

# Prospects for the European Union



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**The Swedish Presidency**  
July to December 2009



# **Prospects for the European Union in 2009**

The Swedish Presidency  
July to December 2009

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by Command of Her Majesty

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# Foreword by the Minister for Europe, Baroness Kinnock



It is clear that the European Union (EU) faces some of the toughest challenges in its history. We must continue to act decisively to overcome the ongoing economic crisis and its effects on families and businesses; we must safeguard our security interests; and we must

protect the interests of future generations by ensuring that a global deal on climate change is achieved at Copenhagen in December. We live in an age of interdependencies in which economic, environmental and physical security are indivisible, both within the EU and in terms of the EU's relationship with the wider world. This creates opportunities, as well as risks. The EU is unique among international bodies. It must draw on those qualities to demonstrate leadership on the global stage.

The Swedish Presidency has set forward a vision for a strong and effective Europe, focused particularly on responding to the economic downturn and combating the effects of climate change.

Europe's response to the economic crisis has already demonstrated exceptional unity of purpose through coordinated efforts to restore jobs and growth. To date, we have acted swiftly to stabilise the banking system and implemented a combined fiscal stimulus exceeding €400 billion. In the coming months, the UK will work with the Presidency to strengthen financial supervision

and regulation and develop a revitalised Lisbon Strategy for growth and jobs following the expiry of the current strategy in 2010. Increased global competitiveness means that we must ensure that the EU's economies expand the skills and the innovation capacity essential for exploiting the upturn when it comes.

International efforts on climate change reach a crucial point in December and the EU must do everything in its power to secure an agreement in Copenhagen which addresses the challenges of funding, effective governance arrangements and burden-sharing. Such an agreement is essential to our security. But it is also in our shared economic self-interest. The Swedish Presidency has set the goal of an 'eco-efficient' economy in which promoting investment in low-carbon technologies now will help secure long-term, sustainable growth.

The Presidency will also work on the Stockholm Programme, the EU's new five-year work plan for Justice and Home Affairs, and on enhancing the EU's external role through promoting the EU's founding values of liberty, democracy, respect for human rights and fundamental freedoms, and the rule of law. In this, and other predominant areas, the Presidency's priorities are fully shared by the UK Government and demand a period of intense and effective action. The EU can, and must, rise to meet these challenges.

# The Swedish Presidency's priorities

The Swedish Presidency of the European Union from 1 July to 31 December 2009 will focus on key themes of the **economy** and **employment, climate, Justice and Home Affairs (JHA)**, the **EU strategy for the Baltic Sea Region** and the **EU's role in the world**.

This Command Paper provides an overview of the main policy areas which the Swedes are expected to take forward under their Presidency, as set out by their Work Programme. A copy of the Work Programme, formally published on 23 June 2009, is available at [www.se2009.eu/en](http://www.se2009.eu/en).

# General affairs

## Institutional issues

The Swedish Presidency's priority on institutional issues will be to work on implementation of the Lisbon Treaty, should the Treaty be ratified by all 27 Member States this year. The Government will keep Parliament fully informed on the progress of preparatory discussions on the implementation of the Lisbon Treaty. The Presidency will also be preparing for the eventuality that the Treaty does not come into force. All Member States, including the UK, are committed to ratification of the Treaty in 2009.

The appointment of a new set of European Commissioners will take place under the Presidency, and Sweden is committed to facilitating the appointments process effectively. The Presidency will also work closely with the new European Parliament following the June elections.

## The EU Baltic Sea Strategy – a macro-region within the EU

The Government looks forward to discussions on the **EU Strategy for the Baltic Sea Region**, noting that the Baltic Sea Region is an environmentally vulnerable, semi-enclosed sea area with a substantial amount of maritime traffic. The Strategy was published on 10 June 2009 in a Commission Communication, together with an Action Plan to implement it. It aims to make the Baltic Sea Region an environmentally sustainable, prosperous, accessible and secure place, by bringing together a range of existing and planned measures into an integrated overall approach. The Action Plan contains a long list of measures that contribute to these aims, including strengthened cooperation in implementing EU legislation, as well as regional, cross-border and Member State initiatives. Discussions will be of particular interest to the UK from an environmental perspective, as the Swedish Presidency intends to designate the Baltic as an EU pilot region for implementing the Marine Strategy Framework Directive.

## Continued enlargement

The Swedish Presidency will be active in taking forward EU **enlargement** policy during a period that may offer significant opportunities and challenges. The Commission will publish its annual communication on the progress of enlargement and reform in potential Member States in autumn 2009.

Negotiations with **Croatia** had been progressing well but are currently blocked by Slovenia due to a bilateral border dispute. The UK supports efforts to find a mutually acceptable way to deal with this issue and enable the negotiations to progress. The Council has made clear that full cooperation with the International Criminal Tribunal for the former Yugoslavia (ICTY) is essential and the UK strongly supports this position.

Accession negotiations continue with **Turkey**, and we expect further progress during the Swedish Presidency. The pace of reforms has slowed, and we will be working with the Presidency to encourage a greater momentum. It will be important for Turkey to focus on essential political and constitutional reforms and to continue progress on good neighbourly relations.

The Commission will use its autumn progress report to review the **Former Yugoslav Republic of Macedonia's** reform progress and assess its readiness to open accession negotiations.

The Council will also need to consider further applications for EU membership. **Albania** has already lodged an application and **Iceland** has announced its aspiration to apply during summer 2009.

### A sustainable Europe

The Government agrees with the Presidency that development which is sustainable in economic, environmental and social terms is crucial for meeting the challenges that face us at home and globally. The value of ecosystems and the services they provide must be recognised and taken into account to ensure sound management. The Commission is currently preparing the 2009 review of the **EU Sustainable Development Strategy**. The UK is closely involved in this work and has been playing a leading role in driving forward sustainable consumption and production as a key policy area alongside climate change.

### Transparency in the EU

The Swedish Presidency will promote transparency within the EU and aim to conclude negotiations on the **regulation on access to documents**, which ensures that EU citizens have the right to examine documents, provided that information is not covered by confidentiality. The Government strongly supports transparency and openness, but believes that this must be balanced with the preservation of other important public interests and the need for the EU institutions to have 'thinking space'.

### More for the money

Discussions on the **EU budget** under the Swedish Presidency will be based on the publication of the Commission's White Paper on the Budget Review, due before the end of 2009. The UK continues to attach great importance to the budget review, and believes that it must be a genuinely fundamental, strategic and ambitious exercise. The White Paper would provide an important opportunity for European leaders to begin the process of modernisation, enabling the EU to deliver better value for its citizens. Just as the EU has evolved, so its budget needs to evolve to reflect changing priorities.

During the Presidency, the debate on the current goals, strategies and priorities of the EU's Economic and Social Policy will continue. The possibility of further simplifying the administration of the structural funds will be a key aspect of the debate and the UK will work closely with the Presidency in these discussions.

# The EU as a global actor

## European Neighbourhood Policy

The **Eastern Partnership** aims to intensify the EU's relations with its Eastern neighbours – Armenia, Azerbaijan, Belarus, Georgia, Moldova and Ukraine – and was launched at a summit in Prague on 7 May 2009. The Swedish Presidency will focus on early and concrete implementation of the Partnership and plans to hold a meeting of Foreign Affairs Ministers in December 2009. The UK fully supports the Eastern Partnership, which will integrate the six Eastern Partners more closely with the single market; strengthen stability and economic development in the region; and offer opportunities for increased dialogue on democracy, good governance and human rights.

The Presidency will also work on deepening cooperation with **Mediterranean** partners, both bilaterally and within the framework of the Union for the Mediterranean.

## Ukraine

The UK supports the Presidency's aims to develop the EU's engagement with Ukraine. This will include progressing the EU–Ukraine Association Agreement (including a free trade agreement) and Ukraine's participation in the Energy Community Treaty, as well as broader regional engagement on security, energy and the economy through the Eastern Partnership.

## Western Balkans

The Swedish Presidency hopes to see further progress by the Western Balkan countries on their paths towards EU membership. The Government strongly supports the region's progress towards membership of the EU in its role helping to drive reform and allowing the region to move forward from the conflicts of the 1990s.

A particular challenge for the Presidency will be responding to the political situation in **Bosnia and Herzegovina** (BiH), where increased

engagement from BiH leaders is needed to meet the five conditions and two objectives set by the Peace Implementation Council for closure of the Office of the High Representative. In parallel, the EU will continue its work on strengthening and defining its future presence in BiH.

With the European Commission due to publish its feasibility study on **Kosovo** in autumn 2009, the Swedish Presidency will be an important opportunity for the EU to reaffirm its commitment to Kosovo's European perspective and lay out a path for development and reform, consistent with the Stabilisation and Association Process, for the coming years.

The Swedish Presidency will monitor progress by the European Commission in preparation of its advice (an 'avis') on **Montenegro's** readiness to open accession negotiations, following Montenegro's formal application for EU membership in December 2008. Montenegro's Stabilisation and Association Agreement is currently in the process of ratification by Member States' Parliaments.

The Presidency will also need to coordinate the EU's position on **Serbia**. The Government hopes to see Serbia continuing to make progress towards EU membership. The role that Serbia plays in the region and its full cooperation with the International Criminal Tribunal for the former Yugoslavia continue to be key in this regard.

The Presidency will also oversee discussion of progress by the Western Balkan countries towards visa liberalisation with the Schengen area. The UK does not participate in Schengen.

## Russia

The Swedish Presidency will take forward negotiations on the successor to the EU–Russia Partnership and Cooperation Agreement. The engagement will be constructive, but not naive,

and progress will be informed by Russia's actions. We continue to call on Russia to abide by the ceasefire agreement with Georgia and to commit fully to continuing efforts to find a peaceful and political resolution to the conflict and to alleviate the plight of refugees and internally displaced persons (IDPs).

### **Transatlantic relations**

A strong transatlantic relationship between the EU and USA is vital in order to successfully tackle our common global challenges. The Government will work with our partners and the Presidency to take forward engagement with the USA on current economic, energy and environmental issues, the Middle East Peace Process (MEPP), Afghanistan, Pakistan and relations with Russia. We will encourage EU partners to work closely with the USA to persuade Iran to accept its international nuclear obligations, including through further EU sanctions if it fails to cooperate.

### **China**

In the next six months, we will continue to work to build a more strategic relationship between the EU and China, one that allows both sides to engage in meaningful dialogue on key issues such as tackling climate change and other international priorities. Progress on climate change will be a key feature of the Swedish Presidency, building towards a successful outcome at the UN Climate Change Conference in Copenhagen in December 2009. As part of this, a UK priority will be to accelerate the EU's work with China on the transition to a low carbon economy. This will involve developing the concept of 'low carbon development' first proposed during the French Presidency through joint work between the EU and China and progress on the joint Near Zero Emission Coal (NSEC) project.

### **Middle East Peace Process**

The EU should continue to put its collective weight behind efforts with international partners to achieve our shared priorities on the MEPP. We will continue efforts on consolidating the ceasefire in Gaza by taking action to prevent the smuggling of arms and reopen the crossings into Gaza, not only for immediate humanitarian aid, but also for longer-term reconstruction and economic activity. The EU has an important role to play in the MEPP and the Government will continue to work with the Presidency and other EU partners to ensure that the EU does all it can both practically and politically to drive the process forward to a two-state solution.

### **Afghanistan**

The Government supports the Swedish-led initiative at the June 2009 General Affairs and External Relations Council (GAERC) to invite the Commission to draft an action plan to enhance and improve the EU's engagement in Afghanistan (and also in Pakistan, see section below). It will be important to focus on election support; capacity building through increased 'Afghanisation'; further strengthening the EU Police mission (EUPOL); and a more coherent approach on the rule of law.

### **Pakistan**

The Government will work with the Swedish Presidency to sustain the momentum created by the EU–Pakistan Summit and deliver on its commitments. It will be important to help Pakistan to pursue economic diversification and build additional capacity to trade effectively, including options available under the EU preferential access schemes. We will also work with the Presidency to bring lasting peace and stability by improving Pakistan's counter-terrorism capabilities and in areas of counter-radicalisation. Finally, the Government will work to ensure that the Commission's scoping visit to Pakistan is followed up at the working level,

and will promote concrete proposals for support to law enforcement, counter-radicalisation and judicial reform.

### Iran

The implications of recent events in Iran are unclear; however, there are issues of concern to the EU which will need to be discussed under the Presidency. Foremost among these is the nuclear issue. We will work closely with the Presidency and EU partners to support efforts to bring Iran to the negotiating table to address international concerns about its nuclear programme. If Iran does not respond positively during the window of opportunity available to it, we will look to the EU to support international efforts to bring further pressure to bear on Iran.

### Africa

On Africa, the Swedish Presidency will seek to strike a balance between the need to manage ongoing political crises and conflict, and the need to drive ongoing, longer-term work. The Presidency will also marshal the mid-term review of the Joint EU–Africa Strategy, through an EU–Africa Troika in October 2009; this will acknowledge the ever closer EU–African Union relationship and set the tone for joint EU–Africa work in the coming year on issues such as peace and security, climate change and the Millennium Development Goals. Negotiations will continue on Economic Partnership Agreements with the five African regions, to produce comprehensive agreements that have long-term sustainable development as their focus.

### Disarmament and non-proliferation

The Presidency is expected to follow up on the EU Strategy against the Proliferation of Weapons of Mass Destruction and look to enhance cooperation with international partners on counter-proliferation issues. The UK intends to work closely with the Presidency on key regional issues, including Iran and North

Korea. We will continue to encourage the Presidency to work towards a successful and substantive outcome to the current Nuclear Non-Proliferation Treaty review cycle, leading up to the Review Conference in May 2010. We welcome the Swedish focus on increasing the safety and security of CBRN (chemical, biological, radiological and nuclear) materials globally as the EU has an important role to play in this field. We will work closely with the Presidency in taking forward work in the UN to secure a strong Arms Trade Treaty.

### Development of the EU's crisis management capability

The UK agrees with the Swedish Presidency that we all have a stake in a robust **European Security and Defence Policy** (ESDP) which genuinely adds value. We welcome the Presidency's focus on improving the EU's capability to deploy civilians overseas, and its intention to facilitate best practice sharing at a national level. As part of this process, learning the lessons of ongoing and previous missions will be important.

The Presidency will look to strengthen the useability of military capabilities as well as drive forward their continued development. The Government welcomes this as key to improving Europe's ability to act as an effective crisis management actor. The Presidency will also seek to strengthen **armaments cooperation** among Member States. We support this step and encourage those Member States that do not possess certain capabilities to cooperate in their development. It is also important that efforts to develop capabilities by EU Member States do not duplicate those in NATO.

Sweden's intention to prioritise improving cooperation with other international organisations, such as the United Nations, Organisation for Security and Cooperation

in Europe (OSCE), African Union and NATO, is especially welcome. Equally important for conflict prevention and peacebuilding will be the Presidency's planned focus on examining how better crisis management missions can deliver on UN Security Council Resolutions covering women, peace and security.

### Development issues with a focus on climate and democracy

The Presidency will take forward the implementation of existing EU development commitments to help to meet the challenges of the economic downturn and climate change adaptation. This will include a detailed discussion of Member States' aid volumes at the November 2009 GAERC, with the 2010 EU milestone targets in mind. Development priorities will cover: **democracy**, under which they will prepare Council Conclusions and potentially an EU Consensus on Democracy; **climate and development** ahead of the UN Climate Change Conference in December 2009, where the Presidency will lead the discussion of whether climate financing should be additional to the Official Development Assistance target of 0.7% of Gross National Income by 2015. Other topics include security and development, and policy coherence for development and aid effectiveness, where the Presidency will produce an operational framework to take forward the Accra Agenda for Action.

### Increased free trade

Maintaining openness to trade and investment is critical to the EU's and the wider world's speedy recovery from the global economic downturn. We welcome the Swedish Presidency's focus on trade policies that support growth, employment and development and will work with the Presidency to ensure that openness and free and fairer trade remain EU priorities, and that the EU continues to champion global resistance to protectionist pressures.

The current **World Trade Organization** (WTO) trade round – the **Doha Development Agenda** – remains key to the UK's trade agenda. The UK will work closely with the Presidency to push for substantive progress on an ambitious and pro-development outcome, which is consistent with sustainable development principles and includes effective environmental regulation and mitigation measures. The Government supports the Presidency's aim to conclude ambitious and substantive **Free Trade Agreements** with major trading partners such as South Korea, India and Ukraine as soon as possible. It also agrees on the importance of tackling the problems over access to trade finance, and of the value of trade policies that underpin efforts in advance of the Climate Change Conference in Copenhagen.

### Key summits

The Swedish Presidency also plans to hold summits with a number of important partners – Brazil, China, India, Russia, South Africa, Ukraine and the USA. The UK looks forward to taking part in discussions on these.

# Responding to the economic downturn

## Regulation and supervision of the financial markets

The UK has welcomed proposals to revise the EU financial regulatory and supervisory architecture, and agrees with the Swedish Presidency that the EU needs to enhance its ability to identify systemic risks, improve the quality and scope of rules applying to firms and ensure the proper enforcement of these rules.

The Government has welcomed the clear direction and framework provided by the 2009 June European Council Conclusions and will work closely with the Presidency to take forward work on both the macro-prudential and micro-prudential elements of the proposals. The UK supports the establishment of a new body for **macro-prudential supervision**, the European Systemic Risk Board, which would complement the international model prepared by the International Monetary Fund (IMF) and Financial Stability Board (FSB). It should assess the build-up of risks within the EU, the EU's exposure to vulnerabilities and trends in the global economy, and actions to mitigate and address these risks. The UK also supports proposals to improve the quality of EU regulation and its enforcement, including through better-quality **micro-prudential supervision**. We welcome the EU consensus that day-to-day supervision of firms should remain national, both to ensure high-quality supervision and to reflect the clear link between national supervision any provision of fiscal support to firms. The UK is working with EU partners to ensure that decisions taken by the new European Supervisory Authorities will not impinge in any way on national fiscal responsibilities.

## Sustainable public finances

During their Presidency, the Swedes will focus on ways to ensure sustainable public finances in view of Member States' increasing debt levels and budget deficits.

The Government is committed to ensuring sound public finances. Once the economy is recovering, Member States will need to take action to reduce borrowing and to put public debt on a declining path. Given the exceptional nature and strength of the synchronised global downturn, as well as the continued uncertainty surrounding the shape and timing of economic recovery, fiscal consolidation will need to be undertaken at a pace that balances the need to ensure sustainable public finances with the need to support the economy through the early stages of the recovery. The European Council has agreed that the flexibility provided for in the **Stability and Growth Pact** should be used. This is important, not only in allowing space for fiscal policy to support the economy in the short term, but also in ensuring an appropriate pace of consolidation over the medium term.

## G20

The London Summit on 2 April 2009 gathered the leaders of the world's largest economies, plus heads of key international organisations, to agree action to secure global economic recovery and long-term stability and growth. The USA will be hosting a follow-up summit in Pittsburgh on 24–25 September 2009. The UK, as Chair of the G20 Finance Ministers in 2009, is determined to work closely with the USA and other G20 partners, including Sweden as the EU Presidency, to make progress on the London Summit commitments in the run-up to the Pittsburgh Summit.

### Taxation

The Government will work closely with the Presidency on its plans to take forward EU work on tax. We welcome the Presidency's intention to progress the Savings Directive, anti-fraud agreements with third countries and the Administrative Cooperation and Recovery Directives. In addition, we are supportive of the Presidency's proposals for **VAT** invoicing, modernising the VAT treatment of financial and insurance services, and combating VAT fraud, as well as continuing to make the case for reduced VAT rates to support environmental policy. We also welcome the Presidency's intention to continue negotiations on revisions to the tobacco duty Directives.

### Climate

Economic policy is intrinsically linked with achieving the transition towards a low-carbon economy and thus the EU's climate and energy objectives. The Presidency will also lead discussions on how **economic instruments** can support actions to combat **climate change**, and aims to reach an EU position on climate finance. This will enable the EU to champion an ambitious global deal at the Climate Change Conference in Copenhagen (for more detail, see page 24) which will aim to limit climate change to a 2 degree Celsius rise in temperature.

# A more secure and open Europe

## Citizens' rights

The Government welcomes the Swedish Presidency's aim of improving legal certainty for those moving or travelling to or working in other Member States. It is likely that a proposed **regulation on succession and wills** will be the main civil law topic under negotiation during the Presidency's term. The Government recognises that this will be a challenging dossier but believes that a suitable proposal has the potential to be of real added value to Europe's citizens. The Government also welcomes the Presidency's planned contribution to the review of the **Brussels I Regulation** concerning jurisdiction and the recognition and enforcement of judgments in the area of civil law.

The Government looks forward to the opening of the European e-Justice portal in December 2009. It believes that this will be a valuable tool to improve access to justice for citizens and businesses.

## The fight against crime

The Government supports the Presidency's ambition to develop **cooperation among law enforcement actors**. We welcome the recognition that information exchange among authorities in the EU Member States is necessary to combat crime. We strongly support an overarching, cross-pillar data protection strategy.

The Swedish initiative on accreditation of **forensic laboratories** involved in DNA and fingerprint analysis is welcome in that it should facilitate the exchange of forensic science evidence between Member States, such that a receiving country can be confident of the quality of the evidence they receive.

The Government supports the Presidency's intention to give priority to the implementation of the second generation of the **Schengen Information System (SIS)**, progress against which should be assessed in autumn 2009.

The Government is committed to making a reality of **criminal procedural standards** across the EU and believes that targeted action in this area will help strengthen mutual trust. The Swedish plans to introduce a Framework Decision on access to interpretation and translation for suspects in criminal proceedings would be a first, tangible step in that direction and is welcomed by the Government insofar as it is consistent with the European Court of Human Rights (ECHR) and adds real value for our citizens.

Sweden, supported by other Member States, has taken the initiative on **transfer of proceedings** and has introduced a draft Framework Decision. This seeks to establish a common legal framework for transferring cases between Member States. The Government has several concerns with the proposal and will work to ensure that it does not fetter the discretion of prosecutors or investigators in the UK to take decisions about cases, and does not cause conflict with the UK's territorial approach to jurisdiction.

The Government welcomes the Presidency's focus on taking forward work to strengthen child protection including combating the sexual **exploitation of children and child pornography** (including 'grooming') and on combating human trafficking. We want to work with our EU partners to ensure that the draft Council Framework Decision on combating the sexual abuse and exploitation of children and child pornography allows information on prohibitions and disqualifications to be shared between Member States in order to improve public protection. Similarly we will seek to develop a better child alert network across the EU for cases where children are abducted. We also welcome and fully support enhanced cooperation between law enforcement actors and EU bodies to tackle organised crime against children.

The Government welcomes the broad approach to **counter-terrorism** envisaged by the Presidency, in particular the implementation of existing EU action plans in this field. They highlight the fact that lessons can be learnt from successful national projects to counter radicalisation and recruitment to violent extremist groups.

### Enhanced capacity to prevent and manage crises and disasters

The Government welcomes the Presidency's desire to build on recent European Commission work on chemical, biological, radiological and nuclear incidents and to agree a way forward on increasing the EU's capability and cooperation in this field.

### A common asylum and migration policy

An important focus of the Swedish Presidency's work on migration will be to develop the relevant sections of the Stockholm Programme, the EU's new five-year work plan for JHA, on which the UK intends to work closely with the Presidency. We fully support the fundamental right of free movement within the EU and welcome its inclusion in the Stockholm Programme; we will be keen to ensure that the rights and responsibilities that are associated with free movement are fully acknowledged.

The Government welcomes the Swedish Presidency's commitment to take forward the implementation of the **Global Approach to Migration**, which develops partnerships with countries outside the EU on migration issues. Geographically, we expect the focus of this Presidency to be on Africa and the Mediterranean, but migration routes from the east of the EU will also feature.

The Presidency is expected to ensure that policies on **migration, foreign affairs and development** continue to be closely aligned and complement each other. It is expected that the Swedish Presidency will look at the role that circular and temporary migration can play in the economic recovery of the EU and in addressing 'brain drain' from developing countries. As part of this work the UK welcomes the Swedish Presidency's objective to hold a conference on Labour Migration and its Development Potential in October 2009.

The UK will also be closely involved in negotiations on the next phase of the **Common European Asylum System** and welcomes the Presidency's focus on returning those whose asylum applications are rejected to their country of origin. This will help to deter fraudulent asylum claims and in doing so free up greater resources for genuine refugees.

The Presidency wants to ensure the smooth roll-out of the **Visa Information System (VIS)**. The UK welcomes the efforts of Schengen Member States to ensure that the Schengen external EU borders are as secure as possible. The Presidency will also propose a common code on visas, which will not affect travellers to the UK, given that we do not issue Schengen visas or participate in the EU Common Visa Policy.

### Integration strengthened through exchange of knowledge and experience

The Presidency aims to promote the **integration** of migrants into their host societies through the sharing of common experiences and knowledge. The UK very much supports this work and thinks that action to further integration will be extremely valuable in ensuring the rights of the individual and realising the potential of migration.

# Full employment and good health

## Towards full employment and more inclusive labour markets

The UK welcomes the Swedish Presidency's strong emphasis on **employment and inclusive labour markets**, as Europe faces rising unemployment and the longer-term challenge of ageing societies. We agree that avoiding the mistakes made in previous downturns is particularly important, and welcome the focus on active labour market and social insurance policies, better matching of skills and boosting entrepreneurship. While responsibility for labour market and social security policy lies with the Member States, the EU can add value in coordinating Member States' action, promoting the exchange of information and setting targets to help to increase employment of both women and men, particularly from more disadvantaged groups. The UK supports the objective of ensuring that Europe's employment and welfare systems – in all forms – are sustainable in the longer term.

## Promoting good health

The Swedish Presidency will also hold two expert workshops on health threats (2–3 July 2009) and the effectiveness of medicines in clinical use (29 July 2009), as well as a seminar on eHealth (19–20 November 2009) as part of the eGovernment conference.

The Government welcomes the Presidency's commitment to progressing the inherited agenda on health. This will include work on **patient mobility**, cross-border healthcare, organ transplant safety, the pharmaceuticals package, patient safety, rare diseases and the cancer initiative. There will also be a conference on antimicrobial resistance on 17 September 2009.

The Presidency has proposed to hold an expert conference on communicable **diseases** and on **alcohol abuse** on 21–22 September 2009. Both of these are timely issues that address problems affecting all Member States, especially in the light of the outbreak of influenza A (H1N1) and ongoing attempts to tackle alcohol-related harm.

## More healthy and dignified ageing

The Presidency also proposes to put the needs of elderly people higher up the EU agenda and plans to convene a conference on 15–16 September 2009 on the theme of '**Healthy, Active and Dignified Ageing**'. The UK supports this aim, as well as the use of exchanging information on good practice as the main instrument for doing so, especially for achieving better coordination between the various actors.

## Strengthened gender equality and improved protection against discrimination

The UK welcomes the Swedish Presidency's decision to focus work on gender equality in relation to economic growth and employment and believes that enabling women as well as men to develop and use their skills and realise their full potential is of critical importance. Working towards gender equality and boosting female participation in the labour market will be important for social cohesion and sustainable economic growth across Europe in the long term.

The Government is committed to supporting **working parents** in ways that also recognise the needs of business. Parental and maternity leave are important elements of the package of measures at both EU level and domestically in the UK to achieve this. The UK will support the Presidency in working towards decisions on the Directives on pregnant workers and on treatment of the self-employed, which recognise the different positions of Member States and maintain support for the principles of equal treatment and gender equality.

Finally, we fully support the Presidency's aim of progressing discussions on the **Directive on Equal Treatment of Persons** in the provision of goods and services. The Government strongly supports the Commission's aim of enhancing protection against discrimination across Europe. We are taking forward many of the same measures domestically in the Equality Bill, and will continue to participate actively and positively in negotiations at EU level, with a view to ensuring the legislation is clear and robust and achieves its stated aims.

# A competitive Europe

## A strategy for growth and jobs for the coming decade

The UK welcomes the Swedish Presidency's commitment to progress work on Europe's next strategy for sustainable jobs and growth, as a successor to the current **Lisbon Strategy** which expires in 2010. Since its launch in 2000, the Lisbon Strategy has helped promote economic growth in the EU through structural economic reforms, and the next phase of the strategy will play an important role in enabling a sustainable, long-term recovery from the downturn. The UK will argue that a successful Lisbon Strategy post-2010 needs clear goals that should reflect the global economic crisis and the interdependence between economic, social and environmental policy – to raise prosperity; to increase opportunity for all and social cohesion; and to ensure sustainable, low-carbon, resource-efficient growth. The strategy will also need to address the external aspects of competitiveness, recognising the need for open markets and innovation as key drivers of efficiency, competitiveness and growth.

## An efficient Single Market

A well-functioning Single Market and the opportunities it offers will be central to Europe's economic recovery and ability to address longer-term challenges. The Presidency has laid out a clear emphasis on moving the Single Market forward and will propose conclusions on the Commission's forthcoming **Partnerships Recommendation**, which will set out a range of good practice for improving the operation of the Single Market. The UK welcomes this focus on effective implementation and enforcement of existing Community legislation.

## Intellectual property

The Presidency has indicated that it will take forward work on proposals for a **Community Patent** and a European patent court (the **Unified Patent Litigation System** or UPLS).

A high-quality, cost-effective Community patent, which is delivered quickly to businesses, would support innovation, encourage technical solutions to global problems, and aid economic recovery and EU competitiveness. An efficient and fair European patent court would make it easier for companies, particularly small and medium-sized enterprises (SMEs), to enforce and challenge patents Europe-wide at reasonable cost. The UK believes that these proposals could provide a real boost to UK industry and will work closely with the Presidency to ensure that work progresses as swiftly as possible.

## The Services Directive

The Swedish Presidency will work to implement the **Services Directive** by the December 2009 deadline. This Directive aims to break down barriers to cross-border trade in services between EU Member States, making it easier for service providers to set up business and offer their services elsewhere within the EU. The Government is committed to full and effective implementation of the Services Directive in the UK and believes that this is a genuinely market-opening measure that will bring real benefits to businesses and consumers. We will work closely with the Presidency to ensure that the subsequent 'mutual evaluation' process leads to robust and effective enforcement, ensuring that the potential benefits are fully realised.

## Consumer protection

Negotiations on the proposed **Consumer Rights Directive** will continue under the Swedish Presidency. The Directive aims to fully harmonise key business-to-consumer contract rules across the EU to make it easier to buy and sell cross-border. The Government will continue to work closely with the Presidency and other EU partners on these proposals to achieve a Directive that meets the internal market objectives, while providing a high level of consumer protection.

### **Better regulation**

The Presidency will prioritise the **better regulation** agenda, in particular the reduction of administrative burdens. The Government looks forward to working with the Presidency to ensure the delivery of effective administrative burdens reduction proposals and to further embed the broader better regulation agenda in the EU.

### **Small and medium-sized enterprises**

Improving the business climate for long-term competitiveness, by creating a level playing field and making day-to-day operation easier for **SMEs** will be another key concern for the Swedish Presidency. The UK will work with the Presidency on improving the business environment and further implementing the Small Business Act (SBA), with particular emphasis on efforts to facilitate access to finance and to markets, including public procurement, championing the 'Think Small First' principle and the implementation of better regulation commitments. We will also support the Presidency's efforts on taking forward work to foster women's enterprise and promote innovation.

### **A competitive European research and innovation area**

The Swedish Presidency will focus on how to use EU **research** resources more efficiently and take forward work on the EU Framework Programme for Research, discussions on how the EU can best meet future challenges in areas such as health, energy and climate, the development of the European Research Area (ERA) and actions to strengthen the 'knowledge triangle' (the interrelationship between higher education, research and innovation). The Government welcomes the Presidency's intention to address the issue of future governance of the ERA.

Finally, following the expected Commission publication of a review of the EU's broad-based innovation strategy in summer 2009, the Presidency will submit a contribution to a **European Innovation Plan**. The Government welcomes the focus on innovation and expects the plan to identify useful areas where the EU can help to boost innovation performance.

# Transport, telecommunications and energy

## Transport policy for the future

The Presidency will focus on developing a sustainable and eco-efficient transport system, and has identified two priority areas: **EU transport policy after 2010** and **Intelligent Transport Systems (ITS)**. Under the first of these priorities, the Government looks forward to discussions on the Trans-European Transport Network (TEN-T), green corridors and more efficient use of air space. The UK will seek to engage closely with the Presidency and the Commission on the work on the TEN-T programme. In this respect, we welcome the opportunity to discuss policy options in advance of the publication of concrete proposals in 2010.

The June 2009 Commission Communication entitled *A sustainable future for transport: Towards an integrated, technology-led and user-friendly system*, published on 17 June, identifies trends and challenges facing transport over the next decade. This consultation document will ultimately lead to a new Commission Transport White Paper by the end of 2010. The Government looks forward to contributing to the consultation process and engaging with the Presidency and other EU partners.

The Presidency will aim to implement the framework for developing ITS. The Government supported the ITS Action Plan and will work to ensure that EU coordination adds value to national actions. It is important that ITS services should only be pursued where there is a strong business case to do so.

The Presidency will progress work to reach an agreement on regulation of both ship and bus **passenger rights**. The Government looks forward to working with the Swedish Presidency to reduce administrative burdens on business through the creation of a maritime transport space without barriers, although essential security, health and customs controls will still

need to be maintained. The Government also looks forward to the next stage of discussions on the EU's global navigation satellite system, the Galileo programme.

## Telecommunications/IT for growth and an accessible knowledge society

The Swedish Presidency will focus on information technology and specifically its role as an important underpinning sector for European economic growth. Europe's digital economy has tremendous potential, and the Presidency will be leading on the development of the successor to the European Commission's current ICT strategy (**i2010**), where the UK would like to see more stretching goals. Specifically we should ensure that Europe has a world class digital infrastructure, wired and wireless, and should make the digital content on those networks as attractive as possible by protecting intellectual property rights and simplifying multi-jurisdictional licensing.

We must also ensure that all sections of society can benefit from the advantages of digital participation and prevent a future digital divide. We welcome the Presidency's focus on the **digital dividend**; accelerating the analogue switchover across Europe will free up the necessary spectrum to realise these benefits, and facilitate the deployment of new and emerging services. Finally, we welcome the Presidency's commitment to ensure that the revised regulatory **framework for electronic communications** is approved as soon as possible.

## An eco-efficient economy gives competitive advantages

Long-term economic growth can only be achieved through sustainable growth, which does not deplete resources or pollute the environment it relies on for its productivity. Improved resource efficiency provides a win-win by helping households and businesses

to economise and become more competitive through the current downturn and setting the stage for a more resource-efficient economy in the future.

The Swedes have therefore made the **'eco-efficient'** economy a priority for their Presidency. By better aligning economic, energy and climate policies the EU can begin its transition to a competitive, secure and sustainable low carbon economy. We strongly support the Presidency on this agenda and believe that Europe must continue to have a priority focus on efforts to deliver a low carbon recovery in response to the economic downturn.

#### **Efficient energy policy**

It will be important to maintain momentum on energy security under the Swedish Presidency. Building on the Commission's 2008 **Second Strategic Energy Review**, the Spring European Council 2009 agreed a number of actions to improve the EU's energy security. The Presidency will continue to work on these and on the EU **Energy Security and Solidarity Action Plan**.

Energy efficiency is central to both tackling climate change and improving our energy security. In this context, the UK welcomes the Presidency's intention to kick-start the revision of the EU **Energy Efficiency Action Plan** in 2009 and agree specific legislation on standards for buildings, labelling, tyres and other products.

Furthermore, we particularly look forward to the revision of the existing 2004 **Gas Security of Supply Directive**, which will improve the EU's ability to deal with supply disruptions, and to the tabling of the Commission's action plan on the development of the Southern Corridor.

As the EU's energy markets become better interconnected we will be able to speak with a more coherent voice to external partners. The UK welcomes the Presidency's continued work on EU **external energy relations**. It is important that we engage with supplier and transit countries outside the union and work to ensure fully developed internal energy markets.

# Agriculture and fisheries

## Long-term sustainable fisheries

The UK will work closely with the Presidency and the Commission on reforming the **Common Fisheries Policy**. The UK welcomed the Commission's Green Paper in April 2009 and its call for fundamental reform and is keen to explore all the options. The UK would like to see reform lead to fish sources with safe biological limits, and improved integration of conservation and fisheries management; a more prosperous and efficient fishing industry, which does not unfairly disadvantage smaller-scale coastal fisheries; and greater industry involvement in how fisheries are managed. The UK will be having wide-ranging discussions during the Swedish Presidency to develop its evidence base before making a final response to the Green Paper by the end of 2009.

## Food and climate – the global challenges

The Swedish Presidency will focus on the two main global challenges facing agriculture: managing the **impact of agriculture and climate** on each other and **securing global food supplies**. The UK believes that the EU should continue to play a leading role in the global response to these challenges, investing in science and innovation to increase productivity and resource efficiency, and reduce waste, producing food in response to demand without distorting global markets or degrading natural resources, and helping others to do the same, including through investment in sustainable agriculture, social support and better management of natural resources. Food security needs to be seen as a shared global endeavour dependent on thriving and sustainable agricultural sectors within the Community and internationally – including both developing country smallholders and agro-food industries playing their part. The UK will work with the Presidency in pursuing these objectives.

The Government welcomes the Presidency's intention to work on **food safety** and to continue to make progress with updating the legislation on novel foods, which should result in more streamlined procedures for new and innovative foods while maintaining a high level of consumer protection.

The UK is keen to work with the Presidency and other Member States to progress the Commission's proposal on **food information**. This is an important piece of legislation and should aim to improve consumer information, particularly concerning labelling that contributes to public health policies.

## Sound animal husbandry and healthy animals

The Government will play an active role in the development of the new EU Regulation on the welfare of laboratory animals and will work closely with the Presidency and the Commission to ensure that flexible and effective legislation is agreed. The UK will also support the Presidency to bring forward measures to improve the **welfare** of food animals. It also welcomes the Presidency's initiative in holding a conference on the Welfare Quality project as this is an essential step in the consideration of effective labelling for the welfare provenance of food.

# A credible EU for the environment

## Uniting the world's countries behind an ambitious climate agreement

A major priority for the Swedish Presidency is to coordinate agreement of an EU position, in particular on climate finance, which will underpin an ambitious global deal at the **United Nations Climate Change Conference** to be held in Copenhagen in December 2009. This will build on the historic 2020 climate and energy package which committed the EU to reduce greenhouse gas emissions by 20% by 2020. To continue to push the transition to a low carbon economy, this target would move to **30%** as part of a global agreement that includes comparable targets for other developed countries and adequate contributions from developing countries according to their responsibilities and respective capabilities.

The UK welcomes the Presidency's commitment to an ambitious global agreement on climate change. We will support the Presidency's efforts to ensure that the EU plays a leadership role and continues to help to shape the global political consensus needed for an ambitious and equitable global deal at Copenhagen.

## The key role of biodiversity

The UK will work closely with the Swedish Presidency to take forward work on **biodiversity** in the run-up to the landmark United Nations Convention on Biological Diversity (CBD) Conference in October 2010.

This will include developing EU views on discussions on the new global vision to succeed the current '2010' biodiversity target. The Presidency will also continue work drawing attention to the key role of ecosystems in people's well-being and the value of ecosystems and biodiversity, including the costs of inaction.

There will also be intensive negotiations under the CBD in 2009–10 on an international regime for access and benefit-sharing (ABS) with regard to genetic resources which will involve detailed preparations during the Swedish Presidency.

## Strengthened policy for a neglected marine environment

The Presidency plans discussions at the Environment Council, as well as other Council formations, on the Baltic Sea Strategy. The Government supports the Presidency's ambitions for Council Conclusions on a clear, budget-neutral EU Action Plan to help to deliver it. We will be especially interested in Swedish efforts to identify the Baltic Sea as a pilot region in implementing the EU **Marine Strategy Framework Directive** – and in any potential implications for its implementation across the EU. The Government is working closely with other Member States in implementing the Directive, particularly with those in the North East Atlantic marine region, which includes the UK's waters.

## Other important issues

The UK welcomed the successful outcome from the United Nations negotiations in Nairobi in March 2009, which agreed to the development of a legally binding instrument on **mercury**. We look forward to working closely with Swedish colleagues and other Member States in order that good progress is made on this issue over the next six months, and in the longer term.

The Government will continue to work on revision of the **Gothenburg Protocol to the Convention on Long-range Transboundary Air Pollution** to encourage the use of cost-beneficial measures to reduce emissions of transboundary air pollutants and to ensure consistency with current and expected EU legislation.

# Education, youth and culture

## Education – cooperation, modernisation and integration

The UK welcomes the opportunity to work with the Presidency within the priorities of the strategic framework **'Education and Training 2020'**. The UK supports the focus on the professional development of teachers and agrees that it will be important to explore the issue of modernisation of universities and higher education institutions, and the role they can play in promoting an efficient 'knowledge triangle'. The UK also supports the Presidency's proposal to discuss the education of migrant children in Europe and its importance in promoting greater social integration in Europe.

The Government will work with the Presidency on methods to improve the process of the Open Method of Coordination, as part of Education and Training 2020. We hope to help to streamline the structure of peer-learning activity, encouraging peer-learning groups to work towards specific objectives and timescales.

## Youth – improved cooperation to promote good living conditions for young people in the EU

The Presidency will take forward work a Framework Decision on Youth Co-operation with the aim of agreeing an initial draft at the Education, Youth and Culture Council in November and a final text by 2010. They will focus on improving access to education and training, empowering young people and combating social exclusion. The Presidency will also hold a conference on youth in September 2009, which will help to inform this process.

The UK welcomes the Swedish focus on this area, in particular the need to consider access to **education and training** for young people in the context of the current economic crisis, and the focus on disadvantaged young people. The Government will work to ensure that the exchange of data and good practice is genuinely useful and does not impose extra burdens on Member States. The UK is also keen to push for improved links between Councils with a cross-cutting Youth agenda, for example bilaterals between Youth and Health officials.

## Culture and media – for a creative generation

The Presidency will use one of its general priorities – the importance of young people – to drive forward the cultural agenda during the latter part of 2009. It will use a July 2009 conference – **'Promoting a Creative Generation'** – to gather ideas and best practice on the creativity and cultural habits of children, and Ministers will also discuss this issue at the Culture Council in November 2009. The UK looks forward to working closely with the Presidency on these issues.

# Annex 1

## Timetable of formal Councils: July to December 2009

### July

7	Economic and Financial Affairs (ECOFIN) Council
10	ECOFIN Budget Council
13–14	Agriculture and Fisheries Council
27–28	GAERC

### August

NONE

### September

14–15	GAERC
21–22	Justice and Home Affairs Council
24–25	Competitiveness Council

### October

8–9	Transport, Telecommunications and Energy Council
19–20	Agriculture and Fisheries Council
20	ECOFIN Council
23	Justice and Home Affairs Council
23	Environment Council
26–27	GAERC
29–30	<b>EUROPEAN COUNCIL</b>

### November

10	ECOFIN Council
16–17	GAERC
19–20	Agriculture and Fisheries Council
26–27	Education, Youth and Culture Council
30–1 December	Justice and Home Affairs Council
30–1 December	Employment, Social Policy, Health and Consumer Affairs Council

**December**

<b>2</b>	ECOFIN Council
<b>3–4</b>	Competitiveness Council
<b>7</b>	Transport, Telecommunications and Energy Council
<b>7–8</b>	GAERC
<b>10–11</b>	<b>EUROPEAN COUNCIL</b>
<b>14–15</b>	Agriculture and Fisheries Council
<b>17–18</b>	Transport, Telecommunications and Energy Council
<b>22</b>	Environment Council

## Annex 2

### Future Presidencies of the EU

<b>2010</b>	Spain	Belgium
<b>2011</b>	Hungary	Poland
<b>2012</b>	Denmark	Cyprus
<b>2013</b>	Ireland	Lithuania
<b>2014</b>	Greece	Italy
<b>2015</b>	Latvia	Luxembourg
<b>2016</b>	Netherlands	Slovakia
<b>2017</b>	Malta	United Kingdom
<b>2018</b>	Estonia	Bulgaria
<b>2019</b>	Austria	Romania
<b>2020</b>	Finland	



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