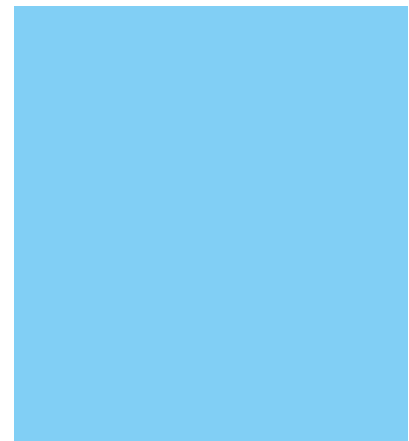




Foreign &
Commonwealth Office

PROSPECTS FOR THE EUROPEAN UNION IN 2009



The Czech Presidency
January to June 2009



Prospects for the European Union in 2009

The Czech Presidency
January to June 2009

Presented to Parliament by the
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by command of Her Majesty

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FOREWORD BY MINISTER FOR EUROPE, CAROLINE FLINT MP



In 2009 it is more important than ever for the European Union (EU) to find shared solutions in response to global challenges.

With families across Europe and around the world affected by the global economic downturn, the EU must continue to work collectively to ensure that Europe is well placed to weather the storm and to prepare for the upturn when it comes.

The endorsement of the European Economic Recovery Plan at the European Council in December 2008 is a clear example of the EU's capacity to take decisive and co-ordinated action. We must now work to implement the plan in a way that builds on the existing Lisbon Strategy for Jobs and Growth.

The Czech Presidency places a welcome emphasis on openness. Open, free and fairer trade will be crucial to a sustainable global economic recovery. A better regulatory environment, open and competitive markets and a flexible, skilled workforce will be key to ensuring that Europe's citizens gain a competitive advantage in today's globalised economy.

And to ensure security and prosperity in the longer term, it is vital that the EU maintains its determination to stick to the path of low carbon growth. EU leadership on this issue is more important than ever this year, as we push for the global political consensus we need to secure an equitable and ambitious deal in Copenhagen in December.

The priorities of the Czech Presidency are very much in line with the Government's objectives and we welcome their determination to tackle the range of pressing challenges which confront the global community.

A handwritten signature in black ink, appearing to read 'Caroline Flint'.

THE CZECH PRESIDENCY'S PRIORITIES

Under the overarching theme of **'Europe Without Barriers'**, the Czech Presidency of the EU has set out its goal of removing the economic and cultural obstacles in Europe which prevent individuals and businesses from realising their full potential. Under this general theme, the Presidency has chosen to focus on three particular areas – the **economy** (with a particular focus on addressing the financial crisis), **energy** and the **European Union in the world**.

The Presidency formally published its priorities on 6 January and a copy of its Work Programme is available at www.eu2009.cz. This Command Paper provides an overview of the key policy areas which the Czechs are expected to take forward under their Presidency.

GENERAL AFFAIRS

Institutional Structure of the EU

European Parliament elections will take place across Europe between 4 and 7 June 2009, and on 4 June in the UK (alongside local elections in England). The EU has agreed that these will take place upon the basis of the present Treaties. This means that the number of Members of the European Parliament (MEPs) will fall from 785 to 736. The number of UK MEPs will change from 78 to 72, reflecting the EU's enlargement in 2007 and the agreed need to cap the size of the European Parliament to ensure efficiency and effectiveness. This European Parliament's final plenary session will take place during the week commencing 4 May 2009.

In December 2008, the European Council agreed that provided the Treaty of Lisbon enters into force, a decision will be taken to enable the Commission to continue to include one national of each Member State. The process of appointment of the future Commission, in particular the designation of its President, will be initiated without delay after the European Parliament elections of June 2009. The EU also agreed to address Irish concerns on the Lisbon Treaty at the December European Council. Dealing with these areas of concern will not require any changes to the Lisbon Treaty, nor will it conflict with any of the red lines secured by the UK during negotiation of the Treaty. Follow-up work on all of these areas will take place under the Czech Presidency.

Enlargement

The Government supports the EU's commitment to enlargement, as the prospect of EU membership remains a powerful driver for reform in the candidate countries and beyond. The Czech Presidency plans to mark the fifth anniversary of the 2004 enlargement of the EU with a 'Five Years After' Conference on the economic benefits of enlargement in May 2009, when the European Commission will also produce a number of impact studies.

Accession negotiations with the candidate countries will continue under the Czech Presidency. The Government will maintain support and encouragement for continued progress and implementation of reforms in all candidate countries.

- **Croatia** has continued to make progress on the implementation of reforms needed for membership of the EU. The Commission has provided an indicative roadmap setting out the further work needed in order to complete negotiations by the end of 2009. Croatia has much to do if it is to meet this self-imposed timetable.

- Accession negotiations have continued at a slower pace in **Turkey**, but we expect some further progress during the Czech Presidency. It will be important for Turkey to prioritise the reform agenda in 2009, with particular focus on essential political and constitutional reforms.
- **Macedonia** has also made some progress but further work is needed in key areas for it to move closer towards opening accession negotiations.

Review of the EU Budget

Discussions on the EU Budget under the Czech Presidency will be reliant on the publication of the Commission's White Paper on Budget Review. They may also be affected by the current financial crisis and uncertainty surrounding the Lisbon Treaty. The UK expects the White Paper to provide an important opportunity for European leaders to begin the process of modernisation which will enable 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.

Economic and Social Cohesion Policy

The Presidency intends to advance the debate on the current goals, strategies and priorities of the EU's Economic and Social Policy. The concept of territorial cohesion and the possibility of simplifying the administration of the Structural Funds will be key aspects of the debate and the UK will work closely with the Presidency in these discussions. The Presidency will also try to finalise negotiations on the legislative proposals submitted in the European Economic Recovery Plan (EERP) which Heads of State and Government adopted at the 2008 December European Council.

ECONOMIC AND FINANCIAL AFFAIRS

The EU's response to the economic crisis

The EU has taken a number of co-ordinated and decisive actions in response to the economic crisis, in order to sustain jobs and growth across the EU without damaging long-term fiscal sustainability.

At the 2008 December European Council, Heads of Government agreed a European Economic Recovery Plan consisting of co-ordinated measures to provide an EU-wide response to the downturn. The package contains two main elements: a short-term **fiscal stimulus** equivalent to around 1.5% of EU gross domestic product (GDP); and a number of priority actions to develop **long-term recovery and growth**, grounded in the Lisbon Strategy. Measures include boosting employment and skills, energy efficiency and digital infrastructure, all of which will enable the EU to adapt and take advantage of reform when growth returns.

The Czech Presidency will be responsible for the preparation of the **Spring European Council 2009**, which will evaluate implementation of the package and act as the forum for debate on new economic priorities and long-term measures to stimulate growth. The UK will work closely with the Presidency to ensure that the EU sends a positive signal of unity and willingness to act.

Financial Services and Stability

The Government will work closely with the Presidency on financial services and financial stability. In particular, the UK will continue to strongly support the creation of supervisory colleges to improve cross-border co-operation, facilitate information sharing and the cross-border supervision of international groups. Similarly, the UK strongly supports the establishment of cross-border stability groups, to encourage co-operation and planning for cross-border financial crises. The UK will also contribute to the work of a high-level group under the leadership of Jacques de Larosière, due to report ahead of the Spring European Council, on supervision, financial stability oversight co-operation, early warning mechanisms and crisis management, and how supervisors in the EU should co-operate globally.

London Summit

On 2 April 2009, the UK will host the follow-up Summit to the Washington meeting of 15 November 2008 on financial markets and the world economy. The London agenda will focus on progressing the Washington action plan and key global economic issues. The UK looks forward to working with the Presidency and EU partners to ensure that the London Summit achieves concrete measures and co-ordinated international action to address the global economic downturn.

Taxation

The Government will work closely with the Presidency on its plans to take forward EU work on tax. We welcome the Presidency's prioritisation of tax evasion and encourage further work on administrative co-operation and the Savings Directive, especially in light of the Commission's publication of the revised Directive in November 2008. The Government will continue to work with the Presidency and other Member States to facilitate agreement on the application of reduced VAT rates to certain sectors, as requested by the 2008 December European Council Conclusions.

COMPETITIVENESS

The Lisbon Process

Since its launch in 2000, the **Lisbon Strategy for Jobs and Growth** has helped to drive sustainable, long-term growth in the EU through structural economic reforms. It has done so by promoting measures to boost employment and skills, tackle social exclusion and increase investment in innovation and research. Challenging economic circumstances make structural reform to boost Europe's resilience and responsiveness more important than ever. A flexible, open European economy will be better placed to absorb shocks and then benefit from the upturn. The UK welcomes that the EERP is consistent with, and builds on, the existing Lisbon Strategy for Jobs and Growth, and includes a commitment to openness and to resisting protectionism.

Member States have now submitted their National Reform Programmes for 2008–10 and the Czech Presidency will play a key role in evaluating progress made under the current Lisbon strategy, which ends in 2010.

The 2008 Spring European Council agreed that the EU should start reflecting on the future of the **Lisbon Strategy after 2010**. This reflection will continue during the Czech Presidency, including an expected discussion at a meeting of the National Lisbon Co-ordinators in April 2009. The UK believes that the broad direction of the original strategy remains right; however, Europe needs to start planning now to ensure a smooth transition between the two long-term frameworks for economic reform.

The strategy after 2010 needs to set the framework for further and faster progress. In order to support our citizens, the strategy should include: a clear set of goals that are based on the principles of openness, flexibility, fairness and environmental sustainability; a refined scope that recognises the new realities of the global economy; and a reformed governance structure that better drives reforms. The Government will work closely with the Presidency on taking forward this work.

The Internal Market

The UK welcomes the Czech Presidency's focus on how to improve the functioning of the internal market. One year on from the European Commission's Single Market Review, the UK is keen to work with the Czechs to progress the Review's recommendations.

The Presidency is expected to focus on the **removal of restrictions and barriers** to intra-EU trade, and to work on progressing the debate on the potential for market liberalisation to deliver new opportunities, competitive pricing and greater consumer choice. The Presidency is also keen to ensure that single market policies are driven by the needs of business. It will seek to build on the Goods Package agreed in 2008 and also push for further development of the market monitoring mechanism. Additionally, work on the Services Directive offers key developments in the freedom to provide cross-border services. The UK strongly supports a timely and consistent implementation of this Directive by the end of 2009 and will work closely with the Presidency to achieve this.

Better Regulation

The Czech Presidency will prioritise the better regulation dossier as a means of improving competitiveness. With an initial focus on the Action Programme for Reducing Administrative Burdens, the Presidency plans to drive forward agreement on the principles for monitoring progress against the target of a 25% reduction by 2012. Other areas of focus include Impact Assessments and the future of the Simplification Programme. The Government looks forward to working with the Presidency on an EU Better Regulation progress report, due to be presented in March 2009.

Research, Development and Innovation

The Presidency will focus on long-term challenges to research, development and innovation, taking forward work on the European Research Area (ERA) agenda, research infrastructures, the creation of a European labour market for research and development and the assessment of the value of investment in this area. Wider innovation issues that the Presidency also wishes to cover include intellectual property rights protection and the impact of the Competitiveness and Innovation Programme 2007–13. The UK particularly supports actions to stimulate innovation in the services sector and will be keen to see progress in the development of the Public–Private Partnerships for energy efficient buildings and factories for the future. The Presidency will also launch the European Year of Creativity and Innovation.

Small and Medium-Sized Enterprise Policy

The EU **Small Business Act** (SBA) was agreed during the French Presidency and sets out a range of measures aimed at improving the business environment for Europe's entrepreneurs and small and medium-sized enterprises (SMEs). The UK firmly supports this initiative, in particular efforts to reduce regulatory burdens and to facilitate access to finance and markets. It will be important to take this work forward as soon as possible in order to deliver tangible benefits for SMEs. The UK therefore supports the Czech Presidency's intention to focus on the implementation of the SBA and to establish effective monitoring mechanisms.

Industrial Policy

The Commission will be holding a high-level conference in March 2009 to review the past successes of European industrial policy, consider the main threats and challenges for the manufacturing sector and related services, and start the process of looking ahead to develop industrial policy for the next decade. The Government will work with the Czech Presidency to ensure that future EU industrial policy retains a focus on improving the business environment, supporting enterprise and innovation, and remaining committed to open and competitive markets.

Consumer Protection

Negotiations will soon begin on the proposed Consumer Rights Directive. This Directive aims to make it easier to buy and sell cross-border by harmonising key business-to-consumer contract rules across the EU. The Government will work closely with the Presidency and other EU partners on these proposals. We will also respond to the expected Green Paper on Consumer Collective Redress, which will outline a number of options for improving the ability of groups of consumers to access cross-border redress.

ENERGY

The Government strongly supports the Presidency's decision to make action on energy a priority. In light of the recent Russia–Ukraine gas dispute, it is particularly important that a coherent EU policy on energy is developed, in order to:

- increase the transparency of the arrangements for supply and transit;
- diversify gas suppliers and routes;
- increase our use of alternative energy sources; and
- improve energy efficiency.

Energy Security

The focus of discussion regarding energy security in the coming months will be the **Second Strategic European Energy Review** (SEER2), released in November 2008. The December Energy Council and the December European Council both welcomed the SEER2, anticipating the adoption of an action plan at the Spring European Council 2009. This will determine the future course of EU energy security. The UK will work closely with the Czech Presidency to ensure that a positive foundation is laid for these in-depth discussions.

The SEER2 package focuses on five areas of particular concern to the EU, forming the basis of an EU Energy Security and Solidarity Action Plan. These areas are: infrastructure needs and the diversification of energy supplies; external energy relations; improved oil stocking and gas supply crisis response mechanisms; energy efficiency; and making the best use of the EU's indigenous energy resources.

Of particular importance to the UK is the identification of a southern gas corridor (bringing gas from the Caspian Sea, through Turkey, to the EU) as one of six key infrastructure projects essential to the diversification of supplies. A number of summits and meetings about the southern corridor have been organised for the coming months, including a trans-Caspian summit to be hosted by the Presidency. The UK sees this project as an energy security priority and will be supporting the efforts of the Presidency to maintain momentum on this issue.

Internal Energy Market

The UK believes that open and competitive energy markets deliver the best results for EU consumers in terms of price, choice and energy security, while supporting the transition to an efficient low-carbon economy.

The **Third Energy Package** is a critical component in steps towards liberalising EU electricity and gas markets and is a key priority for the Czech Presidency. Political agreement on the package was reached at the Energy Council in October 2008. It is now important to reach agreement with the European Parliament on the package before the end of its current legislative term. The package includes measures to ensure greater separation between energy networks and energy production and supply businesses (so-called unbundling). It also ensures stronger powers and greater political independence for national regulators, and the creation of a pan-European Agency of Regulators to promote cross-border co-operation.

Once agreed, it is important to ensure that Member States begin to take concrete actions to implement the Third Energy Package. In particular, we are keen to see greater transparency regarding the physical flows of gas and more cross-border co-operation between regulators.

Energy Efficiency

Energy efficiency plays a key role in reducing energy demand and the UK welcomes the intention to revise the EU Energy Efficiency Action Plan in 2009. A range of policies to promote energy efficiency were launched with the SEER2, including a revision of standards for buildings (Energy Efficiency of Buildings Directive) and products (Energy Efficiency Labelling and Eco Design Directives).

TRANSPORT

The Presidency has identified four priorities for transport policy: optimisation of the functioning of the internal transport market; elimination of administrative barriers to business in the transport sector; the competitiveness of the EU's transport system; and road safety.

Under the first of these priorities, the Presidency has highlighted its intention to work on the proposal to amend the Directive on charging heavy goods vehicles (the Eurovignette Directive). The Government looks forward to continuing to engage in discussions begun under the French Presidency. The Government also welcomes the Presidency's desire to explore opportunities to eliminate administrative barriers to business. In particular, the UK supports the Presidency's aim to reach a second reading agreement with the European Parliament on the Road Package, mindful of the delicate political agreement achieved at Transport Council in June 2008.

The Government looks forward to working with the Presidency, Commission and fellow Member States on the proposal for a Regulation concerning a European rail network for competitive freight. The Government also welcomes the Presidency's intention to open discussion of the future orientation of EU policies concerning road safety. The UK has a strong road safety record and supports measures to improve road safety in Europe. The Government also looks forward to the next stage of discussions on the Galileo programme.

TELECOMMUNICATIONS

The UK will work with the Presidency to address key ICT dossiers, including finalising proposals to extend the duration and scope of mobile roaming regulations to include data and SMS and designing and agreeing the successor to the European Commission's i2010 Strategy. Developments in these dossiers will have significant positive impacts on the economy and European consumers.

Particularly given the current economic climate, the conclusion of negotiations on the **Electronic Communications Framework Review** is a key UK priority. The Government will be working closely with the Presidency and other EU partners on the Framework Review, with the goal of delivering a fully functioning competitive telecommunications market across Europe.

ENVIRONMENT

Climate Change

In December 2008, the EU took an historic step towards becoming the world's first **low-carbon economy**. The 27 Member States reached agreement that they would:

- reduce greenhouse gas emissions by at least 20% by 2020;
- generate 20% of the EU's energy from renewable sources by 2020;
- increase energy efficiency by 20% by 2020; and
- accelerate the development of up to 12 Carbon Capture and Storage (CCS) demonstration plants by 2015 through a financing mechanism. CCS technology will allow coal to remain a vital part of the global energy mix without risking the climate.

Agreement on the package demonstrates the EU's confidence that its future prosperity will be driven by the transition to a low-carbon economy. Moving to low carbon will make us stronger and more resilient: it will make us less vulnerable to fossil fuel price shocks, improve our energy security and diversity and, crucially, provide us with new sources of employment and innovation.

December 2009 will see the climax of the crucial **United Nations Framework Convention on Climate Change** (UNFCCC) negotiations in Copenhagen. The Presidency will seek to build on the EU's leadership on climate change, as European integrity and ambition in this sphere have a key role to play in getting others to commit to urgent and effective action to prevent unsustainable temperature rises that will damage our future prosperity, cost jobs and stifle growth.

Under the Presidency, a Commission Communication on the possible shape of a Copenhagen deal is to be published in January 2009. The Government welcomes the Presidency's commitment to this process and will support its efforts to help shape the global political consensus we need for an ambitious and equitable global deal at Copenhagen.

Environmental Protection

The Presidency aims to reach political agreement on the Soil Framework Directive in June 2009. The Government has serious concerns about the need for this Directive, its consistency with better regulation, proportionality and subsidiarity principles, and the potential costs of implementation. The UK will ensure that if the Directive is taken further, there are detailed discussions to resolve these issues.

The Presidency also plans to achieve political agreement on the proposed Industrial Emissions (Integrated Pollution Prevention and Control) Directive. The UK will continue to contribute to the refinement of this proposal. The Government will work to ensure that the revision leads to regulatory simplification, while ensuring consistency with climate change, health and environmental objectives.

Other Presidency priorities will include securing agreement with the European Parliament on the proposed revision of Regulations on Ecolabelling, Eco-Management and Audit Scheme (EMAS), and Ozone Depleting Substances. The UK broadly supports these proposals, which aim to simplify and improve the operation of existing measures and will work with the Presidency and other Member States to make progress on these dossiers. Finally, the Presidency will aim to open discussions on Waste Electrical and Electronic Equipment (WEEE) and Restriction on the use of certain hazardous substances in electrical and electronic equipment (RoHS) Directives.

EMPLOYMENT AND SOCIAL POLICY

Workers' Mobility in the EU Labour Market

The UK supports the Czech Presidency's proposal to highlight the benefits of workers' mobility in the EU labour market. The UK and other Member States benefit from the free movement of workers throughout the EU – over 1.5 million UK nationals now exercise the right to live in other EU countries, and European Economic Area nationals in the UK bring us significant skills and experience.

Increasing Employment and Flexibility through Flexicurity

The Government supports the principle of **flexicurity** and believes that we must combine labour market flexibility with fairness to ensure that we expand, not limit, opportunities for working people. In particular, the Government and the Presidency agree that skills are of central importance to achieving Europe's economic and social objectives. High skill levels will underpin Europe's long-term competitiveness and, by enhancing opportunity for all, contribute to developing a fair, modern and effective social dimension, thus enabling citizens and companies to respond to the challenges and opportunities of globalisation.

The Government has strongly supported the Council Common Position on the Working Time Directive, which agreed new protections for workers against enforced long hours while allowing those who choose to work overtime to earn more money the freedom to do so. We will work closely with the Presidency and with other Member States to achieve an acceptable outcome for business and working people in negotiations with the European Parliament, following the amendments to the Common Position voted through by the European Parliament second reading.

Support for Families

The Government welcomes the Czech Presidency's aspiration to focus on reconciling work, personal and family life. We are committed to maximising parents' opportunities and helping them make the right choices for their own circumstances, including being able to access good-quality, affordable childcare outside the home. As such, we continue to support the Barcelona childcare targets. We will work with the Presidency and others on the Commission's proposal for a Directive on pregnant workers, to ensure that any changes to European minimum standards for maternity leave and pay are consistent with the UK's existing, and already comprehensive, provisions.

Active Inclusion

The Government will work to improve the sharing of information through the open method of co-ordination on active inclusion policies, and support good practice, in the context of reflection on the Lisbon Strategy post 2010.

EDUCATION, YOUTH AND SPORTS

European Co-operation in Education and Training beyond 2010

The Government welcomes the opportunity to work with the Presidency, Commission and other Member States to update the strategic framework for European co-operation in education and training beyond 2010.

The Presidency will focus on preparing key messages in the field of education for the Spring European Council 2009. We will work with the Presidency, Commission and Member States on the establishment of a revised set of indicators, benchmarks and targets for future co-operation in education and training after 2010.

Partnership between the Field of Education and Employers

The UK welcomes the Czech Presidency's intention to strengthen links between educational institutions and employers. The partnerships that result should help develop the employability of those leaving educational institutions through the acquisition of key competences and the development of new skills. The Government also welcomes the importance which the Presidency attaches to the development of skills in Europe, as recognised in the Commission's Communication on 'New Skills for New Jobs'. The UK will take an active role in the conference in Prague on 6 and 7 April 2009 on the partnership between educational institutions and employers.

Development of Higher Education and the Bologna Process

The UK welcomes the Presidency's intention to continue the Bologna Process work programme. Across the 46 countries participating in the process, significant reforms have been made in the structure of higher education courses, study programmes, establishment of a system of credits and co-operation in quality assurance. The Government will work closely with the Presidency to ensure that momentum is maintained in implementing the existing Bologna action lines after 2010 to ensure consistency of reforms across the European Higher Education Area.

Youth

The Presidency will evaluate the results of the current framework for European co-operation in the field of youth, with a view to developing the future co-operation framework. The Presidency will also focus on the implementation of the European Youth Pact and the Council Recommendation on the mobility of young volunteers. The UK is fully committed to youth volunteering and mobility and supports the Council Recommendation, as it will create tangible benefits for young volunteers in the UK.

Sports

The UK fully supports the central principles of the autonomy and specificity of sport as recently confirmed by the EU Sport Ministers' Declaration in November 2008. We will work closely with the Czechs throughout their Presidency in this field and in the wider implementation of the recommendations of the EU Sport White Paper published in 2007. The Presidency will focus on identifying forms of international co-operation in sport, while respecting its autonomy and special nature, and will look into methods to support the work of volunteers.

HEALTH

The Government welcomes the Czech Presidency's commitment to progress the inherited agenda on health. This will include work on cross-border healthcare, organ transplant safety, the pharmaceuticals package and rare diseases.

The Presidency also plans to convene three conferences on health policy. In February 2009, there will be a conference at ministerial level on the theme of "eHealth for Individuals, Society and the Economy". The aim will be to look into the issue of improving cooperation between EU Member States and increasing the quality of healthcare. A second conference will be held in May 2009 on "Financial Sustainability"; this will focus primarily on demographic trends and resource availability, management and financing. Finally, a conference held in April will look at "Anti-Microbial Resistance", with a focus on best-practice use of antibiotics in hospital settings. All of these conferences are welcome initiatives that address timely issues such as the importance of IT within healthcare, the effect of ageing populations, patient safety, and health financing.

AGRICULTURE AND FISHERIES

A 'health check' of the **Common Agricultural Policy** (CAP) was agreed in 2008. It represents a further step towards CAP reform, but the Government believes that more must be done. The Czech Presidency intends to continue the discussion on the future of the CAP after 2013, focusing on more effective use of financial resources, increasing the competitiveness of farmers and the long-term strengthening of European agriculture in an open global market. The UK will actively participate in the debate based on our 'Vision for the CAP' (published in 2005), which aims for the elimination of all direct payments and market management measures. We believe that payments should instead be focused on providing public benefits (particularly environmental benefits) that the market would otherwise not deliver.

The Government will also play an active role in the implementation of the new EU Regulation to combat illegal, unreported and unregulated fishing. The UK will work closely with the Presidency and the Commission to ensure that a flexible and effective Approved Economic Operators scheme can be implemented by 2010, in close collaboration with our fish processing industry. In addition, we will assist particular developing countries and other third countries to prepare themselves for the Regulation through cross-Whitehall sustainable development programme activities.

CULTURE AND AUDIOVISUAL MEDIA

Culture

The Czech Presidency will focus on implementing the EU Work Plan for Culture 2008–10, which Ministers agreed last year. The main policy priority will be the creative industries and Ministers will discuss these when they meet formally and at a Forum for Creative Europe, which takes place in March 2009.

Audiovisual Issues

The Presidency plans to take forward the new Audiovisual Media Services Directive. The Government fully supports this initiative to raise awareness around the legal supply of services, advertising and piracy.

JUSTICE AND HOME AFFAIRS

The Government looks forward to working closely with the Presidency on discussions concerning the preparation of a post-Hague programme for the future of Justice and Home Affairs (JHA), on which a Commission Communication is expected in May 2009. In that context, the Government welcomes the debate to be held on the future direction of work on mutual recognition of judgments in civil and criminal matters.

Home Affairs

The Government welcomes the Presidency's commitment to continue work on an EU data-sharing strategy. The Government will also support Presidency efforts to take forward the implementation of the second-generation Schengen Information System (SIS II) and will look to the Presidency to maintain momentum on negotiations on the collection and exchange of Passenger Name Records for law enforcement purposes.

Justice

The Government welcomes the Presidency's objectives to progress work on the better **protection of children**, including through a conference on the protection of children from unsuitable contact or content via the internet. Negotiations on Commission proposals addressing the trafficking in human beings and sexual exploitation of children are expected to begin under the Czech Presidency. The Presidency has also indicated that action against drugs will be a priority and the UK is working closely with them to take forward work on West Africa and on supply reduction in the context of the EU Drugs Action Plan.

The UK looks forward to considering the Presidency initiative on the prevention and settlement of conflicts of jurisdiction in criminal proceedings, which will aim to prevent undesirable parallel proceedings in a situation where two or more states have jurisdiction for conducting proceedings on the same facts.

The Presidency also plans to open discussion on a proposal dealing with succession and wills in cross-border cases. Notwithstanding the difficult and technical nature of the task, the Government agrees that an appropriate proposal in this area could bring real benefits to citizens. The UK notes that successful regulation in this area will require adequate accommodation of unique features of national legal systems. Finally, the Government welcomes the emphasis on e-Justice and recognises that this work has the potential to improve access to justice for citizens.

Migration

The Government welcomes the Czech 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. We expect the Presidency to intensify focus on migration from the east/south east of the EU, including through a ministerial conference. It will be important to maintain the Presidency's support for routes-based initiatives, which include a continued focus on migration flows from Africa.

The UK will work closely with the Presidency on assessing Commission proposals for the next stage of the Common European Asylum System. Additionally, the Government welcomes the Commission's commitment to review the Free Movement Directive and views implementation of recent JHA Council Conclusions on abuse of the Free Movement Directive as a key UK priority. Finally, the Presidency will take forward implementation of the EU Pact on Migration and Asylum which was adopted under the French Presidency. The UK supports measures proposed in the Pact to improve practical co-operation on immigration and asylum, including the strengthening of border controls and return of illegal migrants.

CYPRUS

The Government strongly supports the efforts of both Cypriot leaders to achieve a comprehensive settlement in Cyprus under United Nations (UN) auspices. The two leaders began direct negotiations on reunification on 3 September 2008. This development presents an extraordinary opportunity to achieve a united Cyprus.

The process must be driven by the two leaders, assisted by the UN. However, the EU also has an important supporting role to play: its political, technical and financial support will be vital. The Government will continue to work closely with both communities in Cyprus, as well as Turkey, Greece and other Member States, to support these negotiations. In parallel, we will continue to support the Commission's efforts to facilitate the reunification of Cyprus by encouraging the economic development of the Turkish Cypriot community through financial aid and trade liberalisation.

EXTERNAL RELATIONS

European Neighbourhood Policy

The Czech Presidency has indicated that it will focus on the **Eastern Partnership** as an external relations priority. The Government supports an Eastern Partnership that will deepen co-operation and integration between the EU and its eastern neighbours: Ukraine, Moldova, Georgia, Azerbaijan and Armenia (participation is also open to Belarus if it takes the necessary steps). The Presidency has planned a summit between EU leaders and the leaders of partner countries to launch an ambitious Eastern Partnership. The Government will work closely with the Presidency, Commission and Member States to develop the initiative, drawing on the proposals in the Commission's December 2008 Communication.

Following the 13 July 2008 Paris Summit, which saw the launch of the **Union for the Mediterranean** as a rebranded and revitalised Barcelona Process, a secretariat has been established in Barcelona to drive forward practical projects in the fields of maritime safety, trade, renewable energy, depollution and education. The Government will work closely with the Presidency and other Union for the Mediterranean partners to ensure that this secretariat is created rapidly and that its work successfully complements the wider Neighbourhood Policy. The Government will also be working closely with the Presidency and the Commission to support the early conclusion of an effective EU–Libya Framework Agreement in 2009.

Western Balkans

The Czech 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.

- The first months of the Presidency will also see a substantial increase in EU activity in **Kosovo**. The EU's policing and rule of law mission will reach full capacity in early 2009 and signifies the EU's clear commitment to supporting stability and development. The Government strongly supports Kosovo's EU perspective, and the European Commission will begin a feasibility study on how Kosovo can play its part in the region's progress towards the EU in the context of the Stabilisation and Association Process under the Czech Presidency.
- The Presidency will also need to coordinate the EU's position on **Serbia**. The Government hopes to see Serbia continue to make progress towards EU membership. The role that Serbia plays in the region and its full co-operation with the International Criminal Tribunal for the former Yugoslavia will be key in this regard.

- A particular challenge for the Presidency will be responding to the worrying political situation in **Bosnia and Herzegovina**, where ethnic nationalist rhetoric by political leaders and actions challenging the state-level institutions have compromised the reforms needed for the country's future. As well as continuing to underline the need to re-energise the reform process, the EU will also need to consider how it can adequately strengthen its presence in Bosnia and Herzegovina.
- **Montenegro** submitted a formal application for EU membership in December 2008. The Presidency will need to co-ordinate the EU's response, which will, on the one hand, need to help maintain the momentum of change and reform and, on the other, respect the strict conditions-based approach to enlargement.

Russia

The Czech Presidency will take forward negotiations on the successor to the EU–Russia Partnership and Co-operation Agreement. This commitment was confirmed at the last EU–Russia summit in Nice on 14 November 2008. The progress will be informed by an ongoing Commission review of EU–Russia relations, and by Russia's actions going forward. The Government will continue to work closely with the Presidency and other EU partners to impress upon Russia the need for full implementation of the ceasefire agreements following the conflict in Georgia, the resolution of the gas dispute with Ukraine and a commitment to the Geneva Process.

Transatlantic Relations

A strong transatlantic relationship between the EU and US is vital in order to tackle our common global challenges successfully. With a new US Administration and President keen to engage with European partners, the EU must be prepared to show focus and clarity on its key messages. The Government supports the Presidency's priorities, which include engaging with the US on current economic, energy and environmental issues, the Middle East Peace Process (MEPP), Afghanistan, Pakistan and relations with Russia. We will work with our partners to guarantee that both sides are engaged on these issues throughout the Czech Presidency, and to achieve an ambitious EU–US Summit. We will encourage EU partners to work closely with the US to persuade Iran to accept its international nuclear obligations, including through further EU sanctions if it fails to co-operate. The Government also looks forward to engaging with the Presidency on Afghanistan during this crucial period, as increased US civilian and military resources are deployed to the country, and preparations for Presidential elections take place.

The UK also welcomes the Presidency's commitment to strengthening the EU's economic relations with Canada. We will work with the Presidency to ensure a successful EU–Canada summit.

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 Middle East Peace Process (MEPP) and, in particular, to bring to an end to the current crisis in Gaza. We will prioritise work to deliver an immediate and durable ceasefire and urgent humanitarian action, while redoubling our efforts on the wider peace process. The UK strongly supports efforts by the EU to assess the readiness of the EU's Border Assistance Mission at Rafah as part of a possible ceasefire solution. The relaunching of this mission is crucial to the proper functioning of the Egypt/Gaza Rafah crossing point under the terms of the 2005 Agreement on Movement and Access. The EU has an important role to play in the MEPP and the Government will continue to work with the Czech Presidency and other EU partners to ensure that the EU does all it can both practically and politically to drive the process forward.

China

Following the Chinese postponement of the 11th annual EU–China Summit in December 2008, we expect both China and the EU to look carefully at this important relationship. The Czech Presidency will co-ordinate an EU–China Strategic Dialogue in late January 2009. This Strategic Dialogue offers the opportunity to discuss the future direction of the relationship and to ensure that both sides continue to work together on their broad range of common interests. The EU will work to support improvements in China’s human rights situation, including progress towards ratification of the International Covenant on Civil and Political Rights. The EU will continue to urge China and the Dalai Lama’s envoys to engage constructively on meaningful autonomy for Tibet, and better protection for Tibetan language, cultural and religious rights.

A further priority for the UK during the next six months will be accelerating work with China on the transition to a low-carbon economy by further developing the concept of low-carbon development zones through joint work between the EU and China. The Presidency will host the second meeting of the EU–China High Level Dialogue Mechanism, which will look at taking these issues forward.

European Security and Defence Policy

The main focus for the Czech Presidency will be the continuing deployment of the rule of law mission in Kosovo (which, with over 2,200 personnel, will be the largest EU civilian mission to date), and the monitoring mission in Georgia. The Presidency will also need to manage and monitor the EU’s first maritime operation, Atalanta, which aims to combat piracy off the Horn of Africa. Finally, the Presidency will continue to expand the police reform missions in Afghanistan and increase the activities of the police mission in the West Bank to include the rule of law sector, headed by a new British Head of Mission.

The UK will work closely with the Presidency on implementing recommendations from the European Security Strategy Review (adopted at the 2008 December European Council) which emphasised the need for a more coherent EU response and for Member States to make available adequate and sustainable civilian and military capabilities.

Counter-proliferation and Arms Control

The Presidency is expected to take forward the EU Strategy against the Proliferation of Weapons of Mass Destruction. The UK intends to continue to work closely with the Presidency on key regional issues, such as Iran and North Korea, and will continue to encourage the Presidency to work towards a successful and substantive outcome to the current Nuclear Non-Proliferation Treaty review cycle, including at the Preparatory Committee in May 2009.

We welcome the Presidency’s support of the UN process towards an Arms Trade Treaty:

- in working for a successful outcome to the Second Chemical Weapons Convention Review Conference;
- in promoting the UN Programme of Action on Small Arms and Light Weapons; and
- in agreeing a new instrument on cluster munitions.

Human Rights and Transition Policy

The Presidency's approach to human rights and transition policy will be rooted in the Czech Republic's own relatively recent experience of establishing a democracy. The Presidency will seek to bolster EU efforts in this field in particular by honing the use of the EU's existing tools (rather than by creating new ones); by supporting human rights defenders in third countries; and by working closely with civil society. The Presidency will take stock of the EU's approach to supporting democracy, hosting an event on this theme in Prague involving Member States and civil society. The Government strongly supports the Presidency agenda in these policy areas.

Development Co-operation and Humanitarian Aid

The Presidency will take forward the implementation of existing EU development commitments and strategies including: the Millennium Development Goals (MDGs), the Joint EU–Africa Strategy, aid volumes (the Monterrey Consensus), aid effectiveness (European Consensus on Development, Code of Conduct on Division of Labour and the Accra Agenda for Action) and promoting good governance. The UK is very keen that these commitments are implemented and will actively assist the Presidency. The Czechs will also focus on the impact of the economic crisis on developing countries, an important initiative that the UK is already supporting through research and analysis.

Finally, the Presidency aims to introduce new issues to the debate on development and aid such as local sustainable energy sources and an emphasis on a more balanced EU geographical focus, particularly enhancing the attention paid to south-eastern and eastern Europe. We will be working with the Presidency and others to ensure that this focus does not lessen attention on Africa, poverty eradication and the MDGs.

COMMON TRADE POLICY

Maintaining openness to trade and investment is critical to the EU's, and the wider world's, speedy recovery from the global economic downturn. The Government will work with the Presidency to ensure that openness and free and fairer trade remain EU priorities. The current World Trade Organization (WTO) trade round – the **Doha Development Agenda** – remains key to the UK's trade agenda. The UK will continue to push for an early, ambitious and pro-development outcome in 2009, working closely with the Presidency to achieve this.

The Government will also continue to support the Presidency's aim to conclude ambitious and substantive Free Trade Agreement negotiations with major trading partners as soon as possible. Finally, the UK will work closely with the Presidency in implementing the revised Market Access Strategy with respect to third countries.

ANNEX 1**Timetable of Formal Councils: January to June 2009****January**

19–20	Agriculture and Fisheries Council
20	Economic and Financial Affairs (ECOFIN) Budget Council
26–27	General Affairs and External Relations Council (GAERC)

February

10	ECOFIN Council
16	Education, Youth and Culture Council
19	Transport, Telecoms and Energy Council
23	GAERC
23–24	Agriculture and Fisheries Council
26–27	Justice and Home Affairs (JHA) Council

March

2	Environment Council
5–6	Competitiveness Council
9	Employment, Social Policy, Health and Consumer Affairs Council
10	ECOFIN Council
16–17	GAERC
19–20	EUROPEAN COUNCIL
23–24	Agriculture and Fisheries Council
30–31	Transport, Telecoms and Energy Council

April

6–7	JHA Council
23–24	Agriculture and Fisheries Council
27–28	GAERC

May

5	ECOFIN Council
11–12	Education, Youth and Culture Council
18–19	GAERC
25–26	Agriculture and Fisheries Council
28–29	Competitiveness Council

June

4–5	JHA Council
8–9	Employment, Social Policy, Health and Consumers Council
9	ECOFIN Council
11–12	Transport, Telecoms and Energy Council
15–16	GAERC
18–19	EUROPEAN COUNCIL
22–23	Agriculture and Fisheries Council
25	Environment Council

ANNEX 2

Future Presidencies of the EU

2009		Sweden
2010	Spain	Belgium
2011	Hungary	Poland
2012	Denmark	Cyprus
2013	Ireland	Lithuania
2014	Greece	Italy
2015	Latvia	Luxembourg
2016	Netherlands	Slovakia
2017	Malta	United Kingdom
2018	Estonia	Bulgaria
2019	Austria	Romania

The Czech Presidency of the European Union from 1 January to 30 June 2009 will focus on three key priorities – the economy, energy and the EU in the world. This Command Paper provides an overview of the key policy areas which the Czechs are expected to take forward under their Presidency as set out by their Work Programme.



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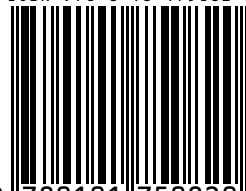
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