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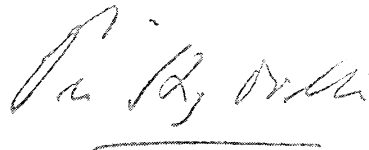
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P. H. Olsen



COUNCIL OF  
THE EUROPEAN UNION

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**OPERATIONAL PROGRAMME OF THE COUNCIL FOR 2003**  
**SUBMITTED BY THE GREEK AND ITALIAN PRESIDENCIES**

*Introduction*

*The two Presidencies which will be taking office in 2003 jointly propose the following operational programme to set out and organise the work of the Council for 2003.*

*2003 will be a year of fundamental change for the Union. The signature of the accession treaty in Athens next April will pave the way for the Union's enlargement to ten new Member States. This enlargement, the biggest the EU has ever experienced, constitutes a major change – and challenge – for the Union, which has to prepare itself by reforming its structures and their functioning in order to make them more understandable and more efficient. This second challenge, intimately linked to the first one, must therefore be faced at the same time so that the citizens can have an overview of all aspects of the future of the Union. This is why it is important that, on the basis of the draft Constitutional Treaty resulting from the work of the Convention and to be presented by the end of the first half of the year, the European Council should decide as soon as possible on a timetable for the IGC enabling it to open and conclude its proceedings in the second part of next year.*

*Apart from this overriding priority, the Council in 2003 will equally focus on **reinvigorating Europe's economy and social cohesion** and on **promoting sustainable development**. Finally, the highest priority will be attached to the full and rapid implementation of the decisions taken by the Seville European Council in the fields of **asylum and immigration and the control of external borders** as part of the process of creating an area of freedom, security and justice. As regards external relations, the EU will strive to further develop its role on the international stage, **projecting stability in the world** by making full use of all the instruments at its disposal.*

*These four main policy lines for the Council in 2003 are described in the first part of the programme. A second part then details the operational activities in each of the main sectors of the Council's work. The focus is on the main priorities for the Council, without detailing every legislative proposal or policy initiative that it will consider over the coming year, nor excluding other initiatives which may need to be taken in the light of developments. The Council will, as always, address a variety of routine matters and unforeseen contingencies throughout the year, with the necessary degree of urgency as appropriate.*

*The programme takes account of the relevant points arising from the dialogue on the political priorities for 2003 conducted with the Commission in the light of the Commission's annual policy strategy and legislative and work programme and the European Parliament's resolution on the latter. In implementing this programme, the Council is dependent on timely tabling of proposals by the Commission in the light of the latter's own work programme.*

*As the programme is largely devoted to organising the Council's work in the legislative field, the Council will, throughout the year, continue to follow closely progress on legislative matters as well as on important policy debates in the European Parliament. In particular the two future Presidencies, fully aware of the importance of good cooperation with the Parliament to ensure the successful conduct and conclusion of much of the work set out in this programme, are committed to pursuing all necessary contacts with the European Parliament at all times and at all levels.*

## MAIN POLICY LINES FOR 2003

The Council's activities in 2003 will fall under four broad themes: the double challenge of enlargement and reform; reinvigorating Europe's economy and social cohesion through the Lisbon strategy; developing a European area of freedom, security and justice; and projecting stability in the world. Work will of course also be pursued in order to adapt all the Union's policies – and especially agriculture and fisheries – to constantly evolving circumstances.

### A. *Driving the Union forward: the double challenge of enlargement and reform*

#### *Enlargement*

1. The conclusion of accession negotiations in Copenhagen in December unequivocally demonstrates the determination of the peoples of Europe to come together in a Union that has become the driving force for bringing peace, democracy, stability and prosperity to their continent. In order to prepare a smooth passage to a European Union of 25 members and more, the Council will, during 2003, focus on the following:
  - finalising the **Accession Treaty** for signature in April 2003 and implementing the arrangements agreed in December for involving the acceding States in the Council's work. As a consequence of this, the Council will need to implement a number of practical changes in its working methods, and pursue reflection over the year on the material and organisational consequences of enlargement;
  - continuing to review progress made by the future Member States in **preparing for membership**, in particular in the latter part of the year on the basis of the report to be submitted by the Commission six months before the envisaged date of accession;
  - sustaining momentum throughout the year on the accession negotiations with **Bulgaria and Romania** in all chapters of the negotiations including chapters with financial implications, on the basis of the revised Accession Partnerships to be adopted in early 2003 and of an updated roadmap decided at the Copenhagen European Council and bearing in mind that the European Council stated that the objective is to welcome these countries as members of the European Union in 2007;
  - Strengthening the accession strategy with Turkey through the adoption of a revised Accession Partnership in early 2003, the intensification of the process of legislative scrutiny and the further deepening of the Customs Union. Significant additional resources will be provided for this purpose. The enhanced political dialogue between the EU and Turkey will be pursued intensively. Cooperation with Turkey will be reinforced in the area of Justice and Home Affairs. Efforts towards meeting the Copenhagen criteria for membership will continue to be monitored through established procedures;
  - continuing and stepping up all aspects of cooperation with the countries of the Western Balkans region in order to promote their fullest possible integration into the political and economic mainstream of Europe, in view of the status of those countries as potential candidates for EU membership.

2. In addition, following the entry into force of the Nice Treaty, the Council will, in the first months of the year, have to make the necessary adjustments to ongoing legislative procedures, particularly where the Nice Treaty foresees the introduction of codecision. It will, for this purpose, base itself on the precedent established after the entry into force of the Treaty of Amsterdam. Moreover, adjustments of the jurisdictional system will be implemented as foreseen by the Nice Treaty.

#### *Reforming the Union*

3. The European Convention on the future Constitutional Treaty will take forward its work and complete it in accordance with the Laeken conclusions, which foresee a timeframe of 1 year. To this end regular reports will be presented to the Council as well as to the European Council and the results of the proceedings in the form of a draft Treaty will be presented in time before the European Council in Thessaloniki so as to allow the European Council to take the necessary decisions for opening and concluding the IGC during the second half of the year.

#### ***B. Using the Lisbon Strategy to reinvigorate Europe's economy and social cohesion while promoting sustainable development***

##### *Delivering on the Lisbon Strategy*

4. The Spring European Council in Brussels under the Greek Presidency will represent an important milestone on centring policy coordination and strategic orientation on the annual Spring meeting. Preparation of the relevant policy coordination cycles will take place within the new streamlined method endorsed by the Council in December 2002. One of the consequences of this new approach is that the Council will assess and adopt the annual reports on implementation, including the Joint Employment Report and the Cardiff report, before the Spring European Council, and approve the Employment Guidelines and Recommendations in time for the June European Council.

##### *Reinforcing economic policy coordination*

5. Against the background of a less favourable international economic environment, economic policy coordination will feature prominently in work, in particular in the first half of the year:
  - As in previous years, work on economic policy coordination in the Council will centre on the **Broad Economic Policy Guidelines**, which give expression to the overall economic policy strategy of the European Union and the Member States and include orientations for both macroeconomic policies and the economic reform process. The Guidelines to be adopted by the Council in June 2003 will cover a period of three years and the focus in the intervening years will be on their implementation.
  - Furthermore, it would be worthwhile to select, in the second half of the year, a specific topic for more in-depth analysis and examination for the year ahead (e.g. pensions systems, employment and the minimum retirement age requirement ...).

- The Council will also engage in a more general reflection on its **economic policy coordination**, starting ahead of the Spring European Council, further to the proposals that the Commission will submit as requested by the Barcelona European Council. In the second half of the year the Council should provide a preliminary assessment of the streamlined procedures it endorsed in December 2002 and be in a position to deal with potential shortcomings which might emerge.

*Promoting employment and strengthening social cohesion*

6. In the employment and social field the Council's main efforts will be directed on three areas:
  - In light of the principles endorsed by the Copenhagen European Council and of the Commission's communication on the future of the European Employment Strategy, to be adopted in January 2003, the Council, in particular in the first half of the year, will revise the **Employment Strategy** to focus it on the medium and longer-term challenges to be met by the Lisbon 2010 target and to ensure better complementarity with the economic policy coordination process. In doing so, the Council should lend greater stability to the Employment Guidelines, simplify them and reduce their number without undermining their effectiveness. In this context, the Council will assess progress already achieved and whether the current pace is enough to achieve the 2010 Lisbon target.
  - The Council will undertake a mid-term review of the **Social Policy Agenda**, with the aim of examining in a comprehensive way progress achieved and lending it new impetus, including through new initiatives where appropriate. Special efforts will be undertaken in view of the presentation to the Spring European Council of the first joint report regarding pensions on the basis of the open method of coordination. Moreover, the fight against social exclusion will be considered as a central objective in the context of the 2003 joint inclusion report, also in view of the proclamation of 2003 as the European Year of Disabled People and 2004 as the International Year of the Family. A priority for the Council will be to adopt before the end of the year a new regulation on the coordination of social security systems, the purpose of which is to remove obstacles to the free movement of persons caused by the co-existence of different national social security systems.

*Advancing the dialogue on the future of cohesion policies*

7. The Council will examine the future of the European Union's cohesion policies on the basis of the Commission's reports, in particular the second progress report and the Third Report on economic and social cohesion.

*Enhancing competitiveness*

8. Efforts will be pursued to set strategic objectives for competitiveness and growth in the EU. In keeping with the objectives of the Lisbon Strategy, in 2003 the Council will continue to promote the Union's competitiveness by following three mutually reinforcing strands of action: reinforcing the internal market, improving the environment for businesses and promoting knowledge:

- Significant progress should be achieved over the year on major legislative proposals relating to the **completion of the internal market**, including the regulations on the Community patent, on take-over bids and on mergers, and on a number of components of the Financial Services Action Plan in order to meet the 2005 deadline set in Lisbon. The Council will also make every effort in order to respect the deadlines set for the liberalisation of the electricity and gas sectors and for setting up of a Single European Sky. The simplification of the **regulatory environment** for businesses will feature high on the Council's agenda throughout the year. Work should be pursued in the field of better regulation on the basis of the Commission's Action Plan and of the Mandelkern Group report. The Council will also examine the proposals expected from the Commission to develop an Action Plan for company law, including **corporate governance** in order to restore public trust.
- The **free circulation of goods and persons**, which is at the heart of the internal market and of the Treaty of Rome, is limited in important regions of Europe by natural barriers, insufficient infrastructures and administrative obstacles. Attention will accordingly be paid to developing procedural and financial instruments to facilitate the completion of already existing priority projects in order to develop the key links and interconnections. The goal of sustainable transport, which has to be met first of all through the provision of adequate infrastructures as well as through the shift towards less polluting modes of transport, will remain a major priority. The enlargement process introduces a new dimension as regards transport networks, and it is therefore necessary to ensure **efficient connections with the candidate countries, in the Balkans and in the Mediterranean area**.
- The Council will continue to give emphasis to the importance of SMEs for growth, competitiveness and employment in the European Union. Work will focus on the creation of a more favourable environment for entrepreneurship and competitiveness that encourages small enterprises by strengthening their capacity to innovate and also facilitates the creation of new dynamic enterprises, which constitute an important source of new employment. To this end the Council will discuss concrete policy initiatives stemming from the **Green Paper on entrepreneurship** in view of the Spring European Council 2003. The **European Charter for Small Enterprises** should be the driving force for this end.
- Further to the objectives defined in Lisbon for the promotion of competitiveness through **knowledge**, the Council will take a number of steps to put into practice the European Research and Innovation Area and will consider measures to increase RTD investments in Europe (with the aim of approaching 3% of GDP by 2010). Furthermore the Council will aim to establish the Erasmus-World programme by the end of the year. The Council will also prepare the Union's position for the forthcoming World Summit on the Information Society.

9. The Spring European Council's review of the Strategy for Sustainable Development, which will strengthen the environmental dimension of the Lisbon process, will necessarily be influenced to a large extent by the outcome of the **Johannesburg World Summit**. The Spring European Council will have to adopt guidelines to fulfil the WSSD implementation plan by the different Council configurations concerned, as well as measures to put into practice the Type II Initiatives. Furthermore the Council will define measures and timetables for the priority political sectors to ensure further implementation of the EU strategy on Sustainable Development. In the second half of the year, each Council configuration concerned will provide the European Council with a more comprehensive contribution, including measures and timetables, on the specific topics of the WSSD implementation plan falling within its field of competence. Prioritisation is necessary in order to control the process and ensure tangible results. This means that the existing roadmap has to be updated and that the following priorities, in addition to defining new indicators, should be singled out: **consumption and production patterns; water; energy; chemicals; biodiversity; governance; trade/finance**. The Spring European Council will also have to push hard for the full implementation of the European Programme on Climate Change and for the ratification of the Kyoto Protocol by the other Parties. In this respect, the preparation of COP 9, hosted by the Presidency of the European Union next December in Milan, will play a key role.

*C. Agriculture and Fisheries*

10. Work on the CAP will be pursued in accordance with the conclusions of the Brussels European Council in October. The beginning of 2003 will see the Commission present proposals for the most important agricultural production sectors. The fisheries sector will see intensive work carried out on the first and second package of reform measures and a number of legislative proposals flowing therefrom.

*D. Developing the European area of Freedom, Security and Justice*

11. The European Council in Seville, on 21-22 June 2002, decided to speed up the implementation of all aspects of the programme adopted in Tampere for the creation of an area of freedom, security and justice in the European Union and drew attention in particular to the need to develop a European Union common policy on the separate but closely related issues of **asylum** and **immigration**.

*Asylum, immigration and external borders*

12. Progress on these issues constitutes a political priority for both the Greek and the Italian Presidencies, which will spare no effort to put into operation the decisions taken in particular at Seville. This will involve:

- implementation of the measures of the Global plan on the fight against illegal migration, and in particular the common identification system for visa data; speeding up of adoption of EU readmission agreements being negotiated and of approval of new mandates; common policies on expulsion and repatriation; combating trafficking in human beings and support for the victims of such trafficking;
- implementation before June 2003 of certain measures concerning cooperation for the management of external borders, notably operational cooperation, and acting on the study by the Commission on burden-sharing between Member States and the Union;
- exploring ways, in cooperation with the Commission, of developing a European system for exchanging information on asylum, migration and countries of origin, an important instrument for the development of a true common asylum and migration policy;
- financing of the above mentioned initiatives on the basis of the Report by the Commission on the effectiveness of financial resources available at Community level for repatriation, the management of external borders and for asylum and migration projects in third countries;
- adoption of legislative acts in the field of asylum and immigration, in accordance with the calendar established at Seville, laying emphasis on the necessity of striking a fair balance between, on the one hand, action to combat illegal immigration coupled with effective control of external borders, and, on the other hand, an asylum policy complying with international conventions;
- development of integration policies for lawfully residing immigrants which would have a positive effect on social and economic issues currently being discussed in the Union and make an essential contribution to meeting citizens' concerns;
- integration of JHA issues in the Union's relations with third countries of origin and transit of the illegal immigration flows, and monitoring the level of cooperation of those countries with the Union.

*Increasing internal security through police cooperation*

13. Cooperation in the field of police and internal security will continue to concentrate on:

- the implementation of the Action Plan against **terrorism**, and if necessary on its further reinforcement;
- improvement of the operational aspects of EUROPOL, inter alia through EUROPOL's participation in national investigations and wider Member State contribution to the EUROPOL Data Base;

- implementation of the Action Plan on the fight against **drugs**, in light of the guidelines endorsed by the Copenhagen European Council on the basis of the mid-term review. Special emphasis will be placed on regional actions in particular in the Balkan area;
- better cooperation through the monitoring of the different activities developed in this field. The Council will thus continue its **peer evaluation** process, both as concerns Member States and the candidate countries with which negotiations have not been completed. In the course of 2003 the Council should seek to rationalise the different evaluation processes.

#### *European area of justice*

14. Progress will continue towards a genuine European area of justice along the double track of **greater convergence and mutual recognition**. In the field of **civil law** the Council will be seeking to adopt inter alia the Regulation on the recognition and enforcement of judgements in the field of parental responsibility and the Regulation on the European Enforcement Order on uncontested claims, given the direct interest of those proposals for citizens. A number of important legislative proposals are awaited from the Commission in the field of **criminal law**, relating for example to the creation of a register of information on persons involved in the financing of terrorist activities and the fight against money laundering.

#### *External action*

15. A major objective of the external dimension of JHA is to dispose of provisions on readmission and the joint management of migration flows with relevant third countries, either by inserting such clauses into more general agreements under negotiation or through the conclusion of specific EU agreements in this field. In the course of 2003 the Commission will carry on the negotiations already started and the new ones for which it will receive a mandate by the Council, reporting to the Council on progress and on eventual difficulties. In this respect better coordination with External Relations and Development will be sought. Particular emphasis will be put on the fight against **criminality and drug trafficking in the Balkans**.  
The negotiations on an agreement on mutual assistance in **criminal matters** and on extradition with the US are likely to continue in 2003 and similar negotiations may be launched with other countries.  
In the field of **civil law** several important negotiations will be conducted, inter alia on a world convention on jurisdiction and foreign judgements in civil and commercial matters as well as on parental responsibility.

## *E. The EU in the world: projecting stability*

### *Main areas of focus for the EU's external action*

16. The Council will keep under review the Union's wide network of relations with all regions in the world and play its part in developing the Union's role in the UN and other international organisations. It will support regional approaches such as the ones which have been put into effect in the Balkans as well as in the Nordic region and around the Black Sea. It will also respond to crises, giving priority to those affecting its security interests, but not excluding others in consideration of the whole range of objectives of the CFSP. The Council's attention will accordingly focus in particular on:
- the **Balkans**, where the EU, with the active engagement of the Secretary-General/High Representative, will continue to support ongoing reforms through the Stabilisation and Association Process;
  - the **Mediterranean region**, an area of high priority for Europe, where the EU should pursue its general objective of strengthening regional cooperation through promoting further political, economic, social and cultural ties, and continue to do its utmost to contribute to resolving the Middle East crisis, including through the Quartet;
  - furthering relations with **Russia** by re-examining the existing framework of cooperation with regard inter alia to the Common Strategy as well as by putting emphasis on achievables;
  - rapid consideration of the question of the enlarged EU's relations with its "**new neighbours**" as well as the idea of a **wider Europe**;
  - fulfilment of the preparation of a new Action Plan for the EU's Northern Dimension for 2004-2006;
  - examining ways and means to further promote relations with the countries of the **Southern Caucasus**;
  - consolidating **transatlantic relations** with a view to strengthening cooperation in all spheres of activity;
  - supporting development, stability, good governance and democracy in **Africa, Asia and Latin America**;
  - the **fight against terrorism**, which since 11 September 2001 has become a priority for the EU's action in all fields, as described in the regularly updated roadmap of all the measures and initiatives implemented under the Union's action plan. The Council should also devote attention to reviewing EU policies and instruments in the field of **non-proliferation** with a view to a more rigorous and active policy;

- promoting the ongoing **trade negotiations** under the WTO Doha Development Agenda with a view to reaching balanced results at the Cancun ministerial conference; the integration of trade in the Community's **development policy** will continue to constitute an essential element of the EU's policy regarding the ACP, in the context of the negotiations on Economic Partnership Agreements;
- promoting **democracy and human rights** will continue to constitute a major component of the EU's external relations, in particular its stance in international event such as the Commission on Human Rights and the UN General Assembly, but also as a horizontal factor underlying its dealings with all countries.

*Developing the European Security and Defence Policy*

17. Building on the development in recent years of ESDP and with the view to further improving the operational capability of the Union in the fields of military and civilian crisis management, the Council should
- take in 2003 the necessary decisions in order to meet the **Headline Goal** and develop further action in order to acquire fully the military capabilities needed for the more complex operations;
  - ensure the improvement of the Headquarters operationality, finalise the work on the Rapid Response Elements as soon as possible and further develop and finalise the necessary operational documentation in order to facilitate an efficient and timely response to a crisis;
  - initiate the development of a European armament policy and defence-related research in view of strengthening European armaments cooperation by exploring the EU's potential. In this context the Council should decide in 2003 on how to finance the promotion of military capabilities for crisis management;
  - implement, further to the agreement reached with NATO, the concrete modalities for permanent arrangements between the EU and NATO;
  - existing arrangements with third countries may need to be updated particularly in the light of the EU's and NATO's enlargement;
  - actively follow up the conduct of the first EU-led **crisis-management operations** in the Balkans and be ready for other crisis management operations according to CFSP priorities;
  - pursue the development of EU Common Training at different levels, underlining its importance for the improvement of interoperability with the view of the further enhancement of a European security culture;

- aim to achieve by the end of 2003 the set goals for **civilian capabilities** in the fields of police, rule of law, civilian administration and civil protection and further advance command and control arrangements, operational documentation, financing, cooperation with international organisations and NGOs in the field of civilian crisis management.
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## DETAILED PROGRAMME 2003

### 1. ECONOMIC POLICY COORDINATION, TAXATION AND FINANCIAL SERVICES

#### **Economic policy coordination**

Economic policy coordination in 2003 will essentially consist, as in previous years, in implementing the **Stability and Growth Pact** and establishing the **Broad Economic Policy Guidelines**. Regarding the former, the Council is expected to examine, in the first two months of the year, up-dated stability and convergence programmes presented by all 15 Member States and issue opinions on them. The broad economic policy guidelines will be the subject of a key issues paper, on both macro-economic policies and the economic reform process, from the Council to the Spring European Council. Thereafter a report setting out the general and country-specific guidelines will be prepared for submission to the European Council in June 2003 and subsequent adoption by the Council. Work in 2003 will, however, take on an additional dimension in that the Council will also need to engage in an **in-depth reflection on how economic policy coordination might be further reinforced and enhanced** taking into account the need to accommodate the new Member States in the process. This reflection will take place on the basis of proposals presented by the Commission in November 2002.

#### **Taxation**

Following the adoption of the **tax package** and the draft Directive on **energy taxation** (end of 2002), work should focus on any residual measures needed to ensure that decisions on both issues taken before the end of 2002 are fully implemented. Moreover, during 2003 work will focus on a series of measures intended to modernise, simplify and render more uniform current legislation in the areas of both direct and indirect taxation, as well as on mutual assistance and administrative cooperation in these areas.

On direct taxation, the Commission is expected to table, in the third quarter of the year, proposals to modernise the **merger Directive** of 1990 on the common system of taxation applicable to mergers, divisions, transfers of assets and exchanges of shares concerning companies of different Member States (the aim being, inter alia, to take into account the new forms of company subject to corporation tax) and the **parent-subsidiary Directive**, also of 1990, on the common system of taxation applicable in the case of parent companies and subsidiaries of different Member States (here the aim is to extend the scope to cover other entities subject to company taxation and to modify the rules concerning shareholdings). The objective of the Presidency is to have this legislation adopted by the end of the year.

As regards indirect taxation, work will be pursued on several proposals currently on the table and initiated on others which the Commission is expected to present mainly during the first half of the year. In the first category belong the **right to deduct VAT** (possible adoption before the end of 2003), particular arrangements applicable to **travel agents** (adoption during the first half of the year) and the creation of **computerised systems for tracking the movement of goods subject to excise duty** in order to replace the current document-based system (objective: adoption before 1 April 2003). Proposals still to come include a revision of the rules and derogations applicable to **reduced rates of VAT** (particular attention will be paid to the reduced rates set with a view to furthering certain objectives such as employment and environmental protection), a recasting of the **6th VAT Directive**, a revision of the **place of taxation Directive** (article 9 of the 6th Directive) and a restructuring of the basis for **registration tax and annual road tax for motor vehicles**.

Finally, the Commission is expected to present, in May, a proposal to amend Directive 77/799/EEC concerning **mutual assistance by the competent authorities in the field of direct and indirect taxation**. The proposal to be adopted by the end of 2003 is intended to contribute to the fight against tax fraud and tax evasion by modernising and improving mutual assistance and administrative cooperation in the field of direct taxation.

## Financial services

Good progress was achieved in 2002 on implementing the Financial Services Action Plan through the adoption of several key measures. This effort will be continued under the Greek and Italian Presidencies as regards the **proposal for a Directive on prospectuses** for admission to trading on regulated markets and offer to the public of securities and the proposal for a Directive on occupational pension funds. Political agreement on the former, which aims at ensuring a "single passport" for issuers within the Community, has been reached under the Danish Presidency and the common position will be transmitted to the European Parliament for its second reading early in 2003. The Council's common position, adopted in November 2002, on the occupational pension funds Directive, which aims to facilitate cross-border activities by pension funds offering supplementary occupation pensions, will be examined by the European Parliament in the course of the first half of the year. Two further proposals forming part of the Action Plan will shortly be presented by the Commission; they concern a reform of the current **Community legal framework for investment services** on the modalities for the supply of investment services on regulated markets, and an updating of the **regular reporting requirements** to which listed companies are subject as regards the continuous information to be produced by listed companies. Political agreement on both issues before the end of 2003 is desirable.

Following the agreement reached on the EFC report on financial regulation, supervision and stability, the new approach based on the Lamfalussy framework for all financial sectors should be implemented through arrangements in line with those already implemented for securities, based on existing interinstitutional agreements, whilst also recognising sectoral specificities. In particular, in 2003 the Council will examine proposals for the relevant legislation and decisions to establish or amend the relevant level 2 and 3 committees.

## 2. MORE EFFECTIVE MARKETS AND ECONOMIC REFORM

### Internal market in general

The task of making the new Competitiveness Council, with its broad field of competence, an effective instrument and focal point for EU policies for growth, working in close cooperation with the Commission and in a constructive dialogue with the European Parliament with a view to setting strategic objectives for competitiveness and growth in the EU, will be further pursued.

The Commission has recently presented a new proposal on **take-over bids** aiming at regulating the extent to which measures can be taken by the management of targeted companies to prevent hostile take-overs. Despite the difficulties the aim should be to achieve significant progress before the end of the Greek Presidency. It is also under the Greek Presidency that the Council should normally reach agreement on the Commission proposal to modernise current legislation on **competition rules**, with a view to decentralising the system and preparing it for enlargement. The Council will also give priority to proposals on removing barriers to cross-border provision of services.

Accordingly the Council will support the efforts of the Commission to implement the second stage of the Internal Market Strategy for Services and present a proposal for a Directive on services. The Council will also discuss proposals expected from the Commission in the course of 2003 in three main areas: the **reform of the merger Regulation**, which will be discussed both under the Greek and Italian Presidencies, the package on **chemicals legislation**, which should be presented during the second half of the Greek Presidency (which means that work in the Council is likely to enter a more active phase during the Italian Presidency, also in the light of the concrete proposals submitted by the Commission), and a number of legislative proposals in the field of **company law** linked to corporate governance, which will be considered as a high priority topic in view of the significant loss of trust and confidence in the corporate world following recent events. Furthermore, the Greek Presidency will do its utmost to finalise work – on the basis of the outcome of the Council meeting of 21 May 2002 under Spanish Presidency – on the proposed Regulation aimed at establishing a Community patent. Finally, the Council will devote attention to key legislative proposals in the following sectors: technical harmonisation, public procurement, intellectual property rights, foodstuffs, services (including financial services), free movement of EU nationals, recognition of professional qualifications, dangerous substances and preparations (including chemicals), and customs legislation.

## Entrepreneurship

Both Presidencies will continue to give priority to the creation of a more favourable environment for **entrepreneurship and competitiveness**, in accordance with the Lisbon Strategy and on the basis of the Green Paper on entrepreneurship. In this respect, innovative implementation methods for the **European Charter for Small Enterprises**, helping to speed up its implementation and to learn from best practices, will be discussed in the Competitiveness Council before the submission of the implementation report to the Spring European Council. A progress report on **life sciences and biotechnology** will be submitted to the Spring European Council as follow-up to the Barcelona European Council. The Competitiveness Council will also debate the Commission Communication on **Industrial Policy**. In the framework of the follow-up to the Stockholm European Council conclusions on reduction and reorientation of state aid the Commission will present the **State Aid Scoreboard – Spring 2003**.

## Telecommunications and postal services

A proposal is expected from the Commission to amend the Decision on guidelines concerning the **Trans-European Telecommunication Network** in order to allow the participation of third countries. The 9th report on the follow-up of the implementation of the regulatory framework will probably be the subject of more in-depth political discussion given that the new telecoms package must be transposed by the Member States by July 2003. Also in the framework of the *e*Europe Action Plan 2005, initiatives will be undertaken to promote the development of **new technologies** – a key factor in EU competition policy – such as third generation mobile communications (UMTS), digital television, high speed Internet (such as broad band). Finally, a report is expected from the Commission at the beginning of 2003 on the implementation of the liberalisation process in the sector of postal services.

## Energy

Following the political agreement achieved under the Danish Presidency on the Directives on **liberalisation of internal market in electricity and gas** and on the regulation on **cross-border exchanges in electricity**, the Greek Presidency will have to ensure entry into force before the end of June in order for the dates set by the Barcelona European Council for market opening to be respected. A regulation on gas transborder exchange will be presented by the Commission and discussed under the Italian Presidency. As far as **energy efficiency** is concerned, various proposals are under examination (decision on a framework programme on intelligent energy), have just been received (directive on combined heat and power CHP) or are expected (directive on energy efficiency standards), on all of which concrete progress has to be made before the Spring European Council and decisions taken during 2003 to comply with commitments entered into by the EU at the World Summit on Sustainable Development, more specifically for the way forward on the **further promotion of renewables**. During 2003 emphasis will also be laid on the development of an integrated energy market, with parallel promotion of the necessary **trans-European Energy Networks** by means of the new relevant Community legislative framework, as well as on regional energy cooperation in the Mediterranean, South-eastern Europe and Middle East countries. In addition, efforts will be made for the further strengthening of the **EU/Russia energy dialogue** and for the continuation of the Energy Charter process mainly in the fields of transit, investments and the Supplementary Treaty. The Council will examine the Commission's communication on the **nuclear package**, comprising proposals and other initiatives for the establishment of common safety standards for nuclear power plants, as well as for ensuring the safe transport, treatment and disposal of nuclear waste. Due to the sensitivity of the matter, and the political and legal difficulties it raises, discussions will probably continue into 2004. Work is progressing well on the new **regulation on Euratom Safeguards**, but the number of technical issues remaining to be resolved and the linkage with the Euratom Safeguard Office makes it unlikely that an agreement could be reached before the end of the Greek Presidency. Finally, examination of the proposals on **oil and gas stocks** will not start until the beginning of 2003 and agreement should not be expected until the end of the year.

## Transports

### *Horizontal*

The Commission's communication on the methodology to be retained for the **charging of infrastructure** will be presented early in 2003. Following the Council's response to the communication, the Commission should submit a proposal for a framework Directive. This item will be dealt on a priority basis in the second half of the year, taking into consideration the links with an efficient use of the existing transport network as well as with the financing of new transport infrastructure according to the priorities already existing.

The preparatory work for the global revision of **Trans-European Network (TEN-T) Guidelines** will take place in 2003, with the final objective of developing transport TEN networks for the enlarged Europe, of integrating the **Pan-European Transport Network**, of developing the motorways of the sea and of facilitating the crossing of natural barriers. In particular in the first part of the year the Commission's communication on the integration of Pan-European Transport Network into the Trans-European TEN will be further elaborated by the Council. This communication is due to be presented before the end of 2002.

**Galileo** will also represent a priority, on the basis of the new proposals by the Commission to launch the deployment and the operational phases.

### *Land*

The Council will give priority to **road safety issues**, on the basis of a communication on the new road safety action plan and subsequent proposals to be presented by the Commission by the end of the year 2002. The Council will continue to work on the **second railway package** with a view to reaching an agreement with the European Parliament, if possible during the Greek Presidency. As a result of the difficulties registered in the Alpine region, the issues linked with **transit through the Alps** will be addressed in the light of the measures foreseen in this respect by the White Paper.

## *Shipping*

**Safety of navigation and prevention of marine pollution** will be addressed urgently by the Council on the basis of the proposals presented by the Commission and in the light of the Copenhagen European Council conclusions in the matter.

Legislative proposals are awaited in the course of 2003 regarding **security measures in the maritime sector**. These measures should by and large transpose into Community legislation the measures decided by the IMO (probably at the end of 2002), in the aftermath of the events of 11 September 2001. With reference to the proposal for a Directive on **market access to port services**, further work on the second reading will be needed.

## *Aviation*

Following the political agreement reached under the Danish Presidency on the **Single European Sky** package, considerable follow-up work under the codecision procedure will be required in 2003. The Court of Justice delivered its decision on 5 November 2002 in **the Open Sky case on bilateral agreements** between some Member States and the USA. This decision will trigger a number of initiatives in the short term of relevance to the Council's proceedings, including the discussion of a draft mandate on negotiating directives for a common transatlantic aviation area and consideration of a Community policy on aviation relations with third countries.

### 3. STRENGTHENING THE EUROPEAN SOCIAL MODEL

#### **More and better jobs**

Following the agreement reached on arrangements for synchronising the timetables for the adoption of the annual employment package and the broad economic policy guidelines, the Council will be expected to consider a communication from the Commission on the **revision of the employment guidelines** and adopt the draft Joint Employment Report in time for the Spring European Council. To achieve parallelism with the broad economic policy guidelines, it is likely that the Council will also present a key issues paper on the employment guidelines to the Spring European Council. The Council will thereafter have to examine a formal proposal for the next set of employment guidelines, tabled in the light of the European Council's conclusions, accompanied by draft recommendations to the Member States, and reach political agreement on these in time for the June European Council.

#### **Promoting social cohesion**

The follow-up of two important adjuncts to the Lisbon strategy – the five-year Social Policy Agenda agreed at the Nice European Council and the fight against poverty and social exclusion, common objectives for which were also laid down at Nice – will be examined in the course of 2003. In the case of the Social Policy Agenda the Council will take note of a **mid-term review** to be presented by the Commission in accordance with the Nice conclusions. As regards the fight against poverty and social exclusion, a second round of National Action Plans are due to be presented in the summer and on that basis the Council will, together with the Commission, prepare in the second half of the year the second report on social inclusion for submission to the December 2003 European Council. The two Presidencies will pursue efforts towards a better policy coordination in the field of social protection in order to ensure coherence on the issues of social exclusion, pensions and health.

Emphasis was laid in the Social Policy Agenda on the need to **modernise social protection systems** with a view to enabling them to confront more effectively the new challenges they are facing. Following work already carried out on objectives and working methods in the area of **pensions**, a first joint report assessing national pensions strategies and identifying good practices in this area is to be drawn up by the Council and the Commission with a view to submitting it to the 2003 Spring European Council. The Council must also prepare, together with the Commission, specific reports to the same European Council on health care and care for the elderly with specific reference to the questions of accessibility, quality and financial sustainability.

The Council will also have to carry forward or initiate work on a number of legislative proposals in the social field. These concern, firstly, the **coordination of social security systems** where the Commission proposal is being re-examined in the light of the parameters agreed at the Laeken European Council. Good progress has been made, but much work remains to be done in order for the deadline for adoption set by the Barcelona European Council (December 2003) to be met. Secondly, political agreement on a common position on the proposed Directive on **working conditions for temporary workers** should be aimed at under the Greek Presidency, given the importance of this sector in the continued efforts for job creation. Furthermore, the Council will examine the amended proposal for a Directive regarding the statute of the European Association with regard to the involvement of employees. The third proposal relates to the **health and safety of workers exposed to risks arising from electromagnetic fields and waves**. A new text of the proposal originally tabled by the Commission in 1992 will be presented by the Presidency before the end of 2002 and work in 2003 will be directed towards obtaining political agreement on a common position. Finally, the Commission intends to present early in 2003 a proposal for a Directive which will encompass the non-employment aspects of sex discrimination which were not covered in the Framework Directive 2000/78/EC on equal treatment in employment and occupation. Lengthy negotiations are likely to be required to reach the required unanimity on this proposal, but political agreement on a common position could be envisaged under the Italian Presidency.

### **Corporate Social Responsibility**

Both Presidencies will pay particular attention to the issue of corporate social responsibility, which is becoming increasingly important in Europe. The focus in 2003 will be on the creation of networks and the involvement of all the players in question.

#### 4. HEALTH AND CONSUMER PROTECTION

##### Health

Activity in the Council on health issues in 2003 will focus on measures relating to tobacco, on the one hand, and human tissues and cells on the other.

As far as **tobacco** is concerned, on the international level the Community will continue to contribute actively to the successful conclusion in May 2003 of the negotiations currently underway under the aegis of the WHO on a Framework Convention on Tobacco Control.

Regarding **human tissues and cells** priority will be given to the proposed Directive intended to set detailed minimum quality and safety standards for human tissues and cells. Those standards will cover the entire chain: donation, collection, testing, processing, storage and distribution. The European Parliament may be able to give its opinion at first reading during the first half of the year.

The Council will examine the proposal to be presented by the Commission in Spring 2003 to establish a European Centre for Disease Control.

The Council will also continue to work on three legislative proposals for the revision of the current legislation on **pharmaceuticals**, with a view to reaching, if possible, political agreement during the Greek Presidency.

In addition, discussions will focus on the proposal for the authorisation and placing on the market of herbal medicinal products with a view to reaching political agreement by the end of the year.

Attention will also be paid to the Commission communication that will follow the G10 report and the further work in this field.

## Consumer protection

In 2003 the Council will be called upon to deal with three main issues that are crucial for promoting consumer confidence in a well-functioning internal market: **consumer credit, sales promotions** and **fair-trading**. On the first of them, the Commission tabled in September 2002 a proposal for a Directive aimed at harmonising the laws, regulations and administrative procedures of the Member States concerning agreements covering credit granted to consumers. The new arrangements, which will update and amplify the existing Directive, are meant to provide consumers throughout the Community with an enhanced and uniform level of protection and to allow them, as well as businesses, to benefit fully from the internal market. The complexity of this file makes it uncertain whether the Council will be in a position to adopt a common position before the end of 2003. According to the Commission, the proposed Regulation on sales promotion seeks to establish rules in this field with a view to ensure the proper functioning of the internal market, whilst at the same time offering enhanced levels of consumer protection, protection of minors and protection of public health. The opinion of the EP at first reading being available, the Council should pursue work with a view to arriving at a common position in the course of the year. Finally, within the framework of the follow-up to the Commission's Green Paper on consumer protection, two legislative proposals are awaited regarding a framework Directive on fair trading practices and a Regulation on administrative cooperation. The Council will examine those proposals as soon as they become available. Finally, by the end of 2002, the Commission will present a proposal for a Decision aimed at replacing Decision 99/283/EEC, which will expire on 31 December 2003. The Council will examine the proposal with a view to adopting it before the end of 2003 in order to guarantee the continued existence of a general framework for Community activities in favour of consumers.

## 5. A KNOWLEDGE-BASED EUROPE

### Education

In Spring 2002 the Barcelona European Council adopted a detailed work programme on the **follow-up of the objectives for education and training systems in Europe** which had been agreed at Stockholm. Preparation of the report which has to be submitted to the Spring 2004 European Council on progress achieved in implementing that work programme will start during the second half of 2003 under the Italian Presidency with a view to submitting a draft to the Council before the end of the year. In this context special emphasis will also be given to the need to develop Human Capital as a tool for economic growth, innovation, employability and social cohesion in the knowledge-based society. The Greek Presidency, for its part, might envisage finalising the section of the report dedicated to benchmarks. In another sphere, the Council will continue work on the "**Erasmus World**" programme, which aims to establish an EU scholarship scheme for third country students at the level of the masters degree. It should be possible for the Council to adopt a common position during the first half of 2003, so that the Decision could be adopted before the end of the year. It may also fall for the Italian Presidency to begin the examination of proposals for the new generation mobility programmes in the fields of education and training (**Socrates and Leonardo**) for the period after 2006 if these are presented before the end of 2003. The Council will furthermore be called on to examine the Commission communication on an action plan on **linguistic diversity and language learning**, expected in the autumn of 2003. Finally, the Council will adopt an *e*-learning programme presented by the Commission and focused on implementing the objectives of the *e*-learning action plan with a special emphasis on pedagogical methods in order to promote digital literacy in the EU.

### Culture/Audiovisual

The Council will examine the extension of the present programme "Culture 2000" for two years, including its financing. It should be possible for the Council to adopt this decision before the end of 2003. The Council will examine the in-depth evaluation of the implementation of this programme and will discuss the perspectives for a future programme for culture. Furthermore the Council will continue discussions on the themes of the working plan (rolling agenda).

The Council will examine the prolongation of the Media Plus and Media Training programmes for one year. Finally the Council will continue the discussions about the work programme on preparation of any future proposals on the "Television without Frontiers" directive. Finally, the Council under the Italian Presidency will promote the strengthening of the initiatives for better quality of the contents of interactive media.

## Research

In general terms 2003 will see work carried out on implementing the **6th Framework Programme** and the five specific programmes adopted by the Council in September 2002. The Council will pay special attention to the issue of **bioethics** in accordance with the compromise agreed in relation to the adoption of the specific programme on integrating and strengthening the European Research Area. Discussions will take place on the basis of a report from the Commission on human embryonic stem cell research, to be presented in Spring 2003 and to be followed by a proposal aimed at establishing further guidelines for funding research projects involving the use of human embryos and embryonic stem cells. The examination of bioethic issues will be further pursued at the Council in September 2003, under the Italian Presidency. The two Presidencies attach great importance to the **European Research and Innovation Area** as a central pillar for the realisation of a dynamic, knowledge-based economy. To this end, efforts will be undertaken to reinvigorate this initiative and to promote actions in the EU, at national and regional level, aimed at the promotion of excellence as well as at transforming the results of research into competitive products and services. Particular attention will furthermore be paid to ensuring effective research training and mobility, as strategic factors in knowledge-based socio-economic development. Special emphasis will be given to considering actions in areas which will contribute to increasing investment in RTD by the private sector, as well as to sustainable development and employment. A further priority will be the adoption of a programme aimed at developing new clinical interactions to combat **AIDS/HIV, malaria and tuberculosis**.

The proposal in question represents the first use of Article 169 of the Treaty, which enables the Community to participate in research activities undertaken by several Member States. Efforts will be made to seek an agreement with the European Parliament at first reading, i.e., during the first half of the year. Discussions between the Community and the European Space Agency will continue with a view to establishing a **framework agreement on space** between the two parties;

there is likely to be a meeting between Research and ESA Ministers in the first half of the year to move this process forward. Priority will also be given to the full integration of the new Member States in the Framework Programme and to strengthening relations with the South-eastern European countries. Finally, discussions could be initiated concerning the final negotiation phase of ITER and the possible decisions to be taken for the continuation of European activities in the field of nuclear fusion.

## **eEurope**

Progress on implementing the **eEurope 2005 Action Plan** endorsed by the Seville European Council will be assessed according to an agreed set of benchmarking indicators. This will be complemented by a systematic exchange of good practices. The Commission has proposed a Council decision to dedicate **specific financial resources to eEurope plan implementation** through a multiannual (2003-2005) support programme and the Council is expected to reach a final decision on this proposal early in 2003. A specific communication on "eLearning" is expected to be presented by the Commission. Depending on the availability of this text, discussions could be initiated under the Greek Presidency and Council conclusions could be adopted in the second half of the year. Both Presidencies will pay particular attention to all applications of the information society to government services ("eGovernment") as well as to **eHealth** and general services to the citizens, with particular attention to disabled people. In this connection, considerable emphasis will be laid on the development of health services available electronically, such as the **electronic health card** and **telemedicine services**. The Council will also continue work on the proposed Directive on the **re-use and commercial exploitation of public sector information**, which aims to ensure that the same basic conditions apply to all players in the European information market, that more transparency is achieved on the conditions for re-use and that unjustified market distortions are removed.

Work will also be pursued on the proposal to extend the duration of the **action plan on promoting safer use of the internet by combating illegal and harmful content of global network** and to adapt it to take account of lessons learnt and new technologies. Furthermore, the Council will begin examining a proposal which is expected from the Commission for a Regulation establishing a **Cyber Security Task Force** intended to support and enhance the ability of Member States to deal with network and information security. Finally, the Council will have to establish common EU positions for the World Summit on the Information Society, which will take place at the end of 2003.

## 6. AGRICULTURE AND FOOD SAFETY

### **Market organisations and support**

The Council will give priority to work on the proposals which the Commission is expected to table at the beginning of 2003 as a follow-up to its communication on the **mid-term review of the CAP** and the discussions thereon. Such proposals may include reforming the common organisations of certain agricultural markets.

These proposals will be followed by proposals for **reforming the common organisations of the markets for five sectors of Mediterranean agriculture: fruit and vegetables, olive oil, wine, tobacco and cotton**. These proposals will be examined with the highest priority as soon as they have been presented by the Commission.

Finally, towards the end of the year, the Council will be seized of reports on how the current programmes for promoting agricultural produce have functioned together with legislative proposals if appropriate. In the same vein, the Council is expected to adopt in the third quarter of 2003 a proposal for **information campaigns** intended to bring about a more widespread awareness among the public at large of the reasons for and merits of the CAP.

## Food safety – agricultural aspects

The persistence of public concern about food safety and the quality of food means that the Council will continue its efforts to ensure the **highest possible levels of protection at all stages of the food chain**. These efforts will focus, on the one hand, on the food itself and, on the other, on the protection of the animals or crops from which this food is obtained.

Thus, as far as food is concerned, work will be pursued as a matter of priority on the packet of **5 proposals intended to consolidate, update and simplify existing Community legislation on food hygiene**. Another priority issue for the Council is the proposal on **the authorisation and labelling of genetically modified food and animal feed**, where the Council will concentrate during 2003 on completing the codecision procedure with the European Parliament with a view to final adoption. Finally, it should be possible for Council and European Parliament to adopt, during the Greek Presidency, improvements to the regulations on preventing and monitoring **salmonella and other diseases** transmissible from animals to humans.

As regards **plant and animal health**, the Council will firstly have to examine a proposal which the Commission is likely to table in the first half of 2003 intended to entirely recast the current legislation on **pesticides** with a view to improving the procedures for authorising the use of these products by giving determining role to the Food Agency. On animal health and welfare, several measures are foreseen, such as arrangements for the **registration and identification of sheep and goats** in order to allow efficient "tracing-back", which would receive high priority. Even greater priority will be given to the expected proposals aimed at updating legislation regarding foot and mouth disease as well as the proposal, expected for the end of the first quarter of 2003, intended to recast completely the rules regarding the **hygiene of animal feedingstuffs**. Unless the European Parliament accepts the Council's common position before the end of 2002, work will also need to be pursued on the proposal recasting and updating current legislation on **additives for use in animal nutrition**, in particular as regards antibiotics used as growth-promoting agents and coccidiostatics, in order to reach final agreement on the proposal.

## Food safety – other aspects

Apart from the above-mentioned files, which will be dealt with in the Agriculture/Fisheries Council, a series of further proposals concerning the safety of foodstuffs, presented as follow-up to the Action Plan on food safety, will be examined in the Competitiveness Council during 2003. These include modifications of the existing Community legislation on the labelling of the ingredients present in foodstuffs and on permitted sweeteners, as well as on smoke flavourings. Proposals still to come are likely to include framework Directives on food additives and on flavourings, Directives on fortified foods and on claims about nutritional qualities, and a Regulation on materials intended to come into contact with foodstuffs.

## 7. FISHERIES

The Council's work in 2003 will consist, firstly, in finalising the adoption of the three legislative proposals aimed at reforming the Common Fisheries Policy in the event that it was not possible to do so before the end of 2002. Thereafter, it will have to examine a series of communications and Action Plans making up a **second package of reform measures**, some of which have already been tabled in the second half of 2002, including that on the sustainable development of European aquaculture. Both packages will be followed up in 2003 by a number of legislative proposals relating to, inter alia, the establishment of multi-annual recovery plans for fish stocks outside safe biological limits, the laying down of criteria for allocation of Community fishing opportunities among Member States, the establishment of a joint inspection structure and of regional advisory councils and the fixing of technical conservation measures for Mediterranean fishing.

## 8. ENVIRONMENT/SUSTAINABLE DEVELOPMENT

### **Follow-up to the EU Sustainable Development Strategy / Follow-up to Johannesburg**

The Council (Environment) will prepare a contribution for the Spring European Council on the follow up to the EU Sustainable Development Strategy. In this respect the Council will define priorities, concrete measures and timetables for the further implementation of the EU SDS. Furthermore the Council will adopt guidelines for the implementation of the WSSD outcomes, including the Plan of Implementation and Type II initiatives, as regards the work and the results of the different Council configurations concerned. The results and the follow up of the "World Food Summit – Five years later", held in Rome, will be also taken into consideration.

The new environmental indicators, aimed at integrating the environment into sectoral policies, will be adopted during the Italian Presidency. This means that the existing roadmap has to be updated and that priorities should be defined in the different sectors: consumption and production patterns, water, energy, chemicals, biodiversity, governance, and trade/finance.

### **Environmental liability**

Based on the "polluter pays" principle, the proposal aims to establish a framework whereby environmental damage would be prevented or restored. The Greek Presidency should be able to reach political agreement by June 2003. In that case the second reading would probably enter its decisive phase at the end of the Italian Presidency.

## **Traceability and labelling of GMOs**

The proposed regulation is meant to build consumer confidence in GMO presence in food. The regulation is also aimed at amending the present provisions on the deliberate release of GMOs into the environment. It is important to adopt the new Regulation in order to facilitate the setting up of a harmonised traceability system in the EU. Since the Agriculture Council agreed on the parallel dossier on regulation of genetically modified food and a political agreement was also reached under the Danish Presidency on the traceability and labelling of GMOs, the Italian Presidency will have to deal with the EP's opinion at second reading and finalise the dossier by the end of 2003.

## **Regulation on the transboundary movement of GMOs (Implementation of the Cartagena Protocol)**

Entry into force of the Cartagena Protocol is likely to take place by March/June 2003. Serious efforts therefore need to be made to reach early convergence between the Commission, Council and EP positions in order to avoid a conciliation procedure which would very likely mean that the Community and the Member States could not live up to their obligations in time. After the agreement reached on a common position, it will be up to the Greek and possibly the Italian Presidencies to deal with the EP's second reading amendments.

## **Chemicals legislation**

The package on new chemicals legislation will be presented by the Commission during the Greek Presidency. Work in the Council is likely to enter in a more active phase during the Italian Presidency, also in the light of the concrete proposals submitted by the Commission.

## **Marine Environment**

The Commission's proposal for the amendment of the bathing water Directive will be a priority for the Greek Presidency with the aim of reaching, if possible, an agreement at first reading with the EP. Emphasis will also be given to the communication on marine environment strategy as well as other related proposals which will be presented by the Commission.

## **Integrated Product Policy**

The Council will give priority to the communication on Integrated Product Policy (which will be presented by the Commission during the second half of the Greek Presidency) linked with sustainable production and consumption patterns.

## **Climate change**

The Council will have to strengthen efforts for the final adoption of the Directive on emission trading. Further preparatory work should be carried out. In this respect, the preparation of COP 9, hosted by the Presidency of the European Union next December in Milan, will play a key role.

## **9. IMMIGRATION, FRONTIERS AND ASYLUM**

### **Illegal immigration and border control**

In the area of **illegal immigration** the Council will continue to examine policies to tackle illegal migration at its source, especially by examining ways of combating trafficking in human beings and economic exploitation of migrants, as well as by implementing the Return Action Programme.

In this regard the Council will continue to examine the proposed Directive on assistance in cases of transit for the purposes of expulsion by air, along with a new complementary initiative on the competencies of escorts in such transits. Furthermore, the Council will examine a new initiative for best practices for travel documents in returns, as well as a proposal for a draft Regulation to be submitted by the Commission, on burden allocation in mutual recognition of expulsion decisions, in implementation of Article 7 of Directive 2001/40.

With regard to the related issue of **border control**, the Council, continuing the work of the Danish Presidency, will be regularly informed about the various initiatives which have been set up in the framework of the plan for the management of the external borders of Member States. A number of these initiatives (projects and operations) have already been approved by the Strategic Committee on Immigration, Frontiers and Asylum, and it is possible that some of those projects, once finalised, will give rise to formal proposals during 2003 by the Commission or the Member States.

Giving the close relationship existing between border control and combating of illegal immigration, especially by sea, the Council will concentrate its efforts by June 2003 on:

- formalising comprehensive proposals in these fields
- achieving a common integrated risk assessment
- creating a core curriculum for border guard training and consolidating European provisions concerning borders
- promoting common visa data, an integral part of external border control measures
- considering the study by the Commission concerning burden sharing between Member States and the Union for the management of external borders
- following up on the feasibility study on the illegal immigration by sea, which will be presented by the Commission in the first months of next year
- establishing an ILO network against illegal immigration in the Western Balkans.

Priority will be given to the issue of the financing of activities in the fight against illegal immigration. In this context, the Thessaloniki European Council should, on the basis of a Commission study on burden sharing between the Member States and the European Union for the management of external borders, arrive at specific conclusions on actions to be implemented in the second half of 2003.

### **Legal immigration**

In the field of **legal immigration** the Council will firstly have to pursue the examination of two proposals aiming at simplifying and clarifying the **situation of long-term residents** and the question of **family reunification**. As far as the long-term residents are concerned, the proposal – which should be adopted by June 2003 – sets out the provisions under which an EC statute of long-term resident may be granted, which could allow the person concerned to move under certain conditions from one Member State to another. The objective of the Directive on the right to family reunification – which should also be adopted by June 2003 – is to define the conditions and requirements to which this right will be subject, as well as the statute of the reunited persons. Two other proposals are on the table of the Council: a proposal on the **conditions of entry and residence of third country nationals for the purpose of paid employment and self employed economic activities**, which sets out common conditions and requirements for access to the labour market, and a proposal on the **conditions of entry and residence for the purpose of studies, vocational training or voluntary service**, which is intended to address these specific issues.

The Council will continue to examine the proposed Directive on a short-term residence permit issued to victims of illegal immigration, the purpose of which is to give them an incentive to cooperate with the competent authorities in the fight against these illegal activities.

## Visas and related issues

On **visa matters**, the Seville European Council recommended the introduction, as soon as possible, of a **common identification system** for visa data in the light of a feasibility study to be submitted in March 2003. In parallel with the finalisation of this feasibility study, a draft proposal is expected in March 2003 with a view to establish a legal framework for the database. In October 2002 the Commission presented a working paper on developing the Schengen Acquis on the **local border traffic**. In the light of the comments made by Member States on this working paper, the Commission will present a proposal – expected by mid-2003 – on the establishment of common minimum rules in this field.

It is also necessary to follow up on the recent Council Conclusions on strengthening consular cooperation in order to achieve uniformity in the implementation of the Schengen procedures as far as visa issuing is concerned.

## Asylum

Discussions in the Council will continue in 2003 on a series of proposals submitted by the Commission in 2000 and 2001 aimed at reducing disparities between Member States' legislation and practices by defining a **set of common minimum standards**. Proposals establishing, on one hand, minimum standards for the reception of applicants for asylum and, on the other hand, criteria and mechanisms for determining the Member State responsible for examining an asylum application have been intensively discussed in past months and it is possible that they will be adopted before the end of this year. However, if the difficulties still pending are not solved before then, work will have to continue in the first half of 2003.

Two other proposals are on the table of the Council in the field of asylum. The first one, which, following the agreed timetable, should be adopted before June 2003, lays down minimum standards for the qualification and status of third country nationals and stateless persons as refugees. It aims at guaranteeing a high level of protection for those who genuinely need it while, at the same time, preventing abuses which would undermine the credibility of the system. The second proposal deals with minimum standards and procedures in Member States for granting and withdrawing refugee status. To this end it sets out the legislative tools and mechanisms which Member States can use to operate a system that processes cases as swiftly as possible. Its adoption is foreseen before December 2003.

### **External aspects**

As regards the **external dimension** of the fight against illegal immigration, the Council will follow along the lines decided on in a number of recent Council conclusions on intensified cooperation on the management of migration flows with relevant third countries (notably Albania, China, the Federal Republic of Yugoslavia, Morocco, Russia, Tunisia, Ukraine, Libya and the candidate country Turkey). More specifically, the Union should dispose of provisions on readmission and on the joint management of migration flows with relevant third countries, either by the insertion of such clauses into more general agreements currently under negotiation or through the conclusion of specific EU agreements in this field.

Regarding older negotiation mandates, the decisions for signature and conclusion of the agreement with Sri Lanka are expected to be adopted in 2003. The negotiations with Macao are almost concluded and the adoption of the agreement is also expected in 2003. For Morocco, Russia, Pakistan and Ukraine formal negotiations have not yet been launched or have only just started, for example in the case of Ukraine. Mandates for negotiating readmission agreements with Turkey, China, Albania and Algeria are expected to be adopted by the end of 2002.

Particularly relevant in this respect is the examination by the Council of the provision of the necessary technical and financial assistance for strengthening the ability of these countries to combat effectively trafficking in human beings and to cope with their readmission obligations towards the Union and the Member States.

## 10. POLICE AND CUSTOMS COOPERATION

### **Police cooperation**

The Council will continue its **peer evaluations**, notably the evaluation by the Multidisciplinary Group on Organised Crime of the submission by Member States of sensitive data to EUROPOL and the evaluation by the Article 36 Committee of national anti-terrorist arrangements. In 2003 the Schengen evaluation exercise will cover the implementation of the Schengen acquis in Spain and Portugal as well as in the UK (partial implementation) and the collective evaluation will continue in respect to the candidate countries with whom negotiations have not been completed. In the course of 2003 the Council should look into the rationalisation of the different evaluation processes.

The Council will continue work to improve the operational aspects of EUROPOL's activities. To this end, the promotion and participation of EUROPOL in national investigations and a wider contribution by Member States to the EUROPOL Data Base will be considered.

The Council should also give consideration to improving police cooperation through an enhancement of the strategic role of the European Police Chiefs Task Force.

Throughout 2003 the Council will also be responsible for ensuring the application – and, if necessary, the reinforcement and adjustment – of the **action plan to combat terrorism** adopted in response to the events of 11 September 2001, by regularly updating the roadmap drawn up for that purpose.

With regard to the **action plan to combat drugs (2000-2004)**, all aspects of its implementation should be vigorously pursued, in the light, in particular, of the guidelines to be given by the European Council in Copenhagen on the basis of a mid-term evaluation. Preliminary work will be undertaken under the Greek presidency on guidelines for the post-2004 new Action Plan. The Council will promote regional cooperation in combating drug trafficking, by carrying out joint operations among Member States which participate in EUROPOL and SECI Member States. Following strategic target 7, par. 4.2.3 of the EU Action Plan (2000-2004) the Council will also promote a draft Action Plan on drugs between the EU and the Balkan States.

As regards the **external dimension** of police cooperation, the Council will follow up on its recent conclusions on this subject. Existing Action Plans with third countries such as Russia and the Ukraine will be further developed, while particular emphasis will be placed on the fight against organised crime in the Western Balkans (following the London Statement of 25 November 2002), especially in the area of drug trafficking.

### **Customs cooperation**

Concerning **customs cooperation** the Council will ensure the implementation of the CIS Convention and will adopt the Protocol which amends this Convention as regards the creation of the Customs files identification database (FIDE). Given the need to provide assistance to the candidate countries, mainly concerning new sectors such as the CIS Convention, the Council will continue its efforts, with the cooperation of the Commission services, to provide the necessary infrastructure to the administrations of the candidate countries for a pilot implementation of CIS in those countries for training purposes.

With regard to border control, the Council will examine the Communication regarding the role that customs can play at the external borders and will be informed about the initiatives which can be set up in this framework. In addition, in 2003 the Council will continue the examination, with a view to its adoption, of a strategic programme for customs in the third pillar to complement the existing programme in the first pillar. Finally, the Council will proceed to evaluate the Joint Customs Operations among the administrations of the Member States that took place in 2002 and will organise new ones in order to improve and enhance the efficiency and effectiveness of cooperation.

## 11. TOWARDS A EUROPEAN AREA OF JUSTICE

### **In the field of civil law**

After the entry into force of the Nice Treaty, all areas under judicial cooperation in civil matters, with the exception of family law, will be subject to the codecision procedure.

With regard to **internal legislative activity**, in 2003 the Council will complete its examination of the draft Regulation concerning jurisdiction and the recognition and enforcement of judgements in matters of **parental responsibility**, aiming to adopt it in the first half of the year. The same applies to the draft Regulation creating a **European enforcement order for uncontested claims**, which is currently under discussion and is intended to abolish the exequatur procedure between Member States. In addition, in 2003 the Council will receive a number of Commission initiatives on, inter alia, compensation for victims of crime and determination of the law applicable to extra-contractual obligations (Rome II).

With regard to the **external dimension of judicial cooperation in civil matters**, activity will focus on the following areas in particular: replacement of the Lugano Convention by a new instrument on the recognition and enforcement of judgements in civil and commercial matters, a new Worldwide Exequatur Convention in the framework of the Hague Conference and, lastly, a Convention on the law applicable to securities held by intermediaries. In addition, in the next few months the Council should adopt a negotiating brief with a view to the Community's accession to the Hague Conference.

## In the field of criminal law

The discussions on the European Arrest warrant have shown that it is often necessary to approximate criminal law so as to ensure an efficient application of the instrument on mutual recognition. The more harmonised the law the easier it becomes for the judicial and police authorities of the Member States to cooperate. It is therefore probable that proposals will be submitted in 2003 for further approximation of criminal law, especially concerning the 32 categories of offences mentioned in article 2 of the European Arrest warrant. Among the initiatives already announced by the Commission are a framework decision on a **uniform EU wide system to combat money laundering by natural or legal persons** using large-scale cash payments to conceal the conversion of criminal proceeds as well as the creation of a **register of natural persons involved in the financing of terrorist activities**.

As far as mutual recognition is concerned, following the Tampere European Council the Council has adopted a programme of measures concerning mutual recognition of criminal pre trial orders or judgements. After having adopted the European Arrest warrant, the Council will examine the proposals on **mutual recognition of financial penalties and related questions**. More generally the Commission is currently considering a communication on **minimum standards under criminal procedural law** which is planned to be tabled early in 2003 and to be examined during the second half of the year. This file is closely linked to the whole programme on mutual recognition and is, to a certain extent, a condition of its success. The Council will continue its efforts to bring about intensified judicial cooperation with third countries in a number of areas. An agreement on mutual assistance in criminal matters and on extradition on the basis of Articles 24 and 38 of the TEU will continue to be negotiated with the US, while further similar mandates for agreements with Canada, Russia, Switzerland and other countries of specific interest may also be considered.

## 12. CIVIL PROTECTION

In the field of civil protection, the Council will continue its activities on prevention and intervention in case of natural and technological disasters. It will, in this context, examine a communication on an integrated strategy in this area which the Commission intends tabling in June 2003. High priority will also be given to effective implementation of the EU programme to improve cooperation between Member States with regard to terrorist threats involving the use of biological, chemical, radiological or nuclear means.

## 13. EXTERNAL RELATIONS

The **Western Balkans** will remain an area of highest priority for the EU. The EU's overriding strategic objective should be the further development of the Stabilisation and Association Process, as well to launch and develop the Zagreb Process. In this respect, the Thessaloniki Summit with the countries of the region is expected to give a new impetus to the further rapprochement of these countries with the European Union. The Council will take stock of the progress of negotiations on a Stabilisation and Association Agreement with Albania. It will examine the Commission's feasibility studies on the opening of SAA negotiations with Bosnia and the FRY and, in the light of the outcome of the studies, discuss negotiation mandates for these agreements. The EU will continue to play a leading role in the Stability Pact and seek to generate synergies with all appropriate regional initiatives. It will pay special attention to cooperation in the field of migration and asylum and to the fight against organised crime in the Balkans.

The **Mediterranean region** will be another high priority area for the European Union, in addition to the continuing efforts to resolve the Middle East crisis. As an active member of the Quartet, the Union will focus in particular on the political, security and economic reconstruction dimensions of the peace process. The Council will seek to strengthen regional cooperation in the Mediterranean through forging ever-deeper ties of a political, economic, social and cultural nature with the Union's Euromediterranean partners. New impulsion should be given to regional dialogue and cooperation. A serious attempt should also be made to reverse the downward trend in allocated expenditure to the countries of the area compared to other regions. The Euromediterranean meetings of Foreign Ministers in May and December, and the sectoral Ministerial meetings of the Barcelona Process will be of particular importance in that regard. As agreed by the Barcelona European Council, in the second half of the year an evaluation of the Facility for Euro-Mediterranean Investment and Partnership (FEMIP) performance will be necessary. The decision on the possible incorporation of an EIB majority-owned subsidiary dedicated to the Mediterranean partner countries will be a key priority. In the **Gulf**, the Council will encourage progress in the negotiations for a Free Trade Agreement with the Gulf Cooperation Council. Relations between the EU and the GCC will be reviewed at the 13th Joint Council and Ministerial meeting planned in Doha in March. The Council will continue to develop its bilateral relations with the countries in the region. It will review progress in negotiations for a Trade and Cooperation Agreement with Iran in parallel with progress in the political dialogue and antiterrorist cooperation between the EU and Iran. The Council should also encourage the swift finalisation of negotiations for an Association Agreement with **Syria**.

Relations with **Russia** will also figure high on the Council's agenda. To this effect the Common Strategy of the EU on Russia will be revised during the first half of the year. The Council will also assess the progress of all the aspects of the existing framework of cooperation between the EU and Russia, with a view to examine the possibility of providing with an enhanced, up-to-date, coherent and inclusive contractual framework for EU's relations with Russia. In this respect, the Council will continue its efforts for the creation of the common European Economic Space. The High Level Group will be producing an interim report on that topic for the St Petersburg Summit in May, before submitting a final report for the Summit hosted under the Italian Presidency. The Council will also further consider the issue of the energy dialogue between EU and Russia. Regarding Russia's accession to the WTO, substantial progress on the accession negotiations will be pursued.

Rapid consideration of the enlarged EU's relations with its **New Neighbours** and with the **wider Europe** will be a priority issue in 2003. This process will be initiated by and linked to proposals to be submitted by the Commission and the Secretary-General/High Representative on New Neighbours as requested by the Copenhagen European Council. The European Conference under the Greek Presidency will examine such ideas.

The Council will examine ways and means to further promote relations in all fields between the EU and the countries of the **Southern Caucasus**. Coordination with other major players and an enhanced visibility of EU initiatives constitute the main lines of action.

The Council will work actively towards promoting cooperation with the **USA and Canada** on a wide range of issues, thus further enhancing the essential partnership that Europe enjoys with those countries based on core values and shared objectives. It should inter alia focus on attaining tangible results within the EU-US positive economic agenda. It may also need to address particular outstanding trade issues with the USA, such as steel and FSC, given their potential impact on overall EU/US cooperation.

In **Asia**, implementation of the ASEM 4 Summit conclusions will be closely followed up. EU-ASEAN Ministerial meeting will try to give a new impetus to the cooperation with the Southeast Asian countries. The Council will continue to devote attention to the situation in the Indian sub-continent. The Council may in particular need to decide on the entry into force of the Cooperation agreement with Pakistan in the case that the European Parliament gives its approval to it. The Council should also keep the situation in Afghanistan under scrutiny. Relations with China, Japan, Korea and India will be marked by the preparations of the summits with those countries. The Council will assess by April 2003 whether to extend and/or amend the common position on Burma. Finally, the Council will lend support to the reconciliation process underway in the Korean peninsula.

The EU's relations with **Africa** will in general be given impetus with the EU-Africa summit to be held in April. A number of crisis spots and peace processes are likely to require the Council's attention, for instance in the Great Lakes, the Horn of Africa (Somalia, Eritrea/Ethiopia), Sudan, Ivory Coast and Zimbabwe. Thus, the Council will need to review the situation in Zimbabwe by February 2003, with a view to extending and/or amending its common position if necessary. The Council will also review its common position on Liberia, particularly in the light of developments in the UN Security Council.

The EU will continue to intensify and deepen its relations with **Latin America** and the **Caribbean** in order to advance the bi-regional strategic partnership, in particular on the occasion of the EU-Rio Group ministerial meeting in March. 2003 will also be a crucial year for the negotiation of an association agreement with Mercosur and negotiations will also begin with the Andean Community and Central America on agreements, raising high expectations in the region. Finally, preparation of the 3rd EU-LAC Summit, to be held in the first half of 2004, will also be on the agenda of the Council.

Since the events of 11 September 2001, the **fight against terrorism** has become a priority for the EU's action in all fields, as described in the roadmap of all the measures and initiatives implemented under the plan of action, adopted by the European Council on 21 September 2001. In particular, progress will be required in the Council in 2003 on the possible use of all EU capabilities, including military assets, to deal with major terrorist incidents within the EU (including those involving bacteriological, chemical, radiological or nuclear materials).

**Non-proliferation** issues have certainly acquired a renewed importance after 11 September 2001; the Council should devote more attention to reviewing EU policies and instruments in this field, with a view to a more rigorous and active policy. In particular, EU cooperation with Russia in this field should be reviewed before the expiry of the current Joint Action in June 2003 and specific Council decisions on individual projects should be adopted during the Italian Presidency.

Concerning the EU's activity in the **United Nations** – which will be developed in accordance with Article 19 of the TUE – the Council will as in previous years need to agree the EU's Priorities Paper before the summer, in the run-up to the General Assembly. The Council will address the report on UN reforms presented by the UN Secretary-General last September. Further to the communication<sup>1</sup> expected from the Commission on this topic, the Council should also adopt conclusions on EU/UN relations, giving specific consideration to ways and means of improving cooperation in the field of crisis management and conflict prevention.

The Council should give strategic orientations in good time (February and/or March GAERC) for the EU's stance in the Commission on **Human Rights**. In that context it will also be required to assess the human rights dialogue conducted with China and Iran. It may also address the issue of the coherence, consistency, mainstreaming, openness and priorities in the human rights field.

In the field of **development**, the Council will monitor progress in the negotiations on Economic Partnership Agreements launched in September 2002. Although there is no clear roadmap for these negotiations (the Cotonou agreement foresees that the new trading arrangements are to enter into force by 2008 at the latest) the EU/ACP Ministerial meeting envisaged for May 2003 will be the opportunity for an exchange of views on progress in the negotiations. The Commission intends to present an interim report in September after the completion of the first phase of negotiations.

In addition the Council will examine the following general issues: orientation debate on EU External Policy (February 2003), possibly, migration and development (July 2003 or earlier), impact of enlargement on development (July/September 2003), foreign direct investment and links with ODA (September/October 2003), Annual Report 2002 on EC Development Policy and the implementation of external assistance (November 2003).

In **multilateral trade policy**, the Council will focus primarily on the Doha Development Agenda negotiations to ensure balanced progress on all issues. The development dimension of the negotiations, the work programme on Agriculture, Services and Market Access, and the preparation of the 5th WTO Ministerial Conference will be central components to this effect. The Council will adopt conclusions in June/July to give guidance to the preparations for the Fifth session of the WTO Ministerial Conference (Cancun, 10-14 September 2003). Other issues likely to be monitored at Council level in 2003 will be the WTO follow-up to enlargement and possible new multilateral negotiations on steel and shipbuilding.

#### 14. EUROPEAN SECURITY AND DEFENCE POLICY

In 2003 work in the Council will focus on meeting the deadline set by the Helsinki European Council for achieving the Headline Goal. In order to address the remaining shortfalls in the **military capabilities** required to meet that Goal, the Council will evaluate the refined contributions of Member States and will take into consideration the final results of the European Capabilities Action Plan panels, expected by 1 March 2003. These steps will serve to evaluate the military implications of each proposed option, to examine whether further interim options are required to fill potential gaps, to study whether any further solutions are possible, and finally to identify whether any remaining shortfalls impose constraints or limitations on the delivery of the Headline Goal. A Capabilities Conference in May 2003 will note a new Helsinki Forces Catalogue (HFC 2003) and endorse an updated Helsinki Progress Catalogue (HPC 2003).

During the next phase, Member States, using existing mechanisms or new tools (e.g. project groups) that could be activated within the ECAP framework, will aim to support the implementation of the specific concrete solutions identified by the ECAP panels, in order to enhance the military capabilities needed for the more demanding operations in terms of complexity, rapidity of deployment and risks.

In the conduct of EU-led crisis management operations, particular attention should be given to the efficient financing of operations both by Member States and within a framework of common costs.

In the field of armaments policy, Commission proposals are expected in the course of 2003 in order to sustain efforts to strengthen the European industrial and technological defence base. Efforts should also be focused on the financing and procurement of improved capabilities, for which a rationalisation of modalities (leasing, pooling, etc.) should be envisaged, together with the establishment of an ESDP fund. Furthermore, the EU will promote a strong, dynamic and competitive defence industry from a security of supply perspective.

The Council should:

- develop the procedures, concepts and capabilities concerning the Rapid Response Elements of the Headline Goal;
- work on the other operationality areas by ensuring the improvement of command and control arrangements for national and multinational Headquarters, further developing and finalising the required operational documentation and undertaking the necessary initiatives required to support the EU's operational readiness.

Specific attention should be given to research and development matters and the necessity of establishing an environment suited to the reinforcement of a European Defence Industrial and Technological Basis, thus allowing the maintenance of reliable European security of supply which is necessary for the further development of European capabilities for crisis management.

Special attention will be given to the civilian dimension of ESDP, by fostering a better coordinated approach to all aspects of crisis management. Work will be needed to bring capabilities in police, rule of law, civilian administration and civil protection to full efficiency, as agreed at Feira and Gothenburg. The need for possible additional EU civilian crisis management capacity areas should be kept under review (cf. mandate ESDP progress report).

The Council will continue its work to increase the effectiveness of the contribution of ESDP in the fight against terrorism, in accordance with the declaration of the Seville European Council.

The Council will continue the elaboration of the relevant civilian and military initiatives in the field of EU Common Training and, in due course, will develop an overarching policy underlining its importance for the improvement of interoperability and the further enhancement of a European security culture.

The development of the Mediterranean dimension of ESDP will be strengthened by promoting further regular dialogue, mutual understanding and concrete ideas for cooperation with the Mediterranean partners.

On the operational side, the Council will deal with the conduct of the first EU-led crisis-management operations in **FYROM** and in **Bosnia and Herzegovina**. The Union will also be ready to conduct other crisis management operations according to developments in the international situation, its CFSP priorities and the capabilities in place.

The EU Exercise Programme will be implemented.

The Council will contribute to the development of an overall European Space Policy which will include the ESDP dimension.

Finally, the Council should develop in 2003 its **information policy** in the field of ESDP, targeting specific audiences in order to enhance transparency and strengthen mutual understanding on ESDP.

## **15. INSTITUTIONAL/ADMINISTRATIVE QUESTIONS AND INTERINSTITUTIONAL RELATIONS**

The Council will have to deal with two main dossiers: firstly, the question of the **statute of members of the European Parliament**. This politically sensitive dossier should normally be completed by summer of 2003 before the start of the EP election campaign. The Presidency intends, during the first semester, to steer negotiations towards a compromise within the Council and between the Council and the Parliament.

As far as the **statute and the financing of European political parties** are concerned, as the Treaty of Nice provides for a change of procedure from unanimity to codecision, the Commission is expected to present a new proposal incorporating the agreements already reached. The main outstanding issue will be the financing of the parties. After the submission of the Commission proposal, the procedure should go relatively quickly so as to clarify the situation in time for the EP election campaign. Three other dossiers will have to be dealt with by the Council, preferably during the first half of 2003: the second package of Commission proposals on **Better Regulation**, including the proposal on **comitology** aimed at clarifying the exercise of executive responsibility, the proposal amending the **statute of the Ombudsman** concerning, among other issues, the question of access to "confidential" documents and finally, in the same field, the negotiation of an **interinstitutional agreement on access by the EP to sensitive information in the area of Justice and Home affairs** following the IIA already agreed as far as sensitive information in ESDP is concerned, which should enter into force in early November 2002. Those negotiations should normally be completed during the first half of 2003. The two incoming presidencies intend to continue the practice of intensive contacts with the EP through regular participation in plenary debates, ministerial appearances in committees and other appropriate meetings. The presidents of the European Council plan three appearances each in plenary debates. During 2003, the Council will experience the first operation of new interinstitutional agreements on access to sensitive information in ESDP and JHA and on better law making.

As regards the **reform of the Staff Regulations** for Community officials, the Greek Presidency will build on progress achieved under the Danish Presidency in order to obtain agreement on a political compromise allowing the packet of measures to be adopted at the end of the first half of 2003. Should developments on this file point to the need, thought should be given in good time to arrangements for pursuing work into the second half of the year.