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(Information)

COMMISSION

THE COMMISSION'S WORK PROGRAMME FOR 1999

THE POLICY PRIORITIES

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The objectives of this Commission

Continuing the line of previous programmes, the Commission's work programme for 1999 should be an opportunity both to pursue the *consolidation* of recent progress in European integration and the *preparations* for the 21st century. This work programme is wholly consistent with the European Union's political objectives that the Commission has been constantly striving to attain since the start of its term of office:

- a strong economy capable of creating more jobs,
- a stable economic and monetary union,
- increased economic, social and regional solidarity,
- greater security within the European Union,
- transparent, efficient management of European affairs at the service of its citizens, and
- being a strong and reliable partner in the international arena.

This Commission's term of office has already seen advances in all these fields in order to prepare for the future with the necessary confidence and assets. 1999 will see these efforts, which the Commission has been pursuing ever since taking office in 1995, brought to fruition.

The fundamental challenges

These objectives, both long- and short-term, were set against the backdrop of the fundamental challenges confronting the European Union in a changing world.

One of these challenges is that of *globalisation*, bringing growing interdependence, global circulation of information and the emergence of a worldwide market for trade and production. The speed of these changes and their far-reaching impact offer enormous potential but also raise social and economic problems which particularly affect the weakest and least mobile groups. Concerted regulatory efforts will have to be made in order to limit the negative effects of this phenomenon.

Another challenge is that of *international instability*, typified by financial crises with serious political and social repercussions, the persistence of ethnic and territorial conflicts and violations of democracy and human rights. The growth in organised crime and international drug-smuggling rings is also contributing to this instability.

Technological and demographic changes are two other major challenges. Technological progress is an essential factor for competitiveness and employment, but must nevertheless be accompanied by action on training and work organisation. Demography brings both internal and external challenges: at European level, the ageing of the population is already affecting welfare systems and, globally, the combination of population growth and developmental difficulties is creating greater migratory pressures.

The increase in needs that must be satisfied, growing industrialisation, food hazards and the rapid degradation of the natural environment require a strategy of *sustainable development*, involving balanced resource management, to be defined and implemented.

Citizens expect effective *responses* that will tackle these issues head on, mobilising all the players at the appropriate level, i.e. European, national, regional and local. This ambitious undertaking cannot achieve the desired results without grass-roots participation and public confidence in the democratic model. It is the task of the institutions to improve the dialogue with the general public on what European integration is about, in the spirit of the Cardiff European Council.

The Commission will continue to play its full role in 1999 to help address these fundamental challenges. It will do so while fully respecting the principles of *subsidiarity* and *proportionality*, which require collective discipline on the part of all the institutions and the Member States.

The main priorities for 1999

The Commission's main priorities for 1999 fall within this framework of consolidation of the present and preparation for the future.

- For more than 10 years, the Commission has been using a *new method* to give the necessary impetus to European integration. The pace has been set by general decisions covering all Community policies which have then actually been implemented over the course of several years. This method was used with *Agenda 2000*. The Commission considers it essential that all the measures of Agenda 2000 should be adopted in spring 1999. The measures are interdependent and form an indivisible whole; they are concerned with reforming the EU's policies, defining the future financial framework and preparing for enlargement. Without them it will be difficult to respond effectively to the challenges of enlargement,

- The *Treaty of Amsterdam* represents a new stage in European integration. It should be implemented in 1999 as soon as it is ratified. New possibilities will thus be opened up in fields where EU action can provide real added-value, in particular *the areas of freedom, security and justice, sustainable development, employment and social policy, health, and the common foreign and security policy*.

However, as it said when it presented Agenda 2000, the Commission believes that *the debate on institutional reform must be carried forward in 1999*, particularly as regards the composition of the Commission, the re-weighting of votes in the Council and a new extension of qualified-majority voting, reforms which must be in place in time for the next enlargement. The Commission will contribute to this debate in 1999 with a communication on the guidelines for institutional reform. However, if the institutions are to serve the Union and its citizens better, it is important not to ignore other measures which can be taken without any amendment of the Treaty,

- In 1999, the introduction of the *euro* will increase the impact that the single market and the other policies can have on sustainable, job-creating growth.

The success of economic and monetary union will involve further European integration as well as increased convergence of *economic and employment policies* backed by better coordination of *tax policies*. With increasing globalisation, the euro will give Europe a new place in international relations, bringing with it the need for greater coherence in the

Union's foreign policy. This need for coherence has already been partially met in the provisions of the Treaty of Amsterdam on the common foreign and security policy, which should be rapidly implemented,

- The Commission will seek to promote the Union's capacity to act as a more *visible, unified and coherent*, and hence *stronger*, entity on the international scene.

The Commission will continue to deepen the Union's relations with its partners. It will ensure in particular that support for developing countries and countries in transition, and for regional integration processes, is continued. Furthermore, the Commission will seek to promote the Union's trade interests, particularly in the new round of WTO negotiations,

- The Commission must *modernise*, adapt its structures, rethink its working methods, decentralise, assign responsibilities, control matters more closely and simplify its management, so that it can play an effective role in achieving the EU's political goals, in particular by identifying where the general Community interest lies and exercising its right of initiative. Its means of action must not lag behind its ambitions, otherwise it runs the risk of failing to deliver on the public's expectations. Much is also expected in terms of the policy management role it has been given and to which it devotes a substantial part of its attention. The Commission is committed to taking the first practical steps in this matter in 1999, but it would also stress the need for the other institutions to undertake internal reforms at the same time, so as to guarantee the coherence and efficiency of the whole.

As regards the *budget*, 1999 will have particular importance because it will mark the end of the financial perspective agreed in Edinburgh in 1992 and will lay the foundations for the new funding period. The 1999 preliminary draft budget approved by the Commission is again characterised by the austerity prevailing in the Member States. The compatibility of the political and budget priorities will be the yardstick for evaluating the coherence of the Commission's activities in 1999.

1. PUTTING AGENDA 2000 INTO EFFECT IN 1999

Reforming the structural policies and the CAP. Defining the new financial framework for 2000 to 2006

Structural action is an important tool for stimulating growth and employment and contributing to the fundamental objective of economic and social cohesion within the European Union. The budget priority given to structural action in 1999 will respect the multiannual budget set at the Edinburgh European Council.

The adoption of proposals for reform of the Structural Funds, the conclusion of a new interinstitutional agreement and the establishment of the financial perspective for 2000 to 2006 will open the way to the new programming period for the Union's structural action. These stages must be completed in the first half of

1999 so that the next intervention period can commence and the cohesion effort can continue smoothly. In the spring of 1999 the Commission will accordingly set its priorities for intervention under the various objectives of the structural policies. The Commission's report on the functioning of the system of own resources to be presented in October 1998 will contribute to the debate leading to the definition of the *new financial framework*.

In the CAP, priority objectives for future action have been proposed under Agenda 2000, with the particular goal of improving competitiveness in internal and external markets while pursuing the fundamental aims of this common policy.

1999 will be a transitional year between the current agricultural policy and the introduction of the planned

reforms. As far as the budget is concerned, agricultural expenditure in 1999 will be maintained at the 1998 level, reflecting the stabilising effects of the 1992 CAP reform and the improvement of the procedures and methods for forecasting actual requirements.

In 1999, the emphasis will be on improving the quality of food products in response to consumer demands. A series of initiatives in the veterinary and phytosanitary field are also planned in order to increase the level of protection and control, and to simplify the existing legislation. Furthermore, the debate on the Union's forestry strategy launched at the end of 1998 should lead to practical initiatives in 1999.

The Commission will also prepare for the international agricultural negotiations in the next WTO round, which should start in 2000. Once the Agenda 2000 measures are adopted, they will form a solid basis for the Community in these negotiations.

Preparing for enlargement

Continuing to strengthen links with the associated countries and preparing for accession is one of the Commission's top political priorities for 1999.

This process will involve ever closer cooperation on the pre-accession strategy, not just by providing assistance and implementing accession partnerships but also through association of the applicant countries with Community programmes and the work of certain Community agencies and bodies, under arrangements still to be determined.

Accession negotiations with the first group of countries (currently five Central and East European countries, Slovenia, the Czech Republic, Poland, Hungary and Estonia, plus Cyprus) will be conducted on the basis of the detailed assessment of the *acquis*. Account will also be taken of the conclusions of the Vienna European Council. At the same time, efforts must be made to find a comprehensive political solution to Cyprus's problem.

Regarding Malta, the Council will decide on the response to be given to that country's decision to reactivate its application on the basis of an updated version of the Commission's opinion of 1993.

The Commission will also pay particular attention to improving and intensifying relations with Turkey. It is important that the European strategy for Turkey should be put into effect, in accordance with the decisions of the Cardiff European Council.

Cooperation with the countries of Central and Eastern Europe through the PHARE programme, has been confirmed as one of the two main budget priorities for external action in 1999.

2. IMPLEMENTING THE TREATY OF AMSTERDAM

A new integrated strategy for employment

The new *coordinated employment strategy* provided for by the Amsterdam Treaty, which has been brought into effect by the Heads of State or Government in advance of Treaty ratification, is a major priority. The 1999 joint report will present the first set of evaluation results and will underpin the proposals for employment guidelines for 2000. The Commission may also, in accordance with the new Treaty priorities, submit recommendations to the Member States in the light of the analysis contained in the joint report.

The Commission will continue its efforts to develop cooperation between the Member States on employment and combating unemployment in order to intensify the exchange of good practice and information and also to develop observation, analysis and research work on employment. Implementing the initiative for employment will be the top budget priority in internal affairs for 1999.

At the same time as economic integration, the *Union's social dimension* should be enhanced. The Commission has adopted a new social action programme for 1998 to 2000 which sets out the framework for developing social policy at Union level along three major lines — jobs, qualifications and mobility; changes concerning work; and a society based on the integration principle.

One of the priorities here is to contribute to policies designed to modernise work organisation, promote adaptability and anticipate industrial change. The work on strengthening and modernising relations between employers and unions will be continued in view of its importance in following up the guidelines on employment.

As far as promoting a society based on the integration principle is concerned, the focus will be on developing policies designed to modernise and improve social protection, promote social inclusion and combat discrimination and inequality.

An area of freedom, security and justice

In 1999 the Commission will concentrate its efforts on playing its full part in taking forward the action plan requested by the European Council on how best to implement the provisions of the Amsterdam Treaty. This will involve, in addition to fulfilling present commitments and any new initiatives, beginning the process of recasting a number of draft legislative instruments currently under negotiation to render them compatible with the institutional and other provisions of the Amsterdam Treaty. This will be particularly important in areas transferred to the Community 'pillar', namely measures related to immigration, asylum, crossing the external frontiers and judicial cooperation. The Commission will also present a new action plan in the field of drugs for the years 2000 to 2004. To deal with the uncertainties about how Schengen will be integrated into the Union, the Commission may also present the proposals required to supply the appropriate legal basis in the EC Treaty. Action concerning visas would at all events seem necessary.

Environmental protection

The inclusion of *sustainable development* in the Treaty of Amsterdam and the conclusions of the Cardiff European Council on the strategy for incorporating environmental aspects into all Community policies provide a framework for tackling environmental challenges more effectively and improving the quality of life. The Commission intends to facilitate this process as much as possible.

In 1999 the Commission will present an overall evaluation of the implementation of the fifth environment action programme. This evaluation will include guidelines on the revision of environment policy objectives and priorities. It will also take an active part in monitoring the conclusions of the Kyoto Conference on climate change in order to maintain Europe's influence and leadership in this key area.

Health and consumer protection

The Treaty of Amsterdam gives *new impetus* to consumer policy. Particular attention will be given to taking

consumers' interests into account in defining and implementing other Community policies. This same concern will guide Commission action in international forums, in particular the *Codex alimentarius* and the WTO.

One important objective will be to improve the application of consumer legislation and to increase cooperation and dialogue between the Commission, the Member States, consumer associations and industry.

Food product safety will be a key issue. The Food and Veterinary Office will help to strengthen controls in the Member States and non-member countries in order to ensure that Community law is adhered to and the appropriate responses to food hazards made.

The Treaty of Amsterdam strengthens the Community's powers in the field of public health. The implications for policy action of these new provisions is under active consideration, and in 1999 the Commission will present a new Community action programme aiming at a high level of human health protection.

A new stage in institutional reform

The Treaty of Amsterdam represents an important step in the reform of the institutions. Once it is ratified in 1999, the Commission will ensure that the extended codecision procedure (free movement of persons, social policy, public health, employment, fight against fraud, customs cooperation), and the extended use of qualified majority voting in the Council (employment/social affairs, transparency, customs cooperation, fight against fraud, RTD framework programme and the CFSP) are applied effectively.

However, the Commission believes that this reform needs to go further in order to deal effectively with the institutional challenges posed by enlargement. Once the Union has enlarged beyond a certain point, it will not be able to function without adapting the existing rules and mechanisms. In particular, a new balance will have to be found in the weighting of votes in the Council, the use of qualified majority voting will have to be extended and the composition of the Commission will have to be reviewed. The Commission will therefore support initiatives presented in 1999 calling for a new intergovernmental conference to be convened.

3. ENSURING THAT EMU IS A SUCCESS AND CREATING THE PRECONDITIONS FOR SUSTAINABLE GROWTH AND EMPLOYMENT

Changeover to the euro and the macroeconomic environment

On 1 January 1999 the euro will be introduced in the 11 Member States of the first wave of EMU. Building on the comprehensive convergence efforts of the Member States, the Union's single market will attain greater stability and efficiency. In order to finalise the introduction of the euro, the Commission will carry out the remaining steps in the information campaigns on the euro. In the field of coordination of economic policy and promotion of economic convergence, the provisions of the Treaty and those of secondary legislation, including the Stability and Growth Pact, will be put into practice to enhance the effects of the economic reforms and those of the policies on sound public finances. Following on from the Cardiff European Council of June 1998, particular attention will be paid to the reform of the product, service and capital markets and to the impact of structural policies on the implementation of the broad economic policy guidelines.

Externally, EMU will create a centre of stability. In this context, it will be important to ensure that the Union can speak as one in international forums. After presenting a proposal on this matter the Commission will play an active role in implementing the Council's decisions on the external representation of the euro.

Operation of the single market

The single market will continue to be the driving force behind the concerted effort to improve growth and competitiveness and promote employment. New tasks are planned for 1999 relating to all the strategic objectives of the action plan for the single market. The action will focus on applying Community rules, eliminating any remaining distortions and adapting the rules to market needs. The work on simplification will be continued, with the fourth phase of the SLIM initiative on single market legislation being launched. Measures on financial services will be required to safeguard the competitive position of operators and to improve financial stability, with a view to increased integration and globalisation of the markets.

The coordination of tax policy is a key element of the single market. The priorities for 1999 will concern work on the implementation of the new VAT system. In the customs field the Commission will focus its attention on

the fight against fraud and improving the flow and security of trade.

Competition policy

The Commission aims to help strengthen the competitiveness of European industry and ensure effective competition in the single market by helping markets to function more smoothly, opening closed sectors of the economy and helping to break down barriers between markets.

The priorities in 1999 will be to continue the efforts to lay down the guidelines for State aids, adjust the framework for liberalising telecommunications and continue the process of modernising procedural legislation in order to make this policy simpler and more transparent. In this last and very important field, the Commission will adopt proposals in 1999 for regulations exempting certain categories.

Trans-European networks and transport policy

Setting up *trans-European networks (TENs)* in the three areas of transport, telecommunications and energy is an important element in the strategy to improve the competitiveness of businesses, increase economic and social cohesion, create jobs and develop and disseminate the new technologies. The TENs will have a key role to play in helping the new Member States to integrate smoothly into an enlarged Union. The instruments put in place to facilitate the creation of the networks will be evaluated and adapted accordingly for the new period 2000 to 2006. The Commission will publish a White Paper in 1999 on the revision of the Community guidelines for trans-European transport networks. Financing them is one of the main budget priorities for internal policies for 1999.

As far as *transport policy* is concerned, following the updating of the 1995 to 2000 action programme, the Commission will devote special attention in 1999 to improving security. In this connection it will present a proposal on the loading and unloading of bulk carriers and communications on the priorities for road safety and on quality maritime transport. Various initiatives planned in 1999 for informing air passengers will be of special concern to the general public. Finally the Commission will propose a European strategy on the satellite navigation system (GNSS) and negotiations will begin

with non-member countries concerning the future GNSS.

The main emphasis in *energy policy* in 1999 will be on finally establishing the internal market in energy. The Commission will also be presenting initiatives on energy efficiency and on security of supplies.

Research, innovation and the information society

In research, which is another of the main budget priorities, 1999 will see the launch of the *fifth RTD framework programme* (1998 to 2002), which will play a vital role in competitiveness and job creation. Another important subject which will receive particular attention is the international competitiveness of hi-tech industries. The implementation of the action plan on innovation will focus on the formation of innovatory firms, the financing of innovation and intellectual property issues.

The development of the *information society* and the opportunities resulting from the expansion of the service sector and electronic commerce will also be given particular attention in 1999. The job opportunities in those businesses that are capable of rapid growth (particularly small and medium-sized enterprises) cannot be realised without appropriate promotion of training. In the field of *telecommunications*, there will be a general review of the regulatory framework with a view to greater simplification and coherence. The Commission will continue its efforts to stimulate dialogue on the need for international coordination to accompany globalisation, in particular in the field of electronic commerce.

Small and medium-sized enterprises

The Commission will continue in 1999 to seek to promote an entrepreneurial Europe and to contribute to improving the business environment for small and medium-sized firms, which form the backbone of the European economy in terms of employment, innovation and creativity. The Commission's updated overall approach will be presented in the proposal for the fourth multiannual programme for small and medium-sized businesses. Electronic commerce, the development of risk capital and the preparations for the introduction of the euro are also matters that the Commission will address.

Fisheries

1999 will be an important year for the common fisheries policy in that the reform of the basic regulation on the common organisation of the market in fishery and aquaculture products and the proposal for the application of the FIG will be presented, and an in-depth examination of fisheries policy in general after 2002 will begin, including the monitoring and control system for fishing agreements with non-member countries.

4. A STRONG EUROPE, OPEN TO THE WORLD

The European Union must be capable of exercising political responsibilities on the international scene to match its economic and commercial stature. In order to mobilise its full potential, the Union should not only promote an approach which integrates the various aspects of its external action to a greater extent but also exploit the links between its internal and external policies.

The Commission will seek to promote cooperation with the *Mediterranean countries* under the Barcelona process and through the MEDA programme, which is one of the top two budget priorities (the other being PHARE) for external action in 1999. Apart from the planned economic area, an essential element in the Euro-Mediterranean partnership, support for the *Middle East peace process* will remain a prime objective.

As regards relations with *Russia, Ukraine* and all the new independent States, the trend in the socioeconomic and political situation in these countries means that priority will be given to assistance with reforms and economic recovery, particularly through the partnership and cooperation agreements and by mobilising the TACIS programme. More must also be done to strengthen relations with the countries of the Caucasus and Central Asia and to support regional cooperation. The efforts being made to achieve stability in the *Balkans* must also be pursued, both in the former Yugoslavia and in Albania.

In relations with the *United States*, the main objective will be to implement the transatlantic economic partnership which is the result of the EU-US summit in London in May 1998, plus of course to follow up the agreed measures relating to the Helms-Burton and D'Amato Acts.

Cooperation with *Latin America* will be at the forefront of European interests, with the EU-Latin

America-Caribbean summit to be held in Brazil in June 1999 and the continuing strategy of bringing the two regions closer, notably through trade negotiations with Mexico, Chile and Mercosur, and the tightening of relations with the Andean Community and Central America.

With *Asia*, the lessons from the financial and economic crisis must first be drawn. In this connection the Union will continue its support for internal reform processes and for opening up economies through increased dialogue and adjustment of cooperation with the affected countries in particular in the social and financial sectors. The ASEM process will be important in this context. China, Japan and Korea will also have to act as the principal focal points for relations with Asia.

As far as international trade negotiations are concerned, the priority will again be preparing for the new WTO round, which should start in 2000.

Development policy will also remain one of the Commission's main concerns in 1999. Emphasis will be placed on the coordination and complementarity of Community and Member States' action. A very important place will of course be given to continuing negotiations with a view to concluding the partnership agreement between the Union and the ACP countries. Relations with the overseas countries and territories and with South Africa and preparation for the Europe-Africa summit, planned for the year 2000, will also be important aspects of the Commission's activity in 1999.

The Commission will also seek to ensure greater coherence in its *human rights* policy, a vital component of relations between the Union and the rest of the world. *Humanitarian aid* for victims of crises, a tangible sign of European solidarity, will continue to be provided on an impartial basis, and attention will be attached to a high level of efficiency and quality.

5. THE COMMISSION: A MODERN, EFFICIENT INSTITUTION

The institutions need to reform if they are to go on effectively performing the roles they have been assigned as society changes. The Commission is aware of this reality. It has accordingly embarked on a wide-ranging analysis of its structures and operation with a view to a gradual and thorough-going reform. This reform is intended to design the Commission of the future and is therefore strategic and overarching in scope. The

Commission is also seeking to respond to public expectations in terms of good governance, and aims to equip the institution with the means to face the challenges of the future and fully exercise its role in the overall working of the Union, in particular by identifying the general Community interest, listening to the public, and then exercising its right of initiative.

The Commission must also be in a position to manage the high level of integration the Union has achieved: it must be remembered that its responsibility for policy management constitutes a substantial part of its activity and generates high expectations in the eyes of the public.

The process hinges on *three central aims*:

- ensuring that the Commission's activities are always kept in line with its policy priorities,
- adapting the organisational structures on the same lines as these priorities,
- decentralising, assigning responsibility, monitoring matters more closely and simplifying internal management.

The objective for 1999 will be to push the preparation of tomorrow's Commission forward, which will require large-scale mobilisation of all staff. To this end, the Commission will seek to continue the implementation of the various initiatives under way, in particular SEM 2000 and MAP 2000. In the first half of 1999, the Commission will draw up an overall concept on the priorities for action, the structure of the next Commission and the organisation of its departments, which will be submitted to the future President, who will be appointed in July 1999.

In order to achieve a better concentration of limited resources on the political priorities, the Commission will look at how to match its activities more closely with the budgetary and personnel resources put at its disposal by Parliament and the Council.

The Commission will actively pursue the policy of transparency enshrined as a general principle by the Amsterdam Treaty. In 1999 it will present a proposal for legislation to give effect to the new Treaty provisions on public access to documents of Parliament, the Council and the Commission.

The Commission will honour the pledge made by its President to the European Parliament to propose the creation of an independent, internal and external anti-fraud investigation structure. The Commission has already begun preparing the proposal. The other roles played by UCLAF, preparation of legislative proposals

and coordination with Member States in combating fraud which harms the Union's financial interests, will, in accordance with the Treaty, remain with the Commission, which will work closely with the new structure.
