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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

Commission Work Programme 2015

A New Start

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INTRODUCTION

This Commission was voted into office with a commitment to make a difference: to do different things and to do things differently. Citizens expect the EU to make a difference on the big economic and social challenges – high unemployment, slow growth, high levels of public debt, an investment gap and lack of competitiveness in the global marketplace. And they want less EU interference on the issues where Member States are better equipped to give the right response at national and regional level. They also expect the EU to be more open and accountable about what it does and how it does it.

This Commission is determined to drive this change, and to work with the European Parliament and the Council to ensure it happens. That is why we will focus on the 'big things' like jobs and growth, in line with the ten priorities of President Juncker's Political Guidelines¹. We will not present proposals that do not contribute to these priorities. And we will apply political discontinuity² and will take off the table pending proposals that do not match our objectives or which are going nowhere, because we want all institutions to focus on delivering what really matters.

This is our political engagement, and on that basis we want to reach out beyond the Brussels base across the EU to rebuild confidence and regain the trust of EU citizens. Citizens will judge us by our engagement and delivery, on the improvements they see in their own lives as a result. In our first month in office we have tabled a major Jobs, Growth and Investment Package³ with a new Investment Plan to mobilise more than EUR 315bn in additional investments in strategic areas during the coming three years. We mean to go on as we have started.

The proposals we announce in this Work Programme are chosen because we believe they can make a difference for jobs, growth and investment and can lead to concrete benefits for citizens next year. What we commit to in this Work Programme are the things we will deliver in 2015. We will propose other actions to fulfil the ten priorities in our work programmes for future years – the preparatory work will start for some of these in 2015.

But the bulk of what happens in the EU today and how our citizens judge the EU is based on existing legislation and programmes. Their immediate concerns are with the stock of existing

¹ A New Start for Europe: My Agenda for Jobs, Growth, Fairness and Democratic Change – Political Guidelines for the next European Commission (http://ec.europa.eu/priorities/docs/pg_en.pdf).

² See point 39 subparagraph 2 of the Framework Agreement on relations between the European Parliament and the European Commission: "The Commission shall proceed with a review of all pending proposals at the beginning of the new Commission's term of office, in order to politically confirm or withdraw them, taking due account of the view expressed by Parliament".

³ COM(2014) 903.

rules, which is why this Commission is making a political priority of lightening the regulatory load while keeping high levels of social, health and environmental protection and consumer choice. We will overhaul the rules to make sure they contribute to the jobs and growth agenda and do not impose unnecessary red tape or administrative burdens, while at the same time bringing the benefits that citizens expect. Where the rules are outdated or out of line with our priorities, we will review and improve them. Where there is unnecessary red tape, we will cut it. Where the rules we have make sense and serve our objectives, we will work actively to ensure they are properly applied, implemented and enforced so they deliver real benefits to citizens. And we will use the other tools we have available to drive jobs and growth, in particular the EU budget which is primarily a means for smart investment in Member States and regions.

This is an agenda for change, born out of the need to get the EU growing again so that the European social model and a healthy environment can be sustained into the future.

It is also a call for change in the working methods of the European Parliament and the Council. We want to work with them to define top priorities across all three Institutions and speed up decision making on them, so that the positive effects of our proposals can reach citizens quickly. We will build a closer partnership with Member States, national Parliaments, regions and cities to bring better implementation of existing policies and effectiveness of action on the ground, from the use of Structural and Investment Funds to environment policy, from the Single Market to consumer rights.

To restore confidence there is a need for change to be visible⁴ and to have a quick impact. With this Work Programme – and by delivering it in 2015 – we want to prove that this time things are different.

This Work Programme sets out focused actions for 2015. It does not detail what the Commission will do in the following four years of its mandate even if preparatory work will start on issues like the mid-term review of the multi-annual financial framework. <u>Annex I</u> sets out the new initiatives, organised around the main priorities of the Political Guidelines, where the Commission will concentrate its efforts in 2015.

In preparing this Work Programme the Commission has examined all the proposals that are currently awaiting decision by the European Parliament and the Council⁵. We see applying the principle of political discontinuity as an important part of our political responsibility: there

3

⁴ To mark the new start made with the new Commission and this Work Programme, the Commission will focus its communication work in 2015 on the 10 priorities of the Political Guidelines. See point 2.4. of SEC(2013) 486 of 23 September 2013 on corporate communication under the Multiannual Financial Framework 2014-2020.

⁵ In total, 452 proposals are pending from previous Commissions.

is a need to clear the decks so that time and energy can be invested in those proposals that will have the biggest impact on jobs and growth and which have a good prospect of being adopted in the near future.

We have taken a view on the proposals we wish to maintain and to see through to adoption, those we plan to amend to bring them into line with our ten priorities and those we propose to withdraw. The Commission remains strongly committed to the objectives of many of the proposals it proposes to withdraw. But proposals are of no use if they are simply sitting dormant on a negotiating table, if they are overtaken by events, or if in the course of negotiations they are watered down to a point where they can no longer achieve their initial purpose. In some cases, the Commission is proposing to withdraw proposals in order to replace them subsequently by more ambitious proposals or to tailor them more closely to its ten priorities. In other cases, society has moved on since the original Commission proposal was made. Annex II sets out the proposals to be withdrawn (or modified). The Commission awaits the views of the European Parliament and the Council on these proposals before proceeding with the withdrawals.

The Work Programme also reflects the Commission's commitment to Better Regulation. This is at the heart of the Commission's Regulatory Fitness Programme which seeks to cut red tape and remove regulatory burdens. Its actions – legislative amendment, fitness checks and evaluations – form a core element of Commission work and are outlined in Annex III. Simplification efforts, for example of the Common Agricultural Policy, will be launched. Work will also focus on putting the recent financial services reform, the Common Fisheries Policy and the new rules for the European Structural and Investment Funds 2014-2020 smoothly into operation. This entails coordination at all levels and involvement of all stakeholders – building networks and sharing experiences and best practices in different policy areas.

To better inform citizens and companies of when EU laws come into force, the Work Programme lists legislation that becomes applicable in 2015 in <u>Annex IV</u>.

1. A New Boost for Jobs, Growth and Investment

The new economic narrative of the Commission is built around three main strands – boosting investment, pursuing structural reforms and fiscal responsibility. In close partnership with the European Investment Bank, the Commission has proposed an important Investment Plan⁶ to give a new boost to jobs, growth and investment in Europe. Additional finance for new investments will be mobilised through a new European Fund for Strategic Investments and by

⁶ COM(2014)903.

ensuring that it reaches the real economy by establishing a credible project pipeline and expanding and facilitating access to technical assistance.

In addition to the new Fund, the use of innovative financial instruments (for example loans and guarantees, rather than grants) will be further promoted to increase the impact of the European Structural and Investment Funds for the period 2014-2020, with an objective of at least doubling the use of such instruments in the new programming period.

Additional measures will focus on improving the business environment, removing regulatory and non-regulatory barriers to investment and further reinforcing the Single Market. The Commission will table several proposals designed to implement this approach rapidly and will look further at the applicable state aid rules.

With all Partnership Agreements for the European Structural and Investment Funds 2014-2020 now approved, the remaining operational programmes being finalised, investment should start delivering on the Europe 2020⁷ goals of smart, sustainable and inclusive growth in 2015. The new cohesion policy, firmly anchored in the European Semester and economic governance process, has become the main source of public investment in several Member States.

Maximising the impact of the EU budget for jobs, growth and investment with a renewed awareness of the need to improve the way public money is spent will feed into reflections on the mid-term review of the Multi-annual Financial Framework (MFF) and preparations for the post-2020 MFF package later in the Commission's mandate.

The Commission will review the EU's trade and investment policy strategy with a particular focus on its contribution to jobs and growth. The consolidation of EU trade and investment links to new centres of growth in the world is not only vital for jobs, growth and enhanced productivity in the EU, but has important impacts on our neighbourhood and development policy as well as on EU participation in international financial institutions.

Member States are facing the difficult challenge of getting more people into work, and ensuring that workers have the skills they need to progress and adapt to the jobs of the future. The Commission will present a package of measures to support these efforts to help boost integration in the labour market and promote skills.

Well-drafted EU legislation and its effective implementation can have a major impact on jobs, growth and innovation. Eco-industries and eco-innovation currently supply a third of the global market for green technologies, worth a trillion Euros and expected to double by 2020. The revised proposal for the circular economy will reinforce this trend thus contributing to green growth. In this area it is important that we agree common objectives for what we want to achieve, with the right level of ambition, whilst being less prescriptive about the means

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⁷ COM(2010)2020 final.

Member States can use to deliver these results, which will make it easier to turn proposals into concrete action on the ground.

The EU has a well-developed regulatory system. A renewed focus on implementation and exploring synergies between existing legislation could provide quick dividends, creating new opportunities for jobs and growth. In addition to overhauling existing legislation to make sure it is fit for purpose, the Commission will also work with Member States to ensure that the maximum growth potential is extracted from the existing body of EU laws. This will be the top priority in many areas of our work – agriculture, fisheries, customs, financial services and the Single Market to name but a few.

2. A Connected Digital Single Market

The Digital Single Market holds one of the main keys to a new dynamic across the European economy as a whole, fostering jobs, growth, innovation and social progress. All areas of the economy and society are becoming digital. Europe needs to be at the forefront of this digital revolution for its citizens and its businesses. Barriers to digital are barriers to jobs, prosperity and progress.

The Commission is preparing a Strategy which will identify the major challenges to complete a secure, trustworthy and dynamic Digital Single Market. The Strategy will focus on six strands: building trust and confidence, removing restrictions, ensuring access and connectivity, building the Digital economy, promoting e-society and investing in world-class ICT research and innovation.

In 2015, as part of the Digital Single Market Strategy, the Commission will aim to conclude ongoing inter-institutional negotiations on proposals such as the common European data protection reform and the Regulation on a Connected Continent. It will also propose new initiatives, legislative and non-legislative, to bring the Digital Single Market to the level of ambition needed to respond to the existing challenges. In this context, the Commission will notably complement the regulatory telecommunications environment, modernise EU legislation on copyright and on audiovisual media services, simplify the rules for consumers making online and digital purchases, facilitate e-commerce, enhance cyber-security and mainstream digitisation across policy areas.

3. A Resilient Energy Union with a Forward-Looking Climate Change Policy

Reliable and affordable energy is a top priority for all. The Commission will adopt a Strategic Framework for the Energy Union setting out the key actions to be taken in order to ensure energy supply security, reduce dependence on imports from third countries, further integrate

national energy markets and improve participation of consumers, enhance energy efficiency⁸, decarbonise the energy mix and promote research and innovation in the energy field.

The EU is also at the forefront of the global efforts to fight global warming. The Commission will set out the EU vision and expectations in the run-up to the United Nations Framework Convention on Climate Change (UNFCCC) Conference of the Parties in Paris at the end of 2015 and will begin to table the legislative proposals to implement the 2030 Climate and Energy package.

Efforts will continue to improve the regulatory framework for interconnected, safe and secure transport services with reduced greenhouse gas emissions.

4. A Deeper and Fairer Internal Market with a Strengthened Industrial Base

The single market is one of Europe's best assets – its potential must be further exploited to improve Europe's competitiveness in the global marketplace and create jobs. The Commission will present an Internal Market Strategy to set out new approaches for capturing that potential.

The internal market is also the foundation for Europe's industrial strength and productive capacity that must be enhanced further. Boosting investment in infrastructure and in SMEs and mid cap companies, improving the regulatory environment and helping companies to innovate, for example with the support of the Horizon 2020 programme, will be important areas of work. Aviation is facing major challenges. The Commission will examine ways to improve the conditions of the sector by bolstering its competitiveness.

The Commission is keen to help Member States reduce unemployment through structural reforms and support for job creation and employability measures. It is identifying ways to invest in knowledge and skills with particular attention being paid to the most vulnerable groups such as young unemployed people and the long term unemployed. It will be important to support labour mobility, especially in cases of persistent vacancies and skills mismatches, including across borders, while supporting the role of national authorities in fighting abuse or fraudulent claims.

The completion and implementation of the significant overhaul of the financial regulatory framework in response to the financial crisis, including the implementation of the new banking supervisory and resolution rules, remains a major area of the Commission's work. The regulatory framework will be further strengthened by a proposal on crisis management and resolution of systemic non-banking entities. The Commission will begin preparatory work on how the single market for retail financial services can deliver more benefits to consumers.

7

⁸ The Commission is reviewing the Energy Labelling Directive (2010/30/EU) and will examine whether the current modalities need to be adapted to deliver its objectives in a less intrusive way.

The Commission will set out an action plan to build a Capital Markets Union, exploring ways of reducing fragmentation in financial markets, diversifying financing sources for the whole of the economy, improving access to finance for SMEs and strengthening cross border capital flows in the single market to enable capital to be used in the most productive way. In the short-term, it will propose a framework for high-quality securitisation in Europe, improving standardised credit information for SMEs, and will consider how to extend successful private placement schemes across the EU and review the Prospectus Directive to reduce administrative burdens on SMEs.

5. A Deeper and Fairer Economic and Monetary Union

The architecture of the Economic Monetary Union needs further strengthening so that the euro can maintain citizens' confidence, continue to weather market turbulence and create the conditions for sustainable jobs and growth. Following its review of the economic governance rules and actions to simplify and streamline the European Semester process, the Commission is working on deepening the Economic and Monetary Union, developing proposals on further steps towards pooled sovereignty in economic governance. This effort will be accompanied by actions to reinvigorate social dialogue at all levels.

While recognising the competence of Member States for their taxation systems, the Commission will step up efforts to combat tax evasion and tax fraud and respond to our societies' call for fairness and tax transparency. Starting from the work done on base erosion and profit shifting at OECD and G20 levels, the Commission will set out an Action Plan including measures at EU level in order to move to a system on the basis of which the country where profits are generated is also the country of taxation, including in the digital economy, which also requires agreement on a Common Consolidated Corporate Tax Base. In this context, the Commission will also make very swiftly a proposal on the automatic exchange of information between tax authorities on cross-border tax rulings. In addition, the Commission will work closely with the other institutions to encourage the adoption of a Financial Transaction Tax and reinforced rules against money laundering. Work also continues in the area of VAT, including measures to close the tax gap.

6. A Reasonable and Balanced Free Trade Agreement with the U.S.

Trade makes an important contribution to jobs and growth. In addition to the Transatlantic Trade and Investment Partnership Agreement (TTIP) with the United States, the Commission is actively engaged in a number of bilateral negotiations coupled with a strong multilateral commitment to the WTO. The Commission has already taken steps to increase transparency in the TTIP negotiations ⁹ and continues to work towards a reasonable and balanced

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⁹ C(2014)9052.

agreement, while safeguarding Europe's health, social, environmental and data protection standards and its cultural diversity.

7. An Area of Justice and Fundamental Rights Based on Mutual Trust

Citizens look to the EU for justice, protection, fairness and the rule of law, and to maintain a firm stance in the fight against all forms of discrimination. The Commission will pursue EU accession to the European Convention on Human Rights in the light of the forthcoming guidance from the Court. It will continue to improve the fight against cross-border crime and terrorism and judicial cooperation for the benefit of citizens across the EU and to protect the EU budget against fraud including by pursuing efforts to put in place an independent European Public Prosecutor's Office.

The European Commission is committed to equality of opportunity for people with disabilities, in full respect of the UN Convention on the Rights of Person with Disabilities. This includes accessibility to the physical environment, transportation, information and communications technologies and systems (ICT) and other facilities/services.

The Commission is committed to promoting equality between men and women, and enabling more women to participate in the labour market. As regards the maternity leave proposal of 2008, the Commission will withdraw it within six months, if it is not possible to unblock the negotiations. This should allow for a new approach which will look at the issue in its wider context, given the reality of today's societies, and will take into consideration progress in this area at the level of the Member States.

The Commission will table a European Agenda on Security to address threats to the EU's internal security such as cross-border crime, cybercrime, terrorism, foreign fighters and radicalisation to help the EU to protect its citizens while remaining open to the world.

8. Towards a New Policy on Migration

To tackle the growing pressure at our external borders the Commission is developing a European Agenda on Migration, which will balance a fairer and responsible approach to legal migration, in order to make the EU an attractive destination for talent and skills, with firm measures against irregular migration and people trafficking and smuggling. Improving the management of migration means better linking our migration policy with our external policy, fostering greater internal and external cooperation, offering protection to persons in need, based on responsibility and solidarity and preventing tragic events such as those recurrently happening in the Mediterranean.

9. A Stronger Global Actor

Recent events have brought geopolitical challenges to the forefront, not least on the EU's eastern and southern borders. The EU needs an effective common foreign policy with better mechanisms to anticipate events and to swiftly identify common responses to common challenges, and common actions to seize opportunities from which we can only fully benefit

together. Europe needs to work together on security and defence matters and to develop its strategic partnerships. The coherent and joined-up use of all instruments available to the Union, including its common foreign and security policy (CFSP) and the systematic external projection of internal policies will be indispensable to further the EU's policy objectives on the global scene.

The Commission will make it a priority to promote stability at Europe's borders. Key to achieving this goal is to support neighbouring countries in implementing democratic and economic reforms, uphold the rule of law, strengthen economic governance and competitiveness, develop institutional capacities and a well-functioning public administration and to become more prosperous. The Commission will review the European Neighbourhood policy and make proposals for the future. As stated in the Political Guidelines, ongoing enlargement negotiations will continue, and notably the Western Balkans will need to keep a European perspective, but no further enlargement will take place in the next five years.

The EU has a strong record of international co-operation and of providing development support and assistance to many parts of the world. This includes promotion of human rights in all our external actions, addressing inequalities and advocating gender equality. However, our development policy must also be continuously adapted to the evolving needs of partner countries to best deliver on our commitments. With 2015 being the European Year for Development, the Commission will continue its work on the post 2015 Sustainable Development Goals and will launch reflections on its future relations with developing countries (post-Cotonou). We are also contributing to the fight against Ebola. We will continue to maximise the impact of our humanitarian aid and improve our capacity to respond to crises.

10. A Union of Democratic Change

Citizens expect improvements in what the EU is doing, and in how we do it. We want to be as open as possible about the Commission's work, and we will cooperate with the other institutions to enhance the accountability and the accessibility of EU actions. The Commission has put in place new rules to ensure full transparency of contacts between Commissioners and associations or self-employed individuals¹⁰ and will table proposals for an Inter-institutional Agreement on a mandatory transparency register, so that all the European institutions are open about who is influencing the decision making process.

As announced in the Political Guidelines, the Commission will review the decision-making process for the authorisation of Genetically Modified Organisms (GMOs) in order to address the concerns of citizens' and Member States as regards the Commission's current legal obligation to approve the authorisation of GMOs in cases where a clear majority of Member States opposes the proposal.

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¹⁰ C(2014)9051.

The Commission will improve its better regulation tool-box in particular our evaluations, impact assessments and public consultations and will identify a further set of new actions in the context of its Regulatory Fitness Programme. All institutions need to be better regulation institutions if we are to deliver a more efficient legislative process at EU level. So the Commission will present a proposal for a new Inter-institutional Agreement on Better Law Making. To deliver on the jobs, growth and investment priorities, all three institutions need to work better together to get things done. The Commission is engaging with the European Parliament and Council to improve joint programming that would foster shared ownership of priorities so as to take the EU agenda forward in the most effective way, while respecting each institution's role and prerogatives under the Treaties.

Following the adoption of the Work Programme 2015, the Commission wants to work with the European Parliament and the Council to identify a list of priority proposals on which the institutions commit to make swift progress and ensure a rapid final adoption, including notably those directly linked to the implementation of the Investment initiative. Together we can ensure that this time it is different.