



SCOTTISH EXECUTIVE

EU Office

**EUROPEAN UNION
FORWARD LOOK FOR 2007**

TABLE OF CONTENTS

1	INTRODUCTION.....	3
2	HORIZONTAL ISSUES	5
3	AGRICULTURE.....	8
4	FISHERIES.....	12
5	ENVIRONMENT.....	14
6	JUSTICE & HOME AFFAIRS.....	17
7	TRANSPORT.....	20
8	TELECOMS AND INFORMATION SOCIETY.....	23
9	ENERGY.....	25
10	COMPETITIVENESS.....	26
11	EMPLOYMENT, SOCIAL POLICY, HEALTH.....	31
12	EDUCATION, YOUTH, CULTURE, AUDIOVISUAL AND SPORT.....	34
13.	GLOSSARY.....	37

1. INTRODUCTION TO THE FORWARD LOOK

Content of the Forward Look

This Forward Look for 2007 provides an overview of EU business across all the key EU Institutions of relevance to Scotland over the coming calendar year. The document is split into policy sectors (see contents) which provide detailed commentary on the dossiers to be taken forward during the year. There is also a “Horizontal Issues” section, which covers a number of cross-cutting issues. Each section gives dates for key, relevant meetings including Councils, where these are known.

What is on the horizon for the EU in 2007?

The draft Constitutional Treaty will be the most visible EU issue for 2007. It has refused to die completely – to the contentment and dismay of the various onlookers in equal measure - and still looms over the EU as a problem that needs to be solved. Despite this there has been no sign that the EU has ground to a halt under the strain of enlargement and unreformed institutional structures and much core business is still successfully making its way through the process (like the high profile Services Directive agreed under the Finnish Presidency). The two-track approach promoted last year by the Commission will continue during 2007: institutional reform, on the one hand; and delivering results (i.e. progressing on key legislative dossiers) in parallel, on the other.

The German Presidency have set out their own programme for the first half of the year, but, with a nod to the team presidency approach foreseen in the draft Constitution, have also initiated a three Presidency programme to include the Portuguese and Slovenian terms of office. The key priorities in both documents are similar.

On the draft Constitution, the Germans want a quick fix with the current text as their starting point. The timetable they are pushing would mean agreement on a text by the end of the year and ratification in 2008 so the whole thing can be done-and-dusted before the next European Parliament elections and the new Commission takes office in 2009. Merkel has made clear that she sees the problems of France and the Netherlands as the priority because of their special position regarding their referenda “no” votes. She is likely to be frustrated by the political uncertainty in France in advance of their presidential elections in May. The new French President will be coming to the June European Council to take decisions on the draft Constitutional Treaty (at least on the timescale and process) weeks after taking office. Neither of the two key Presidential hopefuls in France exactly mirrors Merkel’s wishes: Sarkozy (centre right) supports a quick timetable without ratification by referendum but wants a mini treaty to address the institutional issues only; Royal (socialist) wants a fuller Treaty (including greater emphasis on social policy to address the French people’s concerns) and longer time-frame ratified by a referendum in 2009.

The contribution that the Portuguese Presidency will make on the draft Constitution during the second half of the year will very much depend on the outcome of the June European Council and whether member states agree to stick to the Merkel timescale. They could be tasked with opening and closing an IGC (**Inter-Governmental Conference**) during their Presidency which will be a very tall order. (More details on the Constitutional Treaty process and background is included in the Horizontal Issues section.)

The Scottish Executive will continue its work with the UK Government, as in earlier rounds of negotiation, to ensure that any statement of competences within a new Treaty text takes account of Scottish interests and defend the recognition of the regions and the regional dimension of subsidiarity contained within the original draft Constitutional Treaty.

In her address to the European Parliament in January, **Merkel described access to energy, and the related issue of fighting climate change as the current two biggest challenges for the world.** The Commission proposed a package of measures on Energy (the Strategic Energy Review) and climate change (Limiting Global Climate Change) on 10 January 2007. In response, Heads of State and Government will establish an **Energy Policy for Europe** at the Spring European Council. The Commission's proposals are ambitious and for energy focus on liberalisation and security of demand, and on climate change include the aspiration that all new EU power plants be carbon neutral by 2020, as well as ambitious goals for cutting emissions and the increase of renewable sources. Both issues need international solutions and Merkel made clear that the participation of the US on climate change solutions post 2012 (when Kyoto expires) would be crucial. (See Energy and Environment section for details.)

Growth and jobs and the Lisbon agenda will get a bit of air time in the run up to the Spring European Council, after which it will probably be eclipsed by discussion on a draft Constitutional Treaty. Prosperity remains at the head of the Commission priorities for 2007 and they will continue their drive to push their re-launched Lisbon agenda forward, including the completion of the single market. National ownership of the revised Strategy is one of its core principles, and member states are due to submit the second implementation reports on their National Reform Programmes in Autumn 2007.

Sandwiched in the middle of economic reform and the draft Constitutional Treaty discussion during the German Presidency will come the signing of a declaration in Berlin on the **50th anniversary of the Treaty of Rome.** The three institutions will be invited to contribute to a short forward-looking Declaration covering the EU's achievements, values and challenges. President Barroso has called for it to emphasise the principles of social solidarity, accountability to citizens, external coherence, security for citizens and sustainability.

There will also be discussion during the year about the principle of **discontinuity**, where legislation and other initiatives in progress would fall if not agreed by the end of each Commission and Parliamentary term.

On the Union's **Common Foreign and Security Policy**, the Germans will concentrate on Kosovo; stability in the Western Balkans; the Middle East peace process; the Doha Development Agenda; EU-US and EU-Russia relations; and preparing the ground for an EU-Africa summit under the Portuguese Presidency (second half of 2007).

Updating the Forward Look

This Forward Look was prepared in January 2007 by the Scottish Executive EU Office in Brussels. It represents a picture of the EU agenda at that time but, of course the agenda will move on quickly. The information in the following sections will be supplemented by a shorter update which will be available once the Portuguese have made their plans clear at the start of their Presidency in July.

2. HORIZONTAL ISSUES

Key Dates

8-9 March	Spring European Council (Brussels)
25 March	Extraordinary Summit (Berlin) (50 th Anniversary of the Treaty of Rome)
21-22 June	European Council (Brussels)
13-14 December	European Council (Brussels)

Detail

The Constitution and the Future of Europe

During the first half of 2006, in what was termed a “**period of reflection**”, the Austrian Presidency attempted to establish a consensus between member states on the way forward on the draft **Constitutional Treaty** following the “no” votes in French and Dutch referenda. However, no consensus was reached at the European Council meeting in June and the “period of reflection” was extended, becoming, according to President Barroso, a “period of engagement”. But the European Council did agree a mandate for the German Presidency to present a report to the June 2007 European Council containing an assessment of the state of discussions and exploring future developments. The EU agenda in 2007 will therefore be dominated by discussions on the draft Constitutional Treaty.

The consultation process has now begun with informal bilateral discussions taking place between the German Presidency and member states over what form of treaty would be acceptable. The German Presidency has made clear that the solution lies between member states and therefore initial discussions are taking place between capitals outwith the institutional framework. Building a compromise between those countries that have already ratified the Treaty and those that would not be keen to return to any new ratification process will be difficult. A number of different scenarios have been suggested. French Interior Minister and Presidential candidate, Nicolas Sarkozy, has suggested a “**mini-treaty**” that would deal with the most urgently needed institutional reforms and need not be ratified in France by referendum. However, the existing draft Treaty itself represented a negotiated package on a number of issues, which to some member states represents a very fine inter-Institutional balance, and separating out any one set of elements will not be readily acceptable to all. The German Presidency has made clear it is keen to use the original Treaty as a starting point rather than beginning the process from scratch and that a solution must recognise those member states that have already ratified the Treaty as well as those that have not.

Following their informal consultations with member states and institutions, the **German Presidency** will present a **report to the European Council on 21-22 June** which will include an **analysis of the situation and recommendations on a way forward**. They will, however, be hampered in their preparations by the political uncertainty in France, with elections due to take place there in May.

If the German Presidency can deliver a consensus on the draft Constitutional Treaty at their June European Council, it is possible that the Portuguese Presidency would then hold an **Inter-Governmental Conference** during the second half of 2007. The ratification process might then take around a year (end 2007 to beginning 2009), possibly being ratified by March 2009 in time for the European Parliamentary elections in June that year.

Berlin Declaration

The German Presidency will host an Extraordinary Summit in Berlin on 25 March 2007 to mark the **50th Anniversary of the Treaty of Rome**. They hope to use the anniversary celebrations to agree a

Berlin Declaration which will be signed by all 27 Heads of State and Government and the Presidents of the European Parliament and Commission. The Declaration is expected to cover the European Union's achievements, values and future challenges. While acknowledging its success in delivering peace and prosperity to post war Europe, the German Presidency aims to use the declaration to demonstrate the European Union's relevance in the 21st Century.

Enlargement

On 1 January 2007, the European Union grew to 27 member states with the accession of **Romania and Bulgaria**. This completed the largest ever phase of expansion following the accession of 10 new member states on 1 May 2004. For the accession of Bulgaria and Romania, the UK will open its labour market gradually to their citizens. The Commission will continue to closely monitor progress (in the fields of fund management, judicial reform and the fight against corruption) in Romania and Bulgaria and could apply safeguard measures should these prove necessary to remedy particular problems or threats to the functioning of the Union.

As agreed at the European Council in December 2006, the European Union will maintain its commitments to those countries that are still in the enlargement process, continuing the accession negotiations with **Turkey and Croatia**. Turkey's accession – strongly supported by the UK Government - is a particularly sensitive issue in a number of member states. Negotiations on eight chapters have been frozen following Turkey's refusal to open sea and air ports to Cyprus as agreed under the Ankara Protocol. The German Presidency will however look to open any chapters for which technical preparations have been completed. The **former Yugoslav Republic of Macedonia** has also received candidate status, although accession negotiations have yet to begin.

At the December 2006 meeting, the European Council reaffirmed that the future of the **Western Balkans** lies in the European Union. It reiterated that each country's progress towards the European Union depends on its individual efforts to comply with the Copenhagen criteria and the conditionality of the Stabilisation and Association Process. The German Presidency will focus on the stabilization of the Western Balkans and attempt to conclude negotiations on the **EU's Stabilization and Association Agreement** with Serbia, Montenegro and Bosnia and Herzegovina.

There is a growing concern across the institutions that further enlargement without institutional reform will cause institutional and social problems for current member states. In attempts to appease public opinion and in order to address the issue of '**integration capacity**' – often raised by the European Parliament – the European Council of December 2006 agreed a revised enlargement strategy based on rigorous conditionality, enhanced communication with the public, and considerations over the European Union's capacity to integrate new members. In the future administrative and judicial reforms and the fight against corruption will be tackled at an early stage of the negotiation process with candidate countries, and the pace of enlargement will take into account the capacity of the Union to absorb new members.

Lisbon – Growth and Jobs

The Lisbon Strategy will be high on the agendas of the German and Portuguese Presidencies and remains one of the Commission's top priorities for 2007. It is considered an important tool in the Union's attempts to ease citizens' increasing concerns about the perceived threats and challenges of globalisation. National ownership of the revised Strategy is one of its core principles, and member states are due to submit the second implementation reports on their National Reform Programmes in Autumn 2007. These will serve to define country-specific recommendations and allow evaluation by the Council.

The internal market, one of the keys to the effective implementation of the Lisbon Strategy, will be discussed by Heads of State and Government at the Spring European Council. In particular, the Commission and the German Presidency hope to improve the framework conditions for SMEs with an emphasis on completing the single market in telecommunications, postal services and financial services. The promotion of research and knowledge combined with a strong commitment by all institutions to an innovative Europe will be essential to growth, competitiveness and jobs. The Commission views the implementation of the Seventh Framework Programme and the establishment of the European Institute of Technology as vital to this.

Better Regulation

The strategic review on better regulation (November 2006) provides the background for continuing the work on better regulation across the board. The main item will be getting agreement to meet the **25% target to reduce administrative burden** which will be discussed at the Spring European Council. It seems likely that the German Presidency will promote the introduction of a uniform method, the standard cost model for measuring the cost of existing and new regulations, based on the successful Dutch model. A number of member states are reluctant to commit to such a target claiming that the measurement model itself is too costly.

The Commission is also planning a programme of Simplification and Codification. 47 simplification proposals are expected to be presented in 2007, while codification will continue as part of the ongoing process to codify 300 measures by the end of 2008. The Commission has also indicated that it intends to produce a **Communication on the control of the application of EU law** which will include questions on how to improve transposition.

Structural Funds

Following final agreement on all the EU regulations covering the 2007-13 Structural Funds period and the Community Strategic Guidelines setting their objectives during 2006, all that remains is the submission and negotiation of the individual Operational Programmes with the Commission. The public consultation on the four draft Operational Programmes for Scotland closed on 8 January. On the basis of the consultation responses, revised programme documents should be submitted to the Commission in early March. The aim is to secure agreement during the summer, allowing the Programmes to start by the early autumn. Preparations for delivery of the Programmes within Scotland are continuing with the appointment of two Intermediate Administration Bodies in January to help the Executive administer the new programmes.

3. AGRICULTURE

Key Dates

29-30 January	Agriculture and Fisheries Council (Brussels)
19-20 March	Agriculture and Fisheries Council (Brussels)
16-17 April	Agriculture and Fisheries Council (Luxembourg)
7-8 May	Agriculture and Fisheries Council (Brussels)
20-21-22 May	Informal Ministerial Meeting (Mainz)
11-12 June	Agriculture and Fisheries Council (Luxembourg)
16-17 July	Agriculture and Fisheries Council (Brussels)
16-17-18 September	Informal Ministerial Meeting (Porto)
20 September	Agriculture and Fisheries Council (Brussels)
22-23 October	Agriculture and Fisheries Council (Luxembourg)
26-27 November	Agriculture and Fisheries Council (Brussels)
19-20 December	Agriculture and Fisheries Council (Brussels)

Introduction

This year will see further reforms to those remaining regimes not included in the 2003 CAP reform and a strong emphasis on simplification of CAP legislation. This tidying up is important in advance of the new wave of reform which will start next year with the “Health Check” of the 2003 reforms, and thereafter the financial review which could have significant impact on CAP financing post-2013. The Commission’s strap-line for this two stage reform process is CAP: One Vision - Two Steps. The German Presidency will concentrate on simplification, but much preparation for future reform will be going on behind the scenes. Meaningful decisions on the CAP will be difficult anyway before the French Presidential elections in May.

With energy and climate change centre stage, both Presidencies will be pushing forward with work on **bio-fuels and bio-mass** and the Germans will hold a conference on “Fuelling the Future” in March. The Germans are considering whether the Berlin Declaration celebrating the 50th anniversary of the Rome Treaty, should include a mention of the CAP as one of Europe’s original policies.

Detail

Spirit Drinks

The draft Spirit Drinks Regulation updates current legislation and defines composition and preparation for specific spirits, responds to WTO and TRIPs (Trade Related Aspects of International Property Rights) requirements and clarifies the rules on geographical indications. Negotiations continued during 2006 both within Council and Parliament. The Germany Presidency is picking up from the Finnish Presidency after their attempt to deliver a first reading agreement between the European Parliament and Council. But, despite wide differences on key issues such as the definition of vodka, the Council adopted a general approach in November as a basis for discussions between Council and Parliament. The Parliament is still considering its opinion and the Germany Presidency will lead discussions between the two institutions to try to reach agreement during their Presidency. The Scotch Whisky industry welcome the new legislation because it will significantly improve the process of protection for geographical indications. It also provides the basis for proposed new domestic Scotch Whisky legislation which is a key priority for the industry. Any delays caused by the remaining wide differences on the definition of vodka would therefore be very unwelcome for Scotland.

CAP Reform/Simplification

While the Commission is already seriously preparing for next year's "health check" (or mid-term review) of the 2003 CAP reform measures, the German Presidency have said they will not have any formal discussions on CAP reform. However, it is likely to feature in the informal meeting of agriculture ministers which they will hold in May and is likely to be more prominent in the Portuguese Presidency. The German Presidency will rather focus activity on **simplification and better regulation** including steering through the Commission's proposal for a **single Common Market Organisation** to replace 21 separate bits of legislation; and simplifying how the **cross compliance rules** work on which a Commission communication is expected.

On the market side, the Commission is due to adopt a proposal to reform the **fruit and vegetable regime** at the end of January. The main change will be to extend the single farm payment to include fruit and vegetables which were previously excluded. In addition, it is likely that measures will be included to strengthen the role of Producer Organisations, in particular to include the concept of crisis management as one of their roles. These changes will be significant for the soft fruit industry in Scotland. Around the same time a mini package of **dairy measures** is expected from the Commission which is expected to *inter alia* standardise protein content of milk and simplify the rules on fat content. The German Presidency hopes to get agreement for both of these two regime changes during their term. There is also a proposal under discussion on the definition of **veal and young beef** which should also be concluded in the next months. The **banana and wine regimes** are also under reform but these are of less direct interest to Scotland.

Rural Development/Green Issues

Agreement is expected early in the year on the delayed **voluntary modulation** proposal which will allow transfers of funds from CAP direct payments to rural development spending. The proposal has been delayed by the European Parliament who rejected it on principle and asked the Commission to withdraw it. The Commission has made it clear that it cannot do so, as it implements an element of the European Council's December 2005 agreement on the financial perspectives. The delay in its adoption has had serious consequences for the **Scottish Rural Development Plan (SRDP)** whose adoption has also consequently been delayed until the position on voluntary modulation and what funding will be available to the Executive is clarified. Under the consultation procedure, the Council can adopt the proposal as soon as the Parliament delivers their final opinion which is expected in February. Once the voluntary modulation proposal is agreed, the Executive can conclude negotiations on the SRDP to allow payments to start by the end of the year. Some interim arrangements have been put in place to allow continuity of funding for ongoing projects, including an extra payment under the old SRDP for the Less Favoured Area Support Scheme and a one year extension to Rural Stewardship Schemes which end in 2006.

Following the opinion from the European Parliament on the new package regulating **EU organic production**, the Germany Presidency will translate the general approach reached under the Finnish Presidency into final adoption. The general approach is not legally binding but is unlikely to be re-opened. The new regulation will introduce a compulsory EU organic logo, which can be used alongside national/private logos. It applies the 0.9% accidental GM contamination which relates to conventional food (but opponents forced a review clause for 2011) and requires 95% of ingredients in processed food to be from organic production for the products to be labelled as organic.

The prospect of legislation setting a limit on the adventitious (accidental) **GMO** content of seeds has been under discussion for some years now, and might come forward from the Commission this year. Both Presidencies will promote work on **co-existence of GM** crops and conventional farming; and

continue with the evaluation of the existing legislation on the **placing on the market of GM food and feed**.

Work will continue on implementation of the **Biomass Action Plan** and the **EU Strategy for Bio-fuels**. The Commission's recent energy review suggested that most member states will not meet their targets for bio-energy.

Plants, Pesticides and Forests

The Commission adopted a major **pesticides package** in July 2006, comprising a thematic strategy and proposed framework directive on sustainable use of pesticides; and a further proposed regulation on the placing on the market of pesticides. Negotiations are ongoing in the Council and Parliament and are unlikely to be concluded until late 2007.

There is a proposal on the table updating the 1969 Directive on the **control of Potato Cyst Nematodes** (PCN). The proposal aims to limit further spread of this pest, by strengthening protection for all potato production (seed and ware crops) and extending measures to other plants which can spread the pest through soil attached to their roots. Under the UK presidency an impact assessment relating to the proposal was prepared. However, the UK (with Scotland's support), has continuing concerns that there has not been sufficient consideration given to the economic impact of the proposal and the additional burdens it would impose; and whilst during 2006 a detailed read-through of the proposal was completed, the impact assessment itself has not been the subject of further close scrutiny. The proposal will be considered further under the German Presidency but it is unclear how quickly it will make progress.

Both Presidencies in 2007 will take action to fully implement the **EU Forestry Action Plan** and the EU Action Plan for Forest Law Enforcement, Governance and Trade (**FLEGT**). In October the Commission will produce a communication regarding the fifth Ministerial Conference on the Protection of Forests in Europe which is planned in November 2007 in Warsaw. This aims to obtain Council's authorisation for the Commission to participate in and to sign the acts stemming from the conference on behalf of the European Community.

Animal Health and Welfare

Work to implement the EU Action Plan for **Animal Protection** will continue under the German and Portuguese Presidencies. Specific dossiers will include a **ban on the import of cat and dog fur**, work to encourage **better labelling** of foods produced in an animal friendly manner (including a conference in Brussels on 28 March); and continuing negotiations on the contentious regulation on the **protection of broiler (meat) chickens**. The latter was left unresolved after some hope that an agreement might be reached under the Finnish Presidency, but differences on key issues like stocking density remain wide.

After an extensive consultation period, the Commission will bring forward a communication early in the year setting out the way forward on a Community **Animal Health Strategy in mid 2007**. The Strategy itself, including indications about what legislative changes will be required, may then follow by the end of the year. This Strategy is likely to focus on how the EU can target action and resources better at prevention rather than the consequences of disease outbreaks, and should tie in well with the animal health measures introduced in the Scottish Rural Development Plan. The Strategy is also likely to propose cost and responsibility sharing between member states and their farming industries.

After securing agreement with the European Parliament on the extent of further changes to the EU TSE (transmissible spongiform encephalopathies) Regulation in 2006, the Commission will be pushing

forward with the technical work required on **BSE/TSEs** including the ongoing work on the international classification of third countries (which should be complete by July 2007) and its translation into the TSE regulation; the consideration of a tolerance level for insignificant amounts of mammalian meat and bone meal in animal feed; and possibly progress on the feeding of **fishmeal** to young ruminants in limited circumstances. Of particular interest in Scotland will be an opinion expected from the European Food Safety Authority (EFSA) about whether the age at which vertebral column must be removed from bovines can be safely raised from 24 to 30 months.

A revision of the **Animal By-Products Regulation** (which may also require changes to the Waste Incineration Directive) provides an opportunity for an amendment allowing the continued **burning of tallow** as a fuel. The proposal amending the ABP Regulation is due from the Commission early in the year, but the results of an EU funded independent consultant's study on environmental impact of tallow burning, which will influence whether the Commission will support continued tallow burning, is still not yet available. A proposal is also expected during the year on the rules on **maximum residues of veterinary medicines** in food of animal origin.

The Food Standard Authority are continuing to press the Commission to make a change to the newly implemented Hygiene Regulations to change the onerous time limits between slaughter and mincing in the production of **mince** which hit the headlines in Scotland in 2006. However, the time limits apply to wholesalers only and do **not** apply - despite the mistaken media coverage - to retail outlets like butchers.

4. FISHERIES

Key Dates

Fisheries items are planned for the following AgFish Councils:

16-17 April	Agriculture and Fisheries Council (Luxembourg)
11-12 June	Agriculture and Fisheries Council (Luxembourg)
19-20 December	Agriculture and Fisheries Council (Brussels)

Fisheries business is likely to appear on agendas of some of the other AgFish Councils in the second half of the year.

Introduction

Promoting conservation and sustainable management of fisheries resources is again an over-riding theme for the year. The decisions on **TACs** (Total Allowable Catch) and the simplification of the **CFP** (Common Fisheries Policy) will be fundamentally driven by that. In addition the German Presidency has emphasised that **combating illegal, unreported and unregulated fisheries** (IUU Fisheries), research on the **effects of climate change on fish stocks** and **accelerating certification of fisheries and fishery products** are important elements of delivering a sustainable fishing sector. Maintaining **stable relations with third countries** on a sustainable basis is a general theme in international fishing issues.

Detail

As ever, the main **TACs and quotas for 2008** will be fixed at the December 2007 Council. In preparation, the Commission is expecting to publish this year's policy statement in March 2007 leading to consultations with the stakeholders in advance of a preparatory exchange of views at the June Council.

The Commission will publish a Communication on **the Cod Recovery Plan Review** in mid 2007. This is a significant priority for the Scottish Executive.

The Commission will also bring forward significant proposals on **simplification of the CFP** following its December 2005 Action Plan which Ministers will discuss at the April Council.

A review of the **Regional Advisory Councils (RACs)** is required mid-2007 under the Decision establishing them. A proposal amending the **financing arrangements for RACs** is scheduled for agreement at Council in April.

The Commission plans to publish a Communication on **reducing discards** (fish thrown back to sea dead). A possible discussion is scheduled at the June Council.

A proposal to simplify the regulatory framework for fishing in the **North Atlantic Fisheries Organisation (NAFO) zone** is scheduled for Council political agreement in June.

A Regulation on a **Management plan for North Sea sole and plaice** is expected to be adopted in April, based on consensus at the December 2006 Council.

A Regulation for a **recovery plan for Zone VIIe sole**, in line with the consensus at the December Council 2006 should be agreed promptly once a Commission proposal is made.

An updating of the so-called “flexibility Regulation” on the **payback of over-fished quotas** in subsequent years is expected and may be addressed at the June Council.

The proposal to introduce a **single definition of drift nets** into various other technical measures is scheduled for Political Agreement in June.

The Commission proposal to increase the **de minimis threshold in fisheries state aids** to €30,000 from €3,000 is of interest though the decision is the Commission’s exclusive competence.

5. ENVIRONMENT

Key Dates

29-31 January	European Renewable Energy Policy Conference (Brussels)
20 February	Environment Council (Brussels)
22-23 February	EU Policy Workshop on Offshore Wind Power Deployment (Berlin)
8-9 March	Spring European Council (Brussels)
7-11 May	15 th European Biomass Conference (Berlin)
1-3 June	Informal Ministerial Meeting (Essen)
28 June	Environment Council (Luxembourg)
30 October	Environment Council (Luxembourg)
17 December	Environment Council (Brussels)

Introduction

The three Presidency strategic agenda includes **reflecting across the board the EU Sustainable Development Strategy** agreed in 2006, considering the **climate change** and **energy package** published in January and moving forward the **Convention on Biological Diversity**.

Environmental issues have been placed high in the German Presidency's agenda for the first half of 2007, with a focus on ecological industrial policy, better regulation, climate and energy policies, environmentally sound mobility and biodiversity. In the context of the 6th Environment Action Programme, work in the Council will advance the Thematic Strategies and legislation on waste, marine environment and the sustainable use of natural resources and work on the soil and the pesticides strategies will be taken forward. The European Parliament will consider proposed legislation on air quality and floods and Parliament and Council together will attempt to complete the Regulation on LIFE+ funding for environmental policy.

Detail

Climate change

Climate change will be a key issue for the European Union in 2007 and one in which it is determined to take a lead. The Commission recently proposed a comprehensive package of measures to establish a new Energy Policy for Europe to combat climate change and boost the EU's energy security and competitiveness in their Communications "**An Energy Policy for Europe**" and "**Limiting Global Climate Change to 2 Celsius: The way ahead for 2020 and beyond**". They have set a target of a 30% reduction in greenhouse gas emission from developed countries by 2020 as their preferred negotiating position for the post-2012 framework. They are also proposing that the European Union commits now to cut greenhouse gas emissions by at least 20% by 2020.

The Presidencies are keen to increase efforts around CO₂ emissions from vehicles, further developing carbon capture and storage as well as sustainable forest management. At the external level the three Presidencies will contribute to ensure the EU's leading role in the international fora, in particular at the 2007 Conference and meeting of the Parties to the United Nations Climate Change Framework Convention and Kyoto Protocol.

The Commission has also announced a review of the **Emissions Trading Directive** with a view to reporting in June this year. The review will cover four key areas where reform will be considered - scope, harmonisation and increased predictability, compliance, and linking. The UK Government and the Scottish Executive are hoping the review will increase long term certainty about the future of the

scheme and in doing so, maximise its potential to stimulate necessary investments in low carbon technology. The Presidency intends the June Environment Council to reach political agreement on the proposal for a Directive for the inclusion of aviation in the EU emission trading scheme, following a policy debate at the February Council.

Biodiversity

The three Presidencies will continue work on all initiatives and measures designed to contribute to the protection of biodiversity. In particular they will promote and implement measures on the basis of the Commission **Communication on Halting Biodiversity Loss by 2010 – and Beyond** and of its Action Plan.

Environmental technologies

Further implementation of the **Environmental Technologies Action Plan** will remain high on the agenda. Here the Council will deal with the different proposals aiming at further reducing exhaust emissions and noise emissions from cars and non-road mobile machinery. An informal ministerial meeting on innovative resource and energy efficient environmental technologies will be held in June 2007.

Sustainable Development Strategy

The three Presidencies will closely monitor the implementation of the EU Strategy for Sustainable Development as renewed in 2006. According to the new governance cycle, the Commission will present its first progress report on the Sustainable Development Strategy, including future priorities and actions, based on a set of sustainable development indicators, in Autumn 2007. The Presidencies will ensure comprehensive discussions in the Council on progress made, on the basis of which the European Council in December 2007 will provide general orientations on policies, strategies and instruments for sustainable development, taking into account priorities and synergies, including in the context of the Lisbon Strategy for growth and jobs.

Green Paper on Maritime Policy

Building on the work conducted by the Finnish Presidency, the three Presidencies will ensure a broad discussion on the Green Paper and on the proposals resulting from the consultation process, which closes in June and on which the Commission is expected to present the outcome in Autumn 2007. Contributions to the consultation process will be sought from high-level conferences in May and October 2007.

The Scottish Parliament (European and External Relations Committee) and Scotland Europa hosted a stakeholder event in December 2006 at Holyrood and are planning a further event in Brussels this February. The Scottish Executive will reflect on the outcome of these events to consider what additional stakeholder engagement may be necessary.

In the meantime, a UK consultation exercise, led by the Department for Transport and with which the Scottish Executive is co-operating, started in December 2006 and closes on 28 February 2007. This will allow the UK Government and Devolved Administrations to develop a reply to the Green Paper.

Thematic Strategy for Soil Protection

The **Soil Thematic Strategy** and draft **Soil Framework Directive** were published in September 2006. Earlier plans by the German Presidency to push for political agreement by the June 2007 Environment Council have now been modified. The first Council Working Group on the Directive was held on 12 January 2007, with another planned for 30 January 2007. These meetings will pave the way for a policy debate at the February Environment Council. However, the scope of the proposed Directive requires a good deal more work and it is unlikely to be ready for agreement at the June Environment Council.

Life+

The draft EU Regulation providing financial support for environmental policy development needs to be resolved between the Council and Parliament. The key issues concern the delegation of funds to member states and the proportion of funding to be allocated to support policies on nature and biodiversity. The Conciliation process is scheduled to conclude in late March.

Waste Framework Directive

Discussions by a Council Working Party on the revision of the Waste Framework Directive, which forms part of the Waste Thematic Strategy, are continuing under the German Presidency. In view of strongly divergent views among the member states, current assessment is that no political agreement may be reached before the June 2007 Environment Council. In addition, the European Parliament is expected to take a plenary vote on the revision at the end of February. It approved some 140 amendments to the Commission's original proposals in November 2006. In these circumstances conciliation may prove to be a challenging process.

Sustainable Use of Pesticides

The Thematic Strategy on Pesticides meets a commitment in the 6th Environment Action Plan to further reduce the impact of pesticides, particularly plant protection products, on human health and the environment. The Thematic Strategy is set for early action with (Environment) Council conclusions on 20 February. The Sustainable Use Directive included within the Strategy is planned initially for the Agriculture Working Group, reporting back to the Environment Council on 28-29 June. Issues of good science and proportionality are likely to be important.

6. JUSTICE AND HOME AFFAIRS

Key dates

14-16 January	Informal Ministerial meeting (Dresden)
15-16 February	Justice and Home Affairs Council (Brussels)
20-22 February	Conference on common minimum rights in criminal proceedings (Berlin)
1-2 March	Conference on European contract law (Stuttgart)
19-20 April	Informal Justice and Home Affairs Council (Aachen)
29-30 May	Conference “A Europe of Innovation – Fit for the Future?” (Berlin)
12-13 June	Justice and Home Affairs Council (Luxembourg)
27-28 June	Conference on the future of European company law (Berlin)
17-18 September	Informal Justice and Home Affairs Council, (Oporto)
8-9 November	Justice and Home Affairs Council (Brussels)
6-7 December	Justice and Home Affairs Council (Brussels)

Introduction

In the Commission’s JHA priorities for 2007 in the field of criminal law there is a strong emphasis on measures to combat terrorism, principally a **proposal for revision of the Framework Decision on combating terrorism**. The German and Portuguese Presidencies intend to concentrate on the criminal justice system, making progress on Framework Decisions on **the protection of witnesses and individuals who cooperate with the judicial process**; on **cross-border supervision of probation**; on **the mutual recognition and enforcement of sentences of imprisonment**; on **certain procedural rights**; and the **organisation and content of the exchange of information extracted from criminal records between member states**.

In civil law, the German and Portuguese Presidencies will focus on “increasing legal certainty for citizens” through a series of regulations intended to make it easier to resolve claims across borders. The most important of these are on **applicable law in matters of contractual obligation**; on **applicable law relating to non-contractual obligations**; and **applicable law relating to divorce**.

A particular priority of the German Presidency will be on making progress on incorporating the **Prüm Convention** into EU law to facilitate various aspects of cross-border police co-operation.

Detail

Criminal Judicial Co-operation

The fight against terrorism inspires much of the JHA programme for 2007. The Hague Programme invited the Commission to make proposals aimed at improving the storage and transport of explosives as well as at ensuring traceability of industrial and chemical precursors. The Commission therefore intends to bring forward a communication on an **EU Action Plan for the enhancement of the security of explosives and firearms** to stimulate debate and dialogue with all actors involved in the security of explosives. Its focus will be on devising effective solutions towards fighting terrorism propaganda and limiting the transmission of expertise, particularly on bomb-making and explosives, for terrorist purposes.

Linked to this is a Commission proposal for a communication in late 2007 to stimulate debate leading to an **Action Plan for the enhancement of the security of explosives and firearms**. The Commission will also present a general programme on **public-private partnerships in the field of**

European Security, including questions regarding security research, the fight against terrorism and crime, improved border controls and management of visa requests, and protection of personal data.

Linked to the fight against terrorism is the **Framework Decision on the protection of witnesses and individuals who co-operate with the judicial process** to be published in the second quarter. This is intended to protect witnesses against intimidation, which can be of particular relevance in cases relating to organised crime and terrorism. The Commission proposal for a **Communication on the fight against cyber crime** in March 2007 setting out the future approach of the EU-wide combat against cyber crime is also, in part, intended to address terrorist-related and xenophobic activity on the internet. The Hague Programme identified cyber crime as an area where concerted EU level action is urgently needed as it is not obvious that cyber crime is adequately addressed by existing legal instruments, at national and EU level, conceived against off-line crimes. In this same sphere, the Council is likely to resume the stalled negotiations over the **Framework Decision on combating racism and xenophobia** to achieve a minimum level of harmonization in the criminal codes of the member states, particularly in criminalizing the dissemination of racist and xenophobic statements.

The three Presidencies intend to make significant progress on a range of measures to improve mutual cooperation and recognition of judicial decisions. They will take forward a **Framework Decision on cross border supervision of probation, suspended and alternative sentences**, which will require the member states to provide one another with more support in supervising and monitoring convicted persons. Germany also aims to conclude deliberations on the **Framework Decision on the mutual recognition and enforcement of sentences of imprisonment** in order to improve the enforcement of criminal sentences in other member states. The Presidencies will also aim to conclude discussions on the remaining issues around the **Framework Decision on the European Evidence Warrant** as soon as possible.

To balance recent developments on the strengthening of judicial cooperation and mutual recognition, the German Presidency will seek to conclude the **Framework Decision on certain procedural rights** to define minimum rights in criminal proceedings which will be guaranteed to persons charged with a criminal offence or arrested in connection with a criminal offence in all member states. This will set minimum guarantees in relation to the provision of information, the right to defence, including access to legal assistance, and provision of an interpreter and translation of documents. Linked to this will be a conference on common minimum rights in criminal proceedings on 20-22 February 2007.

Finally, the Commission will publish proposals on the fight against **cyber crime** in March 2007 to improve cross-border measures.

Civil Judicial Cooperation

On civil matters, the three Presidencies will continue to work to improve judicial co-operation in order to create greater legal certainty for citizens when they travel to, live or work in, another member state. Specifically they will seek to conclude work on the **Regulation on applicable law in matters of contractual obligation (Rome I)**, and finalise the **Rome II Regulation on non-contractual obligations**.

A **Regulation on small claims** will also be brought forward to introduce forms and limitation of costs to help establish a rapid and simple procedure for cross-border disputes.

The three Presidencies intend to introduce similar measures to provide greater legal certainty in family law by having one national law applicable to a specific international divorce case, regardless of which court in the EU the case is raised in. Work will therefore continue on the **applicable law relating to divorce (Rome III)** and the **recognition and enforcement of claims related to maintenance**. Discussion on the legal issues which are posed in the international context of

matrimonial property regimes and the law of succession and wills will begin as soon as concrete proposals for rules have been presented by the Commission.

The three Presidencies also plan to make progress on the **Regulation on the enforcement of maintenance claims**, in order to ensure that claims can be enforced rapidly and predictably in cross-border cases.

Police Co-operation, Law Enforcement, Asylum and Immigration, Drugs and other dossiers

On police co-operation, a major priority of the German Presidency will be to seek to incorporate the **Prüm Convention** into EU law. The Convention has been entered into by seven member states and makes provision for closer operational co-operation in a range of areas, such as DNA data exchanges, joint police operations and counter-terrorism.

The German and Portuguese Presidencies will continue work on improving operational co-operation between the member states and with European structures such as Europol, focussing on concrete measures. A particular priority will be to conclude work on the **Framework Decision on the organisation and content of the exchange of information extracted from criminal records between member states** in time for the JHA Council in June. This will be based on a system where records are exchanged electronically rather than in paper form as is currently the case throughout much of Europe. The German Presidency hopes to achieve a system of networked national registers without the necessity of building up a central new unit of registry for all of Europe.

The three Presidencies will also work to strengthen **Europol's legal framework**. Measures for expanding the scope of Europol to include additional serious criminal offences will be considered. An evaluation of the Naples II Convention will be carried out, and the new **Action Plan on Customs Cooperation 2007-2008** will be launched. Co-operation at the European level between customs and police authorities will be enhanced, and an integrated risk management system will be developed.

On immigration, the German and Portuguese Presidencies aim to strengthen the European border protection agency FRONTEX, in order to enhance protection of the external borders. Opening borders to the new members also depends on their rapid inclusion in the Schengen Information System. The JHA ministers were able to agree at the Council in early December 2005 that this should be technically possible by late 2007.

Fighting illegal migration and human trafficking will be the main focus of a ministerial conference on migration issues planned in Portugal for November 2007 between the EU member states and the Mediterranean states (EUROMED).

External Dimension

The three Presidencies intend to take forward work on the implementation of the "**Strategy for the External Dimension of the JHA**", focussing on extending co-operation with all those countries covered by the European Neighbourhood Policy in order to help combat illegal immigration, drug and arms trafficking, terrorism, organised crime and corruption.

Civil Protection

Work will continue in order to develop integrated and co-ordinated EU crisis management arrangements for dealing with cross-border crises. It is intended that a **European Programme for Critical Infrastructure Protection (EPCIP)** be agreed and a **Critical Infrastructure Warning and Information Network (CIWIN)** established; these will also play a role in the fight against terrorism. The enhancement of detection and early warning disaster systems will be considered.

7. TRANSPORT

Key Dates

22-23 March	Transport, Telecommunication & Energy Council (Brussels)
2-4 May	Conference on Maritime Policy Green Paper (Bremen)
5-6 June	eSafety Conference, safety-related innovations in intelligent vehicles (Berlin)
7-8 June	Transport, Telecommunication & Energy Council (Luxembourg)
1-2 October	Transport, Telecommunication & Energy Council (Luxembourg)
29-30 November	Transport, Telecommunication & Energy Council (Brussels)

Introduction

Ensuring a strong sustainable and innovative transport sector that delivers efficient traffic flows in support of the Lisbon Strategy is a stated theme of both Presidencies this year. In addition, the German Presidency has identified the following as priority themes:

- ◆ Promoting innovation and technology for greater competitive advantage, safety, security and environmental protection.
- ◆ Regulatory impact assessment of new EU projects, also with a view to reducing bureaucracy.

Securing the international competitiveness of EU aviation is also an ongoing general theme and trying to ensure an EU-US air service agreement will be a particular objective for the Commission.

Detail

Land Transport

A significant area of work will focus on the European Parliament as it reaches second reading positions in January on the **Third Rail Package** (Passenger Rights' Regulation, Train Crew Licensing Regulation and International Passenger Market Opening Directive) and Land Transport **Public Service Obligation** (PSOs) Regulation. Final agreements on all the proposals are expected later in the year. The rail package elements will contribute to the stated aim of the realisation of the Single European Rail Area. The Commission intends to come forward with a proposal on **international coach passenger rights**, probably in May

The German Presidency hopes to reach agreement (in March or June) on the recent Commission package of measures "**Facilitating the movement of locomotives across the European Union**". These include a Communication on the simplification of certification of railway vehicles, a proposal to recast the existing Railway Interoperability Directives and to modify the Regulation establishing a European Railway Agency and the Railway Safety Directive.

The German Presidency will aim to reach agreement at the June Council on the **road infrastructure safety management** Directive which would establish a framework for safety considerations to be taken into account in the upgrade or rebuilding of roads on the Trans-European Network (TENs). It will also aim to reach agreement in Council by June on the Directive on the **retrofitting of blindspot mirrors** (to goods vehicles).

The three Presidencies will also prioritise **safety**, economic efficiency and environmental friendliness for road vehicles (passenger and goods), with particular emphasis on e-safety. Implementation of the **European Road Safety Action Programme** is a specific aim. The Commission has also said that it intends to come up with a legislative proposal using the Transport legal base of the Treaty on the

cross-border enforcement of sanctions in road safety. It will aim to ensure better enforcement of traffic law for no-resident traffic offenders, probably based on system to allow cross-border follow-up against traffic violations.

The Commission plans to publish an **Urban Transport Green Paper** with a focus on integrated urban development.

Further work in support of the **NAIADES inland waterways** programme will be on the basis of further proposals expected from the Commission, probably in the second half of 2007.

Aviation

The main focus for much of the year is likely to be on external relations. As in recent years, the priority file remains the **EU-US air services agreement**, on which the Commission leads negotiations for the EU. The timing and content of any agreement remain uncertain, though negotiations are active at present. The German Presidency would facilitate the finalisation of any decision by putting it to Ministers at either the March or June Council meeting. The other immediate file is the **Siberian overflights equalisation measure**, where the EU is trying to reach an agreement with Russia to phase out additional payments for airlines using that route. In addition the next triennial Assembly of the UN aviation body, **ICAO**, will take place in September, and the EU will be engaged on co-ordinating positions for that, with a particular emphasis on reducing the global impact of aviation caused by gaseous emissions. The Environment Council will lead on the related Commission proposal on **aviation emissions trading** (see “Environment” section).

The Regulation to update the functions of the **European Aviation Safety Agency (EASA)** will also be progressed, with the aim of political agreement in June. The Presidency will aim to agree Council Conclusions in June on the Commission’s communication on the **Single European Sky Air Traffic Management Research (SESAR)**, which is expected in the Spring. The German Presidency will aim for political agreement in June on the proposed revision to the existing “**Third package**” legislation which would update and recast the 1992 Regulations that cover the air carrier licence and access to the market. The update to the **aviation security Regulation** should also be concluded in the coming months in the light of the EP’s second reading.

The Commission will bring forward an “**airports package**” in January, comprising:

- ◆ A proposed Directive on airport charging
- ◆ A Communication on airport capacity, efficiency and safety
- ◆ A report on access to the market for groundhandling services (under Directive 96/97)

Maritime

The German Presidency plans to advance Council business on some of the proposals in the **3rd maritime safety “package”**. They will be aiming for political agreements on **port state control** and **vessel traffic monitoring**, following the European Parliament’s first readings, scheduled for April 2007. They will also continue work on the **Athens Convention** on passenger liability; and begin work on **ship accident investigation**. The Commission intends to bring forward a proposal, possibly around March, on the **rights of passengers of reduced mobility on inland waterway and maritime vessels**.

There will also be a general focus on maximising EU interests within the **International Maritime Organisation (IMO)**.

The Commission intends to publish a **Communication on a European Ports Policy** covering relations with service providers, internal and external operational bottlenecks, sustainable capacity development, inter-port co-operation and financing issues.

The Commission intends to bring forward a **Communication a future maritime policy** in the latter part of the year, based on the outcome of the consultation on the Green Paper that is scheduled for completion by July.

Horizontal

Work on the **Galileo** satellite navigation system is a priority for the three Presidencies. They want to look in detail at third country mandates and the published green paper on applications. They also want to make considerable progress on concession contract negotiations.

The German Presidency will also ensure that the Transport Council makes a substantive input to the Spring European Council on the **Lisbon process**.

The Commission intends to publish a **Freight Transport Logistics Action Plan**.

8. TELECOMS AND INFORMATION SOCIETY

Key Dates

15 March	Informal Council (Hannover)
15 February	Transport, Telecommunication & Energy Council (Brussels)
22-23 March	Transport, Telecommunication & Energy Council (Brussels)
7-8 June	Transport, Telecommunication & Energy Council (Luxembourg)
1-2 October	Transport, Telecommunication & Energy Council (Luxembourg)
29-30 November	Transport, Telecommunication & Energy Council (Brussels)

Agendas for latter two Councils not yet published; may include telecoms and infosoc items

Introduction

The main theme will be continued development of the sector to support EU competitiveness, through revised market regulation and taking account technological innovation. In particular, taking forward the **i2010 Initiative** focused in using more and better IT, will inform progress on specific dossiers.

Detail

The **revision of the telecommunications regulatory framework**, on the basis of a Commission proposal, is expected to be a significant area of activity. In practice, work will be taken forward in the second half of the year by the Portuguese Presidency as the Commission is taking a good deal of time to reflect on the very large number of responses to its consultation exercise, and proposals are not expected before June.

The German Presidency intends to finalise agreement as soon as possible on the proposed **Regulation on International Roaming Charges**.

The Commission is reflecting on the future of the **European Network and Information Security Agency (ENISA)**. It intends to publish a Communication on this in March or April on which discussions by the Council and Parliament would proceed promptly.

The future of the **radio spectrum policy** will also be addressed by the Commission (probably as part of the regulatory framework package), with some proposed changes expected, with target implementation dates of 2009-10.

The Commission is planning a **Green Paper on the nature of universal service in electronic communications**, as promised in the 2006 Commission Communication.

The Commission will also publish a Communication on **the Importance of ICT for economic growth**, probably in March or April. It will emphasise the need for improved use of ICT in various sectors, such as health care and energy production.

The three Presidencies and the Commission will also make efforts to progress **eCALL**, the automated emergency tracking system.

The Commission plans to publish a Communication on **Strengthening Mobile TV in the single market** in June or July. It is likely to promote take-up by aiming to ensure sufficient harmonised

spectrum, addressing technical standards and harmonisation and by contributing to investment- and innovation-friendly regulatory environment

The 2006 Commission proposal for a Directive on the **completion of the internal market in postal service** is also the responsibility of the TTE Council and is expected to be progressed by both Presidencies.

There are a number of international issues to be addressed too, including preparation for the **World Summit on Information Society** and the **World Radio Conference**.

9. ENERGY

Key Dates

15 February	Transport, Telecommunication & Energy Council (Brussels)
8-9 March	Spring European Council (Brussels)
7-8 June	Transport, Telecommunication & Energy Council (Luxembourg)
1-2 October	Transport, Telecommunication & Energy Council (Luxembourg)
29-30 November	Transport, Telecommunication & Energy Council (Brussels)

Introduction

Energy is expected to a major focus of EU activity over 2007. On 10 January 2007 the Commission published its Strategic Energy Review (SER). The SER set out proposals to improve the competitiveness of EU energy markets (through improving regulation and unbundling transmission in vertically integrated companies); improving security of energy supplies (through a common energy policy, developing closer relations with energy supplying countries, and improved interconnection between EU states); and tackling climate change (through improving energy efficiency, increased use of renewable energy, increased use of bio-fuels, and cleaner use of fossil fuels); and a 50% increase in EU financed energy related R & D.

Detail

The SER proposes ambitious targets: improving energy efficiency by 20%; raising the share of renewable energy in the energy mix to 20% by 2020, and increasing the level of biofuels in transport fuel to 10% by 2020.

The Commission has also prepared a Renewable Energy Roadmap and is expected to propose a new framework to promote renewable energy later in 2007.

Alongside the SER the Commission also published:

- ◆ A Priority Interconnection Plan for electricity and gas networks;
- ◆ Proposals to promote sustainable power generation from fossil fuels (including a target to develop 12 clean coal power station demonstrators).

The package of proposals will be considered by Ministers at the February Energy Council, where the German Presidency will aim to agree some general Council Conclusions. These will feed into the Spring European Council which will consider the package as a priority strategic issue. The German Presidency will then continue consideration of the precise proposals at the working level leading up to the June Energy Council. The Presidency hopes then to agree Council conclusions on most of them, with possible agreement to general approaches on 2 issues: the Directive on heating and cooling and the Directive on the use of biofuels or other renewable fuels for transport.

10 COMPETITIVENESS (INCLUDING RESEARCH AND FINANCIAL SERVICES)

COMPETITIVENESS

Key Dates

19 February	Competitiveness Council (Brussels)
21-22 May	Competitiveness Council (Brussels)
27-28 September	Competitiveness Council (Brussels)
22-23 November	Competitiveness Council (Brussels)

Introduction

The development of initiatives in support of the improving and securing European competitiveness under the Lisbon Strategy is the overall priority. Single Market work will be fundamentally shaped by the Commission's Single Market Policy Review.

Detail

Internal Market

The Commission will publish its **Communication on the Single Market Policy Review**, including the new Single Market Strategy, in the first half of 2007. This is a major piece of work that will assess the experience of the single market since 1992 and identify successes and gaps, with the overall aims of ensuring that the single market continues to be economically effective and that it benefits citizens. The three Presidencies will prioritise work on this and an exchange of views is scheduled for the February Council. Ministers will, in parallel, then adopt the Competitiveness Council's contribution to the Spring European Council on Economic Reform.

More specifically, the three Presidencies will take forward work on the **Commission Communication on the Free Movement of Goods** expected in January or February. In particular the German Presidency is aiming for possible political agreement on the two related legislative proposals on **Mutual Recognition in the non-Harmonised area**, and the **revision of the new approach** at the May Council.

A policy debate on the **GHS (globally harmonised system)** on the classification and labelling of chemicals) is scheduled for the May Council.

The three Presidencies will pursue work on the **construction products Directive (89/106/EEC)** with the aim of ensuring its uniform transposition and application in order to enhance the effectiveness and quality of the European rules in this area.

Other issues that may be progressed during the year include the **electrical safety Directive** and the **Directive on recreational craft**.

In the area of **public procurement**, the three Presidencies will seek to conclude work on the proposal for a revision of the public procurement remedies Directive (possible political agreement at the May Council) and the proposals for public and private partnerships and defence public procurement.

Industry

There will be work on a number of sectoral issues, with follow-up to the **Commission Communication on a competitive automotive regulatory framework, the mid-term review of life sciences and the biotechnology strategy and action plan**. Council conclusions are scheduled for May.

There will be a focus on the Commission communication addressing specific sectors such as **textiles and engineering**. In particular, there will be an evaluation, in the second half of 2007, of progress on implementing the **EU strategy for the textile sector**.

Other issues that are likely to be progressed are the communication on raw materials, the report on the competitiveness of the ICT industry, the report on shipbuilding, and the Communication on defence and the mid-term review on industrial policy.

The German Presidency intends to discuss **European Space Policy** at the May Council.

The three Presidencies will prioritise work in support of **SMEs** to contribute to making the "Think Small First" principle a guiding principle in all relevant legislation and to explore possibilities to improve the operating conditions for SMEs.

RESEARCH

Key Dates

15-16 January	Event to launch RFP 7 (Bonn)
29 January – 2 February	High-level meeting (Information Day) (Cologne)
19 February	Competitiveness Council (Brussels)
26-28 February	European Research Council launch event (Berlin)
28-31 March	European conference on education research (Berlin/Frankfurt)
26-28 April	Informal Competitiveness Council (Würzburg)
6-7 May	Launch conference "Lifelong Learning" (Berlin)
8-10 May	Conference "Neighbourhood for Sustainability" (Leipzig)
21-22 May	Competitiveness Council (Brussels)
5-6 June	4th European Conference on Research Infrastructures – ECRI (Hamburg)
25-26 June	Possible Competitiveness Council (Luxembourg)
27-28 September	Competitiveness Council (Brussels)
22-23 November	Competitiveness Council (Brussels)

Introduction

The implementation of the **7th Framework Programme for Research and the Programme for Lifelong Learning** will be the main focus of the German and Portuguese Presidencies in the field of research. They will also hope to make progress on the establishment of the **European Institute of Technology (EIT)**, on **Joint Technology Initiatives (JTIs)** and **Article 169 programmes**, and on preparation for the construction of the **International Thermonuclear Experimental Reactor (ITER)**.

Detail

The German and Portuguese Presidencies will attach great importance to ensuring a timely start and the successful implementation of the **7th Framework Programme for Research and Technological Development (FP7, or FRP7)** as well as the launch of the activities of the **European Research Council**. Inaugural events will be organised in the first semester of 2007 for FP7 and the European Research Council as well as specialised conferences on specific themes of FP7 (nanotechnology, sustainability, biotechnology, research infrastructure, security research, humanities and social sciences).

The development of regional innovation clusters into world-class innovation centres will be pursued through the development of the **European Institute of Technology (EIT)**. The objective of the EIT is both to provide an "innovation flagship" and to co-ordinate work being undertaken by research institutes and other "innovation communities" across Europe. Particular focus will be given to promoting innovative environmental, pharmaceutical, bio- and nano- and medical technologies as an important stimulus for innovation and employment. In order to help stimulate the transfer of technological developments into practical, marketable ideas, the Presidencies will take an interest in improving the protection of intellectual property rights in order to create a more innovation-friendly business climate. In this regard the Commission hopes to draft a set of **voluntary guidelines on knowledge transfer** between universities and business in time for the Spring European Council.

The Commission will continue with preparatory work on the **International Thermonuclear Experimental Reactor (ITER)** by working towards the establishment of ITER's European Legal Entity. This will be the organisation that puts into effect the ITER project. The intention is to ask member states to nominate representatives for the Governing Board before the end of February in the hope of holding the first meeting in March or April.

The German and Portuguese Presidencies will also endeavour to foster a **better environment and better conditions for research activities**, by addressing issues such as: achieving the 3% target for investment in research; practical advice for new member states on financing research infrastructure by combining resources from the Structural Fund and FP7; improvement of knowledge transfer with regard to the application of research; reinforcement of human resources in science and technology; promoting scientific and technological education and culture; encouraging the international dimension of research and technological development; enhancing the role of universities and the mobility and career development of researchers.

Most of the other legislative work in 2007 will be to make progress with proposals on the **Joint Technology Initiatives (JTIs)** and **Article 169 programmes**. JTIs pool the resources of private industry, EU and national programmes to pursue ambitious common research objectives. Article 169 of the Treaty provides that the EU may make provision for participation in research programmes undertaken by several Member States. The German Presidency is hopeful of reaching an agreement on some of these and is therefore keeping 25-26 June free for a possible Competitiveness Council if necessary. They also hope to agree Council Conclusions in response to the expected Communication from the Commission on the **future of the European Research Area**.

FINANCIAL SERVICES 2007

Key Dates

30 January	ECOFIN (Brussels)
27 February	ECOFIN (Brussels)
27 March	ECOFIN (Brussels)
8 May	ECOFIN (Brussels)
5 June	ECOFIN (Luxembourg)
10-13 July	ECOFIN (Brussels)
9 October	ECOFIN (Luxembourg)
13 November	ECOFIN (Brussels)
23 November	ECOFIN (Brussels)

Introduction

The priority will be continued work on the Financial Services Action Plan 2005-2010 with a view to deepening market integration in retail financial services. The German Presidency will seek to get final agreement and adoption of the Payment Services Directive. New proposals from the Commission are expected on mortgage credits, solvency and undertakings for collective investments. The Lamfalussy framework will be reviewed with the industry with continued emphasis on self regulation. Action is also likely on removing remaining barriers to clearing and settlement.

Detail

Consolidating the work of implementing and enforcing the Financial Services Action Plan will remain a priority. The code of practice for **Clearing and Settlements** will be monitored later in the German Presidency. They can be expected to produce a position paper on removing remaining barriers. There will be discussion on **Target 2 Securities (T2S)** proposals by European Central Bank for setting up a system for central securities settlement.

The **Lamfalussy** approach will be reviewed and there will be co-decision agreement with the European Parliament. Lamfalussy is the process whereby the European Parliament and Council adopt framework Directives under the co-decision process and then delegate the power to “fill-in” the technical implementing measures to the Commission.

New proposals for regulation in 2007 worth watching to ensure that there are no adverse consequences for the Scottish financial services sector are :

- a) A white paper on integration of EU **mortgage credits** due in April or May. This follows up the work of the Mortgage Industry and Consumers Expert Group launched in 2006 which looked at four issues- information, advice, early repayment and annual percentage rates.
- b) A Directive on **Solvency of Insurance companies** due in July. This would create a new solvency regime designed to protect policy holders and beneficiaries.
- c) An amendment to the Directive on **Undertakings and Collective Investments in Transferable Securities (UCITS)** due in September. This is designed to enhance further the cross border sale of investment funds.

Proposals for VAT on financial services may emerge during the year but nothing radical is expected following a report produced for the Commission in November 2006.

The new Bulgarian Commissioner for Consumer Protection may wish to see the Consumer Credit Directive move forward.

Chancellor Merkel has declared she would like to see an EU/ USA single market in financial services by 2015. It can be expected that dialogue will continue with third countries. Another area which the German Presidency may pick up is on hedge funds although there is nothing specific in their work programme on this issue. Whilst there may be some discussion in the ECOFIN informal in the Spring it seems unlikely that the Commission will come forward with any proposals for regulation in this area.

The German Presidency is also expected to try to deliver final agreement on the Payment Services Directive and cement agreement with European Parliament on the Acquisitions Directive following the Council's general approach in December 2006.

Competition sector enquiries on business insurance and on retail markets (e.g. payment cards) are expected in January. Issues such as financial stability, supervisory converges and crisis management will continue as usual.

11. EMPLOYMENT, SOCIAL POLICY, HEALTH

SOCIAL POLICY AND EMPLOYMENT

Key Dates

18-19 January	Informal Meeting of Ministers for Employment and Social Affairs (Berlin)
30-31 January	Launch of Year of Equal Opportunities for All 2007 (Berlin)
8-9 February	Presidency conference on European Social Model (Nuremberg)
22 February	Employment, Social Policy, Health & Consumer Affairs Council (Brussels)
2-3 May	Presidency conference on More and Better Jobs (Berlin)
30-31 May	Employment, Social Policy, Health & Consumer Affairs Council (Brussels)
11-12 June	Presidency event on Integration of People With Disabilities (Berlin)
13-14 June	Presidency conference on Better Worker Protection Legislation (Bonn)
15-16 June	Informal meeting of Ministers for Gender and Family Affairs (Bad Pyrmont)
11-12 October	Employment, Social Policy, Health & Consumer Affairs Council (Luxembourg)
5-6 December	Employment, Social Policy, Health & Consumer Affairs Council (Brussels)

Introduction

The three Presidencies are emphasising the importance of the European social model to the Lisbon Strategy as an overall theme. They will also support the Lisbon Strategy's commitment that Europe should not only create more jobs, but better jobs. They note that such quality of work issues provide an opportunity to communicate the nature of the consensus in the European Social Model in the key areas of strengthening the knowledge base, justice and democracy. Quality of work also includes a balance between job security and flexibility, i.e. "flexicurity", which is an ever more important theme. There is also recognition of the need for demographic issues to be addressed.

The German Presidency's main specific focus is **joining forces for a social Europe and a social World**, believing that Europe must join forces to:

- ◆ Promote substantive focus on social aspects in the integration process
- ◆ Identify and communicate common values and goals relating to the social dimension of Europe
- ◆ Make the social dimension of Europe more visible

Detail

The February EPSCO Council will prepare its contribution to the **Spring European Council**. The Commission will also present to the Spring European Council its stock-take on the state of play of **Social Reality in Europe**. This will be a significant piece of work, examining the main factors behind social transformations in European societies with the stated aim of building a new social consensus on the social challenges facing the EU.

The Commission plans to adopt a **Communication on Flexicurity**, which in itself is an important theme for activity in the social field, related to the Lisbon Strategy. An exchange of views is scheduled for the May Council

There is no stated objective by the three Presidencies to make progress on the **Working Time Directive** after the failure to adopt it during 2006.

The German Presidency will address the **Green Paper on Labour Law**, with Council Conclusions scheduled for May.

The Commission intends to revisit the **Acquired Rights ("TUPE") Directive** to see how things can be clarified. It will also look carefully at the representations made in consultation on the **Green Paper on the Right to Work**. The Commission will also work on a First Stage Consultation on **Cross-Border Collective Agreements**, and a Second Stage Consultation on **Work-Life Balance**, where it believes it may propose measures. The Commission also expects Labour Law to figure in its programme of codification of existing legislation.

The German Presidency aims to prepare three chapters (Sickness Benefits and Healthcare, Work Accident/Injury Benefits and Death Benefits) of the **Implementing Regulation for the new Social Security Co-ordination Regulation 883/04** ready for partial General Approach at the May Council. The Presidency will try to take the **Directive on Supplementary Pensions** to the same Council for General Approach, if not Common Position.

The Commission plans to adopt a further **Communication on Social Services of General Interest** towards the end of the year, probably November. It sees this subject as an important political priority. Meanwhile, the May Council will consider the outcome of consultations already underway based on the Commission's Communication from 2006. Following its Second Stage Consultation of the Social Partners and member states on Social Inclusion and people outside the Labour Market the Commission will consider the need for any possible action.

The German Presidency will take forward work on the **draft Directive simplifying reporting on Health and Safety Directives** and hopes it may be able to reach agreement with the European Parliament at First Reading. The May Council will agree **Conclusions on a Health and Safety Strategy for 2007-2013** based on a Communication that the Commission now expects to adopt in February.

The three Presidencies will emphasise the following demographic issues: an adequate infrastructure for child-care, support for older people and people with disabilities; the challenges arising from demographic trends and changes, in particular the ageing of our societies and low birth rates; the promotion of social inclusion and the fight against poverty as a distinctive mark of the European project. Specifically, the German Presidency will prepare a **Resolution on activation and integration of the elderly** for the February Council.

The German Presidency's contribution to the **Beijing Platform for Action** (on Women) follow-up will focus on training and further education for women, culminating in Conclusions at the May Council. It also wants to press for implementation of the **Gender Equality Road Map**, promoting EU action to promote equal opportunities, ready for a review in 2008. The theme of the Gender Informal Council will be "Equal Opportunities for Women and Men in Family and Professional life".

HEALTH

Key Dates

15-16 January	Conference: Future Prospects for Health Services in Europe (Potsdam)
25-27 February	Prevention for Health: Nutrition and Physical Activity (Baden-Weiler)
12-13 March	Ministerial Conference on HIV/AIDS (Bremen)
19-20 April	Informal Ministerial Meeting (Health Services) (Aarchen)

Introduction

In the health field, the three Presidencies will focus on three key themes: access to health care; prevention and promotion of healthy lifestyles; and innovation.

Detail

The most significant item of business in the health field in 2007 (and a key theme for the three Presidencies) is likely to be a legislative proposal on a **Community Framework for Safe and Efficient Health Services**. This follows the removal of health services from the Services Directive which was agreed at the end of 2006. The proposal will aim to ensure patient safety and improve efficiency throughout Europe. It will also address the legal uncertainty about the application of single market law to health services in relation to cross border health care, following the European Court of Justice's ruling in this area. It will have significant implications for the National Health Service in Scotland. The Germany Presidency had a major conference on health services on 15-16 January and their informal Ministers' meeting on 19-20 April will address the same issue.

The Commission is still developing a new **Health Strategy** which is likely to be finally adopted in summer 2007, following a consultation which closes in February. The Strategy will provide, for the first time, an overarching strategic framework spanning core issues in health as well as health in all policies and global health issues. It will set clear objectives to guide future EU work on health, and put in place implementation mechanisms to achieve those objectives. The Commission is also expected to adopt a **white paper on nutrition to promote good diet and increase physical activity**, following the Green Paper and consultation. The paper will propose an overall strategy and promote the use of partnership to implement its proposed actions. The German Presidency will hold a conference on the subject on 25-27 February.

Following the general approach on a common position agreed at the November Council, the new **Public Health Programme** should be finally adopted during 2007 in order to start in 2008. Negotiations are ongoing between Council and Parliament with the size of the budget being a critical area of disagreement. The Council **recommendation on injury prevention** should be completed in the spring. In addition work will continue on the **regulation on advanced therapies**; and later on a revision to the **medical devices directive**.

Under the general theme of prevention and promotion of healthy lifestyles, the German Presidency will focus on **HIV/AIDS**. They are planning a ministerial conference in March at which Chancellor Merkel will speak, and conclusion in the May Council.

Depending on when the Commission finally adopts its expected white paper on **mental health** and green paper on **organ donation**, work might start on these during the year. There is also a green paper expected on **passive smoking** but this may roll over into next year.

On the World Health Organisation side, the Germany Presidency will be co-ordinating the EU contribution to the second Conference of the Parties of the **Framework Convention on Tobacco Control**; and overseeing continued work on the **International Health Regulation**.

12. EDUCATION, YOUTH, CULTURE, AUDIOVISUAL AND SPORT

Key Dates

16 February	Education, Youth and Culture Council (Brussels)
1-2 March	Informal Ministerial Meeting, (Heidelberg)
28-30 March	“Knowledge for Action” Conference (Frankfurt)
6-7 May	Conference on the Lifelong Learning Programme (Berlin)
16-18 May	Ministerial conference on the Bologna Process (London)
24-25 May	Education, Youth and Culture Council (Brussels)
4-5 June	Conference "Realizing the European Learning Area" (Munich)
15-16 November	Education, Youth and Culture Council (Brussels)

Introduction

As well as ongoing work, the German and Portuguese Presidencies will take forward a number of new initiatives in the fields of **education and training**. The most significant pieces of work include: the Joint Interim Report of the Commission and the Council on the implementation of the **Education and Training 2010 Work Programme**, which will be prepared in 2007 with a view to its submission to the Spring European Council in 2008, and; the **Lifelong Learning Programme**, which sets funding levels from 2007 to 2013 for projects and activities that foster interchange, co-operation and mobility between education and training systems within the EU.

On youth issues, the implementation of the **European Pact for Youth** and the Commission **Communication on European policies concerning youth** of June 2005 will be the main bases for developing initiatives and policies for young people.

In the field of culture, the principal focus of the German and Portuguese Presidencies will be to launch the **2007-2013 Culture and the Citizens for Europe support programmes**, which were agreed by the Council in 2006.

Detail

Education

The German Presidency will place a particular emphasis on the **Recommendation on the European Qualifications Framework (EQF)**, which is intended to improve transparency and cross-border mobility by providing a framework that allows qualifications from different member states to be compared with one another (the idea of transparent and comparable qualifications in vocational education and training is known as the **Bruges-Copenhagen Process**). In particular, this enables a European comparison and an appropriate assessment of the skills acquired in the dual system of vocational education and training. The German Presidency aims to intensify the work on the European Qualifications Framework on the basis of the Commission proposal and, if possible, to conclude it. Linked to this, the Council will take forward the work in the field of vocational education and training by, for example, promoting the work for the **European Credit transfer system for Vocational, Education and Training (ECVET)**.

The German Presidency will launch the **Lifelong Learning Programme** which reinforces the successful **Socrates** and **Leonardo** education programmes. In this connection, the German Presidency will organise a European launch conference in Berlin on 6 and 7 May 2007 in cooperation with the Commission. The programme, with a budget of approximately €784 million, will run from 2007 to 2013 and will support the cross-border mobility of teachers and learners at all levels of

education as well as co-operation between education institutions from various European countries. Higher education mobility will be the subject of special emphasis through the celebration in 2007 of the 20th anniversary of the "**Erasmus**" programme.

The **Bologna Process**, which aims to create a single European "space" for higher education, already extends beyond the circle of EU member states and has now been joined by a total of 45 European countries. The **Ministerial Conference in London on 16 - 18 May** will review work done so far on the recognition of degrees, study structures and quality assurance. The Ministerial Conference, which will be co-chaired by the UK and Germany, will aim to agree the next steps to be taken within the framework of the Bologna Process to realize the European Higher Education Area by 2010.

The German Presidency will carry on from where the Finnish Presidency left off on the **Copenhagen Process** to intensify co-operation in the area of vocational training by agreeing specific measures to improve the transparency, creditability and recognition of qualifications and degrees. The **Conference "Realizing the European Learning Area"** in Munich from 4 - 5 June will discuss concrete proposals for implementing these steps. The topics will be: The European Qualifications Framework, European Credits for Vocational Education and Training, opportunities for transfer between vocational training and higher education, the qualification of teachers, as well as the promotion of mobility.

The **Informal Meeting of Education Ministers in Heidelberg** from 1 - 2 March will discuss current education policy priorities from the Education Ministers' **Education and Training 2010** work programme. One of the objectives is to enable the Ministers to discuss the importance of common values for the process of European integration and to thus promote the debate on education's contribution to the development of common values in Europe.

The German Presidency work programme also attaches considerable significance to education instruments based on empirical research. A **conference entitled "Knowledge for Action. Research Strategies for an Evidence-Based Education Policy"** will be held in Frankfurt from 28 - 30 March to serve as a European platform for an exchange of information and experience in this area.

The Education, Youth and Culture Council on 24 - 25 May will discuss the Commission's 2005 Communication on coherent **framework of indicators and benchmarks and progress report from the Commission on the European indicator of language competence.**

Youth

The implementation of the **European Pact for Youth** and the Commission **Communication on European policies concerning youth** of June 2005 will be the main bases for developing initiatives and policies for young people. The 2007 and 2008 Spring European Councils will take stock of the implementing measures and provide future orientations for the Youth Pact. The three Presidencies will promote the social participation and professional integration of young people. For the implementation of this priority they will work on questions related to the provision of equal opportunities for all young people, fostering their entrepreneurship and voluntary engagement and the promotion of diversity as well as intercultural dialogue among young people. The evaluation of the results of the Youth Programme 2000-2006 and the successful launch of the new "Youth in Action" Programme (2007-2013) will be of major importance for further developing a European Youth Policy.

Culture

The **2007-2013 Culture and the Europe for Citizens support programmes**, agreed by the European Parliament and the Council of Ministers in July 2006, will be launched early in 2007. These aim to develop cultural co-operation between the creators, cultural players and cultural institutions of the countries taking part in the programme and are open to the participation of non-audiovisual, non-profit-making cultural industries, in particular small cultural enterprises.

The Commission will present a **Communication on the role of culture in Europe** which may lead to a possible declaration on the political, economical and social significance and added value of culture in Europe. The Presidencies will also aim to ensure that the proper implementing decisions are taken with regard to the **Community Action for the European Capital of Culture (2007-2019)**.

The entry into force of the **UNESCO Convention on the Protection and promotion of the Diversity of Cultural Expressions** will also be on the agenda of Council meetings in the first half of 2007.

Throughout the German and Portuguese Presidencies, a series of expert conferences on matters such as cultural industries, statistics, cultural tourism, long-term archiving, digitisation and cultural diversity will be held to inform the development of a long-term EU strategy for culture. Planning will begin for the first of these high-profile events to launch the **Year of Intercultural Dialogue** in 2008.

The activities of the Council in the **audiovisual field** will focus on efforts to modernise the European legal framework for the media. In particular the Council will seek to finalise work on the revision of the **Television without Frontiers Directive** and on the revision of the **Cinema Communication of 2001**. The new Media programme covering the period 2007-2013 will be launched early in 2007.

Finally, the Council will attach some importance to the promotion of multiculturalism and integration in the context of EU action in the field of education. In connection with the activities in the **framework of the Year of Intercultural Dialogue**, special attention will be given to the role of multilingualism in fostering multicultural understanding and communication.

Sport

Sport is not a priority area for the German or Portuguese Presidencies in 2007, but various issues of common interest may be brought to the attention of the Council: the contribution of sport and sport events to economic development, education and employment, the role of sport in promoting public health, cooperation between member states on anti-doping activities, the EU international sport policy and cooperation in sport science.

13. GLOSSARY

Aquis

The body of common rights and obligations that binds EU Member States together. It is constantly evolving and comprises:

- ◆ the content, principles and political objectives of the Treaties;
- ◆ the legislation adopted in application of the treaties and the case law of the Court of Justice;
- ◆ the declarations and resolutions adopted by the Union;
- ◆ measures relating to the common foreign and security policy;
- ◆ measures relating to justice and home affairs;
- ◆ international agreements concluded by the Community and those concluded by the Member States between themselves in the field of the Union's activities.

Applicant countries have to accept the Community *acquis* before they can join the Union (though some derogations are possible).

Co-decision procedure

Introduced by the Treaty of Maastricht and extended in subsequent European Treaties. The procedure strengthened the powers of the European Parliament (in those cases laid down by the Treaty), requiring that the Council and European Parliament jointly adopt a Commission proposal. Agreement can be reached at either First, Second or Third readings (see below).

The co-decision procedure applies to a wide range of EU policies, including the free movement of workers, right of establishment, services, the internal market, education (incentive measures), social exclusion, public health (incentive measures), consumer policy, trans-European networks (guidelines), environment, culture (incentive measures) and research (framework programme).

Conciliation Committee

Used to resolve disagreement between Council and Parliament on the outcome of a dossier going through the co-decision procedure (see above). Committees involve an equal number of representatives of Council and Parliament. The draft of any joint text put to a Conciliation Committee must be adopted within six weeks by qualified majority in the Council and by an absolute majority of the members of Parliament. If either institution rejects the proposal, it is deemed not to have been adopted.

First, Second and Third Reading Agreements

A legislative proposal dealt with under co-decision between the European Parliament and Council (see above) can be agreed at either first, second or third reading.

A **First Reading** Agreement occurs when the European Parliament's First Reading (agreed at the Strasbourg plenary session) of a proposal and the Common Position (see above) subsequently adopted by the Council are the same. First Reading agreements are rare.

A **Second Reading** Agreement occurs when the European Parliament accepts the Common Position text adopted by the Council, with some minor amendments. In agreeing a Common Position, the Council is obliged to take into account the position of the European Parliament. A Second Reading

deal is therefore most likely when the Council accepts many of the Parliament's amendments to the Commission proposal.

If the European Parliament has significant difficulties with the Council Common Position and the two institutions cannot reach agreement, the conciliation process (see above) is convened. A **Third Reading** Agreement is reached when the European Parliament and Council accept the outcome of the conciliation committee.

Political Agreement on a Common Position

The technical term used to describe the point when Ministers have reached agreement on a legislative proposal at the Council of Ministers, but where the text of that proposal has still to be formally translated by legal linguists into all official languages of the EU.

The formal **Common Position** is not adopted until this translation has been undertaken. Formal Common Positions are usually adopted as "A" points (no discussion) at a future Council meeting – it does not matter which formation as the Council is indivisible.

Consultation procedure

Requires (in those cases laid down by the Treaty) that the Council consult the European Parliament and take its views into account before voting on a Commission proposal. The Council is not however bound by the Parliament's position and the powers of the Parliament are limited.

Comitology

Used (where provided in primary legislation) to assist the Commission to decide on implementation measures for legislation. Comitology committees (management, advisory and regulatory) comprise representatives of Member States and are chaired by the European Commission.

Decisions and framework decisions

Framework Decisions are used to align Member State laws and regulations under third pillar of the EU (Police and judicial cooperation in criminal matters). Proposals, put forward on the initiative of the Commission or a Member State, have to be adopted unanimously. They are binding on the Member States as to the result to be achieved but provide for national flexibility on form and method.

Decisions are used for any purpose other than that of approximating the laws and regulations of the Member States. They are binding and any measures required to implement them at Union level are adopted by the Council, acting by a qualified majority.

Proposal

The Commission will propose action at EU level only if it considers that a problem cannot be solved more efficiently at the national, regional or local level – the "subsidiarity principle". If the Commission concludes that EU legislation is needed, it drafts a proposal to address the issue. Prior to adoption, the Commission will consult widely both externally and internally. When the Commission 'adopts' a proposal, this means that it is transmitted officially to the Council and the Parliament in order to begin the decision making process.