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PROSPECTS FOR THE EUROPEAN UNION IN 2007



The German Presidency,
January to June 2007



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January to June 2007

Presented to Parliament
by the Secretary of State for Foreign and Commonwealth Affairs
by Command of Her Majesty
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OVERVIEW

At a time of global change, the EU faces many challenges that need to be addressed if it is to improve the lives of its citizens, including taking action on climate and energy security, economic reform and globalisation. Over the coming year and beyond, the EU and its Member States will work together to deal with these and other issues. This White Paper looks ahead to the priorities of the Presidencies of the EU in 2007, with a particular focus on the German Presidency.

CLIMATE AND ENERGY SECURITY

Achieving climate security and making progress on strategic energy issues are key international objectives. They are also top priorities for the EU. Effective action will make a real difference in two areas that matter to EU citizens.

The Spring European Council on 8-9 March 2007 is an opportunity to agree ambitious action in response to the Commission's Strategic Energy Review (SER). This provides for the first time a blueprint for a rapid transition to a low-carbon economy that aligns the requirements of both energy and climate security. The Government warmly welcomed the SER, which follows on from the Prime Minister's call, at the Hampton Court informal summit in 2005, for a common European energy policy. The EU Energy Action Plan will be a package of proposals covering energy market liberalisation, energy efficiency and renewable sources of energy.

The German Presidency will also want to agree a common EU position on a post-Kyoto framework for international climate protection. This can form the basis for wider international agreement at the G8 summit in June and is likely to feature ambitious emission reduction targets. The Government will work with our European partners to define the concrete actions necessary to achieve climate security.

ECONOMIC REFORM AND THE SINGLE MARKET

Ensuring that business and individuals can use the single market to its full potential is essential to Europe's ability to deliver jobs and growth. The German and Portuguese Presidencies will therefore focus on delivering the next steps in the EU's economic reform agenda, taking forward the Lisbon agenda and the actions agreed at Hampton Court under the UK Presidency. The German Presidency aims to make substantial progress towards the full liberalisation of EU energy markets, further liberalisation of postal services, reducing mobile roaming costs and extending the single market for television services.

The Commission is also conducting a fundamental review of the single market, which will include recommendations to improve the functioning, implementation and enforcement of single market principles through greater use of market-based monitoring. Under the German Presidency we will see significantly increased funding for research become available and a new, autonomous European Research Council, which will disperse some of these funds. The Government supports these efforts, as well as the work being undertaken to strengthen the single market.

BETTER REGULATION

Creating a more effective regulatory framework is central to the EU's competitiveness. It is an important demonstration of how the EU can deliver for business and citizens, and making progress on the Better Regulation agenda is a key priority for the German Presidency. The Government will be looking to the Spring European Council to endorse a target of 25% for the reduction of EU-level administrative burdens on business, to be achieved in the medium term. A number of Member States, including the UK, have already

committed to a similar national target, and we will therefore continue to encourage Member States to tackle domestic regulatory burdens to help deliver effective change. It is crucial that EU institutions and Member States work together to deliver on the Better Regulation agenda. We hope that the Commission's identification of priority areas for lifting administrative burdens will bring early and visible results.

ENLARGEMENT

The Government will continue to support enlargement, which remains a huge European achievement and the EU's primary tool to achieve prosperity and security in our continent. The December 2006 European Council concluded that the EU would proceed with its commitments to Croatia, Turkey and the Western Balkans. During the German Presidency the screening process for Croatia and Turkey will continue, and further chapters will be opened for negotiation. The Western Balkan countries will also continue to move closer towards EU membership in accordance with their respective progress with the necessary reforms.

FUTURE OF EUROPE

The 50th anniversary of the signing of the Treaties of Rome will take place in March. The German Presidency is hosting an Informal Meeting of Heads of State and Government on 25 March in Berlin to mark the event and is planning to issue an accompanying political declaration. The German Presidency will also take forward discussions on the future of Europe. At the June European Council, it will present a report – based on extensive consultations with Member States – assessing the state of discussions on the Constitutional Treaty and exploring possible future developments. Portugal is expected to continue this work under its Presidency. The Minister for Europe set out the Government's approach to these discussions in a Written Ministerial Statement to Parliament on 5 December 2006, which is attached as an annex.

POLICY AREAS

CLIMATE AND ENERGY SECURITY

Climate and Energy Security

1. Action to achieve climate security is a key challenge for the international community. The Stern Review demonstrates the economic benefits of early action on climate change, and alongside this, a common EU energy policy must help to deliver a low-carbon European economy. The Government welcomed the agreement at the Lahti informal meeting of EU leaders in October 2006 to develop an EU Energy Policy that would address both climate and energy security. We therefore endorse the German Presidency's commitment to make progress on EU action to achieve this.
2. The Commission's Strategic Energy Review (SER) and Climate Change Communication will form the basis of an EU Action Plan on climate and energy, which EU leaders should adopt at the Spring European Council. The SER includes welcome proposals for achieving emission reductions, promoting low-carbon technologies and energy sources, a proactive action plan on energy efficiency and the development of an EU external energy security strategy that ensures reliable, affordable and sustainable energy across Europe. The Government welcomes the SER proposals and will work with the German Presidency and the Commission to refine its recommendations and adopt a practical, ambitious Action Plan incorporating emission reduction targets.
3. A key element of the SER is the proposal for all new fossil fuel power stations built in the EU after 2020 to be fitted with Carbon Capture and Storage (CCS). The Government supports this ambition, which offers the prospect of taking emissions out of the European power sector.
4. The EU Action Plan should be used as a springboard for progress towards wider international agreement on energy efficiency and a post-2012 framework at the G8 Summit in June, including on a long-term goal for emission reductions. The Government believes that the EU must send a clear signal to show its readiness and commitment to move towards agreeing such a goal and be prepared to have an open debate with international partners about the scale of action needed.
5. We also look forward to further discussions on the EU Emissions Trading Scheme (ETS). The EU ETS must remain central to the EU's medium and long-term strategy for reducing emissions. We welcome the German Presidency's plans to take forward discussion on the review of the Scheme, as well as on the legislative proposal to include emissions from aviation in the EU ETS.
6. Effective international action will require engagement with major energy consuming economies. It is important that we build on existing EU agreements on action to achieve climate and energy security with the United States, China and India. In particular, we want the EU summits with these countries in 2007 to agree the need for targeted action.

Single Market in Gas and Electricity

7. The completion of an effective European single market in energy is essential for lower prices and to provide more choice and transparency for consumers. It will also help to ensure security of supply and energy diversification as our energy requirements change. The EU has committed to the complete opening of energy markets across Europe by 1 July 2007, and this is a central element of the Government's climate and energy security agenda. We therefore strongly welcome the SER's support for full ownership unbundling of energy networks and strengthening national energy regulators. We also

welcome the Commission's detailed Sector Inquiry, which identified serious malfunctioning in the internal energy market. The Government agrees that action must be taken to address these through a combination of the regulatory measures proposed in the SER and action under competition law.

COMPETITIVENESS

Single Market

8. Tackling the remaining barriers to competition and innovation in the single market is a top priority for the EU. Progress towards the full liberalisation of energy markets will be a key objective for the German Presidency in this area, and the Government will support moves towards the opening up of this sector. The Commission is currently conducting a fundamental review of the single market, and will set out its initial views in the first half of the year. It is expected to recommend market-based monitoring and evidence to develop the single market. This will help to remove the remaining barriers to free trade and benefit business and consumers. The German Presidency will also lead discussions on improving the single market for goods, with proposals on standards and mutual recognition; on the completion of an open market in postal services; and on an agreement on the proposed Commission Regulation to regulate call charges for international mobile roaming.
9. The EU Audiovisual Media Services Directive will extend the Television Without Frontiers Directive, which established a single market in television services, to video on-demand services. The Government is hopeful that a formal Council position, reflecting the General Approach agreed in 2006, can be adopted later this year. We also welcome the German Presidency's plans to look at ways to tap into the growth and employment potential of the cultural sector more effectively. The Government will work with the Presidency towards agreement of practical solutions on the issue of corporate restructuring, which is essential for the effective functioning of the single market, whilst avoiding unnecessary constraints on business. In this vein we will support the increased use of competition policy to tackle market barriers, and we welcome the Commission's renewed focus on sector inquiries, including reports into energy markets and financial services.

Trade and External Competitiveness

10. Progress towards the opening of markets through the WTO trade round – the Doha Development Agenda (DDA) – remains the top trade priority for the Government and the EU. We will continue to work with the European Commission, our EU partners and other WTO members to press for an ambitious, pro-development outcome to the negotiations.
11. The Council will discuss draft mandates from the Commission to negotiate new EU Free Trade Agreements with India, South Korea and ASEAN countries, and Association Agreements with the Central American countries and the Andean Community. The Government will work to ensure that these agreements do not undermine prospects for the DDA negotiations and act as building blocks for future multilateral liberalisation, as well as taking account of the development needs of our partners and the consequences on poorer developing countries.
12. In parallel, we need to embrace globalisation by promoting an increasingly active policy of openness at home as well as abroad. Enhancing EU competitiveness relies heavily on doing more to improve the single market and more to open our markets to third countries, and the Government will be working hard within the EU framework to achieve this.

Innovation and Research

13. The EU needs to do more to foster innovation and make it easier to bring research ideas to market. Following the Lahti summit in October 2006, EU leaders agreed on a series of priority actions to progress this agenda, including patent reform, launching joint research technology initiatives and setting industry-wide standards for new technologies. The German Presidency will take this work forward, with a particular emphasis on ensuring small and medium-sized enterprises (SMEs) can garner the benefits of EU research. The Government supports this approach. We will work with the Commission, and other Member States, to carefully consider the Commission proposal for a European Institute of Technology, which aims to help fill the gap between higher education, research and innovation. We also look forward to the discussion of eco-innovation under this Presidency.
14. The 7th Framework Programme for Research will be launched under the German Presidency. This provides significantly increased funding for the very best research – an increase of 75% over the next seven years – as part of the ongoing modernisation of the EU budget. The European Research Council (ERC), endorsed by EU leaders at Hampton Court, will be established as part of this programme. The ERC has the potential to reinforce and improve the quality and impact of European research by awarding funding to individuals or groups solely on the basis of scientific excellence.

Education and Skills

15. World class education and skills provision is crucial to maintaining and improving EU competitiveness. We need to ensure that Europe's higher education institutions learn from best practice within Europe so that they can effectively compete with the best universities in the United States and Asia. The German Presidency will therefore take forward the proposal to create a compendium of good practice for higher education.
16. The German Presidency also aims to reach agreement on the European Qualifications Framework. This will facilitate the recognition of qualifications across Europe, making it easier to compare qualifications and therefore better enabling people to take up learning and job opportunities in other European countries. The Government will work with EU partners to achieve this.

Strengthening Cities and Regions

17. The German Presidency will lead a discussion amongst Member States on promoting integrated urban development, as well as greater policy co-ordination at all levels of government, to help strengthen the competitiveness of local and regional economies. An informal Ministerial meeting in Leipzig in May will take this forward, and the Government will contribute to this debate.

Consumer Protection

18. A strong consumer policy will allow consumers to benefit from the extension of competitive markets, increased cross-border shopping and effective enforcement and redress. The Government supports its development at EU level, as well as the German Presidency's focus on the effective implementation of the EU consumer policy strategy and the programme of action. The Government expects the Commission to publish a communication on the Review of the Consumer Acquis early in the year, which should focus on the simplification of the regulatory framework of EU consumer protection law.

ECONOMIC AND MONETARY POLICY

Euro Membership

19. Slovenia adopted the Euro on 1 January 2007, having fulfilled the convergence criteria for membership. The Commission's bi-annual Convergence Report, published in December 2006, assessed the progress of Sweden and the Member States that joined the EU in 2004*, and concluded that none had yet met all of the convergence criteria necessary to adopt the Euro.

Taxation

20. The German Presidency will take forward work on combating tax fraud and modernising and simplifying the VAT system. The Government believes that fair tax competition is the right way to generate growth, prosperity and jobs in Europe, consistent with the economic reform agenda and developing Europe's international competitiveness. We will continue to oppose any future proposals in Europe for tax harmonisation that would harm UK interests.

BETTER REGULATION

21. The Austrian and Finnish Presidencies built on the work of previous Presidencies, including the UK's 2005 Presidency, in embedding the principles of Better Regulation throughout the EU institutions. This has led to greater use of impact assessments, the development of robust methodologies for measuring regulatory costs to business and a renewed focus on the effects of EU regulation on SMEs in particular. The Government is working with the German Presidency and the Commission to ensure that we keep up the momentum. The Commission's Strategic Review, published under the Finnish Presidency, proposes a target of 25% for the reduction of EU-level administrative burdens on business. We welcome the German Presidency's focus on agreeing this target as a good basis for future delivery. We also want to see tangible and quicker progress on the simplification of existing legislation, and further embedding of the use of impact assessment, in particular for substantive amendments proposed by the Council and the European Parliament.

ENVIRONMENT AND AGRICULTURE

Agriculture and Fisheries Reform

22. The Government welcomes the German Presidency's ambitions for agriculture. We particularly wish to see a quick conclusion to the ongoing negotiations on the Voluntary Modulation Regulation. The provision, as agreed at the December 2005 European Council, allows Member States to bolster their rural development support mechanisms by transferring funds from Pillar I to Pillar II of the Common Agricultural Policy (CAP). The reform of the fruit and vegetables and wine regimes continues the wider reform of the CAP, and progress on the simplification of cross-compliance rules will reduce burdens on farmers and other users. The Government also hopes that the current plant protection regime is strengthened where this is practical and proportionate.
23. The Government supports the German Presidency's plans to progress with the simplification of the Common Fisheries Policy and tackle illegal fishing. We look forward to their proposals on a cod recovery plan for the Baltic and protection of European eel stocks, as well as the implementation of the Greenland Fisheries Agreement.

*Except for Lithuania, whose assessment took place in May 2006 and has also not yet met the criteria.

Biodiversity

24. The Government welcomes the German Presidency's focus on the protection and sustainable use of biological diversity, including on the 2010 biodiversity target and areas for action such as forests and protected areas. We will work closely with the German Presidency, both at the European level and through key international fora such as the Convention on the International Trade in Endangered Species (CITES) and the Convention on Biological Diversity, where the EU can play a leading role. We also fully support the focus on the sustainability of the high seas through tackling destructive and unsustainable fishing practices and identifying conservation areas, which will also contribute significantly to the 2010 target.

Waste

25. The German Presidency intends to finalise negotiations on the Commission proposals for revision of the EU Waste Framework Directive, and hopes to reach agreement on this at the informal Environment Council in June. The Government will continue to play an active part in the negotiations, with the aim of ensuring that revisions to the Directive promote waste prevention, recycling and the efficient use of resources, while maintaining a high level of protection for human health and the environment.

Animal Welfare and Food Safety

26. The German Presidency will promote work on animal welfare and food safety – in particular recognising the links between the Action Plan on Animal Welfare and a roadmap for the Animal Health Strategy 2007-2013. Any changes to BSE controls must ensure that consumers and animal health remain fully protected, and should be proportionate to the known risk, based on sound science, practicable and enforceable.

TRANSPORT

27. Liberalisation of the transatlantic air transport sector will increase passengers' choice of destination and carrier. The German Presidency intends to continue with negotiations in this area to achieve a balanced deal, which remains the Government's objective. The German Presidency will also take forward the liberalisation agenda in other transport areas, such as rail. In the context of innovative vehicle design, the German Presidency will identify practical approaches to improving safety on Europe's roads.

EMPLOYMENT, SOCIAL AND HEALTH POLICY

Flexibility and Security

28. The German Presidency will take forward discussions on the social dimension of labour market policy and the Government welcomes the Commission's commitment to bring forward work on the principles of 'flexicurity'. Adaptability should be a key element of these principles, as there is no single labour market model that will work for all Member States. The Government will work with European partners to boost job creation and increase the adaptability of our labour markets to take advantage of globalisation.

Demographics and Participation

29. The challenge of an ageing and shrinking population in Europe cannot be met purely through increasing birth rates or migration. We need to ensure that we increase access to the labour market for all our citizens, by offering people real options to balance their home and work lives and increasing efforts to make the labour market more reflective of wider society.

30. The Government expects the German Presidency to build on the Hampton Court remit to tackle the demographic challenge facing Europe through their Alliance for Families initiative. 2007 is also the year of equal opportunities for all across Europe, and the Government welcomes the focus that a number of events will bring in showcasing effective opportunity for all in a Europe that values diversity.

Health

31. The German Presidency intend to focus on three key health themes, which the Government supports – innovation (particularly in pharmaceuticals), health promotion (including a Ministerial conference on HIV/AIDS in March), and access to health services. It aims to progress and possibly conclude work on the draft regulation on Advanced Therapies and the revision of the Medical Devices Directive. The German Presidency will also begin discussions on how Member States reimburse each other for healthcare benefits accessed by their citizens when living or travelling abroad. We expect a legislative proposal covering patients who go overseas for treatment later this year.

Occupational Safety and Health

32. The German Presidency will bring forward a Council Resolution on the EU's new Occupation Safety and Health Strategy. It is hoped that political agreement will be reached on a directive to simplify the reporting by Member States on the practical implementation of existing directives, which the Government will support.

AREA OF FREEDOM, SECURITY AND JUSTICE

Police and Judicial Co-operation

33. Cross-border crime, drugs and people trafficking and terrorism pose a significant threat to the UK and Europe, and working with our European partners is often the most effective means of combating such issues. The Government will support the German Presidency's plans for continued implementation of the EU counter-terrorism strategy and action plan, building on progress already made. In addition to ongoing work to prevent radicalisation and recruitment, there will also be a greater focus on monitoring terrorist use of the Internet, where the Government will liaise closely with the German Presidency. Together with our EU partners, we will work to take forward the new programme on protecting European critical infrastructure.
34. The fight against organised crime will be a priority for the German Presidency. They have attributed particular importance to co-operation between national police forces. The Government will offer support for the German Presidency to deliver practical results through intensified operational co-operation, including considering transposing the Treaty of Prüm into EU law, as well as improving data sharing arrangements.
35. Work in the field of judicial co-operation will focus largely on a proposal to establish common minimum standards in criminal procedural rights. The Government will emphasise the importance of practical measures that encourage compliance with the European Convention on Human Rights (ECHR). Progress on improving mechanisms for exchanging and recognising information on criminal convictions will also remain a priority for both the German Presidency and the Government.

Asylum and Migration

36. Managing migration and asylum is a common challenge facing EU Member States, and we can only deal successfully with this challenge through concerted action and practical co-operation. The Government will work to ensure that momentum is maintained on existing work with Africa and the Mediterranean, building on progress made over the past year and taking forward the Action Plan agreed in Tripoli in November 2006. There will be a specific role for the Government in taking forward the East Africa Migration Routes Initiative, and we will also contribute to progress on the Global Approach to Migration and develop closer relationships with countries of origin and transit.
37. The German Presidency envisages progress on illegal immigration and sees an enhanced role for the EU borders agency, Frontex, in co-ordinating returns to third countries. During the first half of 2007 the Commission will produce a report evaluating asylum regulations and cross-border fingerprint checking, and we welcome the German Presidency's commitment to oversee discussion of this report.

Improving legal certainty for citizens and business

38. Removing practical barriers to the vindication of individuals' rights in other EU countries is an important practical benefit for UK citizens. The Government will support the German Presidency on pressing forward negotiations on regulations on choice of law in contractual ('Rome I') and non-contractual ('Rome II') matters. Rome II will help to increase legal certainty and reduce the costs of cross-border cases. The Government is also supportive of the Europe Private Company statute, designed to give SMEs better access to the single market, and we favour a light-touch and user-friendly approach.
39. The German Presidency will take forward work on a common frame of reference in contract law. The Government will be actively engaged in the proposed conference on this subject and supports the German Presidency's aim to ensure that practitioners' views are heard. In relation to family law matters, such as maintenance and divorce, the Government will stress the need for any activity at EU level to fully respect the sensitive nature of this important area. We believe that such co-operation should focus on real solutions to real problems and be aimed at benefiting children and families.

FUTURE OF EUROPE

40. On 25 March 2007, the German Presidency will host an Informal Meeting of Heads of State and Government in Berlin to mark the 50th anniversary of the signing of the Treaties of Rome. The Presidency is also planning to issue an accompanying political Declaration to mark the event. We expect the Declaration to celebrate the past achievements of the EU, set out its essential values and also look forward to the challenges facing it, as well as how the EU can deliver for its citizens in the era of globalisation.
41. According to the conclusions of the June 2006 European Council, the German Presidency will present a report to the European Council on 21-22 June, based on extensive consultations with Member States, about the future of Europe. Discussions are expected to continue under the Portuguese Presidency. The Minister for Europe set out the Government's approach to these talks in a Written Ministerial Statement on 5 December 2006, which is attached as an annex. Our overall aim in discussions about the future of Europe will be guided by the following principles – pursuing British interests, modernisation and effectiveness, consensus, subsidiarity, the use of existing treaties, and openness.

ENLARGEMENT

42. Under the German Presidency the Government expects progress to continue to be made on negotiations with both Turkey and Croatia. The screening process will continue, and we look forward to the opening of chapters when the technical preparations have been completed. The Government remains a strong supporter of enlargement and is keen that negotiations should be fair and of a high quality.

CYPRUS

43. The Government continues to strongly support efforts to achieve a comprehensive settlement in Cyprus under UN auspices. The German Presidency will take forward the Council's 2004 commitment, reiterated in January 2007, to end the isolation of the Turkish Cypriots and to facilitate the reunification of Cyprus by encouraging the economic development of the Turkish Cypriot community. The Government will continue to work with the Commission, the Presidency and EU partners to find a mechanism to enable the Turkish Cypriots to trade directly with the EU, and we hope to see early progress in this respect.

WIDER EUROPE AND NEIGHBOURHOOD

Western Balkans

44. During the German Presidency we expect the Western Balkans countries to continue to move forwards towards EU membership. The Government hopes that talks with Serbia, Montenegro and Bosnia & Herzegovina on Stabilisation and Association Agreements (SAAs) will make progress. Although Serbia's SAA negotiations currently remain suspended because of its failure to co-operate with the International Criminal Tribunal for the former Yugoslavia, the EU has made clear that it remains committed to Serbia's EU perspective, as well as that of the other applicant countries in the region.

European Neighbourhood Policy

45. Strong links with our neighbouring countries outside the EU will help support reform, stability and social and economic growth. The December 2006 European Council invited incoming Presidencies to move ahead on the European Neighbourhood Policy (ENP) and the Government will work with the German Presidency to achieve this. This is likely to focus on developing the proposals in the Commission's Communication of 4 December 2006 to strengthen the ENP and to increase the incentives to partner countries to reform. We also expect a continued focus on the implementation of the existing agreed Action Plans.

THE EU's EXTERNAL RELATIONS

46. Concerted action by EU Member States and the Commission plays a vital role in promoting stability and security throughout the world and is, therefore, extremely important in helping the Government to achieve its international priorities. The Government will continue to work closely with the German Presidency, other EU Member States, and the Commission to ensure that the EU's policies and actions on external relations are focused, effective and coherent.

Counter-Proliferation

47. The Government will work closely with the German Presidency to help deliver the EU's priorities, taking forward the EU Strategy against the Proliferation of Weapons of Mass Destruction. We welcome the German Presidency's particular attention to preparing for the next Nuclear Non-Proliferation Treaty review cycle. The Presidency will also concentrate on key regional issues such as Iran and North Korea and follow up on the recently concluded Biological and Toxin Weapons Review Conference. We will co-operate closely with the Presidency on taking forward work towards an Arms Trade Treaty following last December's resolution, which attracted strong international support.

European Security and Defence Policy

48. The European Security and Defence Policy (ESDP) will continue to contribute to global and regional security in line with the EU's international commitments. Under the German Presidency, we can expect further progress on ESDP, including preparation of a civilian mission in Kosovo to take over a range of tasks from the current UN Mission. It is likely that the German Presidency will also see EU agreement to launch a civilian rule of law mission in Afghanistan. EU Battlegroups, a rapid response capability, reached Full Operating Capability in January 2007. An Operations Centre is also now available to the EU, which can be activated by a Council decision, to co-ordinate autonomous EU missions. In addition, we expect further efforts to explore modalities for EU-UN co-operation on peacekeeping.

Development

49. At Gleneagles during the UK's Presidency in 2005, the G8 agreed significant commitments on development – including a \$50 billion doubling of aid by 2010, with half going to Africa. EU action to achieve the UN Millennium Development Goals was an essential foundation of those commitments. Since then, successive EU Presidencies have strongly focused on implementation. The German Presidency will continue this work, in particular to implement the EU-Africa Strategy, the European Consensus for Development and steps to increase aid effectiveness. The Government will work closely with the Presidency, Commission and partners to support these efforts.
50. The annual Monterrey follow-up report will evaluate progress on providing more and better aid – needed to meet the Millennium Development Goals and with a focus on increasing development assistance. The Commission Review of the negotiations on Economic Partnership Agreements (EPAs) between the EU and African, Caribbean and Pacific States will be concluded, and the EU will need to ensure that a development focus is maintained.

Kosovo

51. The Kosovo Final Status Process will be a particular priority for the German Presidency, and the Government will support them in this. The EU supports the UN-led status process, and is ready to take a substantial role in the implementation of its outcome. Planning is underway for a major EU policing and rule of law mission for Kosovo, which would represent the largest civilian ESDP mission to date.

Russia

52. During the German Presidency, the EU will intensify discussions with Russia on the four 'common spaces' – economics, justice and home affairs, external relations, and cultural issues. These discussions will have particular resonance for the EU and the Government in energy security, trade and human rights. The German Presidency also plans to open negotiations on a successor to the existing Partnership and Co-operation Agreement with Russia and to increase co-operation in international crisis management.

Central Asia

53. Under the German Presidency, the EU will adopt a strategy for strengthening its engagement with Central Asia. The Government welcomes the focus on this region, which is of increasing importance for Europe – not least in the context of energy security. We will work with the Presidency, the Commission and other Member States to develop a strategy that meets the Government's strategic overseas priorities and advances UK and European interests in the region.

Iraq

54. The Government will continue to help the Government of Iraq, both bilaterally and through the EU, to develop its capacity to provide security and services for its people. During this Presidency and beyond, we will encourage the Commission and Member States to implement the recommendations on engagement set out by the Commission's communication of July 2006. As well as offering support for the rule of law, human rights, national reconciliation and economic prosperity, the Commission will continue to negotiate a Trade and Co-operation Agreement with the Government of Iraq.

Iran

55. The Government will continue to focus its efforts on securing Iranian compliance with the requirements of the International Atomic Energy Agency (IAEA) Board of Governors and the United Nations Security Council, including the requirement that it should suspend all uranium enrichment-related, reprocessing and heavy water related activities. We will also encourage Iran to address international concerns regarding its support for terrorism, its role in the region, its attitude towards Israel and the violation of human rights.

Middle East Peace Process

56. The EU will continue to play an active role in the Middle East Peace Process in 2007, in its own right and as part of the Quartet. The focus will be on supporting further negotiations between the two parties and looking to reinvigorate the Roadmap, the best vehicle for establishing a just and lasting peace. The EU will look to expand on practical steps to further the peace process, including building the capacity of Palestinian institutions in support of a future Palestinian state.
57. The EU will also continue its support to the Palestinian people, providing assistance through the Temporary International Mechanism until there is a government we can engage with, as well as through the UN Relief Works Agency and other humanitarian organisations. The EU will continue to promote human rights and respect for international law, both in Israel and the Occupied Territories.

Afghanistan

58. The December European Council adopted a declaration on Afghanistan, which reaffirmed the EU's commitment to reconstruction and development in the country. As well as work being carried out by the Commission and individual Member States, the EU sent a Fact-Finding Mission to Afghanistan late last year to explore ways of enhancing EU engagement in the rule of law sector. Member States are currently discussing the Mission's recommendation to deploy a civilian ESDP mission to Afghanistan in the area of policing, with linkages to the wider rule of law.

Africa

59. The Government will work closely with the German Presidency to continue to implement the commitments made in the EU Strategy for Africa agreed under the UK Presidency. This will concentrate on the priorities identified at the December 2006 European Council. The German Presidency will focus particularly on trade, energy, governance, HIV/AIDS and progress towards meeting aid volume commitments. We hope the proposed EU-Africa Summit planned for the second half of 2007 will endorse a new joint strategy, which is currently being discussed with African partners.

Asia

60. The German Presidency will push ahead with negotiation of a new EU-China Partnership and Co-operation Agreement (PCA), as agreed at the 9th EU-China Summit in September 2006. This will encompass the full scope of our bilateral relations, including human rights and enhanced co-operation in political matters. Continuing the exchanges on East Asian regional security with other key players, including the US, China, Japan and Australia, is another of the Presidency's welcome priorities. The Government will also work with the German Presidency to further implement the 2005 EU-India Action Plan, intensify co-operation between the EU and India in the field of science and technology, and ensure that the EU-India Free Trade Agreement complements the multilateral process.

WRITTEN MINISTERIAL STATEMENT ON THE FUTURE OF EUROPE

Statement on the Future of Europe (German Presidency) - Official Report, 5 December 2006, Columns 10-11WS

The Minister for Europe (Mr. Geoffrey Hoon):

According to the conclusions of the June 2006 European Council, the German Presidency will present a report at the June 2007 European Council based on extensive consultations with Member States about the future of Europe. The purpose of this statement is to inform the House about the principles that will underpin the Government's approach to these discussions.

Europeans need to be equipped to maximise the opportunities (and minimise the risks) that globalisation presents. By retaining our focus on the delivery of practical benefits to citizens, the EU can demonstrate the tangible contribution it makes to enhancing prosperity and security in a global age. Enlargement has delivered an unprecedented period of peace and prosperity within the EU's borders. The prospect of EU membership is extending these benefits to our neighbours. In the forthcoming discussions, the Government's overall aim will be to maintain the EU's focus on the delivery of policy and, in discussion on the future of Europe, will be guided by the following principles:

Pursuing British interests: Our starting point is that we must safeguard our prosperity and security. Britain is a strong, confident and influential European power that can help to lead reform and modernisation, shape debates, build alliances and win the arguments. By engaging with our European partners and friends, we get the right results for Britain and for Europe as a whole. The EU's focus on delivery of policy is an example of where we have helped to steer the EU towards a path that provides practical benefits for all Europe's citizens.

Modernisation and effectiveness: The EU is crucial for delivering what we want in a whole range of areas such as: climate and energy security; promotion of trade liberalisation; and migration. We recognise that the EU must continue to adapt and modernise if it is to implement effectively the policies that we want

and support. We will therefore favour proposals that modernise the workings of the EU so that it is better equipped to meet both today's and future challenges.

Consensus: The European Union is now a much broader organisation and there is a wide range of views to be taken into account. Some 15 Member States have substantially completed their domestic ratification procedures. Some 10 Member States have not ratified, of which two, France and the Netherlands, have held referenda which resulted in 'no' votes. Decisions on next steps will have to be agreed by all the Member States and take account of all relevant interests.

Subsidiarity (working at the right level): We will continue to ensure that action is taken at the right level. In areas where the EU can add value it should do so. But where there are issues that can most effectively be tackled at the national level the onus remains on Member States to take action. We continue to be in favour of measures which enhance subsidiarity and the role of national Parliaments.

Use of existing Treaties: As agreed at the June 2006 European Council, we need to make best use of the possibilities offered by the existing treaties in order to deliver practical results that citizens expect. For example, the European arrest warrant, which was agreed on the basis of the current treaties, allows us to speed up and simplify arrangements for cross-border investigations and prosecutions thereby making a significant contribution to the fight against cross-border crime.

Openness: The EU must keep pace with global change. We want an EU which is outward looking, open to new developments, to trade and investment, and to developing partnerships with third countries.

TIMETABLE OF COUNCILS, GERMAN PRESIDENCY

8 January	Agriculture and Fisheries Council
15–16 January	Informal Meeting of Ministers for Justice and Home Affairs
18-20 January	Informal Meeting of Employment and Social Affairs Ministers
22-23 January	General Affairs and External Relations Council
29 January	Agriculture and Fisheries Council
30 January	ECOFIN Council
12-13 February	General Affairs and External Relations Council
12-13 February	Informal Meeting of Ministers for Culture and Media
15 February	Transport, Telecommunications and Energy Council
15-16 February	Justice and Home Affairs Council
16 February	Education, Youth and Culture Council
19 February	Competitiveness Council
20 February	Environment Council
22 February	Employment, Social Policy, Health and Consumer Protection Council
26-27 February	Agriculture and Fisheries Council
27 February	ECOFIN Council
1-2 March	Informal Meeting of Defence Ministers
1-2 March	Informal Meeting of Education Ministers
5-6 March	General Affairs and External Relations Council
8-9 March	European Council
12-13 March	Informal Meeting of Ministers for Development Co-operation
19-20 March	Agriculture and Fisheries Council
22-23 March	Transport, Telecommunications and Energy Council
25 March	Informal Meeting of Heads of State and Government
27 March	ECOFIN Council
30-31 March	Informal Meeting of Foreign Affairs Ministers (Gymnich)

TIMETABLE OF COUNCILS

16-17 April	Agriculture and Fisheries Council
19-20 April	Justice and Home Affairs Council
19-20 April	Informal Meeting of Health Ministers
20-21 April	Informal Meeting of ECOFIN Ministers
23-24 April	General Affairs and External Relations Council
26-28 April	Informal Meeting of Ministers for Competitiveness
7-8 May	Agriculture and Fisheries Council
8 May	ECOFIN Council
14-15 May	General Affairs and External Relations Council (including Development and Defence)
15-16 May	Informal Meeting of Ministers for Gender Equality and Families
20-22 May	Informal Meeting of Agriculture Ministers
21-22 May	Competitiveness Council
23-25 May	Informal Meeting of Ministers for Urban Development and Territorial Cohesion
24-25 May	Education, Youth and Culture Council
30-31 May	Employment, Social Policy, Health and Consumer Protection Council
1-3 June	Informal Meeting of Environment Ministers
5 June	ECOFIN Council
7-8 June	Transport, Telecommunications and Energy Council
11-12 June	Agriculture and Fisheries Council
12-13 June	Justice and Home Affairs Council
18-19 June	General Affairs and External Relations Council
21-22 June	European Council
28-29 June	Environment Council

FUTURE PRESIDENCIES

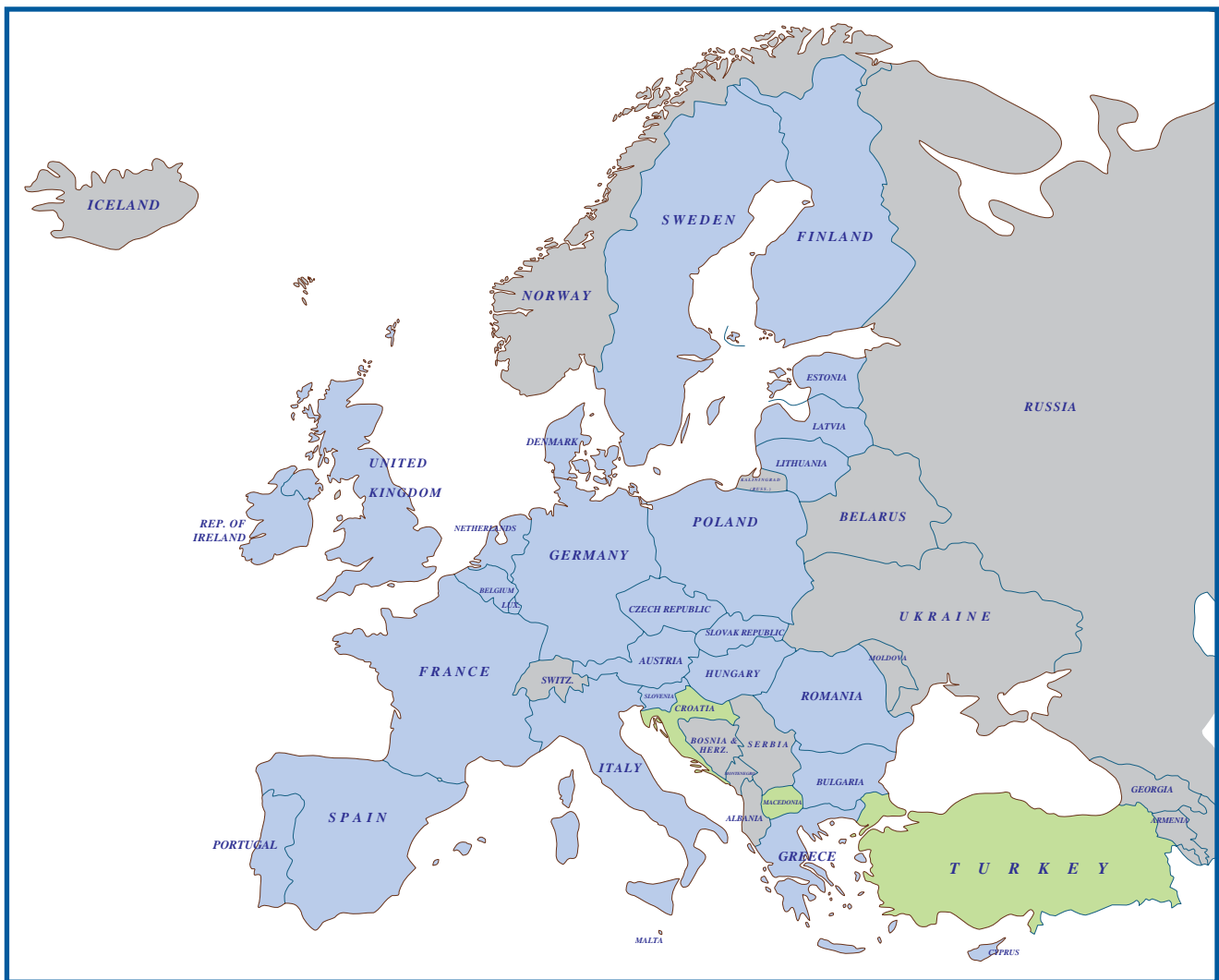
Portugal	July – December 2007
Slovenia	January – June 2008
France	July – December 2008
Czech Republic	January – June 2009
Sweden	July – December 2009
Spain	January – June 2010
Belgium	July – December 2010
Hungary	January – June 2011
Poland	July – December 2011

DECISION-MAKING IN THE EU IN 2007

The number of MEPs and the number of votes in the Council of Ministers that each Member State receives is roughly linked to the size of its population. These new figures reflect the situation following the accession of Bulgaria and Romania on 1 January 2007.

Member State	Number of MEPs	Votes in Council
Austria	18	10
Belgium	24	12
Bulgaria	18	10
Cyprus	6	4
Czech Republic	24	12
Denmark	14	7
Estonia	6	4
Finland	14	7
France	78	29
Germany	99	29
Greece	24	12
Hungary	24	12
Ireland	13	7
Italy	78	29
Latvia	9	4
Lithuania	13	7
Luxembourg	6	4
Malta	5	3
Netherlands	27	13
Poland	54	27
Portugal	24	12
Romania	35	14
Slovak Republic	14	7
Slovenia	7	4
Spain	54	27
Sweden	19	10
United Kingdom	78	29
TOTAL	785	345

THE EUROPEAN UNION IN 2007



EU Member States



Countries with EU candidate status

The German Presidency of the European Union 1 January to 30 June will address a number of key priorities to improve the lives of Europe's citizens – including taking action on climate and energy security, jobs and economic growth. This White Paper sets out the priorities for the German Presidency and the views of the Government.



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You can also find a wide range of information on the website of the EU:
http://europe.eu.int/index_en.htm

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