russia on the facilitation of issuance of short-stay visas ⁽⁵⁶⁸⁾ and on readmission ⁽⁵⁶⁹⁾ came into force. The agreement on short-stay visas facilitates, on the basis of reciprocity, the issuing of visas for intended stays of no more than 90 days per 180-day period to citizens of the two parties. It does not apply to Denmark, Ireland or the United Kingdom. The readmission agreement establishes, on the basis of reciprocity, rapid and effective procedures for identifying and returning persons who do not fulfil the conditions for entry to, presence in or residence on the territories of Russia or of one of the Member States, and facilitates their transit in a spirit of cooperation. It does not apply to Denmark.

The agreements between the European Community and Ukraine on the facilitation of issuance of short-stay visas ⁽⁵⁷⁰⁾ and on readmission ⁽⁵⁷¹⁾ were adopted on 29 November. Analogous agreements were adopted with Albania ⁽⁵⁷²⁾ (solely on the issuance of visas), the former Yugoslav Republic of Macedonia ⁽⁵⁷³⁾, Bosnia and Herzegovina ⁽⁵⁷⁴⁾, the Republic of Montenegro ⁽⁵⁷⁵⁾ and the Republic of Serbia ⁽⁵⁷⁶⁾ on 8 November and with the Republic of Moldova ⁽⁵⁷⁷⁾ on 22 November.

On 11 July the Council adopted Regulation (EC) No 863/2007 establishing a mechanism for the creation of rapid border intervention teams ⁽⁵⁷⁸⁾. The mechanism will provide operational assistance for a limited period to a requesting Member State facing urgent and exceptional pressure at its external borders due to large numbers of third-country nationals trying to enter its territory illegally.

On 25 April the first common visa application centre was officially inaugurated in Chisinau, Moldova ⁽⁵⁷⁹⁾. It will facilitate the issuing of visas for Moldovan citizens.

Schengen information system

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- ⁽⁵⁶⁷⁾ COM(2007) 780.
⁽⁵⁶⁸⁾ Decision 2007/340/EC (OJ L 129, 17.5.2007).
⁽⁵⁶⁹⁾ Decision 2007/341/EC (OJ L 129, 17.5.2007).
⁽⁵⁷⁰⁾ Decision 2007/840/EC (OJ L 332, 18.12.2007).
⁽⁵⁷¹⁾ Decision 2007/839/EC (OJ L 332, 18.12.2007).
⁽⁵⁷²⁾ Decision 2007/821/EC (OJ L 334, 19.12.2007).
⁽⁵⁷³⁾ Decisions 2007/824/EC and 2007/817/EC (OJ L 334, 19.12.2007).
⁽⁵⁷⁴⁾ Decisions 2007/822/EC and 2007/820/EC (OJ L 334, 19.12.2007).
⁽⁵⁷⁵⁾ Decisions 2007/823/EC and 2007/818/EC (OJ L 334, 19.12.2007).
⁽⁵⁷⁶⁾ Decisions 2007/825/EC and 2007/819/EC (OJ L 334, 19.12.2007).
⁽⁵⁷⁷⁾ Decisions 2007/827/EC and 2007/826/EC (OJ L 334, 19.12.2007).
⁽⁵⁷⁸⁾ OJ L 199, 31.7.2007.
⁽⁵⁷⁹⁾ IP/07/561.

On 29 January the Council adopted the Sisnet budget for 2007 (communication infrastructure for the Schengen environment) ⁽⁵⁸⁰⁾. The budget was set at EUR 4 099 000.

On 16 March the Commission adopted two decisions laying down the network requirements for the Schengen information system II ⁽⁵⁸¹⁾.

On 12 June the Council adopted a decision on the application of the Schengen *acquis* relating to the SIS in the Member States which acceded to the European Union in 2004 ⁽⁵⁸²⁾ (with the exception of Cyprus).

The same day the Council adopted a decision on the second-generation Schengen information system (SIS II) ⁽⁵⁸³⁾. It spells out the objectives of SIS II, its technical architecture and financing, and lays down rules concerning its operation and further rules for the data to be entered into the system.

Enlargement of the Schengen area

On 8 November the Council concluded that the necessary conditions for the application of the Schengen *acquis* had been met in all areas (air, land and sea borders, police cooperation, the Schengen information system, data protection and visa issuance) in nine Member States: the Czech Republic, Estonia, Latvia, Lithuania, Hungary, Malta, Poland, Slovenia and Slovakia.

On 6 December the Council decided, after consulting the European Parliament, to lift checks at internal land and sea borders with these nine Member States and between them and the Member States already fully implementing the Schengen *acquis* on 21 December 2007 and at air borders on 30 March 2008 ⁽⁵⁸⁴⁾.

General references and other useful links

<LIENS4.1></LIENS4.1>

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<T6>Section 2

<T2>4.2. Risk management

<T3>4.2.1. Public health

General

On 20 March the Commission adopted a report on the operation of the early warning and response systems (EWRS) of the Community network for the epidemiological surveillance and control of communicable diseases during 2004 and 2005 ⁽⁵⁸⁵⁾. Analysis of the EWRS operations demonstrates that the system is used more and more frequently by Member States

⁽⁵⁸⁰⁾ Decision 2000/265/EC (OJ L 85, 6.4.2000).

⁽⁵⁸¹⁾ Decisions 2007/170/EC and 2007/171/EC (OJ L 79, 20.3.2007).

⁽⁵⁸²⁾ Decision 2007/471/EC (OJ L 179, 7.7.2007).

⁽⁵⁸³⁾ Decision 2007/533/JHA (OJ L 205, 7.8.2007).

⁽⁵⁸⁴⁾ Decision 2007/801/EC (OJ L 323, 8.12.2007).

⁽⁵⁸⁵⁾ COM(2007) 121.

and is currently considered an appropriate tool for rapidly communicating information to coordinate measures and for risk management at Community level.

On 23 October the Commission adopted a White Paper ‘Together for health: a strategic approach for the EU 2008–13’⁽⁵⁸⁶⁾. The strategic objectives are to foster good health in an ageing Europe, protect citizens from health threats, and support dynamic health systems and new technologies.

On the same date the European Parliament and the Council signed a decision establishing a second programme of Community action in the field of health (2008–13)⁽⁵⁸⁷⁾.

The Council adopted conclusions on the European Union’s health strategy at its meeting on 6 December.

Health determinants

On 18 April the Commission adopted a report on the implementation of the Council recommendation of 18 June 2003 on the prevention and reduction of health-related harm associated with drug dependence⁽⁵⁸⁸⁾. This report states that the prevention and reduction of drug-related harm is a clearly defined public health objective at national level, and that all Member States have established harm reduction services and facilities, albeit to different degrees. It also stresses that not all Member States see quality assurance, monitoring and evaluation as the task of national governments but that they subscribe in general to the need for greater emphasis on and use of scientific evidence in harm reduction practice.

On 1 February the European Parliament adopted a resolution ‘Promoting healthy diets and physical activity: a European dimension for the prevention of overweight, obesity and chronic diseases’⁽⁵⁸⁹⁾. Parliament considers the problem of obesity to be a political priority for the European Union and its Member States and called on the Commission to develop mechanisms to promote best practice in schools in order to educate children about healthy eating habits. Finally, it considered the possibility of incorporating nutrition and physical activity into other Community policies.

On 30 May the Commission adopted a White Paper on a strategy for Europe on nutrition, overweight and obesity-related health issues⁽⁵⁹⁰⁾. This White Paper focuses on actions that can be taken at EU level to improve nutrition and health-related issues, while also proposing specific actions to be implemented in all sectors by the Member States within their respective competencies. In 2010 the Commission will review the progress made.

The EU platform on diet, physical activity and health, established in March 2005, continued to produce results in 2007. In addition, at the end of August the Commission and the Union of European Football Associations together launched a TV advertising campaign to encourage European citizens to make physical activity part of their daily lives. A further awareness-raising exercise was the European Day of Healthy Food and Cooking held on 8 November, as part of a campaign to tackle childhood obesity.

⁽⁵⁸⁶⁾ COM(2007) 630.

⁽⁵⁸⁷⁾ Decision 1350/2007/EC (OJ L 301, 20.11.2007).

⁽⁵⁸⁸⁾ COM(2007) 199.

⁽⁵⁸⁹⁾ OJ C 250 E, 25.10.2007.

⁽⁵⁹⁰⁾ COM(2007) 279 (OJ C 191, 17.8.2007).

Moreover, the European Alcohol and Health Forum was set up in June to take concrete action at all levels — from European to local — to reduce alcohol-related harm. The Forum comprises two task forces: a science group to provide scientific guidance to the members of the Forum and a second group whose task is to identify best practice and propose measures to the members.

Tobacco control

On 30 January the Commission adopted a Green Paper ‘Towards a Europe free from tobacco smoke: policy options at EU level’⁽⁵⁹¹⁾. This document reviews the health and economic burdens associated with passive smoking, public support for smoking bans and measures taken at national and EU levels. It seeks the views of interested parties on the scope of measures to tackle passive smoking.

Following the dismissal by the European Court of Justice of Germany’s action against the tobacco advertising directive, all Member States have now transposed the directive into their national law. In addition, in the field of tobacco control, a compulsory text for health warnings and the possibility of using pictograms are now in place.

Ambient air quality

On 4 July the Commission adopted a communication⁽⁵⁹²⁾ supporting the Council common position⁽⁵⁹³⁾ on the adoption of the directive on ambient air quality and cleaner air for Europe.

Organ donation and transplantation

On 30 May the Commission adopted a communication ‘Organ donation and transplantation: policy actions at EU level’⁽⁵⁹⁴⁾. It identifies three policy challenges: ensuring the quality and safety of organs, increasing organ availability and fighting organ trafficking. The Commission proposes an action plan for closer cooperation between Member States on this matter, and a directive based on Article 152 of the EC Treaty, which will include the fundamental principles of the quality and safety of human organs.

4.2.2. Consumer protection

On 8 February the Commission adopted a Green Paper on the review of the consumer *acquis*⁽⁵⁹⁵⁾. This launched a new drive to overhaul these rules in order to increase consumer confidence by providing a homogeneous regulatory framework and to adapt these rules to the challenges of a fast-changing digital world. To this end, on 24 April the Commission adopted a communication⁽⁵⁹⁶⁾ on the implementation of Directive 1999/44/EC on certain aspects of the sale of consumer goods and associated guarantees.

On 13 March the Commission adopted a communication ‘EU consumer policy strategy 2007–13 — Empowering consumers, enhancing their welfare, effectively protecting them’⁽⁵⁹⁷⁾, identifying three main objectives for this period: to empower EU consumers, enhance their

⁽⁵⁹¹⁾ COM(2007) 27 (OJ C 181, 3.8.2007).

⁽⁵⁹²⁾ COM(2007) 320 (OJ C 191, 17.8.2007).

⁽⁵⁹³⁾ OJ C 263 E, 6.11.2007.

⁽⁵⁹⁴⁾ COM(2007) 275 (OJ C 191, 17.8.2007).

⁽⁵⁹⁵⁾ COM(2006) 744 (OJ C 61, 15.3.2007).

⁽⁵⁹⁶⁾ COM(2007) 210 (OJ C 181, 3.8.2007).

⁽⁵⁹⁷⁾ COM(2007) 99 (OJ C 181, 3.8.2007).

welfare and protect them effectively from the risks and threats that they cannot tackle as individuals. The Commission's aim is to achieve in this way a more integrated and more effective internal market by 2013, in particular the retail dimension.

On 7 June the Commission adopted a proposal for a directive on the protection of consumers in respect of certain aspects of timeshare, long-term holiday products, resale and exchange ⁽⁵⁹⁸⁾. The new proposal is intended to bridge the gaps in the existing rules. It aims in particular to extend the scope to apply also to new products which have come onto the market and to extend the protection to important areas such as the resale of timeshares and clubs offering holiday exchanges.

On 25 July the Commission adopted its second progress report on the common frame of reference (CFR) in EU contract law ⁽⁵⁹⁹⁾. In this report the Commission takes stock of the project, which is intended to provide the Commission and the European legislator with a 'toolbox' or handbook to be used when revising existing legislation and preparing new legislation in the area of contract law. It also sets out its approach to future work on the CFR.

<T3>4.2.3. Food safety, plant health, animal health and animal welfare

Food safety

On 17 April the Commission adopted a proposal for a regulation laying down Community procedures for the establishment of residue limits of pharmacologically active substances in foodstuffs of animal origin, and repealing Regulation (EEC) No 2377/90 ⁽⁶⁰⁰⁾. The objective is to continue to limit consumer exposure to pharmacologically active substances intended for use in veterinary medicinal products for food-producing animals and residues thereof in foodstuffs of animal origin.

Food additives

On 18 July the Commission adopted a report on the progress of the re-evaluation of food additives ⁽⁶⁰¹⁾. This provides a summary of the recent additive re-evaluations undertaken by the Scientific Committee on Food and the European Food Safety Authority and describes the related actions taken by the European Commission on the basis of these scientific opinions.

Plant health

On 29 January the Commission adopted a proposal for a directive on the marketing of fruit plant propagating material and fruit plants intended for fruit production (recast version) ⁽⁶⁰²⁾. Community legislation on this subject was adopted in 1992 to establish harmonised conditions with a view to ensuring that purchasers receive materials and plants which are healthy and of good quality. Since its adoption, this legislation has proven to be a simple but effective tool in the harmonisation of the internal market.

On 26 November the Commission adopted a proposal for a Council decision amending Decision 2003/17/EC on the equivalence of field inspections carried out in third countries on

⁽⁵⁹⁸⁾ COM(2007) 303 (OJ C 191, 17.8.2007).

⁽⁵⁹⁹⁾ COM(2007) 447 (OJ C 191, 17.8.2007).

⁽⁶⁰⁰⁾ COM(2007) 194 (OJ C 181, 3.8.2007).

⁽⁶⁰¹⁾ COM(2007) 418 (OJ C 191, 17.8.2007).

⁽⁶⁰²⁾ COM(2007) 31.

seed-producing crops and on the equivalence of seed produced in third countries ⁽⁶⁰³⁾. This renews the equivalence until 31 December 2012 for all third countries referred to in Decision 2003/17/EC.

Animal health and welfare

On 19 September the Commission adopted a communication on a new animal health strategy for the European Union (2007–13) highlighting that ‘prevention is better than cure’ ⁽⁶⁰⁴⁾. The evaluation of the Community’s animal health policy confirms the steady progress made over the years and sets out important recommendations for the future.

Moreover, in the area of animal welfare, on 28 June the Council adopted a directive laying down minimum rules for the protection of chickens kept for meat production ⁽⁶⁰⁵⁾. On 11 June the Council adopted a regulation in order to protect the aquatic medium from the risks related to the use of alien and locally absent species in aquaculture and thus contribute to the sustainable development of the sector in Europe ⁽⁶⁰⁶⁾.

<T3>4.2.4. Transport safety and security

Maritime safety and security

By Regulation (EC) No 457/2007 ⁽⁶⁰⁷⁾ of 25 April, the European Parliament and the Council amended Regulation (EC) No 417/2002 on the accelerated phasing-in of double-hull or equivalent design requirements for single-hull tankers. This new regulation lays down that no oil tanker carrying heavy grades of oil, irrespective of its flag, is allowed to enter or leave ports or offshore terminals or to anchor in areas under the jurisdiction of a Member State, unless it is a double-hull oil tanker.

On 22 October the Commission adopted an amended proposal for a regulation on the liability of carriers of passengers by sea and inland waterway in the event of accidents ⁽⁶⁰⁸⁾. The proposal’s objective is to give all carriers and passengers travelling by ship, whatever their journey, a harmonised legal framework setting out their rights and obligations.

On 24 October it also adopted an amended proposal for a directive on the civil liability and financial guarantees of shipowners ⁽⁶⁰⁹⁾. The proposal defines the basis for rules that aim both to prevent accidents and to compensate for damage.

Aviation safety and security

On 24 January the Commission adopted a communication ‘An action plan for airport capacity, efficiency and safety in Europe’ ⁽⁶¹⁰⁾, in which it sets out a comprehensive action plan detailing a coherent strategy for tackling congestion at European airports. It proposes five principal measures: optimising the use of existing capacity, providing a coherent approach to air safety operations at aerodromes, promoting ‘co-modality’ (the integration and collaboration of transport modes), improving the environmental capacity of airports and the

⁽⁶⁰³⁾ Decision 2007/780/EC (OJ L 314, 1.12.2007).

⁽⁶⁰⁴⁾ COM(2007) 539 (OJ C 4, 9.1.2008).

⁽⁶⁰⁵⁾ Directive 2007/43/EC (OJ L 182, 12.7.2007).

⁽⁶⁰⁶⁾ Regulation (EC) No 708/2007 (OJ L 168, 28.6.2007).

⁽⁶⁰⁷⁾ OJ L 113, 30.4.2007.

⁽⁶⁰⁸⁾ COM(2007) 645.

⁽⁶⁰⁹⁾ COM(2007) 674.

⁽⁶¹⁰⁾ COM(2006) 819 (OJ C 138, 22.6.2007).

planning framework of new airport infrastructure, and, finally, developing and implementing cost-efficient technological solutions.

On 14 June the Commission adopted a proposal for decisions concerning the signature of an agreement with the United States of America on cooperation in the regulation of civil aviation safety in order to facilitate trade in goods and services in the aviation sector and to limit as much as possible the duplication of assessments, tests and controls ⁽⁶¹¹⁾. The Council adopted the proposal on 26 November.

<T3>4.2.5. Energy security and installation safety

In its communication of 10 January on the nuclear illustrative programme ⁽⁶¹²⁾ the Commission proposes the establishment of a high-level group of national nuclear regulators in order to further develop a common understanding and European rules in the field of nuclear safety and security ⁽⁶¹³⁾.

On the same date the Commission adopted a communication ‘Towards a European strategic energy technology plan’ ⁽⁶¹⁴⁾. This highlights the key role of energy technologies in addressing the challenges of energy policy, namely security of supply, climate change and competitiveness. The Commission announces that it will itself propose a European strategic energy technology plan, to be approved by the spring 2008 European Council.

On 19 February the Council adopted Regulation (Euratom) No 300/2007 ⁽⁶¹⁵⁾ establishing an Instrument for Nuclear Safety Cooperation, to promote a high level of nuclear safety, radiation protection and the application of efficient safeguards.

On 27 February the Commission adopted a working paper which provides a revised framework for and outlines the principles of implementing nuclear safeguards in the European Union. This has been the subject of detailed consultation and consensus by Member States’ experts. It was finalised in 2007 and will become the cornerstone for further developments in the area of safeguards. On 28 February the Council took note of the Commission paper and of the broad consensus reached, marking the start of a new era for nuclear safeguards in the Community.

On 10 July the Council adopted a decision approving the accession of the European Atomic Energy Community to the Convention on the Physical Protection of Nuclear Material and Nuclear Facilities ⁽⁶¹⁶⁾. The Commission decision concerning the accession was adopted on 19 December.

On 17 July the Commission adopted a decision establishing the European high-level group on nuclear safety and waste management ⁽⁶¹⁷⁾. This high-level group will advise and assist the Commission in progressively developing a common understanding and eventually additional European rules on the safety of nuclear installations and the safe management of spent fuel and radioactive waste.

⁽⁶¹¹⁾ COM(2007) 325 (OJ C 191, 17.8.2007).

⁽⁶¹²⁾ COM(2006) 844 (OJ C 138, 22.6.2007).

⁽⁶¹³⁾ See ‘Energy’ in Chapter II, Section 2, of this Report.

⁽⁶¹⁴⁾ COM(2006) 847 (OJ C 138, 22.6.2007).

⁽⁶¹⁵⁾ OJ L 81, 22.3.2007.

⁽⁶¹⁶⁾ Decision 2007/513/Euratom (OJ L 190, 21.7.2007).

⁽⁶¹⁷⁾ Decision 2007/530/EC, Euratom (OJ L 195, 27.7.2007).

Also, in line with the EU commitment to provide adequate financial assistance to Slovakia for the closure of its first-generation Soviet-design reactors, on 14 May the Council adopted a regulation setting out financial support for the period 2007–13 ⁽⁶¹⁸⁾.

On 12 December the Commission adopted the second report on the use of financial resources earmarked for the decommissioning of nuclear installations, spent fuel and radioactive waste ⁽⁶¹⁹⁾. This report covers all nuclear installations and relates to the use of funds for decommissioning and waste management.

<T3>4.2.6. Civil protection and European Union Solidarity Fund

Civil protection

On 5 March the Council established a Civil Protection Financial Instrument ⁽⁶²⁰⁾. It will form the financial basis for preparedness and response measures covered by the European Union civil protection mechanism ⁽⁶²¹⁾, and also the legal and financial basis for stepping up the implementation of actions covered up to now by the 2000–06 civil protection action programme ⁽⁶²²⁾. It will also cover new areas by contributing to the development of detection and early warning systems and to the establishment of such systems through studies on the need for and feasibility of those systems and actions to promote their interlinkage and their linkage to the mechanism. The budget allocated to this instrument, under the financial framework for 2007–13, is EUR 189.8 million.

European Union Solidarity Fund

On 7 June the European Parliament and the Council adopted a decision on the mobilisation of the EU Solidarity Fund ⁽⁶²³⁾. Having considered the severe flooding in Greece and in Hungary in 2006, the European Union Solidarity Fund was mobilised to provide the sum of EUR 24 370 114 in commitment and payment appropriations. On 24 October the European Parliament and the Council adopted a second decision on the mobilisation of the EU Solidarity Fund ⁽⁶²⁴⁾. This decision concerned the catastrophic effects of the major storm ‘Kyrill’ which hit Germany in January and the tropical cyclone ‘Gamède’ on the French island of Réunion in February. For these two cases the Solidarity Fund was used to provide the sum of EUR 172.2 million. On 10 December the Commission proposed granting aid worth EUR 162 million from the European Union Solidarity Fund to UK regions struck by floods ⁽⁶²⁵⁾.

On 25 October the Commission adopted the ‘European Union Solidarity Fund: annual report 2006’ ⁽⁶²⁶⁾, which presents the activities of the Fund in 2006 and covers the treatment of new applications received in the course of 2006, monitoring of the ongoing implementation of grants, and the assessment of implementation reports with a view to preparing these for closure.

<T3>4.2.7. Protection of the financial interests of the European Union

⁽⁶¹⁸⁾ Regulation (Euratom) No 549/2007 (OJ L 131, 23.5.2007).
⁽⁶¹⁹⁾ COM(2007) 794.
⁽⁶²⁰⁾ Decision 2007/162/EC, Euratom (OJ L 71, 10.3.2007).
⁽⁶²¹⁾ Decision 2001/792/EC, Euratom (OJ L 297, 15.11.2001) and COM(2005) 137 (OJ C 236, 24.9.2005).
⁽⁶²²⁾ Decision 2005/12/EC (OJ L 6, 8.1.2005).
⁽⁶²³⁾ Decision 930/2007/EC (OJ L 202, 3.8.2007).
⁽⁶²⁴⁾ Decision 1530/2007/EC (OJ L 337, 21.12.2007).
⁽⁶²⁵⁾ IP/07/1885.
⁽⁶²⁶⁾ COM(2007) 632 (OJ C 9, 15.1.2008).

On 23 July the European Parliament and the Council adopted the Hercule II programme ⁽⁶²⁷⁾, amending and extending Decision No 804/2004/EC establishing a Community action programme to promote activities in the field of the protection of the Community's financial interests ⁽⁶²⁸⁾. This basic act now covers contracts, in addition to grants, and includes the objectives of tackling cigarette smuggling and counterfeiting. The broadening of the programme's objectives to include cigarette smuggling and counterfeiting shows that efforts in this area have been stepped up by means of closer cooperation between national and Community authorities. The Hercule II programme covers the period 2007–13 and has a total budget of EUR 98.5 million. This programme, which is intended to bring together all operational expenditure relating to the Commission's general anti-fraud activities, provides funding for several activities, such as technical assistance for national authorities, the organisation of training, conferences and seminars, and carrying out comparative law studies. The programme is intended for national authorities of the Member States, research institutes and non-profit-making bodies established in a Member State, or in candidate or acceding countries. In addition, expenditure in connection with the participation of representatives of certain third countries is eligible under this programme.

On 17 December the Commission adopted a communication ⁽⁶²⁹⁾ on a dynamic approach to fraud-proofing, aimed at developing a new prevention mechanism.

General references and other useful links

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⁽⁶²⁷⁾ Decision No 878/2007/EC (OJ L 193, 25.7.2007).

⁽⁶²⁸⁾ OJ L 143, 30.4.2004.

⁽⁶²⁹⁾ COM(2007) 806.