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Group of the European People's Party (Christian Democrats) in the European Parliament
Fraktion der Europäischen Volkspartei (Christdemokraten) im Europäischen Parlament

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**'EPP GROUP PRIORITIES FOR 2010
and
BUDGETARY IMPLICATIONS FOR 2011'**

*This document is based on the outcome of the consultation of
the EPP Working Groups.*

*This initiative aims at giving to the European Commission a comprehensive view of
the EPP Group priorities and their budgetary implications for 2011 before the
adoption of the Commission Work Programme for 2010.*

Introduction

The EPP Group is conscious that 2010 is again a special year; However, it regrets that this year the Budget procedure and the Commission Work Programme (CWP) can not follow the usual parallel timetable which usually enables that Political priorities are adequately translated in budgetary terms; Underlines therefore the necessity to avoid any distortions between political priorities to be launched by the Commission in 2010 and the budget for 2011.

The EPP Group evaluated the Political Guidelines for the next Commission and believes that this evaluation is still valid in the context of the adoption of the CWP for 2010.

The EPP Group welcomes the strong and faithful support of the following principles:

The Social Market Economy: along with the defence of a competitive internal Market (but there is no promise as to the limitation of state aid and the future of the antitrust system), but regulated (looking at the financial plan). The refusal in principle of any trade protectionism (although this should still be put forward to ensure a real reciprocity with our partners so as to end the most glaring asymmetries that arise at the expense of our industries: in short, we open our markets whilst our partners maintain theirs closed).

The Social Balance: commendable emphasis on employment and particularly for young people, with an emphasis on the role of SMES, the innovative companies: but what will be the real means of action in the European Union? Are we heading toward a Community competence in the social field?

Personal Humanism: emphasis on the individual, his right to succeed in making a living rather than on redistribution or abstract equality, whilst keeping the cape for European solidarity policies.

New International Ambition: permitted by the new international arrangements: it must want to focus on globalization, its standards and its economic practices - but after originally being rather modest the plans put forward are beginning to be too ambitious.

If this text is very strong on principles, it is not necessarily realistic enough. The EPP Group believes that for citizens' day by day life in the economic crisis context, it is urgent not to lose time and that it is also crucial to launch as early as possible proactive measures aimed at restoring citizens confidence in future through a clear political message.

The EPP Group is therefore expecting that the Commission will be able to translate those stone corner principles into concrete actions and proposals in the frame of its WP for 2010 and in adequate budgetary terms for 2011.

In this context, the EPP Group takes note of the Communication 'Europe 2020' (COM(2010)2020) which will necessarily be the road map for Commission actions and proposals in the forthcoming years.

As a preliminary remark, we have to be prepared to move towards a deeper European Integration and apply extensively the Community method. Crucial on this way is to engage together all relevant players, as guarantee for success. If methodology is very important, the partnership between European Commission and the European Parliament must be intensified, devoting to MEPs an active role in the process. Therefore, the EPP Group calls the President of the European Commission for a quarterly appearance to the European Parliament for a hearing on the progress made and further adjustment of the Action Plan.

The 2011 Budget and future action for competition policy, internal market, Cohesion policy must respect and translate the guidelines of the New Strategy, into future policies.

Still at European level, peer-reviewing and benchmarking should be the working method, while multi-level governance style should involve more in the process national Parliaments and the regional and local authorities in order to raise the efficiency of implementation and the ownership of the Strategy.

Furthermore, any legislative proposals to be put forward by the Commission under its WP must be carefully checked on the criterion of compatibility with set goals and use of instruments at their highest capacity and guaranteeing the use of instruments at their highest capacity.

Strongly believes that in 2010, the highest priority for the Commission is to focus its efforts firstly on the many EU strengths and to develop its actions on this basis in order to reinforce our capacities to give to economic, social and demographic challenges quick and measurable answers for the EU citizens to the benefit of their day-by-day life.

BUDGET AND STRUCTURAL POLICIES

Budget 2011

The EPP Group is expecting, before summer 2010, the Midterm review of the current Multiannual Financial Framework (MFF), which should give more flexibility. The review was already foreseen in the institutional agreement of 2006. More budgetary flexibility is indispensable, because of the fact that the current small margins of the headings of the MFF do not allow to react in an effective way on new tasks related to the Lisbon treaty, nor on unforeseen financial needs. A clear example of the need of flexibility is the financing of the European Earth Observation Programme.

The EPP Group stresses that the Midterm Review should clearly indicate the strategic lines for the EU future policies.

For the 2011 Budget, the EPP's main priorities are economic recovery, youth and education, and social inclusion.

Budgetary control

The EPP Group favours to combine the three necessary revisions of the Financial regulation, due to the implementation of the Lisbon Treaty, the European external action service and the TRI annual revision, allowing a coherent approach.

The revised Financial Regulation should contain provisions on, particularly:

- The introduction of a uniform approach to the annual summaries;
- The obligation of Members States to issue national management declarations covering all EU funds coming under shared management.

The EPP Group insists on the importance of the OLAF's investigative scope and the actual investigative activities. For this reason, the OLAF should remain an integrated structure of the Commission.

A revised version of the Code of Conduct for Commissioners, expected in August 2010, should remedy current shortcomings such as the absence of a definition of the term "conflict of interest".

The EPP Group calls the Commission to propose legal provisions for an enhanced fight against fraud, e.g.:

- Criminal law protection on the Community's financial interests;
- Strengthening of cooperation to combat fraud;
- Further simplification of the implementation rules of the Structural and Cohesion Funds, to insure more efficient controls at national and EU level.

Cohesion policy

The EPP Group emphasises that cohesion policy should continue to deliver its objectives as a single, united community policy with a horizontal character. The future of cohesion policy will have to evolve in line with the Europe 2020 Strategy. This should imply a full respect of the subsidiarity principle and an effective partnership of all levels of governance - local, regional, national and European. An appropriate level of funding is needed.

In a view of the post-2013 period, the Commission policy has to develop along economic, social and territorial dimensions, in order to meet the objectives of smart, sustainable and inclusive growth.

The EPP Group is in favour of continuing the implementation of the pilot project on the promotion on the EU cohesion policy on a global scale, which is not only important for promotion

for the "European regulatory model", but also to showcase the cohesion policy as a key factor in a joint growth of economically, socially and territorially disparate regions.

Common Agricultural Policy

The EPP Group strongly believes that the Common Agriculture Policy has to be integrated in the *Europe 2020 Strategy*. It is expecting from the Commission an intensive reflection to be early launched for the post-2013 period and underlines that CAP has to insure the Europe will be a leader in the worldwide competitiveness context, to guarantee food security supply and to contribute to employment within the EU;

Calls on the Commission to report to present a permanent approach together with concrete proposals for dealing with price volatility in dairy and other commodity markets.

Fisheries sector

The EPP Group is convinced that market measures should remain instruments for increasing the value of Community fishery products. With the new CFP and CMO reform in mind, a host of measures could strengthen producer organisations, which is why they must be encouraged.

Fisheries policy decisions must be based on the best available scientific knowledge. Furthermore, fishery management must increasingly take account of knowledge of the marine environment and an ecosystem approach. Reductions in research funds are therefore unacceptable.

FOREIGN AFFAIRS

Foreign Affairs

Concerning the enlargement ongoing process (Western Balkans, Croatia, Turkey, Iceland), the EPP Group underlines the necessity of the full respect of the Copenhagen criteria and of all other obligations by accession-countries; Believes in the EU's capacity to integrate new members, however strongly insists on the necessity of a deepening process having in mind the public opinion fatigue, which will have of course important financial implications.

Emphasises the importance of the neighbourhood policy towards the East- and South-Mediterranean Countries, especially the Middle East conflict and the necessity of an adequate financing; Underlines that the Neighbourhood policy and the PEGASO Mechanism have to finance the PNA-Palestinian government.

Stresses the need to develop the transatlantic relations, relations with Russia and China, and that the situation in Iran, Afghanistan and Pakistan are also high priority and is convinced that Afghanistan and Iraq situations require financial efforts;

Concerning horizontal issues like ICC, United Nations, especially in the field of Human Rights, the EPP Group will have a proactive role rather than a defensive reaction, also in defending religious freedom.

Strongly believes that world collective security, EU missions abroad, EU-NATO dialogue /cooperation are high priority.

The implementation of the relevant provisions of the Lisbon treaty and especially the setting up of EEAS (European External Action Service) are expected to be scrutinized by the European Parliament. All existing budgetary and control prerogatives of the EP have to apply. The EEAS will be subject to the provisions of both the Financial regulation and the Staff regulation change, of course with important financial implications.

International Trade

The EPP Group is expecting a successful conclusion of the Doha Development Round Negotiations, including on Intellectual property rights, and a strengthening of the WTO and the development of the EU-Russia commercial relationship; underlines that these aspects should not have specific financial implications;

PCA (Partnership Cooperation Agreements) and its successor, coming Free Trade Agreements (FTAs) with South Korea, Andean Community (multiparty free trade agreement with Peru and Colombia), Central America, are expecting for 2010; Canada, India, Mercosur and the Gulf Cooperation Council, the establishment of the Free Trade Area in the Mediterranean, Vietnam, are expecting for 2011; Bearing in mind that depending on the level of relations or kind of agreements, those may have relative financial implications which have to be taken properly into account by the Commission;

Emphasizes that the General Preferences System (GPS+) system will of course have indirect financial consequences;

Better international protection of intellectual property rights and fight against piracy and counterfeiting are crucial priorities for the EPP Group.

The Treaty of Lisbon brings significant changes in the International Trade field for the EP, for which the EPP Group is expecting a quick implementation.

Development, Cooperation and Humanitarian Aid.

The Development policy is still a priority for the EPP Group. Of course development and response to humanitarian crisis like Haiti and Chile require important financial efforts. Definitely Haiti will need a lot of EU funds for reconstruction.

The EPP is firmly of the view that European Partnership Agreements (EPAs) with ACP countries are development policy instruments (in that their primary objective is to foster the smooth and gradual integration of the ACP States into the world economy, thereby promoting their sustainable development and contributing to poverty eradication in the ACP countries), and not exclusively trade instruments which the EU wants to impose on its ACP partners. Notes that EPAs have budget implications.

LEGAL AND HOME AFFAIRS

The EPP Group is expecting a proposal to be put forward as soon as possible by the European Commission on a general alignment of all texts, in accordance with article 290 of the Lisbon Treaty.

Legal Affairs

Underlines the need for a review of the Brussels I regulations and a swift progress on the preparation of the ROME III regulation in order to modernize and complete the EU international private law;

Recalls the need that creative are protected by law and that the existing legal framework for authors rights need to be adapted to the era of internet in order to allow for innovative use of works and, at the same time, a return for authors and owners of IPRs; stresses the need for an improvement of the patent system in Europe and supports work towards a political consensus;

Requests further work towards the Common Frame of Reference, aiming at creating a common contract law for the EU and calls on the Commission to align their proposals affecting contract law ;

Regrets the fact that although Parliament's continuing requests Commission have not yet come forward with a legislative proposal on the 14th Company law directive on the cross border transfer of the registered offices of limited companies; underlines the need for this proposal by

a legislative own initiative report and requests the Commission to submit to Parliament the legislative proposal;

Recognises that effective impact assessment is a necessary tool to improve the quality of the policy proposals in connection with better lawmaking; welcomes the improvement achieved by the Commission through its revised guidelines, nevertheless considers that further developments are needed with special attention to the introduction of an independent control of impact assessments;

Recalls the preparatory work done by the EP on collecting societies and asks the Commission to launch a thorough reflection to improve their management allowing for a decent return for authors and, at the same time, for a real internal market for users of IPRs;

Civil liberties

Repeats its requests for legislation in the area of illegal immigration to strengthen and support efforts in combating illegal immigration and re-direct activities to legal migration procedures, to be adequately financed;

Calls on the Commission to reflect the idea to integrate the different provisions regulating asylum procedures in a horizontal directive, thus providing more coherent and transparent rules in this field;

Fundamental rights, in particular the rights of the child and of the victims of trafficking remain a priority for the EPP Group. There is much incoming legislation on fundamental rights, such as two Directives on trafficking in human beings and on child sexual abuse and exploitation. Also, in May 2010 there will probably be the presentation of an Action plan on unaccompanied minors, in July 2010 a Proposal for a Council Decision amending Council Decision of 28.02.08 on the Multi-annual Framework of Fundamental Rights Agency, which will deal with the adoption of a Multi-annual Framework for the European Union Agency for Fundamental Rights for 2007-2012, and the Commission will also present its priorities as regards the rights of the child probably in November 2010.

A proposal of Directive on child sexual abuse and exploitation is expected.

Action plan on unaccompanied minors to underpin and supplement the relevant legislative and financial instruments and strengthen forms of cooperation with the countries of origin, including cooperation to facilitate minors' return to their countries of origin is also awaited.

The EPP Group recalls that Communication on the priority themes for the rights of the child (2010-2015) has to be presented by the Commission aimed at giving its priorities as regards the rights of the child on the basis of the consultations carried out with EU Institutions, UNICEF, NGOs and with children

A proposal for a Council Decision amending Council Decision of 28.02.08 on the Multi-annual Framework of Fundamental Rights Agency and a Draft Commission Proposal for Council Decision amending Council Decision of 28.02.08 implementing Regulation 168/2007 as regards the adoption of a Multi-annual Framework for the European Union Agency for Fundamental Rights for 2007-2012 are expecting to be put forward by the Commission..

Education and Sport

Stresses the need to provide the necessary financial support for the implementation of the multiannual programme 2013 - 2020 as mobility of young people is one of the most efficient means to create a real European Citizenship;

Underlines that the Lisbon Treaty clearly establishes an EU competence in the field of sports and therefore calls on the Commission to propose a decision on a framework for sport including a sufficient budget for the actions foreseen in this matter;

ECONOMY & ENVIRONMENT

A strong European governance

The EPP Group emphasises that coordinated and concrete European legislation must take into account the diversity that exists across the EU and therefore a strong and transparent governance structure that fully respects the subsidiarity and proportionality principles as laid down in the Lisbon Treaty; and points out that a more sustainable social market economy can be achieved only if the objectives and strategies are supported by targeted government action and are properly coordinated with the contributions of social partners.

SME's and jobs

The EPP Group insists on priorities to create jobs and particularly to support SME's in order to maintain the high level of social market economy. This means to continue cutting red tape and to build an efficient and new job friendly approach for next European legislation. Efforts should be made in the area of regulation such as the further implementation of deregulation targets, The Commission has to continue to reduce administrative burdens in order to reach the agreed reduction target of 25% by 2012, and SME's friendly legislation, creating a vibrant environment for start-ups, encourage entrepreneurship and improve access to finance. The implementation of Small business act has to be continued with ambition.

In the context of the Small Business Act the EPP Group has called on the Commission to further enhance the visibility and awareness of SME-related policy actions through the bundling of existing Community instruments and funds for SMEs under a separate heading in the EU budget;

The EPP Group attaches great importance to the implementation of a proper and independent impact assessment (SME test), underlines the need to open up European risk capital markets by improving the availability of and access to venture capital, mezzanine finance and micro-credit;

It asks the Commission to present proposals for a Common Corporate Consolidate Tax Base (CCCTB), and considers that definitive VAT system based on the "country of origin principle" would foster the efficiency of the Single Market and will produce extra revenues for the public budgets without modifying VAT rates.

Economic and Monetary affairs

Financial services regulation and supervision should cover all actors and products of the financial system. The new EU Supervisory architecture must be fully operational by the end of 2010 with the necessary budgetary resources already allocated in the next year budget.

The European Commission is expecting to come forward with proposals to respecting the Stability and Growth Pact.

Internal Market

Combating counterfeiting and piracy is a constant challenge, including by customs and through international cooperation. Both the copyright and the trademark systems should be modernised to make them responsive to the needs of business and consumers. The impending entry into force of the directive on toys safety will further intensify joint actions with the US and Chinese authorities (and other countries) on product safety.

The EPP Group underlines the need to ensure a proper transposition of EU legislation, of the directives on the Mutual Recognition of Professional Qualifications and on Services in particular, in order to fully benefit from the potential offered by the services market, which is the largest area of economic activity in the EU. The EPP Group asks for a sector's specific clarification on

public services (social services on general interest) instead of a general framework directive on it.

The EPP Group has a clear position on collective redress. It fully supports all measures to enhance consumers possibilities to enforce their existing rights, but at the same time will not accept an opt-out system, insists that consumers will get an adequate compensation for damages suffered, but is against the creation of incentives for lawyers and consumer associations to bring doubtful or unjustified actions to court, in this context insists that shortcomings of procedural law, which is not an EU competence, has to be avoided; Insists on the necessity to implement it in due time to complete the markets liberalisation process for the full benefits of EU consumers and promoting more investments in new infrastructures and communication networks.

Research

Strongly believes that creative ideas resulting in inventions and innovations help to guarantee Europe's economic strength and technological progress and recognises the need for an affordable, simple and effective patent regime not only at the European but also at the international level.

The Commission must do everything possible in order to preserve the 3% of GDP for R&D target of the Lisbon strategy in the new strategy for both the EU and national budgets. Research and Development programmes and financial means should be focused on. The EPP Group calls on the Member States to make better use of the synergy potential of the funds of cohesion policy and the funds for R&D.

A more research and innovation-friendly investment climate should be created both in the public and private sector. Practical measures to improve access to financing, in particular towards a better availability of risk capital and to catch-up in the area of pre-commercial public procurements should be finding. The European Commission has also to stimulate partnership between business, science and university research.

Industry

There are some areas where additional harmonisation or updating of technical standardisation is needed, but mainly should the Commission work on better mechanisms for the enforcement of internal market rules. Subsidiarity is one of the EPP Group key principle and must be respected in all new proposals of the Commission.

The EU has to keep a leading role on green economy technologies, extending its competitiveness with sustainable production processes, the efficient use of resources and a further development of low carbon energy sources.

The EPP Group strongly wants to maintain a strong manufacturing base in Europe, the competitiveness of existing industrial sectors, which still forms the backbone of Europe's industrial base;

It calls for and fully supports further efforts on technical standardization, in particular of electric cars and energy efficiency technologies.

It is crucial for European economy to be endowed with sufficient raw materials. The European raw material initiative should therefore be reviewed and further developed to ensure access to raw materials in particular to those needed for high tech industries while fully respecting environmental needs and promoting an efficient use of materials.

A proper implementation of the REACH, taken into consideration the specific problems of SMEs is strongly expecting.

Environment and climate change

The already legally binding EU commitment to reduce CO₂-emissions by at least 20 percent until 2020 and the EU should communicate better its willingness to more to a 30% reduction in greenhouse gas emissions, provided that the other countries are ready to commit themselves to

taking adequate action too. There must be clear and objective indicators to measure progress towards a sustainable and energy-efficient social market economy. The EPP Group underlines the potential of leading European industries to contribute innovative solutions in this field and emphasises the need for the EU economy to be endowed with sufficient high tech raw materials to this end.

Energy

The EPP Group considers that the rapid completion of a fully integrated and interconnected internal energy market is an essential element to ensure economic growth, the integration of renewable sources and to reduce the Union's vulnerability to supply disruptions; asks for strategy and planning concerning the diversification of Energy rules and sources in order to have a better energy security in the EU, especially increasing in the energy mix the percentage of all low carbon energy sources.

Challenges relating to all low carbon energy sources, including nuclear, and the fight against climate change must be reflected in the EU budget priorities (e.g. ITER, European Strategic Energy Technology Plan, energy efficiency, nuclear waste).

The Group underlines the importance that these budgetary needs are financed by additional resources and not to the detriment of existing funding for Community programmes in the field of research and innovation.

Space policy

The EPP Group fully supports a smooth implementation of the Galileo system to be operational soon as well as the GMES program with a close monitoring. After the failure of the PPP approach turning Galileo in a publicly operated system an improved involvement of the European Parliament seems indispensable.

Transport

Particularly in transport the development of technology and the simplification of multimodal transport chains for persons and goods play an important role. Therefore transport should be based on an effective co-modality that is measured by criteria of economical aspects, environmental protection, social and employment conditions and safety. Highlights the importance of the Transport European Network programme (TEN-T) and its innovative financing for the sustainability and safety of passenger and goods transport as well as the need to support research funding and their applications for attaining more environmental, social and security efficiency in all transport modes.

Telecom

Finalising the Digital Economic agenda in order to enable Europe to play its leading role in the world is an EPP Group priority. Proper functioning of the Digital economy is imperative for entire EU economy. New Regulator Framework must be implemented in order to achieve a single market digital environment. Digital market must be boosted and free circulation of content and knowledge "Fifth freedom" must be developed.

Newly created agency (European Electronic Communication Market Authority) should be properly financed in order to achieve the foreseen goals.

Health

The European Commission should always take account of the health impact of proposed community action; considers that this will contribute to an integrated approach and to the improvement of synergies between health policy and the other EU policies; health indicators should be defined in order to ensure that data are comparable and useable at the EU level, nationally and at the international level.

Respecting the subsidiarity principle, prevention measures to combat climate change impacts and ageing consequences on health are a priority; the ageing of Europe's population requires also lifelong learning policies whereby training opportunities should be encouraged.