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**COMMUNICATION FROM THE COMMISSION  
TO THE EUROPEAN PARLIAMENT, THE COUNCIL, THE EUROPEAN  
ECONOMIC AND SOCIAL COMMITTEE AND THE COMMITTEE OF THE  
REGIONS**

**Policy Achievements in 2005**

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**Policy Achievements in 2005**

**1. A CHALLENGING YEAR FOR EUROPE**

This Synthesis of Policy Achievements, which appears for the first time in 2006, sets out what the Commission has done to help realise its five-year strategic objectives: to promote prosperity, solidarity, security, and a stronger Europe in the world<sup>1</sup>. The first full year of the Barroso Commission saw action on many fronts in partnership with European institutions, the Member States and other stakeholders. This document, together with the synthesis of management and control issues, constitutes the last stage of the Commission's Strategic Planning and Programming (SPP) cycle. The two documents form part of a whole, whereby the Commission reports on the commitments undertaken to deliver on policy results and its accountability in exercising its management responsibility.

2005 witnessed natural disasters, terrorist attacks, and persisting slow economic growth and high unemployment in several Member States. It was also a challenging year for European integration, with negative referenda on the Constitutional Treaty in two of the founding Member States, and uncertainty about the EU's Financial Perspectives for 2007-2013. The year ended on a more positive note. At the informal meeting of Heads of States and Governments at Hampton Court, a consensus emerged that confirmed the Commission's analysis on how to safeguard European values in a globalised world. It was agreed that European action was essential to tackle themes of vital importance for its future: research and innovation, higher education, energy, border management and immigration, and the demographic future of Europe. In December, the European Council reached agreement on the Financial Perspectives. The Commission had a key role in these negotiations, and is continuing its role as honest broker in the negotiations between the Parliament and the Council to finalise the financial framework for the next seven years. A comprehensive review of EU revenues and expenditure is also planned in 2008-2009.

In terms of new proposals, most of the initiatives highlighted in this Synthesis fell within the Commission Work Programme for 2005. The efforts made in terms of Strategic Planning and Programming to focus on key political priorities and reflect them in action continue to bear fruit. Close to 90% of the priority items were adopted, which is a considerable improvement on previous years, and a balanced result (with 22, 25, 24 and 18 proposals adopted under each objective)<sup>2</sup>. More importantly, the proposals add up to real progress on the path towards the Union's

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<sup>1</sup> *Strategic Objectives 2005-2009. Europe 2010: A Partnership for European Renewal – Prosperity, Solidarity and Security* - COM(2005) 12.

<sup>2</sup> For a complete list of the Work Programme items adopted in 2005 – see Annex.

key goals. However, a proposal from the Commission is only the first step. To translate proposals into real improvements in the policies delivered to European citizens, the policies put forward also need to be taken forward, both through the adoption of legislation in the Council and the European Parliament, and through encouraging a broad consensus on what Europe can do and where Europe should be directing its energies. This partnership remains central to the delivery of what the Commission is trying to achieve.

## 2. PROSPERITY

*‘...to turn the European economy into one of the most attractive places to invest, to produce and to work...’* (Strategic objective 2005-2009)

### *The Lisbon strategy*

The Spring European Council took a decisive step forward and gave fresh impetus to the **Lisbon Strategy**. The Lisbon Strategy was refocused and channelled into two main goals: achieving stronger and more lasting growth and creating more and better jobs. Central to the renewed Lisbon strategy was the need for action at every level: European, national, regional and local.

The commitment by the Member States to the revised Lisbon Strategy was backed by an agreement on multi-annual **Integrated Guidelines for Growth and Jobs (2005-2008)**. These Guidelines ensure greater consistency, with a sharper focus on growth and employment and a clear roadmap for the design of national reforms. At European level, the Commission also proposed a **Community Lisbon Programme**, which provides specific actions at EU level to complete the picture with a European dimension and to support and complement national measures. Two thirds of the actions initially envisaged have already been adopted by the Commission. However, many of the financing actions depend on the Financial Perspectives being finalised and implemented.

### *The Stability and Growth Pact*

Creating growth and jobs on a sustainable basis requires a sound macroeconomic environment. Acting on a Commission proposal, the Council agreed on revisions to the **Stability and Growth Pact**. In practice, countries with a combination of low debt and high potential growth will be able to run a small deficit over the medium term, whereas a balanced budget or a surplus will be required for other countries. It will also become easier for Member States to launch structural reforms that have direct long-term cost-saving effects and improve fiscal sustainability over the long term. The reform thus ensures greater consistency between the objectives of fiscal discipline and implementation of the Lisbon Strategy.

### *Competitiveness*

To help businesses thrive in Europe, the Commission formulated an **integrated industrial policy** that sets out sectoral and cross-cutting initiatives for the coming years. This policy highlights the need for action in related areas, e.g. access to markets, intellectual property rights, skills and regional funds for structural

adjustment. Small and medium-sized enterprises (SMEs) are a major source of jobs and innovation, but they play far less of a part in the internal market than larger companies. To help make SMEs more competitive, improve their market access and cut red tape, the Commission adopted a **comprehensive SME policy**. It also proposed a **Competitiveness and Innovation Framework Programme (CIP)**, designed to simplify access to adequate support for SMEs seeking growth capital, as well as increasing the use of information and communication technologies (ICT), environmental technologies and renewable energy sources. The Commission set up a High Level Group (**CARS 21**), which made recommendations to enhance employment and the global competitiveness of the European car industry while sustaining further progress in safety and environmental performance at an affordable price for consumers.

To improve the tax and customs environment for companies, the Commission presented a Communication on the **contribution of taxation and customs policies to the Lisbon strategy**. It aims to relieve EU firms from unnecessary extra costs arising from the functioning of 25 national systems and to help them take full advantage of the internal market. In this context, the Commission put forward a **Home State Taxation pilot scheme**, which analyses the corporate tax obstacles faced by SMEs and outlines a tax scheme that could be applied to their cross-border operations. To increase the competitiveness of companies by reducing their compliance costs, the Commission proposed a Modernised Customs Code coupled with information technology to establish **an electronic and paper-free customs environment in the EU**. The Commission also presented a **Communication on a customs response to the latest trends in counterfeiting and piracy**, which defines areas for priority action. Counterfeiting is a threat to innovation, competitiveness, legitimate trade, jobs, tax revenues and the security and health of European citizens.

The Commission launched a **State Aid Action Plan**, a far-reaching reform package designed to make the EU's State aid regime more efficient, transparent, equitable and effective. The Action Plan encourages Member States to provide more aid for research and development, innovation and risk capital for small firms, and to improve public services.

### ***The single market***

In 2005, close to all of the measures proposed in the Financial Services Action Plan were adopted, and a **White Paper on Financial Services Policy** setting out the strategy for the next five years was published. The Commission took action to promote efficient service provision throughout Europe, to the benefit of consumers and businesses. It proposed establishing a **Single Payments Area**, which aims to make cross-border payments as easy, cheap and secure as payments within one Member State. Fully implemented, this could save the European economy €50-100 billion per year. It also proposed a **Directive on cross-border mergers**, which was adopted by the European Parliament and the Council and will make it much easier for companies established in different EU countries to cooperate and restructure within the single market. To facilitate investment in other Member States, the Commission also proposed **extending the rights of cross-border shareholders**, which will enable investors throughout the EU to obtain relevant and timely information and to vote without encountering unnecessary obstacles.

A proposal of the Commission on car taxation aims to improve the functioning of the Internal Market by removing existing tax obstacles to the transfer of passenger cars from one Member State to another. It would also promote sustainability by restructuring the tax base of both registration taxes and annual circulation taxes so as to include elements directly related to carbon dioxide emissions of passenger cars.

Progress in the European Parliament and in the Council was sustained on the **‘Registration, Evaluation and Authorisation of Chemicals’ (REACH)** proposal. The new Regulation will replace 40 existing legal acts and create a single system for all chemical substances. It will also promote substitution of dangerous chemicals, thus fostering innovation through the development of new and safer substances.

### ***Innovation***

Building up the capacity to produce knowledge, to disseminate it through education, and to consolidate it through innovation is a key route for the EU to stimulate growth and generate new jobs. To support this, the Commission presented a Communication entitled **‘Building the European Research Area of knowledge for growth’**, which sets out policy objectives for European research. It also put forward a detailed approach for the **7th Framework Programme (FP7) for research and technological development (2007-2013)**. FP7 will modernise the delivery of European-level research and will introduce innovative new mechanisms such as the European Research Council. To help leverage the investment needed to reach the goal of 3% of GDP invested in research by 2010, and to improve the conditions for private sector investment in research and innovation, the Commission presented an integrated **Innovation and Research Action Plan**. This addressed issues such as tax incentives for research, the use of public procurement for innovative products and services, the creation of a European labour market for researchers, and cooperation and technology transfer between universities and businesses. Meanwhile, the Commission continued to implement and manage the 6th Research Framework Programme with a total budget of €19 billion for the period 2002-2006. The Commission also elaborated a strategy for the development of Nanosciences and Nanotechnologies, the results of which will have a major impact on the change in European industry while preserving jobs and thereby maintaining economic and social cohesion. 2005 also saw the completion of lengthy negotiations on ITER (an international large-scale experimental project for development of fusion power) and a decision for siting it in Europe (Cadarach, France).

To boost innovation and jobs through the use of ICT, the Commission presented an EU strategy for the information society – ***i2010***. This aims to create a single market for information society and media services, to overcome the geographic and social ‘digital divide’ and ensure inclusion, and to increase investment in ICT research by 80%. The **‘.eu’ top-level domain** provides European companies and citizens with new internet space while promoting an EU internet identity. Nearly 100,000 applications were received within three hours of the official launch. The Commission also proposed a Directive on Audio-visual Content (**‘Television without Frontiers’**), which aims to create a level playing field for all companies that offer TV-like services, e.g. via traditional TV, the internet or mobile phones. The Directive would also harmonise rules on advertising, which would give more flexibility for financing audiovisual content.

### *Lifelong learning*

A skilled workforce and labour markets adapted to encourage job creation are key prerequisites for embracing change. The joint Council/Commission report on the **progress made to implement the Education and Training 2010 programme** shows that the reforms of national systems are going in the right direction but that Member States will need to speed up these reforms. The European Parliament and the Council established the key directions for the three main Community **programmes on education, vocational training and youth** for the period 2007-2013. In 2005, 160,000 students received an **Erasmus** grant to study abroad, and 67,000 people completed a vocational internship as part of the **Leonardo da Vinci** programme. Altogether during the year, the youth, education and vocational training programmes supported the participation of around 400,000 people in mobility actions. To support labour mobility, the Commission made several legislative proposals on the **coordination of social security regimes**, e.g. a Directive aimed at improving the portability of complementary pension rights. A Commission proposal to **simplify complex legislation on the recognition of qualifications** passed into law; this will ensure a swift and simple system for citizens to have their qualifications from one Member State recognised in the others. Measures addressing the pivotal question of effective admission of economic immigrants were developed in an **Action Plan on Legal Migration**.

### *Energy and Transport*

The Commission launched an inquiry into the functioning of gas and electricity markets. Today, EU electricity prices are lower than ten years ago, thanks to liberalisation. However, further action is still needed to create competitive and integrated **energy markets**, which remains essential to support the competitiveness of European industry. The contribution of the transport sector to technological innovation and economic growth has increased thanks to big new European industrial projects. One example is the **European Rail Traffic Management System**, which will make railway transport more competitive while ensuring effective interoperability among national systems. Another example is the Single European Sky Air Traffic Management Research Programme, the technological strand of the **Single European Sky Programme (SESAR)**, which will put in place a modern system for air traffic control. SESAR will lower the costs for air transport providers and could generate up to 200,000 jobs in Europe. **Galileo**, Europe's global satellite navigation system, became a concrete reality with the successful launch in December of the first experimental satellite. This programme could create more than 150,000 highly qualified jobs in Europe. New **European social rules in road haulage** were agreed in the European Parliament and in the Council, which will increase road safety and establish a level playing field as far as social rights of workers in the sector are concerned.

## 3. SOLIDARITY

*'...meeting the needs of the present without compromising the ability of future generations to meet their own needs...'* (Strategic objective 2005-2009)

### *Social solidarity*

The Commission revised the **Social Agenda**, to help modernise Europe's social model under the Lisbon Strategy for growth and jobs. It focuses on two priorities: employment and fighting poverty while promoting equal opportunities. It covers issues such as the need for updating labour law to address new forms of work (e.g. short-term contracts) or the impact of an ageing population. Concrete follow-up included the adoption of a **Green Paper on demographic change**, a **Communication on corporate restructuring and employment** proposing ways to anticipate and manage change to promote more jobs, a **Framework Strategy on equal opportunities**, and the establishment of a **European Gender Institute**. In this context, the decision by the European Council to link the **European Youth Pact** to the growth and jobs strategy opened a new field for policies favouring youth employment and social inclusion. The Commission translated this into specific proposals for implementing the Pact in its Communication on **European policies concerning youth**. The Commission proposed a regulatory framework for its **Cohesion Policy post-2006**, together with a Regulation on the implementation of this policy. This will steer cohesion policy directly to the target of increased growth and jobs. It is flexible enough to allow each Member State or region to define a suitable policy mix in the light of its particular economic, social, environmental, institutional and cultural conditions. The Commission also worked closely with the Member States to prepare their National Strategic Reference Frameworks and their national and regional programmes, while it continued to support cohesion objectives under its current programmes through the provision of close to €20 billion of funding for regional policy.

The Commission proposed a Regulation to extend the remit of the European Monitoring Centre on Racism and Xenophobia by converting it into a **European Union Agency for Fundamental Rights**. The Agency will be an independent centre of expertise working in close cooperation with the Council of Europe. It will advise EU institutions and Member States on how best to prepare or implement EU legislation relating to fundamental rights. An example of the Commission's efforts to fight against discrimination is a legislative initiative that aims to ensure **non-discrimination of air passengers with reduced mobility**.

Finally, to promote language learning and linguistic diversity, the Commission adopted a Communication on **Multilingualism in the EU**. The document presents language knowledge as a desirable life skill for all citizens and stresses the importance of language skills for worker mobility and for the competitiveness of the EU economy. The Commission will seek to invest more in language-related research and make its own information accessible in more languages; it also called on Member States to further the teaching, learning and use of languages.

### *Sustainable management and use of resources, and environmental protection*

The Commission carried out a review of the EU's **Sustainable Development Strategy**, adopted in 2001. Confirming the Commission's commitment to sustainable development, the review identifies a number of key areas where action needs to be stepped up, such as climate change, energy efficiency and resource use. It also sets out specific initiatives to kick-start progress.

Encouraging progress on addressing **Climate Change** was made in 2005, both on implementation and effectiveness; the level of greenhouse gases from EU-25 stands at 5.5% below 1990 levels. All the national allocation plans of CO<sub>2</sub> emission allowances were approved, allowing the EU Emissions Trading Scheme to become fully operational. Initiatives were also presented to promote reduced emissions from cars ('Euro 5') and in the aviation sector. The Commission played a major part in securing the agreement at the **UN Climate Change Conference in Montreal** in December to begin talks in 2006 on the future of international cooperation on climate change when the current targets under the Kyoto Protocol expire in 2012.

The Commission also presented four **thematic strategies for the environment** – on air pollution, the marine environment, natural resources, and waste prevention and recycling. Each of them will contribute to a more sustainable use and management of resources to preserve the future capacities of our economies while creating positive effects for ecosystems and human health.

In the energy field, the focus was on addressing climate change and securing the supply of sustainable energy. A **Green Paper on Energy Efficiency** proposed cost-effective measures to save 20% of energy consumption by 2020, through changes in consumer behaviour and the use of energy efficient technologies. These would allow the EU to save an estimated €60 billion/year. The Commission also adopted an **EU Biomass Action Plan** with the main objective of more than doubling biomass use in the EU by 2010 and paving the way for bigger increases by 2020.

Concerning agriculture, the Commission's proposal for a wide-ranging **reform of the sugar sector** was approved. The sugar reform will cut the guaranteed price for white sugar by 36% over four years. It is expected to boost the sector's competitiveness, restore balance to the market and help honour the EU's international commitments vis-à-vis other sugar producing countries. 2005 was also the first year of implementation of the **decoupled single farm payment**, which removes the direct link between production and subsidies in the Common Agricultural Policy. As from 2006, some 90% of direct payments to farmers will become decoupled from production and, at the same time, new requirements will be introduced to meet environmental standards. Another political achievement was the adoption of the **Rural Development Regulation** on which agreement was reached with the European Parliament and the Council. The new Regulation will give Member States greater scope to use Rural Development funds to stimulate growth and create new jobs and to carry through ecological protection programmes in rural areas. The Council also adopted the proposal for a single legal framework for financing the CAP. It will considerably simplify CAP financing, reinforce and modernise management and control, and strengthen budgetary discipline.



In the area of conservation of resources and management of fisheries, Commission proposals for **long-term recovery plans** were put in place for **various species**. In addition, measures for the Baltic Sea will pave the way for a multi-annual recovery plan to rebuild cod stocks in that area, and the Council agreed to set up a **Community Fisheries Control Agency**, which will foster a common approach to fisheries monitoring and inspection within the Union. The Commission also launched a Maritime Policy Task Force, whose mission is to establish a general framework for the sustainable development of sea-based activities at EU level.

#### 4. SECURITY AND FREEDOM

*‘...the personal security of European citizens in the face of crime and terrorism... and the ability of citizens to run their daily life on a secure basis...’* (Strategic objective 2005-2009)

##### *Justice and home affairs*

The adoption of a joint Council/Commission **Action Plan implementing the Hague Programme** constituted a key event for the development of freedom, security and justice policies in Europe in 2005-2009. The terrorist attacks of 7 July in London confirmed the need for rapid and comprehensive action at EU level. The proposal for a **Framework Decision on the exchange of information** under the principle of availability would bring considerable improvements in the access to information for law enforcement authorities. Linked to this, the proposal for a **Framework Decision on the protection of personal data** processed in the framework of police and judicial cooperation in criminal matters will help to guarantee the respect of fundamental rights.

The **Action Plan on drugs** aims to reduce the prevalence of drug use and the social harm and health damage caused by illicit drugs. It proposes specific actions and should serve as a guide for stakeholders when setting priorities in this area. The **Strategy on tackling organised crime** sets out to develop common methodologies among national and EU bodies and to establish an EU crime statistics system, as a basis for further policy development in this field. The Commission also carried out a revision of the **Programme for mutual recognition in criminal matters**. The Communication proposes legislative measures to harmonise the law of criminal procedure, focusing on the protection of individual rights, and practical action to boost judicial training and support networking among practitioners.

Tragic events linked to a strong increase of migratory pressures at European borders, such as Ceuta and Melilla, underlined the importance of quick action in this area. A proposed **Directive establishing common standards on return procedures** and mutual recognition of expulsion decisions tackled the need for clear European principles on returning illegal immigrants. The **Agency for the Management of Operational Cooperation at the External Borders** was also inaugurated.

In the area of civil justice, efforts were directed at removing obstacles to mutual recognition of judgments and to access to justice, and facilitating the life of citizens in an enlarged and integrated Europe. In 2005, there was a particular emphasis on family law. The fact that more couples separate, combined with increasing mobility

in the EU, leads to a growing number of cross-border disputes regarding maintenance claims. The Commission proposed a **Regulation on maintenance obligations**, which will provide assistance, help to solve disputes and enforce maintenance obligations between separated couples living in different Member States.

### *Health and safety*

The Commission presented a Communication aiming to strengthen the **Community Civil Protection Mechanism**. The Commission ensures 24-hour accessibility of the Mechanism through its Monitoring and Information Centre, which supports and facilitates the mobilisation of vital civil protection resources from the Member States in the event of an emergency. In 2005, the Mechanism responded to 14 emergencies, including floods in Central Europe, forest fires in Portugal and hurricanes in the United States.

The Commission adopted a strategy and a new **Health and Consumer Protection Programme**. The Programme will help to protect citizens from risks and threats that are beyond their control and cannot be effectively tackled by individual Member States. It would help to improve Europe's surveillance and early warning system against infectious diseases, to increase cooperation between Member States to keep dangerous products off the internal market, and to provide information to citizens about their rights under consumer legislation, and their healthcare entitlements, throughout the EU. Consumer protection was also promoted through the adoption of several legislative proposals on food safety, including a Regulation on the maximum residue levels of pesticides in food and a Regulation on the microbiological criteria for foodstuffs.

The possibility of an **influenza pandemic** generated intense political attention. The Commission worked with Member States in leading preparations to save lives and ensure minimal economic disruption in the event of a pandemic. It issued a legislative proposal which would require Member States to reinforce surveillance and control measures against avian influenza while providing clear rules on the vaccination of birds. The **European Centre for Disease Prevention and Control (ECDC)** became fully operational. Key tasks of the ECDC relate to epidemiological surveillance and to early warning and response.

With the entry into force of the **Regulation on the rights of air passengers**, citizens benefit from increased compensation and improved assistance in the event of denied boarding and delay or cancellation of a flight. The Commission also presented initiatives to publish **black lists of air companies** and **information to passengers about the identity of carriers**, which were subsequently consolidated and adopted following air accidents during the summer. A **Package on maritime safety** was presented, including legislative proposals to prevent accidents and to increase the responsibility of shipowners.

## 5. EUROPE AS A WORLD PARTNER

*‘...the Union must achieve greater political coherence in external action...’*  
(Strategic objective 2005-2009)

### *Enlargement and the European neighbourhood*

The signing of the Accession Treaty with **Bulgaria and Romania** completed the fifth round of accession negotiations for the enlargement of the EU. These two countries are scheduled to join the EU on 1 January 2007, provided they make the additional efforts to which they are committed. The EU prepared the ground for future enlargements by opening accession negotiations with **Croatia and Turkey**. The **Stabilisation and Association Process in the Western Balkans** also made further progress, and the **former Yugoslav Republic of Macedonia** was granted candidate status and the EU strengthened its relationship with the rest of the Western Balkans.

In 2005, the Commission started implementing the seven **European Neighbourhood Policy (ENP) Action Plans** and began consultations with five other countries with a view to finalising Action Plans. Through the ENP, the EU is seeking to promote good governance and economic and social development in countries immediately beyond its borders, while improving environmental conditions. The ENP contributes to a zone of increasing prosperity, stability and security on the borders of the EU, while offering partner countries closer political links and elements of economic integration with the EU. In the **Middle East**, the EU engaged actively in rebuilding the Palestinian economy, taking a long-term view of its strategic partnership with the Palestinian Authority towards a two-state solution.

### *The wider world*

Negotiations on the World Trade Organisation’s (WTO) **Doha Development Agenda (DDA)** were the foremost priority of the EU’s trade policy in 2005. With the negotiations progressing rather slowly, the EU confirmed its attachment to the multilateral negotiations by presenting ambitious offers in the run-up to the 6<sup>th</sup> WTO Ministerial Conference in Hong Kong in December 2005. Unfortunately, the EU’s effort to secure an ambitious round has not, for the time being, been reciprocated by other major players. At the Conference, the EC was instrumental to its relative success by committing to eliminate its agricultural export subsidies by 2013 and pushing for an agreement on an important ‘package’ for the developmental dimension of the round.

In terms of **bilateral relations**, progress was made on promoting the policy dialogue and in deepening our relations with several key partners throughout the world. To give one example, the EU-US relationship saw a marked turn for the better. The Commission played a strong role in the negotiation of the Economic Initiative agreed at the **EU-US Summit**.

In 2005, the Commission was one of the world’s top five providers of Official Development Assistance (ODA). The Commission speeded up its disbursement of support which totalled €6.2 billion during the year (an increase by 10% compared to

the previous year). A new Development Policy Statement – the **European Consensus on Development** – was adopted by the Council and the European Parliament on the basis of a proposal from the Commission. For the first time in fifty years, the Declaration defines at EU level the common values, principles, objectives and means of eradicating poverty and achieving the Millennium Development Goals (MDGs). It commits the Member States, not only as members of the Council but also as bilateral donors, and the European Community. In the run-up to the **UN Millennium Review Summit** in September, the EU made new commitments to accelerate progress towards the MDGs, on the basis of Commission proposals. The EU set ambitious new **intermediate goals for ODA** for 2010, with a view to achieving the UN target of 0.7% by 2015. By 2010, this would already generate an additional €20 billion/year in ODA from the EU on top of the current annual contribution of €43 billion. Increased funding comes with a commitment to ensure greater effectiveness, explore innovative sources of funding and provide further debt relief, combined with the promise to provide 50% of ODA increases to Africa. Acting on the basis of a Commission proposal, the Council adopted the **EU Strategy for Africa**. Its primary goals are to support Africa's efforts to achieve the MDGs and to promote sustainable development, security and good governance through enhanced dialogue, combined with increased and more effective EU aid. The **revision of the Cotonou Agreement** further strengthens the political dimension of the relations between the EU and the African, Caribbean and Pacific countries, including dialogue on human rights, democratic principles and the rule of law.

The Commission funded humanitarian assistance programmes, including for the victims of the **tsunami** in South-East Asia (€123 million) and of the **earthquake in India and Pakistan** (close to €50 million), out of a total budget of €650 million allocated to humanitarian aid and emergency operations. The humanitarian aid was complemented with measures to support rehabilitation and to begin restoring sustainable livelihoods (€170 million for Tsunami affected countries and €50 million following the South Asian earthquake). The Commission's response builds on its Communication on **Reinforcing EU Disaster and Crisis Response in third countries**, which was adopted in 2005. The Commission also continued to fund assistance in forgotten and complex crises situations. The focus was mainly on Africa – in particular Darfur, Sudan (€45 million in addition to €14 million for Sudanese refugees in Chad), the Democratic Republic of Congo (€38 million) and West Africa (€29 million). Other examples of major humanitarian programmes concern the Middle East (€36.6 million) and the Northern Caucasus related to the Chechnya crisis (€26 million), where the Commission is the largest single donor of humanitarian aid.

2005 was also a very active year for **EU Election Observation and Support** with 12 missions deployed involving more than 1,000 observers. Assistance was also provided to political processes in Asia and the Middle East to make security work worldwide. In **Iraq**, efforts were targeted at improving the daily lives of Iraqi citizens as well as strengthening governance and political processes. Actions focused on basic needs such as education, health care, water, income generating activities, and contributing to the holding of elections and the referendum on the new Iraqi constitution. In **Afghanistan**, the Commission continued its support to the reconstruction and institution building, including assistance to maintain law and order and promote health, rural development and public administrative reform.

Support was also provided for the legislative elections that were successfully held in September. In **Aceh** (Indonesia), the Commission funded post-tsunami recovery, actively assisted the mediation activities that led to the signing of a peace agreement, and provided support to long-term peace.

## 6. A MODERN AND EFFICIENT ADMINISTRATION ENSURING BETTER REGULATION IN THE ENLARGED EU

The initiatives outlined above highlight the role of the Commission as the **initiator of Community legislation**, and its capacity to launch and lead **strategic debates** at European level in preparation of EU action. However, they do not pretend to be a comprehensive list of the Commission's activities in 2005<sup>3</sup>. The Commission continued to discharge its responsibilities across a wide range of activities. In its role of the '**guardian of the Treaties**', it promoted rapid transposition by the Member States, and proper implementation and rigorous enforcement of EC legislation.

The Commission also has executive responsibility in **managing common policies**. In 2005, the Commission devoted a large part of its resources to ensure the ongoing implementation of existing policies. It made substantial additional efforts on such 'core business', notably with respect to the enforcement of Community law and efficient management of Community programmes, including the Structural Funds, the Common Agricultural Policy and the research programmes. 2005 was marked by the completion of the 'Reform project' which aimed at creating an even more efficient and accountable administration. In this framework, the Commission undertook a significant reform of its **accounting system** by switching to accrual-based accounting, which provides a better overview of the Communities' assets and liabilities throughout the year. It launched a **Transparency initiative** to show the public how money is spent and how decisions are made. The Commission adopted a **Communication on a roadmap for an integrated financial control framework**, designed to pave the way towards an unqualified opinion by the European Court of Auditors on the financial management of the EU budget, through the implementation of concrete actions at Commission and Member State levels. The Commission **simplified the rules on procurement and grants** by amending the implementing rules of the Financial Regulation. The Commission also adopted a revised e-Commission strategic framework, thereby renewing its commitment to an optimal use of ICT to improve its performance and transparency. Finally, the Commission continued to **adapt to the 2004 enlargement** of the EU, by integrating staff from the new Member States, by providing translation and interpreting services in nine additional languages, and by collecting key statistical data from the new Member States.

**Better regulation** has to become the cornerstone for decision making at all levels of the EU. The Commission made significant progress in the pursuit of better regulation objectives, putting in place an updated and coherent framework to look at existing, pending and new regulations. The main elements of this framework are revised

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<sup>3</sup> As required by the Treaties, the Commission presented, on 14 February 2006, the *General Report on the Activities of the European Union 2005* - SEC(2005) 1200; <http://europa.eu.int/abc/doc/off/rg/en/2005/index.htm>

impact assessment guidelines; comprehensive screening of pending legislative proposals, which highlighted 68 proposals suitable for withdrawal; a Communication on an EU common methodology for assessing administrative costs imposed by legislation; and a strategy for the simplification of the regulatory environment, including a three-year rolling work programme.

## 7. CONCLUSIONS

2005 was a crucial year which set the scene for the rest of the Barroso Commission's mandate. Despite considerable challenges, the Commission demonstrated leadership and commitment in delivering on its strategic objectives. Europe has taken concrete steps forward and has laid the ground for a 'Partnership for Renewal' to put Europe back on track. With the renewed Lisbon strategy and the progress towards the new Financial Perspectives, the Commission put in place two of the key building blocks for the successful delivery of Community policies into the next decade.

The Commission remains committed to working in close partnership with the European institutions, the Member States, stakeholders in all walks of life, and with its international partners. The Commission sees effective communication on European affairs and building a genuine dialogue with citizens as crucial to regaining the trust and support of citizens for the European project. In 2005, the Commission initiated a wide-ranging reform of its communication activities. An internal **Action Plan on Communicating Europe** was adopted which dovetails with the **Commission Plan D for democracy, dialogue and debate**. But above all, the Commission, and the EU at large, will be assessed on its ability to focus and deliver. The strategic objectives remain the framework for the Commission's actions in the years ahead, and the action for 2006 is already set out in the 2006 Work Programme, *Unlocking Europe's Full Potential*<sup>4</sup>. In 2005, the groundwork was done. 2006 will be a year with an even stronger focus on delivery – a Europe of results.

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<sup>4</sup> COM(2005) 531.

## Annex – Items adopted in 2005 from the Commission Legislative and Work Programme 2005 – by strategic objective

### Prosperity

| Title  | Reference no   | Adoption date | Type of proposal or act                           |
|--|--|---------------|---|
| Communication on Better Regulation and Competitiveness                         | COM(2005) 97; SEC(2005) 175  | 16.3.2005     | Non-legislative action / Commission Communication |
| Competitiveness and Innovation Framework Programme                             | COM(2005) 121; SEC(2005) 433; 2005/0050(COD)                         | 6.4.2005      | Legislative Proposal / Decision                   |
| Communication on the new generation of tax and customs programmes              | COM(2005) 111; SEC(2005) 423   | 6.4.2005      | Non-legislative action / Commission Communication |
| Seventh Framework Programmes for Research (2007-2013)                          | COM(2005) 118+119; SEC(2005) 430+431; 2005/0043(COD); 2005/0044(CNS) | 6.4.2005      | Legislative Proposal / Decision                   |
| Proposal for a modification of the Regulation on the Stability and Growth Pact | COM(2005) 154+155; 2005/0064(SYN); 2005/0061(CNS)                    | 20.4.2005     | Legislative Proposal                              |
| Green Paper on Financial Services Integration: Horizon 2005-2010               | COM(2005) 177  | 3.5.2005      | Non-legislative action / Green Paper              |
| Communication i2010  | COM(2005) 229; SEC(2005) 717   | 1.6.2005      | Non-legislative action / Commission Communication |
| State aid action plan  | COM(2005) 107; SEC(2005) 795   | 7.6.2005      | Non-legislative action / Other                    |
| Proposal for a Council Directive on taxation of passenger cars in the EU       | COM(2005) 621; SEC(2005) 809; 2005/0130(CNS)                         | 5.7.2005      | Legislative Proposal / Directive                  |
| Green Paper on obstacles to integration of mortgage credit market              | COM(2005) 327  | 19.7.2005     | Non-legislative action / Green Paper              |
| More Research and Innovation: Investing for Growth and Employment              | COM(2005) 488; SEC(2005) 1283+1289                                   | 12.10.2005    | Non-legislative action / Commission Communication |
| Cross-border management of copyright in the online music sector                | C(2005) 3764; SEC(2005) 1254   | 18.10.2005    | Non-legislative action / Recommendation           |
| Communication on progress in creating internal market for electricity and gas  | COM(2005) 568; SEC(2005) 1448  | 15.11.2005    | Non-legislative action / Commission Communication |

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| Proposal for a Regulation on advanced therapies   | COM(2005) 567; SEC(2005) 1444;<br>2005/0227(COD) | 16.11.2005 | Legislative Proposal / Regulation                 |
| Proposal on the management structure of the industrial SESAME project (common enterprise) for the technical realisation of Single Sky | COM(2005) 602; SEC(2005) 1532;<br>2005/0235(CNS) | 25.11.2005 | Legislative Proposal / Directive                  |
| Modification Customs Code: simplification of procedures - Ecustoms  | COM(2005) 608; SEC(2005) 1543+1545               | 30.11.2005 | Legislative Proposal / Regulation                 |
| Legal Framework for Payments  | COM(2005) 603; SEC(2005) 1535;<br>2005/0245(COD) | 1.12.2005  | Legislative Proposal / Directive                  |
| Communication on the results of the consultation launched on Defence Procurement  | COM(2005) 626; SEC(2005) 1572                    | 6.12.2005  | Non-legislative action / Commission Communication |
| Maritime proposal   | COM(2005) 651; SEC(2005) 1640+1641               | 14.12.2005 | Legislative Proposal / Regulation                 |
| Green paper on claims for damages under EC Competition law  | COM(2005) 672; SEC(2005) 1732                    | 19.12.2005 | Non-legislative action / Green Paper              |
| Modification of Medical Devices Directives  | COM(2005) 681; SEC(2005) 1742;<br>2005/0263(COD) | 22.12.2005 | Legislative Proposal / Directive                  |
| Home State Taxation pilot scheme for SMEs   | COM(2005) 702; SEC(2005) 1785                    | 23.12.2005 | Non-legislative action / Commission Communication |



## Solidarity

| Title  | Reference no  | Adoption date | Type of proposal or act                           |
|--|---|---------------|---|
| Communication on post 2012 Climate Change Strategies   | COM(2005) 35; SEC(2005) 180                           | 9.2.2005      | Non-legislative action / Commission Communication |
| Social Agenda  | COM(2005) 33; SEC(2005) 177                           | 9.2.2005      | Non-legislative action / Commission Communication |
| Green Paper on management of the demographic trends in the European Union  | COM(2005) 94  | 16.3.2005     | Non-legislative action / Green Paper              |
| Communication on restructuring and employment  | COM(2005) 120   | 31.3.2005     | Non-legislative action / Commission Communication |
| Proposal for a COD Regulation establishing the EU Solidarity Fund  | COM(2005) 108; SEC(2005) 447; 2005/0033(COD)          | 6.4.2005      | Legislative Proposal / Regulation                 |
| Proposal for a Council Regulation establishing Community financial measures for the implementation of the Common Fisheries Policy and in the area of the Law of the Sea    | COM(2005) 117; SEC(2005) 426; 2005/0045(CNS)          | 6.4.2005      | Legislative Proposal / Regulation                 |
| Disaster Preparedness and Response Instrument  | COM(2005) 113; SEC(2005) 439; 2005/0052(CNS)          | 6.4.2005      | Legislative Proposal / Regulation                 |
| Programme for active citizenship   | COM(2005) 116; SEC(2005) 442; 2005/0041(COD)          | 6.4.2005      | Legislative Proposal / Decision                   |
| European Year of Mobility for Workers (2006)   | -   | 27.4.2005     | Non-legislative action / Other                    |
| Communication on youth policy  | COM(2005) 206; SEC(2005) 693                          | 30.5.2005     | Non-legislative action / Commission Communication |
| Communication on 'non discrimination and equal chances for all - a framework strategy and a proposal for a decision on the European year for equal chances for all (2007)' | COM(2005) 224+225; SEC(2005) 689+690; 2005/0107(COD)  | 1.6.2005      | Legislative Proposal / Decision                   |
| Sugar Reform – Common Market Organisation (CMO) Regulation + Single Payment Regulation   | COM(2005) 263; SEC(2005) 808+810; 2005/0118-0120(CNS) | 22.6.2005     | Legislative Proposal / Regulation                 |
| Green Paper on a European Energy Efficiency Initiative   | COM(2005) 265   | 22.6.2005     | Non-legislative action / Green Paper              |

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| EU Rural Development Strategy                                   | COM(2005) 304; SEC(2005) 914;<br>2005/0129(CNS)           | 5.7.2005   | Legislative Proposal / Decision                   |
| Communication on eAccessibility                                 | COM(2005) 425; SEC(2005) 1095                             | 13.9.2005  | Non-legislative action / Commission Communication |
| Thematic Strategy on Air Pollution                              | COM(2005) 446+447; SEC(2005) 1135+1133;<br>2005/0183(COD) | 21.9.2005  | Legislative Proposal / Directive                  |
| Communication on reducing the climate change impact of aviation | COM(2005) 459; SEC(2005) 1184                             | 27.9.2005  | Non-legislative action / Commission Communication |
| Intercultural dialogue 2008                                     | COM(2005) 467; SEC(2005) 1202;<br>2005/0203(COD)          | 5.10.2005  | Legislative Proposal / Decision                   |
| Thematic strategy for the protection of the Marine Environment  | COM(2005) 504+505; SEC(2005) 1290;<br>2005/0211(COD)      | 24.10.2005 | Legislative Proposal / Directive                  |
| Communication on sustainable energy                             | COM(2005) 627; SEC(2005) 1571                             | 7.12.2005  | Non-legislative action / Commission Communication |
| Communication on an Action plan for Biomass                     | COM(2005) 328; SEC(2005) 1573                             | 7.12.2005  | Non-legislative action / Commission Communication |
| New Directive on Audio-visual Content                           | COM(2005) 646; SEC(2005) 1625+1626;<br>2005/0260(COD)     | 13.12.2005 | Legislative Proposal / Directive                  |
| Proposal for a Regulation on motor vehicles emissions (EURO 5)  | COM(2005) 683; SEC(2005) 1745;<br>2005/0282(COD)          | 21.12.2005 | Legislative Proposal / Regulation                 |
| Thematic Strategy on Resources                                  | COM(2005) 670; SEC(2005) 1683+1684                        | 21.12.2005 | Non-legislative action / Commission Communication |
| Thematic Strategy on the Prevention and Recycling of Waste      | COM(2005) 666+667; SEC(2005) 1681+1682;<br>2005/0281(COD) | 21.12.2005 | Legislative Proposal / Directive                  |

## Security and freedom

| Title   | Reference no   | Adoption date | Type of proposal or act                           |
|---|--|---------------|---|
| EU Drugs Action Plan 2005-2008                                | COM(2005) 45; SEC(2005) 216  | 14.2.2005     | Non-legislative action / Commission Communication |
| Green Paper on successions and wills                          | COM(2005) 65; SEC(2005) 270  | 1.3.2005      | Non-legislative action / Green Paper              |
| Green Paper on applicable law to divorces                     | COM(2005) 82; SEC(2005) 331  | 14.3.2005     | Non-legislative action / Green Paper              |
| Health and Consumer Policy Programme                          | COM(2005) 115; SEC(2005) 425; 2005/0042(COD)   | 6.4.2005      | Legislative Proposal / Decision                   |
| Framework programme on fundamental rights and Justice         | COM(2005) 122; SEC(2005) 434; 2005/0037(COD); 2005/0038(CNS); 2005/0039(CNS); 2005/0040(COD) | 6.4.2005      | Legislative Proposal / Framework decision (JHA)   |
| Framework programme on security and safeguard of freedom      | COM(2005) 124; SEC(2005) 436; 2005/0034(CNS); 2005/0035(CNS)                                 | 6.4.2005      | Legislative Proposal                              |
| Framework programme on solidarity and management of migration | COM(2005) 123; SEC(2005) 435; 2005/0046(COD); 2005/0047(COD); 2005/0048(CNS); 2005/0049(COD) | 6.4.2005      | Legislative Proposal                              |
| Directive on control of avian influenza                       | COM(2005) 171; SEC(2005) 549; 2005/0062(CNS); 2005/0063(CNS)                                 | 28.4.2005     | Legislative Proposal / Directive                  |
| Action Plan on the Hague Programme                            | COM(2005) 184  | 10.5.2005     | Non-legislative action / Other                    |
| Protection of chicken kept for the production of meat         | COM(2005) 221; SEC(2005) 801; 2005/0099(CNS)   | 30.5.2005     | Legislative Proposal / Directive                  |

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| Fundamental Rights Agency  | COM(2005) 280; SEC(2005) 849;<br>2005/0124(CNS); 2005/0125(CNS)   | 30.6.2005  | Legislative Proposal / Regulation               |
| Proposal for a Framework Decision on the fight against counterfeiting  | COM(2005) 276; SEC(2005) 848;<br>2005/0128(CNS)   | 12.7.2005  | Legislative Proposal / Framework decision (JHA) |
| Proposal for a Directive on the fight against counterfeiting   | COM(2005) 276; SEC(2005) 848;<br>2005/0127(CNS)   | 12.7.2005  | Legislative Proposal / Directive                |
| Animal health conditions - Aquatic animals   | COM(2005) 362; SEC(2005) 1047;<br>2005/0153(CNS); 2005/0154(CNS)  | 23.8.2005  | Legislative Proposal / Directive                |
| Proposal for a Directive on common standards for return procedures   | COM(2005) 391; SEC(2005) 1057;<br>2005/0167(COD)  | 1.9.2005   | Legislative Proposal / Directive                |
| Directive on data retention  | COM(2005) 438; SEC(2005) 1131;<br>2005/0182(COD)  | 21.9.2005  | Legislative Proposal / Directive                |
| Framework Decision on standards for transfer of personal data  | COM(2005) 475; SEC(2005) 1241;<br>2005/0202(CNS)  | 4.10.2005  | Legislative Proposal / Framework decision (JHA) |
| Equivalent access to law enforcement authorities   | COM(2005) 490; SEC(2005) 1270;<br>2005/0207(CNS)  | 12.10.2005 | Legislative Proposal / Framework decision (JHA) |
| Communication and proposal for a Regulation on the extension of the tasks of the European Aviation Safety Agency | COM(2005) 578+579; 2005/0228(COD)   | 15.11.2005 | Legislative Proposal / Regulation               |
| 3rd Package on Maritime Safety (7 legislative proposals)   | COM(2005) 585+590; COM(2005) 592+593;<br>SEC(2005) 1496-1499; SEC(2005) 1514-1517;<br>2005/0236-0242(COD) | 23.11.2005 | Legislative Proposal                            |
| Green Paper on the establishment of a European Migration Monitoring Centre                                       | COM(2005) 606   | 28.11.2005 | Non-legislative action / Green Paper            |
| Green Paper - Platform for Nutrition and Health  | COM(2005) 637   | 8.12.2005  | Non-legislative action / Green Paper            |

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|--|--|------------|---|
| Maintenance obligations  | COM(2005) 648+649; SEC(2005) 1628-1630; 2005/0259(CNS) | 15.12.2005 | Legislative Proposal / Regulation                 |
| Communication including an action plan relating to legal migration | COM(2005) 669; SEC(2005) 1680                          | 21.12.2005 | Non-legislative action / Commission Communication |

## Europe as a world partner

| Title   | Reference no                                   | Adoption date | Type of proposal or act                           |
|---|--|---------------|---|
| Mandate for negotiations with Croatia   | Accession negotiation document                 | 1.2.2005      | Non-legislative action / Other                    |
| Communication on the European Neighbourhood Policy (ENP) Action Plans with Armenia, Azerbaijan and Georgia, Lebanon, Egypt              | COM(2005) 72; SEC(2005) 294; SEC(2005) 285-289 | 2.3.2005      | Non-legislative action / Commission Communication |
| Barcelona Process 10th anniversary  | COM(2005) 139; SEC(2005) 482+483               | 12.4.2005     | Non-legislative action / Commission Communication |
| Accelerating progress towards attaining the MDGs: Financing for Development   | COM(2005) 133; SEC(2005) 433+434               | 12.4.2005     | Non-legislative action / Commission Communication |
| Accelerating progress towards attaining the MDGs: The contribution of the EU  | COM(2005) 132; SEC(2005) 452; SEC(2005) 456    | 12.4.2005     | Non-legislative action / Commission Communication |
| Communication on EU-US relations  | COM(2005) 196                                  | 18.5.2005     | Non-legislative action / Commission Communication |
| Proposal for a Regulation establishing accompanying measures for Sugar Protocol countries affected by the reform of the EU sugar regime | COM(2005) 266; SEC(2005) 828; 2005/0117(COD)   | 22.6.2005     | Legislative Proposal / Regulation                 |
| Euromed mandate on services and investment  | SEC(2005) 787+788                              | 24.6.2005     | Legislative Proposal / Decision                   |
| Civil Society dialogue between the EU and candidate countries   | COM(2005) 290; SEC(2005) 891                   | 29.6.2005     | Non-legislative action / Commission Communication |
| Information note on the negotiating framework with Turkey   | SEC(2005) 888                                  | 29.6.2005     | Non-legislative action / Other                    |
| Proposal for a new statement on the EC Development Policy   | COM(2005) 311; SEC(2005) 929                   | 13.7.2005     | Non-legislative action / Commission Communication |
| Communication on an EU Strategy for Africa  | COM(2005) 489; SEC(2005) 1255                  | 12.10.2005    | Non-legislative action / Commission Communication |
| 2005 ENLARGEMENT PACKAGE - I  | COM(2005) 534; SEC(2005) 1352-1354             | 25.10.2005    | Non-legislative action / Commission Communication |
| Opinion on the former Yugoslav Republic of Macedonia  | COM(2005) 562; SEC(2005) 1425; SEC(2005) 1429  | 9.11.2005     | Non-legislative action / Opinion                  |

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|----------------------------------|--|-----------|---|
| 2005 ENLARGEMENT PACKAGE - II    | COM(2005) 553; COM(2005) 555-559;<br>COM(2005) 561-563; SEC(2005) 1421-1424;<br>SEC(2005) 1426; SEC(2005) 1428 | 9.11.2005 | Agreement with third countries / Council<br>Decision for the conclusion of an agreement |
| Accession Partnership for Turkey | COM(2005) 559; SEC(2005) 1426  | 9.11.2005 | Agreement with third countries / Council<br>Decision for the conclusion of an agreement |
| European Partnership for Croatia | COM(2005) 556; SEC(2005) 1424  | 9.11.2005 | Agreement with third countries / Council<br>Decision for the conclusion of an agreement |
| EU relations with Latin America  | COM(2005) 363; SEC(2005) 1590;<br>SEC(2005) 1613   | 8.12.2005 | Non-legislative action / Commission<br>Communication                                    |