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**COMMUNICATION FROM THE COMMISSION
TO THE EUROPEAN COUNCIL**

A CITIZENS' AGENDA

DELIVERING RESULTS FOR EUROPE

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INTRODUCTION

In a globalised world, the European Union has never been more needed but rarely more questioned. That is the paradox to which all leaders in Europe, both in the EU's Member States and its institutions, must respond.

The development of the European Union is an extraordinary success story, delivering unprecedented peace, prosperity and stability whilst acting, for its citizens, as a shock absorber to external change. The principles and values of the EU have not changed – freedom, democracy, the rule of law, tolerance, solidarity and making progress through peaceful co-operation are as valid today as when the Treaty of Rome was signed. So is the central role of cultural wealth and diversity in Europe's identity. But over 50 years Europe, and the world, have changed. The EU needs to promote and advocate its values against a background of growing diversity and change. The Hampton Court meeting last October showed the political consensus about the nature of these challenges and the essential role of the EU in responding to them through modernisation and reform. The agenda agreed at Hampton Court, including the development of a knowledge-based economy, is central to the creation of growth and jobs.

Citizens' expectations of the EU have grown over 50 years. That is both a recognition of the EU's increased relevance and a challenge to all Europe's leaders. EU citizens want a greater understanding of, and say in, what the EU does and how it does it. They see the EU as important, but remote.

The Constitutional Treaty is intended to help bridge the gap. The Commission continues to endorse its principles and values, and the improvements it would bring in the effectiveness, openness and accountability of the EU. Fifteen Member States have ratified the Constitutional Treaty and more may do so in the coming months. The electorates of two Member States voted "no" to it in referenda. As yet, there is not yet consensus on the next steps.

But citizens want the EU to function effectively, now. The debates held under Plan D (for democracy, dialogue and debate) show a strong wish by Europe's citizens for more EU action in many areas: on creating jobs, managing globalisation, fighting terrorism and organised crime, promoting sustainable development and solidarity.

To respond to these demands, and despite the absence of agreement on the Constitutional Treaty, the EU has taken a number of significant steps forward: agreement to a seven year financial framework, a reinvigorated agenda for growth and jobs under the revised Lisbon Strategy, a new social agenda, a reformed Stability and Growth Pact, an Action Plan to strengthen the EU area of freedom, security and justice, a doubling of official development aid by 2010, as well as political agreement on sensitive issues such as legislation on services and chemicals, and agreement to the outline of a new energy policy. The EU must now turn

these achievements into concrete benefits.

But the Union needs to go further, through a policy driven agenda which addresses the expectations of EU citizens and reinvigorates their support for the European project. That agenda must be rooted in the established priorities of prosperity, solidarity and security, and the drive for growth and jobs. These are essential for the renewal of confidence in Europe. That support can also be mobilised by projects such as Erasmus, Galileo, or the European Institute for Technology or a European civil protection capability. But both policies and projects need to be embedded into a coherent political agenda. So they must be accompanied by a step by step approach to resolving the current difficulties over the Constitutional Treaty. The aim of this twin track approach is to lead, over time, to an institutional settlement which strengthens the overall political ambition of consolidating a “projet de vie en commun”.

More than anything, this approach requires political will across Europe, in the Member States and the regions. Effective institutions are essential for the functioning of the EU, and embody the political nature of the European project. But the EU institutions cannot reinvigorate Europe on their own. Nor should they in a Europe which is, and must be, democratic rather than just administrative. Common ownership is essential. That is why the first institutional step forward could be the adoption next year, 50 years after the Treaty of Rome, of a political declaration by the Member States, the Commission and the European Parliament which not only sets out Europe’s values and ambitions, but also contains a shared undertaking to deliver them: an “obligation d’engagement”. The purpose and style of the document should be inspired by the Messina declaration, which was both a response to an institutional setback, and a precursor to a Treaty, in that case the Treaty of Rome.

THE POLICY AGENDA: A EUROPE OF RESULTS

A new Citizens’ Agenda for Europe must deliver peace, prosperity and solidarity in a new context, globalisation. It should deliver an open and fully functioning single market and effectively turn the four freedoms into reality; promote solidarity, opportunity, access and sustainability; and increase security. It is an agenda for the benefit of all Europe’s citizens, building on achievements to date, and following the course set already, with a particular focus on growth and jobs.

Deeper economic integration; a single market for the 21st century

The European economy faces new challenges and opportunities in the 21st century. The single market, alongside effective competition policy, has brought huge benefits to Europe’s citizens, securing choice and opportunity for Europeans including in areas such as telecommunications and air travel, which were once perceived as closed sectors. It has paved the way for the creation of the euro, which has in turn reinforced the dynamism of the single market and strengthened financial and economic integration, making the EU stronger globally. Finally, the revised Lisbon strategy has set the base for modernisation of our economies in order to deliver growth and jobs for all citizens.

It is time to take stock of economic integration, and in particular the single market, and to look to the future, by addressing the following questions.

- **How can we build on what has already been achieved?**

- **Where are the remaining gaps?** The Single Market is not yet complete, with a need for better integration of energy and financial markets, removing obstacles to the free movement of labour. These are issues which have direct effects on citizens; for example, on energy prices, on roaming charges for mobile phone users, on banking charges. In other areas, the full benefits for consumers are far from realised: for example, why is it still so difficult for a European in one Member State to obtain insurance in another? How do we take forward the Community patent?
- **How can we meet the challenges of the future?** EU economic policy has to boost the integration and convergence of European economies. The EU needs to pursue the Lisbon agenda; promote the completion and smooth functioning of Economic and Monetary Union and complete the Single Market. EU economic policy has to take full account of external pressures, for example on competitiveness, as well as the opportunities which globalisation offers in terms of investment and exports. The building of the single market must be a dynamic process, not a one-off achievement. A strong, open, competitive single market can be a major part of Europe's response to the challenge of globalisation.
- **Do we have the most effective mechanisms for delivering the single market?** The means to boost economic integration have evolved over the last twenty years and there are new ways to stimulate entrepreneurship and innovation. The Commission is ready to work in a renewed spirit of partnership with Member States and their administrations, including through the use of new technologies, to make the system work and to assist them in taking ownership and responsibility.

The Commission commits itself to removing the remaining barriers to a single market, to enable European citizens and entrepreneurs to enjoy the full benefits of the EU. To that end it proposes to launch a fundamental review of the single market to look at what more needs to be done and how. It will present a report – the single market in the 21st century - to the Council and European Parliament next year, including with concrete proposals for future action. The Commission will also pursue vigorously the Lisbon strategy and the completion and good functioning of Economic and Monetary Union.

Opportunity, access and solidarity

The drive for a deeper and wider economic integration should go hand in hand with further support for one of Europe's most unifying and fundamental values: solidarity.

To sustain publicly funded healthcare, social protection and pensions, against a backdrop of demographic change, and to enable EU citizens to successfully adjust to change, policies must adapt to a new world of work: Europeans are living longer lives, facing unprecedented changes in traditional family patterns, improving gender equality, adjusting to new patterns of migration and diversity, and yet still experience persistent poverty among disadvantaged groups. The European Union needs to analyse the radical changes under way in our societies and to support sustainable responses at all levels to match the work on the reform challenges facing the European economy.

The promotion of rights and guarantees in the workplace must be combined with job creation. It is therefore essential that Member States put the emphasis on active labour market policies to fight Europe's unemployment, and especially its youth unemployment, which remains

unacceptably high in many Member States. As the European Council said in setting up the Lisbon Strategy, “the best safeguard against social exclusion is a job”.

European solidarity policies and programmes must promote a higher quality of life, social cohesion and increase opportunities for the Union’s citizens, working with the national, regional and other authorities on the ground as well as with the social partners, promoting social dialogue and engaging with civil society. This means that our policies to sustain solidarity must be matched by a more effective means of ensuring citizens’ existing rights of access to employment, education, social services, health care and other forms of social protection across Europe.

Solidarity must extend to future generations, through an effective EU response, not just to demographic but also to environmental change. The Union should continue to take the lead in the fight against climate change and against the loss of biodiversity through steps to implement the Kyoto commitments in a cost-effective manner, global action for further emissions reductions in the post-2012 period, and a plan of action to meet the 2010 biodiversity targets.

The Commission will take comprehensive stock of the reality of European society, and launch an agenda for access and solidarity, a social dimension in parallel and close coordination with the single market review, next year. It will explore the possibility of developing an “entitlement” card which would enable every European citizen to be aware of and enjoy full access to their existing rights. It will continue to drive forward its sustainable development agenda.

Freedom, Security and Justice

The EU must give European citizens confidence that measures are in place to make Europe a fair and safe place to live in, where security is guaranteed in parallel with liberty and the exercise of individual freedoms which Europeans hold dear.

The EU must act further. For example, it needs

- **to focus on respect and promotion of fundamental rights** for all people and to develop the concept of EU citizenship;
- a **stronger anti-terrorism policy**, stepping up cooperation between law enforcement and judicial authorities by removing barriers to accessing and sharing information while fully respecting privacy and data protection;
- **better external border protection**, with a more integrated external border management system, including, over time, border guards operating under common European rules and procedures;
- a **more effective common European asylum system by 2010** with greater harmonisation of criteria and procedures;
- a **more coordinated common migration policy**, which recognises the benefits of integrating migrants better while tackling illegal immigration and trafficking gangs, in partnership with third countries;

- **more police and judicial cooperation** based on mutual recognition to make national judgments and decisions enforceable throughout the EU for all those who move, live and work across the EU;
- **to make full use of existing mechanisms to tackle threats to citizens' security in a whole range of areas including food, health and bioterrorism;**
- **more cooperation on consular affairs** to better protect EU citizens in third countries.

Action and accountability in some areas of policy making are hindered by the current decision making arrangements, which lead to deadlock and lack of proper democratic scrutiny. Existing Treaty provisions (Articles 42 of the Treaty on European Union and 67(2) of the Treaty establishing the European Community) allow for changes to these arrangements, which would improve decision taking in the Council and allow proper democratic scrutiny by the European Parliament; and the enhancement of the role of the Court of Justice.

The Commission will present an initiative to improve decision taking and accountability in areas such as police and judicial cooperation and legal migration, using the possibilities under the existing Treaties.

Enlargement

Successive enlargements of the EU have made it what it is today – a powerful force for promoting the spread of peace, democracy and prosperity and for projecting Europe's interests, values and influence in the world. It is through enlargement that the European Union has underpinned the transformation of former dictatorships, to the benefit of all Member States. At every enlargement, there have been doubts: but each time the Union has proved it has the institutional, financial and political capacity to integrate new members.

The most recent enlargement in 2004 had first and foremost the historic political and strategic dimension of reunifying Europe. But it has also been an economic success, spurring dynamism in the European economy, increasing growth and creating jobs through greater investment and trade¹.

However, while a majority continues to welcome enlargement, many citizens question its pace and scope. The Union must honour existing commitments. At the same time, there is a need for an informed debate on the future enlargements and what they mean for the Union as a whole.

The issue of how the EU can adapt to taking in new members while continuing to deliver on its main objectives is not new: the 1993 Copenhagen European Council already spoke of absorption capacity, and "Agenda 2000" proposed the package of institutional, policy and budget reform which paved the way for the successful accessions of May 2004.

The EU has shown it can take in new members and remain effective. To show that it can do this again, it must ensure that enlargement will further Europe's common project.

¹ COM(2006) 200, 3.5.2006.

The Commission will take forward the debate on the value added of enlargement and the Union's capacity to absorb new members. It will report on the EU's enlargement strategy later this year, ahead of the European Council in December.

The EU in the world

The need for an effective Europe on the global stage is stronger than ever. Global interdependence gives new opportunities to project European values and interests, and has sharpened Europeans' support for common external action.

The absence of an institutional settlement should not prevent the development of the EU's global role. We need to get the most out of our substantial collective capacities, for example in defence, mobilising operational resources, research and procurement. The Commission stands ready to support Member States' efforts in this direction.

For Europe to become more than the sum of its parts as a global player, Member States and institutions should work together to deliver on the following areas:

- **Focus and impact.** As the EU's external tasks and partners multiply, it needs to be clear on its priorities and transmit a clear message about what it is trying to achieve. Greater priority should be given to developing the European Neighbourhood Policy as a means of promoting stability and prosperity in the countries surrounding the EU.
- **Coherence.** The EU has a unique range of tools for external policy which go far beyond traditional "foreign" policy, including trade, development cooperation, humanitarian aid, and political dialogue. In addition, our objectives in areas like the environment, transport, energy, migration and security can only be delivered in full by working beyond Europe's boundaries. Internal and external policy coherence is essential. Later this year, the Commission will propose a new approach to external competitiveness, looking at issues such as improved access to markets overseas, new priorities in trade relations, promotion of investment opportunities and protection of intellectual property. In this context, the Union should continue to promote high competition, social and environmental standards worldwide.
- **Coordination.** The Member States and the institutions, and the institutions themselves, must work together better for a more effective and efficient external action. External policy necessarily involves many actors. They must all focus on what they are trying to achieve together rather than on who does what; for example in delivering effective assistance and civil protection in external crisis situations.

Following the discussion of Europe's role in the world at the Hampton Court meeting, the Commission will present a Concept Paper on external relations with concrete ideas to address these challenges within the framework of the present Treaties, in particular on how to improve coherence and coordination of the Commission's action with that of the other European institutions and that of the Member States.

THE BUDGET TO DELIVER THE AGENDA

The budget is one of the most important practical expressions of the Union's political goals. A reformed budget, both on the expenditure and the resources side, is essential to realise a citizens' agenda. Several important steps were taken in the recent agreement on the Financial Framework, for example the increase of expenditure to new policies such as security, innovation and research and the reform of EU cohesion policy to follow the growth and jobs agenda, while preserving its central role in delivering solidarity across the Union.

But more remains to be done. Decisions on the resources and expenditure of the Union must be grounded in a consensus about the future political direction of the Union and the allocation of tasks between the Union and national levels, as well as on the overall level and sources of funding to meet the Union's priorities. That is why the Commission will return in 2008/9 with ideas for a comprehensive reform of the budget in a way which will support prosperity, solidarity and security through a new policy agenda.

A PARTNERSHIP EUROPE: SUBSIDIARITY, BETTER REGULATION, OPENNESS

Delivering a new policy agenda needs a new partnership. The EU is a complex, unique organisation pursuing a wide range of goals. It can only work by sharing both power and responsibility, and sticking to a set of key democratic principles – accountability, transparency, and trust. The EU must:

- Respect the principle of **subsidiarity**, acting at the European level only when appropriate. The Commission is committed to working with Member States and their national parliaments, regions, city and local governments, social partners and civil society to ensure that the fruits of prosperity reach everyone.
- **Minimise bureaucracy.** The Commission has led the way by simplifying existing legislation and by increasing the use of impact assessment. But this must be a common endeavour, and all institutions, as well as national and regional authorities, should do more to simplify life for business and the citizen. Later in 2006, the Commission will come forward with a further set of proposals to make better regulation a reality across the EU.
- **Improve openness and accountability.** Both the Commission and Council are taking important steps to improve transparency. Further action is needed across all institutions. The Commission will build on the European Transparency Initiative and, for example, accelerate work on access to documents.

Partnership means that the EU institutions must work effectively together – the dividing lines between their tasks must never be seen as more important than the fact that all are pursuing shared goals. They must also reach out to the citizen – a key objective of the new communication policy².

But the European institutions must also work more closely with key partners. National governments have a particular responsibility for making the EU work well. Indeed at every

² COM(2006) 35, 1.2.2006.

stage – consultation before policies are fixed, discussion on concrete proposals, and implementation – EU policy cannot work unless all actors are fully engaged.

In particular, national parliaments must be more closely involved with the development and execution of European policy. The increased involvement of national parliaments can help make European policies more attuned to diverse circumstances and more effectively implemented.

The Commission wishes to transmit directly all new proposals and consultation papers to national parliaments, inviting them to react so as to improve the process of policy formulation.

TOWARDS AN INSTITUTIONAL SETTLEMENT

The EU must ensure that its institutions can deliver this new policy agenda for European citizens.

The Laeken declaration in 2001 called for a clear, open, effective, democratically controlled Community approach developing a Europe which points the way ahead for the world. That was the basis for the subsequent work by the Convention and the Intergovernmental Conference to agree the Constitutional Treaty. Five years on, the objectives in the Laeken declaration are even more valid.

In June 2005, the Heads of State and government agreed to make an overall assessment of the national debates in the first half of 2006 and agree on how to proceed. In the Communication on Plan D and the period of reflection³, the Commission analyses the issues raised in the debates. In summary, citizens recognise that the issues faced both inside and outside Europe need to be tackled Europe-wide. They are concerned about employment and security, and want a European response to globalisation. They would like a clearer vision of where Europe is heading, for example, on enlargement. There is a sense that Europe's energies could usefully be concentrated on policy delivery.

More generally, several different ways forward on the Constitutional Treaty have been floated. The ongoing ratifications are proof of Member States' commitment to the Constitutional Treaty. In line with the declaration annexed to the Constitutional Treaty, if four fifths of the Member States have ratified it, the matter will be referred to the European Council. But no consensus exists at this stage on the way forward.

Rebuilding a climate of confidence and trust, and reconnecting citizens with the Union by proving through concrete results that the Union is able to address their needs and aspirations, will pave the way for a positive outcome.

³ COM(2006) 212, 10.5.2006.

The Commission therefore proposes that

- *It is time to move forward, to use our reflection to improve delivery. The EU's focus should now shift to a new policy agenda for citizens, drawing on continued dialogue, including through the implementation of plan D.*
- *The EU should use existing Treaties more effectively, as described in this paper, without pre-empting the Constitutional Treaty.*
- *In parallel, the European Council should decide in June to adopt a step by step approach, to be taken forward by future Presidencies, designed to create the conditions for a future institutional settlement.*
- *As the next major step towards an institutional settlement, EU leaders should adopt a political declaration which not only sets out Europe's values and ambitions, but also under which leaders make a shared undertaking to deliver them. This could take place next year, fifty years after the signing of the Treaty of Rome. The European Parliament and the Commission should also sign this declaration.*
- *As a further step, the solemn declaration should serve as the basis for decisions by the European Council next year to launch a process designed to lead to an institutional settlement to be developed by future Presidencies. The Commission stands ready to assist as necessary.*

CONCLUSION

The EU has delivered peace, prosperity and security in a way which was unimaginable at the time of its creation. It can, and must, continue to meet the needs and wishes of new generations of Europeans.

Therefore the EU must pick up momentum in creating a new citizens' agenda. This should include proposals to deliver further benefits for citizens by relaunching the drive to bring Europeans the opportunities and safeguards of Europe based on openness and solidarity. It must provide further guarantees of security and liberty. It must be linked to a more effective global EU presence.

In carrying through this agenda, the EU must work in partnership. The scale of the challenge requires a full commitment not only from the EU institutions, but from everyone with a stake in Europe's success. Building a new confidence in the European Union as a force for prosperity, solidarity and security in Europe and the wider world will create the right context for an institutional settlement.

"There is no future for the peoples of Europe other than in union."

Jean Monnet