Presentation of the Commission Work Programme for 2012

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The Council took note of the presentation by the Commission of its work programme for 2012.

In drawing up this Commission Work Programme (CWP) for 2012 the Commission has juggled the need to respond to urgent new needs that become apparent as a result of the crisis, and the ongoing need to work on structural issues where policy-makers, investors and citizens rely on the Commission to look beyond the immediate and help shape a prosperous and sustainable Europe for the future. Most of the new initiatives set out in the annexes to this CWP are focused on this long-term perspective:

(1) Stability and responsibility:

Economic Governance: with the adoption of the legislation improving economic governance (so-called the "six pack"), the EU has broadened and strengthened its surveillance mechanisms of national policies. A number of Member States are subject to increased surveillance under an economic adjustment programme. New tools have been developed to address the unprecedented pressure on public finances. Now the EU has to act with urgency and determination to implement and frontload reform.

Stability and growth: the Commission set out five interlinked steps in a roadmap to stability and growth. These represented both an immediate response to the problems of Greece and of the banking sector, to restore confidence in the Euro area, and action to frontload stability and growth enhancing policies. The conclusions of the European Council and Euro zone summit took up these proposals, and this will continue to be a guiding force shaping the Commission's work in the months to come. Swift and decisive action is necessary to drive this agenda forward over the next twelve months.

Financial sector reform: since the outbreak of the crisis, the Commission has undertaken a comprehensive overhaul of financial regulation and supervision. The vast bulk of key initiatives are already adopted or on the table, including proposed legislation on derivatives, credit rating agencies, capital requirements sounder and more transparent securities markets and tackling market abuse. An assessment of the cumulative impact of the reforms will also be published. The EU should have the clear ambition of completing the reform next year. In the early months of 2012, the Commission will propose the remaining pieces of legislation focusing on the protection of investors. A revision of the rules governing collective investment schemes (UCITS) will aim to enhance investor protection and strengthen the internal market. Investor protection and transparency are also at the heart of an initiative on pre-contractual disclosures on complex investment products (PRIPs), as well as on insurance mediation.

Financing the future: in 2011, the Commission tabled a number of important initiatives to rebalance the contribution of the financial sector to public finances (Financial Transaction Tax), shift the tax burden to resource consumption (Energy taxation) and improve the functioning of the Single Market (CCCTB). In 2012, the Commission will come forward with additional measures to ensure the sustainability and the stability of public finances, it will:

- work on building a modern **VAT** system, able to combat fraud and lightening the bureaucratic burden for SMEs and other companies operating cross-border;
- reinforce a strategy to help Member States tackle "**tax havens**";
- ensure the **protection of EU financial interests** by criminal law;

- carry out an in-depth evaluation of the need to reform the **Insolvency Regulation**. It will develop future options for more efficient cross border insolvency rules, including for groups of companies.

(2) Sustainable growth and solidarity:

A Single Market for growth: the Single Market remains the most important vehicle for growth and job creation. That is why the Commission launched an ambitious process to give new momentum to the

Single Market, the Single Market Act. Swift consideration of the Act's twelve key proposals in the inter-institutional process would ensure that the benefits are felt as early as possible. The Commission will deepen work on implementation and enforcement in the Single Market in 2012. It will:

- propose initiatives to connect up national research systems and create a structured, mobile and efficient **European Research Area** based on greater competition and collaboration to catalyse excellent science and world beating innovation;
- seek, in particular, to open up recruitment for key university positions to pan-European competition and fully implement the **Single European Sky** which would not only end inefficiencies that cost some €3.8bn a year, it would cut CO2 emissions, boost safety, and reduce delays for passengers;
- fully implement the **Services Directive**. The Commission will also be looking at implementation of the Recommendation on access to basic payment services to assess whether further action is needed;
- endeavour to **complete the internal energy market by 2014** which will unlock another key lever for economic growth;
- propose new proposals on railway liberalisation which will also help modernise and decarbonise European transport through increased competition, and offer new, more innovative and customer-oriented services to passengers;
- in the framework of the Digital Agenda, the Commission will propose an initiative on collective rights management of intellectual property rights. This will include rules on the cross-border licensing of online music to facilitate multi territory licenses. In parallel, an initiative to ensure mutual recognition of electronic identification, authentication and signatures will aim to build consumer confidence
- and make online payments and electronic transactions easier;
- revise the rules on **General Product Safety.**

Empowering people in inclusive societies: job creation remains one of the greatest challenges for Europe today, and the EU can make a key contribution. The Europe 2020 flagships on Youth on the Move, the Agenda for New Skills and Jobs and the Platform against Poverty have highlighted the need to direct European renewal to those most in need. The new European Social Fund and the Globalisation Adjustment Fund will support Member States' efforts to tackle the jobs crisis in terms of job creation and boosting key skills. "Erasmus for all" will support strategic partnerships between higher education and business to ensure that young students can acquire the mix of skills that the labour market demands. Implementing these initiatives will have a major impact on the EU's work to tackle unemployment, social exclusion, and poverty.

In 2012, the Commission:

- will set out how the EU can contribute to addressing the scourge of **youth unemployment**, including action to promote the mobility of young job-seekers and assist them in identifying cross-border openings (apprenticeships can also be a key entry point to the jobs market);
- will review the **flexicurity** principles and launch a new phase in their implementation;
- will also propose ways to reinforce Public Employment services, including a reform of the European Employment service (Eures) to improve access to employment opportunities across borders.

In the context of the **ageing population**, the Commission will follow up on the country-specific recommendations adopted in the area of pensions, and will take initiatives in areas of cross-border relevance. In 2012, this will include an initiative to strengthen the internal market for efficient and safe retirement products. It will also make proposals addressing supplementary pension rights of people who change jobs, as facilitating mobility is key to employment and job creation.

Paving a path to a sustainable future: the Commission's approach to a resource efficient and low carbon economy, which will be integrated into economic policy and the Annual Growth Survey, has set out how smart growth needs to be well directed, to turn the challenge of a sustainable Europe into our competitive advantage. This approach is embedded in Europe 2020, and is a major driver behind the new generation of proposals for agriculture and rural development, as well as fisheries, to give a sustainable footing to sectors critical to both our environment and our economy. The Commission's priorities in 2012 are the following:

- on securing access to clean and sufficient water: the Commission will adopt a blueprint to safeguard water resources to focus public policy on tackling the pressures on water today;
- quick adoption and implementation of the proposed Energy Efficiency Directive;
- a proposal to enhance the framework for nuclear safety;
- provide a strategy for accelerating the development of renewable energy in the EU internal market and in its Southern Mediterranean neighbours;
- pursue the goal of a genuine and comprehensive global effort to cut greenhouse gas emissions;
- manage the transition to the revised Emissions Trading System and develop new and implement existing measures to help achieve the climate and energy targets;
- review of the legislation on passenger cars and vans;
- break transport's dependence on oil by galvanising the development of EU infrastructures for alternative fuels.

An open Europe for citizens: providing security and justice in a Europe without internal frontiers is one of the biggest priorities for the EU. But for this system to work:

- the EU needs to cement the mutual trust that the system requires, and to be robust and fair in the face of major challenges as faced in the Mediterranean this year;
- the EU must press ahead with the delivery of the Stockholm Programme, including finding resolution on key issues like asylum and address new challenges such as cyber security;
- two legislative proposals will facilitate the cross-border recognition of civil status documents as well as simplify legalisation requirements;
- the next generation of border checks will be more resilient, while allowing frequent travellers to enter the EU more easily. A specific strategy to prevent and fight against trafficking in human beings will be proposed.

(3) Giving the EU an effective voice in the wider world: adapting to the changing global environment and shaping the world order requires the EU to connect the external and the internal elements of policies. Trade, development, diplomacy, enlargement, neighbourhood policy and crisis response are all policies and instruments which form the backbone of the Union's external action. The EU must be ready to react to a changing global environment.

- The Commission will focus on the implementation of the commitments taken in the joint communication with the High Representative on the new approach to the **European Neighbourhood Policy** which will play an important role in promoting the peaceful and prosperous development in the **Southern Mediterranean** and in its eastern neighbourhood, deploying a full range of EU policies and programmes to underpin the growth of economic, social and political

stability. As well as supporting those Southern Mediterranean countries engaged in democratisation, 2012 will also prioritise the Eastern Partnership Roadmap decided at the Warsaw Summit and stabililty in the Middle East and the Caucasus.

- Though the overall objective for EU's trade policy remains a successful conclusion of ongoing multilateral negotiations, the interests of European businesses and consumers also need to be promoted through bilateral agreements with third-country partners. For these reasons a possible free trade agreement with **Japan** is being explored as well as an **investment agreement with China**.
- As the world's largest donor of development assistance, the EU will play a leading role in helping the world's poorest societies, by concentrating its efforts on ensuring a rapid and efficient delivery of the revised EU Development policy with particular focus on the **Millennium Development Goals** .
- 2012 will also see progress in implementing the Union's renewed consensus on enlargement and preparations to welcome **Croatia** as the 28th member of the EU. During 2012 work will continue to allow Croatia to benefit fully from and meet the obligations of membership.

(4) Smart Regulation: to realise the reforms set out in this programme, EU legislation needs to work well at every stage. From conception to implementation to evaluation and updating, EU action needs to be tested along the cycle to meet the highest quality standards of effectiveness and efficiency. The reduction of administrative burdens is particularly relevant in economically challenging times.

In times of austerity, the EU must ensure that the limited resources are directed where the payoffs in terms of future jobs and growth are the largest.

Drawing on this experience, the Commission will **continue its efforts to keep regulatory burdens to what is strictly necessary**. It will especially look at the impact of EU regulation on small enterprises and propose, where relevant, exemptions or tailored solutions for micro businesses.