2007 budget: Commission's annual strategic priorities

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PURPOSE : to present the Annual Policy Strategy for 2007 “Boosting trust through action”.

CONTENT : this communication lays down the key objectives of the Annual Policy Strategy (APS) 2007 which is also the first year of the new financial perspectives. The launch of the new programmes under the financial framework 2007-2013 will be a tangible example of this response. It should also be a sign for the future of Europe debate to focus first on what Europe should be doing, with the support of the Plan D for Democracy, Debate and Dialogue. The Strategic Objectives of prosperity, solidarity and security adopted at the start of this Commission’s mandate offer a coherent political frame for EU action. The goal of the Annual Policy Strategy is to isolate key priorities which will develop into the core actions for 2007. 2007 will be the half-way point for this Commission. Some of its first policy initiatives will have worked through to implementation. New directions will set the scene for the second half of the Commission’s mandate. It will be a critical year for delivery of the five-year strategic objectives. 2007 will also see new directions for the second half of the Commission’s mandate. The Commission will be preparing the future, with intensive preparation of the comprehensive review of the Union’s budget leading to a White Paper in 2008-2009.

Key objectives for 2007 : the main target must continue to be growth, to provide more and better jobs in Europe, as the number one concern for citizens. With a more positive macro-economic outlook, every opportunity must be seized to accelerate reforms and put them into practice. Amongst the key objectives set out for 2007 are:

- § driving forward implementation of the renewed Lisbon strategy for growth and jobs, including key steps to give reality to a new European Energy Policy;

- § demonstrating that cohesion, solidarity and environmental protection go hand in hand with the objective of growth and jobs, and promoting equal opportunities;

- § the lifting of internal border controls with and between new Member States and the extension of the Schengen area; and greater prevention to ensure the safety and protection of citizens;

- § critical to the realisation of these objectives will be the concrete expression of enhanced policy coherence and reinforced aid effectiveness in the Union’s external stand.

The APS does not reflect everything the Commission will do in 2007. It concentrates on the Commission’s responsibility for policy initiative, but the Commission will also continue to work to implement Community policies and promote the full application of Community law. In all these areas, the Commission will continue to strengthen the application of better regulation, to maximise the quality of the Commission’s work.

The APS forms the basis for dialogue with the Council and the European Parliament in view of preparing the Commission Work Programme for 2007.

Main priorities :

1. Prosperity : the Commission will continue to support national action and to act where appropriate at Community level to help make 2007 a year when the Lisbon Strategy starts to show tangible results on the ground. Four priority areas are highlighted:

- § knowledge, with clear targets to improve Europe's education, research and innovation framework as drivers for growth;

- § enterprise, in particular SMEs, to secure an environment and access to finance which help realise Europe's business potential;

- § jobs and ageing, to use Europeans' skills to best effect at every stage of their lives;

- § energy, to promote a genuine common approach to secure energy provision and its efficient use.

2. Solidarity : economic growth must go hand in hand with economic and social cohesion, a high level of environmental and human protection, with an eye towards future generations and with respect for common values. 2007 will see a new generation of solidarity programmes coming on stream, centred on a new cohesion policy and rural development. Inter-institutional negotiations and subsequent implementation of the reform of the common market organisation for wine, fruit & vegetables and bananas as well as for sugar will allow for more sustainable management of these key assets. In 2007, Europe will have to demonstrate that cohesion, solidarity and environmental protection go hand in hand with the objective of growth and jobs. The earmarking of part of cohesion expenditure for this objective, in the context of the new financial period, will be essential to this aim. Special attention will be paid to:

- § the promotion of sustainable management and protection of natural resources, with a particular focus on curtailing the loss of biodiversity;

- § proposals for an EU maritime policy which will bring an all embracing approach to the sustainable development and competitiveness of sea-based activities;

- § energy, where particular emphasis will be given to the promotion of renewables;

- § meeting the EU's climate change commitments, by updating the EU emissions trading system;

- § 2007 will be the European Year of Equal Opportunities for all and will call for specific actions designed to facilitate the lives of citizens confronted with family-related problems or problems relating to the enforcement of judicial decisions.

3. Security and freedom : in 2007, the main target will be migration and border control, with the lifting of internal border controls with and between new Member States and the extension of the Schengen area, after verification that the necessary conditions have been met and that flanking measures have been put in place. In addition:

- § the fight against crime and violence will be of particular significance, with initiatives to reduce the scope for crime to take advantage of a Europe without frontiers;

- § other measures would centre on efforts to ensure fair and effective criminal investigation across the EU;

- § greater preventive efforts will ensure the safety and protection of citizens. Protection against diseases will be a particular focus for EU action in cooperation with the Member States, third countries and international organisations, as well as the development of EU rapid response

capacity in the event of major terrorist attacks and other disasters. Tighter inspections of nuclear facilities will also be pursued through the new approach of control of safety and guarantees of radioprotection.

4. Europe as a world partner : in trade, 2007 should start to bear the fruits of the Doha round, which will have to reflect solidarity with the developing world while ensuring the opening up of new markets for Community goods and services.

- § 2007 should be the year of Bulgaria's and Romania's accession to the European Union provided they comply timely with the conditions necessary to fully implement the *acquis* from the first day of accession. The Commission is finalising its assessment for May 2006 and the European Council should take a final decision this year;

- § progress in the stabilisation of the Western Balkans, notably in view of the clarification of the status of Kosovo, and the opening of major chapters in the negotiations with Turkey and Croatia will make a major contribution to Europe's overall security and stability and to the consolidation of the bases for its long-term prosperity;

- § in the European neighbourhood, links with partner countries will be further enhanced through the implementation of Action Plans and regional and cross border cooperation. Energy will be a core theme within the convergence of regulatory frameworks to favour trade and investment;

- § the completion of Economic Partnership Agreements (EPAs) negotiations with the African, Caribbean and Pacific (ACP) countries will bring Europe's relations with its ACP partners into a new phase, strengthening the dynamics of regional integration and creating a powerful development tool by combining predictable trade rules, the creation of larger markets and support measures tailored to the needs of ACP countries;

- § the EU will also need to continue its efforts to build a more effective and consolidated response to conflict prevention, crisis management and peace building, by rapid mobilisation of resources and expertise. Greater attention will be paid to reforms carried out by partner countries in the field of human rights and democracy, and to closer electoral observation.

It should be noted that for the 4 areas mentioned above, the Commission provides a precise list of concrete actions to be carried out.

European governance and better regulation in action : the Commission has made solid progress on improving the quality of its policy and legislative proposals through systematic assessment of their economic, social and environmental impacts. There is a commitment to continue qualitative improvements to the impact assessment system and the results of an external evaluation of the Commission's impact assessment experience will feed into this discussion in 2007. A second key area of improvement concerns simplification. 2007 will see the delivery of many of the simplification initiatives set out in its 3-year rolling programme. This programme covers various fields, from environment (e.g. in the areas of waste, industrial emissions and ozone layer) to industry (e.g. in the construction, automotive, cosmetics and medical devices sectors) to the modernisation of labour law, the promotion of consumer rights and key internal market sectors (regulation of financial services, labelling of feed/animal nutrition and of foodstuffs). Simplification is the basis of the new architecture proposed for external financial instruments for 2007-2013. The Commission also continues to improve its work on improving dialogue with Member States to ensure timely implementation and effective and equitable application.

Financial resources : the APS decision typically provides details of new financial resources allocated to policy areas for specific initiatives, presented in terms of variations to the existing financial programming. However, because the financial programming is dependent on the Financial Perspectives, by way of

exception the Annual Policy Strategy for 2007 does not deal with financial resources. Nonetheless, the financial programming will be finalised with the preliminary draft budget and subsequently adapted by the Commission once an interinstitutional agreement on the Financial Perspectives is reached.

Human resources : the request in 2007 is for a net increase of 640 additional staff members. In accordance with its communication presented last November on the consequences of the accession of Bulgaria and Romania on its human resources, assessed at 850 new staff, the Commission asks for 250 new posts. This overall recruitment constitutes the indispensable basis for carrying forward the management and supervision of Community programmes, and for implementing the acquis communautaire within the enlarged Union.