

COMMISSION OF THE EUROPEAN COMMUNITIES

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COMMUNICATION FROM THE COMMISSION TO THE COUNCIL AND THE EUROPEAN PARLIAMENT

on the Mid-term review of the Commission's Legislative and Work Programme for 2004

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Introduction

In October 2003, the Commission adopted the Legislative and Work Programme (CLWP) for 2004. Covering the last year of the Prodi Commission, it reflected the more integrated and coherent political planning process introduced in the last few years. The CLWP 2004 resulted from an extensive inter-institutional dialogue on the Annual Policy Strategy for 2004 between March and September 2003.

The 2004 CLWP acknowledged that 2004 was an unusual year. The conclusion of enlargement, the adoption of the Constitution, European elections and appointment of a new Commission all posed challenges for planning. The CLWP was also deliberately much more tightly focused than in previous years.

The CLWP 2004 is based on three strategic priorities: accession of ten Member States, stability and sustainable growth. Under each priority, the main political objectives and key initiatives to be undertaken by the Commission are laid out. The Commission committed itself to deliver a number of key priority items in 2004 ("List 1"), and also indicated other proposals that the Commission envisaged for adoption during 2004 ("List 2").

Mid-term review of CLWP for 2004

In January 2002, the European Parliament and the European Commission agreed that every year, in July, the Vice-President in charge of relations with the Parliament presents a midterm review of the CLWP before the Conference of Committee Chairmen. The objective is to inform them on the progress made in achieving the priorities and to announce the major proposals that will be adopted by the Commission during the second half of the year.

Bearing in mind the transition to a new Commission and a new European Parliament this year, the two institutions agreed on an ad hoc procedure for 2004. This included the presentation of the Work Programme 2004 mid-term review by a written rather than an oral communication.

The following summary explains how key proposals have furthered the Commission's goals under the three political priorities for 2004. More detailed fiches recalling the objectives, key initiatives and main proposals already adopted for each priority can be found in annex 1.

1. THE ACCESSION OF TEN NEW MEMBER STATES

On 1 May 2004, the key political goal set by Prodi Commission at the beginning of its mandate became a reality with the accession to the European Union of 10 countries from Central and Eastern Europe and the Mediterranean. After many long years preparing the ground, the negotiations – while difficult at times – have led to the unification of the European continent and an end to the artificial division imposed for more than half a century.

As for the Commission itself, enlargement has given new impetus to the reform process launched by the Commission's White Paper of March 2000 and completed when a new Statute entered into force on 1 May.

The Commission has also taken action as regards possible future accessions. Following Croatia's application to join the EU in March 2003, the Commission adopted its favourable

opinion for Croatia. The Commission's recommendation that the EU could open accession negotiations with Croatia led to the decision of the European Council on 18th June to move Croatia's status from applicant to candidate country for EU membership.

In its Communication of June 16, the Commission gave consideration to the importance of reinforcing the potential of all research institutions of the enlarged Union and of raising research performance throughout Europe.

After having adopted the financial framework for the negotiations with Romania and Bulgaria, the accession process gained new momentum. In the second half of the year, the Commission will mark a key stage towards further accession with the regular reports on Bulgaria and Romania, assessing the latest progress towards their objective of joining the EU in 2007. For Bulgaria and Romania, the formal closure of the accession negotiations is foreseen for the end of 2004.

Regarding Turkey, the Commission will report on progress and will recommend whether Turkey has made sufficient progress to be considered to fulfil the Copenhagen political criteria. This will be the basis for the decision of the European Council as to whether accession negotiations should be launched.

Following the failure to find a comprehensive settlement for Cyprus reunification before accession, a financial package for the Northern part of the island, including aid and direct trade facilities, will aim at getting the Turkish Cypriot community out of its international isolation and promoting its economic, social and cultural development. These proposals are to be adopted by the Council during the Dutch Presidency.

The package of concrete measures on the Financial Perspectives is also a critical part of progress in the enlarged Union. A wide range of proposals across all priorities were recently adopted by the Commission and are designed to address the challenges and opportunities of the coming years. For example, more mobility for students and teachers is provided for as one of the main goals of the lifelong learning instrument. Other instruments include measures in the field of youth, culture and media. In addition, a specific proposal will provide a new structure to promote and to manage future enlargements.

Finally, the Commission will look forward to the ratification of the Constitution and the preparation of its entry into force.

2. STABILITY

For 2004, the Commission again identified stability as one of its priorities and committed itself to promote peace and stability within the EU and to extend it beyond its borders. During the first half of 2004, the Commission has made important progress on all the key initiatives stemming from this priority.

From the internal point of view, the Commission has focused on the strengthening of legal immigration. It has examined how policy instruments to support legal immigration can contribute the fight against illegal immigration and how to improve the orderly entry of persons in need of international protection. After five years of implementation of the Tampere programme for the establishment of an area of freedom, security and justice, the Commission has assessed the results and proposed guidelines for future priorities. The terrorist bombings

in Madrid once again brought home the priority status of the fight against terrorism and the need to act against terrorism as a real and direct threat.

Concerning the external aspects of this priority, the Commission has focused on the EU's relationships with its neighbours. It has taken stock of the progress made by the South Eastern countries belonging to the Stability and Association Process; and prepared the path to open Community programmes and agencies to Western Balkan countries. Following the developments on the ground, the Commission adopted its medium term strategy for EU relations with Iraq.

A New Neighbourhood and Partnership Instrument proposes the consolidation of action for the EU's southern and eastern neighbours to be put into practice over the next Financial Perspectives period. The Commission will also propose detailed action plans for neighbouring countries.

In the run-up to the November European Council, the Commission will present a revised Tampere agenda on the basis of this year's stock-taking. It will also table a series of detailed proposals in the area of freedom, security and justice.

3. SUSTAINABLE GROWTH

This priority covers action designed to promote and develop the European economic and social model. In 2004, the Commission has put the focus on how this priority can deliver sustainable growth and improve the quality of life for European citizens.

During the first semester of 2004, the Commission has delivered a wide range of key initiatives under this priority. The Commission examined for the first time new Member States economies on the basis of the Stability and Growth Pact and included them in the update of the Broad Economic Policy Guidelines and in the Employment Guidelines. In the Spring report to the European Council, the Commission took stock once more of the lack of progress in implementing the Lisbon Strategy: while recognising moves forward, the Commission highlighted the importance of stepping up effective coordination of economic and employment policies between Member States in order to meet the objectives. Policy proposals were adopted in fields including industrial policy, research, health, transport, environment, energy and e-Europe. Following the discussions on the basis of last year's Green Paper on services of general Interest, the Commission adopted a White Paper including some conclusions: even if the debate revealed considerable differences of views and perspectives, a consensus seems to have emerged on the need to ensure an effective balance between market mechanisms and public service missions.

A series of proposals make up a package for the Financial Perspectives to cover the period 2007-2013. A new instrument will serve to inject major new resources into the Trans-European Networks for transport and energy. A whole package of measures has also been put forward to reinforce cohesion, agriculture, employment and social policy.

For the rest of the year, a wide range of proposals are planned. In the context of the future Financial Perspectives, a series of initiatives will target the goals of becoming a more dynamic knowledge-based economy, and ensuring the sustainable management and protection of natural resources. Actions in the area of innovation and competitiveness will be consolidated.

Outside the Financial Perspectives, policy documents will be brought forward in areas like food additives, defence, business environment and maritime safety.

Delivery of the 2004 Commission Legislative and Work Programme

The Commission decided to give a tighter focus to its programming in 2004. The list of items which the Commission is committed to deliver was limited to 110 items of particular relevance to the 2004 Annual Policy Strategy priorities.

With many important items in the Financial Perspectives package having been adopted by the Commission, over half of the relevant proposals have been put forward by the middle of July. This delivery rate of 50% represents a considerable improvement on 2003.

Amendments to the Work Programme

The mid-term review gives an opportunity to take stock of the Work Programme and to update it to current realities. Annex II includes a list of items which will not now be brought forward in 2004; and items which are now planned which meet the criteria of political importance in line with the Annual Policy Strategy, and merit inclusion into the priority items of the Work Programme. Reasons why items will not be brought forward include:

- Decisions by negotiating or institutional partners not to proceed on the expected timetable;
- A shift from acting by regulation to acting by "soft law";
- Incorporation of items within other initiatives structured in a different way or operating under a different timetable;
- Planning does not make the proposal possible or desirable before the end of the year.

ANNEX I

Mid-term assessment of the Commission Work Programme for 2004

1. ACCESSION OF TEN NEW MEMBER STATES priority

Intended political outcome

• Ensure the successful completion of the enlargement to ten new countries joining the EU on 1 May 2004 and adapt the framework of the enlarged EU, while pursuing negotiations and strategy for possible future accessions.

Major measures contributing to this priority adopted between January-June 2004

- The Commission presented a Communication on the financial framework for the accession negotiations with Bulgaria and Romania.
- The Commission adopted its **Opinion on Croatia's Application for EU Membership**, recommending that the Council open membership negotiations and proposing for a decision on the European Partnership with Croatia, inspired by the Accession Partnerships which have helped prepare countries for EU membership in the past.
- It also adopted the implementing decisions concerning provisions of the **new Staff** Regulations.
- The Commission adopted on 9 February the **latest Reform Progress Report**, for 2003, which showed that it had successfully implemented the modernisation commitments listed in the March 2000 Reform Strategy White Paper Action Plan and confirmed the entry into force the 1 May of the new Staff Regulations.
- The Commission amended the SAPARD annual financing agreement 2000-2003.
- In the context of the enlarged Europe, the Commission adopted the strategy document entitled "Science and technology, the key to Europe's future".
- The Commission adopted the Second report on the implementation of the framework action 'Updating and simplifying the Community acquis', which covers the implementation of Phase II (October 2003 March 2004).
- The Commission adopted the Synthesis Report on the Joint Memoranda on Social Inclusion'.
- By the adoption of the **Annual Policy Strategy 2005**, the Commission established for the first time the political priorities and the broad budgetary framework of the enlarged EU.

Major contributions to this priority, July -December 2004

- Enlargement strategy paper and Regular Reports for **Bulgaria and Romania**
- A regular report, a study and a recommendation for Turkey.
- Modifications to the Inter-institutional Agreement on Budgetary Discipline
- Modification of the Council Decision on Own Resources Mechanism.
- Programmes on Education, Youth, Culture and Media post 2006.
- Instrument of financial support for encouraging the economic development of the Turkish Cypriot Community and a proposal for direct trade with the Northern part of the island.

2. STABILITY priority

Intended political outcome

• Develop a stable and comprehensive political framework for cooperation with neighbouring countries and develop internal EU policies that support stability and security.

Major measures contributing to this priority adopted between January-June 2004

- The Commission adopted a Communication on results of the Tampere programme for the establishment of an area of freedom, security and justice and proposed guidelines for future priorities.
- In two Communications adopted in June, the Commission examined how legal immigration policy instruments can contribute to developing the fight against illegal immigration and how to contribute to better orderly entry of persons in need of international protection.
- The Commission adopted on 18 May a Communication on the social dimension in international relations.
- The Commission adopted the Stabilisation and Association Process Report taking stock of the progress made by the individual countries and of the region as a whole with respect to a certain number of political and economic criteria.
- Having defined the guiding principles of the European Neighbourhood Policy last year, the Commission adopted on 12 May a first series of country reports and a "Strategy Paper" proposing how the benefits of enlargement can be extended to the neighbours of the enlarged Union. The Commission also proposed to include Armenia, Azerbaijan and Georgia in the European Neighbourhood Policy.
- The Commission adopted a **negotiation mandate to open Community programmes and agencies to Western Balkan countries**.
- On 9 June, the Commission proposed a new framework for the European Union's (EU) relations with Iraq, including a bilateral agreement, associating Iraq with other partners in the region.
- The Commission adopted a Communication on EU relations with Russia, on the EU strategy towards India and another in the framework of the relations between the EU and Latin America, in view of the III EU-LAC Summit in Mexico, in May 2004.
- By adopting its Proposal for a Regulation on the access to Community External
 Assistance, the Commission looked to amend all relevant provisions in budget line
 regulations dealing with external aid.
- The Commission adopted a Draft Framework Decision fixing common standards regarding procedural safeguards for persons accused in criminal proceedings

throughout the EU, to ensure the protection of the fundamental rights of the accused as a necessary accompanying measure to the steps taken to promote cooperation between courts in criminal matters.

- Following discussions with the U.S. authorities, the Commission adopted a Decision on the adequate protection of personal data contained in the PNR of air passengers transferred to the United States.
- The Commission adopted a proposal for a Directive on enhancing **port security** which complements the security system in the making by ensuring that the entire European port areas benefit from a European-wide security scheme.
- The Commission negotiated an extension of the EU-US Customs Cooperation Agreement to cover container security, which was signed in May.

Major contributions to this priority, July -December 2004

- RELEX proposals for the next financial perspectives exercise, including the European Neighbourhood and Partnership Instrument and the Instrument for Stability.
- Reworking of the **Schengen Information System.**
- The revised Tampere agenda and a series of detailed proposals in the area of freedom, security and justice.
- The First Annual Report on Migration and Integration.
- Negotiation of an agreement with Canada on the use of PNR and adoption of a Commission adequacy finding.

3. SUSTAINABLE GROWTH priority

Intended political outcome

• Promote and develop the European Economic and Social model; deliver sustainable growth and improve the quality of life within the EU and in the wider world, improve economic and budgetary coordination between MS.

Major measures contributing to this priority adopted between January-June 2004

The Commission has adopted:

- Recommendations on the first convergence programmes submitted by the new EU Member States and on the updated stability and convergence programmes of he EU-15. The Stability and Growth Pact and the Excessive Deficit Procedure were further applied, including to new Member States. In January, the Commission adopted a draft of the Joint Employment Report to be presented to the Spring European Council, which showed that reforms are continuing across the range of activities identified in the European Employment Strategy, but more needs to be done to accelerate employment and productivity growth.
- The report on the implementation of the 2003 Broad Economic Policy Guidelines (BEPGs) formed the basis for the first update of the BEPGs 2003-2005, adopted by the Commission on 7 April. The update reaffirmed the economic policy strategy adopted by the European Council and confirmed that it is also appropriate for the new Member States. Country-specific recommendations were prepared for the new Member States.
- In January the Commission adopted the Spring Report 2004, which formed its contribution to the European Council of 25 and 26 March.
- A proposal of negotiation mandate to prepare the mid-term review of the Cotonou agreement.
- The Communication Connecting Europe at high speed: recent developments in the sector of electronic communications adopted in February underlined the importance of investment and use of information and communication technologies for further growth and jobs in Europe.
- A strategy document on future orientations of the European Union policy to support research, with the aim of supporting the Lisbon Strategy and the development of the European Research Area. In this context, the Commission presented reflections inter alia on a European Research Council, on research infrastructures and on the European research cooperation initiatives and intergovernmental research organisations.
- The Commission also adopted **recommendations on employment**, drawing on policy lines agreed at the European Council in March 2004, and the findings of the European Employment Task Force, chaired by Wim Kok.

- The Commission launched important consultations of the social partners, particularly on the review of the European Works Council Directive in April, on the revision of the working time directive in May and on exposure to carcinerogens at work.
- The Commission proposed the recasting of equality directives (part of better regulation).
- The Commission proposed the modernisation of social protection for the development of high-quality, accessible and sustainable health care and longterm care; support for the national strategies using the "open method of coordination".
- The Spring Economic Forecasts 2004 -2005 for the euro area, the European Union and the Acceding and Candidate countries, which announced the outlook for the recovery.
- In a Communication adopted on 20 April on Industrial Policy in an enlarged Europe, the Commission responded to concerns about the risk of deindustrialisation and how we can anticipate and address on-going structural changes within European industry.
- A Commission Communication outlined an Action Plan: The European agenda for Entrepreneurship, setting out Europe's agenda for entrepreneurship in the years to come and aiming to unlock the potential for entrepreneurship in Europe.
- The Commission adopted a White Paper setting out the European Union's approach to fostering the development of high-quality services of general interest, following consultations launched on the basis of last year's Green Paper.
- eEurope 2005 mid-term review, adopted in February by the Commission and endorsed by the spring 2004 Telecom Council, provided the results of the Action Plan 2002-2005.
- The European Commission has adopted on 3 March 2004 its **third railway package** containing measures to revitalise the European railways. With a quality European railway system the aim, the Commission is proposing the opening up of the market for international passenger services in 2010.
- The Commission adopted a new Communication on "The share of renewable energy in the EU" which evaluates the progress in the EU15 to achieve the 2010 target of 22% of electricity consumption from renewable energy sources and the overall target of a 12% share of renewable energy use for all purposes.
- The Commission launched an action plan 2004-2010 on Environment and Health to reduce diseases caused by a polluted environment and to develop an EU system integrating information on the state of the environment, the ecosystem and human health.

- Negotiating Directives EU- Canada TIEA.
- A Communication on the future development of the EU Water Initiative and the modalities for the establishment of a Water Facility for ACP countries.
- To make the point of the state of the art on the research and development of nanosciences and nanotechnologies in Europe, and on their implementation and use for higher-added value products and services, the Commission adopted a Communication "Towards a European Strategy in Nanotechnology".
- Communication on the GALILEO concession in order to move forward the system.
- Annual report on the Public Finances in the EMU 2004, which assessed the
 main developments of public finances and the implementation of the fiscal
 policy framework, including analytical work on topics of particular importance
 for public finances. The report also presented options for strengthening the
 economic governance framework.
- Antitrust modernisation package, to accompany the new Council Regulation on the implementation of the rules on competition laid down in Articles 81 and 82.
- The Commission adopted the Merger Review, aimed at preparing the Community for enlargement and at improving, in general, the regulatory framework in which mergers of a Community dimension are to be dealt with by the Commission
- The Commission adopted in April a Communication on Pro-active Competition Policy which explains how competition contributes to competitiveness, recalls recent reforms and indicates the future work and orientations in order to enhance competitiveness.
- Scoreboard on the implementation of the Social Policy agenda, which updated both activities and achievements relevant to the Social Policy Agenda.
- The Third report on Economic and Social Cohesion adopted by the Commission presented the proposals for the future cohesion policy after 2006.
- Commission adopted in May (26th) a Communication on a stronger partnership with the outermost regions.
- Communication on strategies for raising the effective labour market exit age, which examined what Member States are doing in terms of employment policies and reforms of their social protection systems to achieve the goal of raising the effective labour market exit age.
- Communication Towards a Global Information Society Partnership: the WSIS follow-up, preparing ways and means to be used by the Commission including to ensure active follow-up of the political declaration and the Plan of Action.

- The Communication eEurope 2005 Action Plan: An Update, adopted on 17 May, followed up the mid-term review by proposing a set of revisions.
- Communication: e-Health making healthcare better for European citizens: An action plan for a European e-Health Area: Conclusion and follow-up of the eHealth Conferences of 2003 and early 2004.

Major contributions to this priority, July -December 2004

- Communication on the strengthening of economic governance
- "PROGRESS" programme to support the Social Policy Agenda.
- The Cohesion package for next financial perspectives, including the ERDF, the ESF Regulations, the European Fund for Fisheries (ex-FIFG) and the new Cohesion Fund.
- A new regulation on CAP financing sets up two funds, the European Agricultural Guarantee Fund (for pillar one) and the European Agricultural Fund for Rural Development (for pillar two). The details of the rural development fund are laid out in a separate package.
- A transport and energy package on a new generation of TEN support, the Marco Polo Programme for inter-modality and Galileo.
- Framework programme for **innovation and competitiveness**
- The Communication partnership for change in an enlarged Europe enhancing the contribution from the social partners.
- A proposal for a directive on improving the portability of occupational pensions.
- Communication on Better business environment: integrated competitiveness framework
- Directive on Human Tissue engineering and engineered
- Regulation on **Medicinal products for paediatric** use
- Directive on the **extension of Directive 98/34/EC** to other services
- The Radio Spectrum Policy Report, an annual report on activities and future strategies pursuant to the Radio Spectrum Decision 676/2002/EC
- A Communication on Member States plans for their transition from analogue broadcasting to digital broadcasting ("digital switchover") and another one on interoperability in interactive digital TV (standardisation).
- The European Electronic Communications Regulation and Markets 2004, a report on the implementation of the EU regulatory framework for electronic communications and services and on the global situation of the sector"
- Communication on Users' rights in the transport sector.
- Regulation on Forest Law Enforcement, Governance and Trade.

- Proposal of Directive to harmonise national laws regarding requirements of capital adequacy for banks and investments firms.
- Modernisation of the Second Company Law Directive of 1976.
- Proposal on rules on access to waters and resources in accordance with Article 19 of Council Regulation 2371/2002
- Directive to restructure the tax bases of the annual circulation and registration taxes.
- Public consultation of stakeholders on a deepening of the Transatlantic Economic Partnership.

ANNEX II

Changes to the Work Programme following the mid-term review

ITEMS TO BE ADDED TO LIST 1

Economic and Financial Affairs	2004/ECFIN/076	Communication on the strengthening of economic governance
Enlargement	2004/ELARG/019	Pre-Accession Instrument (IPA)
Employment and Social Affairs	2004/EMPL/046	Programme for Employment and social solidarity (PROGRESS) 2007-2013
Fish	2004/FISH/028	Proposition de règlement du Conseil établissant un Fonds Européen pour la Pêche (ex IFOP)
Justice and Home Affairs	2004/JAI/045	Commission report identifying in particular the priorities of a common readmission policy
	2004/JAI/048	Proposal for a Council Decision transforming the European Police College (CEPOL) into a body of the European Union
	2004/JAI/083	Proposal for a Council regulation amending the reciprocity mechanism
	2004/JAI/066	Communication on the creation of an Agency of Fundamental Rights
	2004/JAI/	Decision on exchange of information concerning criminal records with the aim of protecting minors.
	2004/JAI/094	Livre blanc concernant le Casier judicaire
External Relations	2004/RELEX+/053	Development Cooperation and Economic Cooperation Instrument
	2004/RELEX+/054	Instrument for Stability
Transport and Energy	2004/TREN/076	Proposal on TENs
	2004/TREN/079	Marco Polo Programme
	2004/TREN/078	Galileo

ITEMS TO BE REMOVED/POSTPONED FROM LIST 1

Administration	2003/ADMIN/8	Industrial Security Regulation
		Developments in Council cast doubt on need for proposal in planned form
Enterprise	2004/ENTR/69	Proposition de la Commission d'une directive consolidant et renforçant les éléments communs à l'ensemble des directives "Nouvelle Approche"
		A Council Decision will precede the Directive.
Environment	2004/ENV/001	Thematic Strategy on the Prevention & Recycling of Waste
		Follow-up to first phase needs more time, but still on track for 6th EAP July 2005 deadline
	2004/ENV/002	Thematic Strategy on the Protection of Soils
		Follow-up to first phase needs more time, but still on track for 6th EAP July 2005 deadline
	2004/ENV/005	Communication on Climate Change
		Inopportune in the light of Russia not yet having ratified the Kyoto Protocol.
	2003/ENV/77	Communication on an Integrated Strategy on Prevention, Preparedness & Response to natural, man-made and other risks.
		Initiative overtaken by events, partly replaced by Communication on Reinforcing the Civil Protection Capacities
Information Society	2003/INFSO+/21	Recommendation on remedies to be applied to operators with SMP
		Now to proceed by soft law rather than through a Recommendation.

Internal Market	2004/MARKT/00 7	Directive on collective management of copyright
		Consultation and impact assessment needed extra time
Health and Consumer Affairs	2003/SANCO/26	Revision of novel food regulation
		Politically inopportune whilst other proposals in same area still before legislature.
Justice and Home Affairs	2003/JAI/157	Communication on Jurisdiction in the context of mutual recognition of decisions in criminal matters
		Developments in Council require postponement.
	2004/JAI/020	Proposal on long-term resident status for refugees
		Reworking required following negotiations on linked proposals.
Trade	2003/TRADE/16 2	Mutual Recognition Agreement with New Zealand
		Need for response from third country negotiating partners
	2003/TRADE/16 3	Mutual Recognition Agreement with Australia
		Need for response from third country negotiating partners
Transport and Energy	2003/TREN/75	Communication pour la mise en oeuvre de dispositions de l'OIT pour les gens de mer
		Incorporated into third maritime safety package
	2002/TREN/28	Troisième paquet aérien
		Needs to await results of extended impact assessment