

MORE EUROPE

Program of the
Spanish Presidency
of the EU

1-1/30-6-2002



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I. Introduction

1. Context of the Spanish Presidency

Spain takes on its third Presidency of the Council of the European Union as the process of profound historical change which began over a decade ago is coming to an end, a process which could culminate in an enlarged European Union and the consolidation of common values of freedom, democracy and human rights that for the first time will be shared by all Europeans, whatever may divide them.

Furthermore, the Presidency will begin with the introduction of the euro, for the time being in twelve countries, representing the culmination of a lengthy process and the hope for a more prosperous and more stable future.

The imminent enlargement and the considerable progress made in the integration process call for a reform of the Union to complement the Nice reform. The announcement of a Convention to prepare for the Intergovernmental Conference, decided by the Laeken European Council, marks the beginning of a decisive stage towards a Union that is easier to understand, stronger in pursuing its fundamental objectives and with a higher profile in the world.

However, this vision of the future, like all processes of historical change, is necessarily a fragile one, with the emergence of new transnational challenges and dangers such as terrorism and organised crime, the only answer to which is wholehearted multilateral cooperation and adjustment of the cooperation mechanisms of international organisations, including the European Union itself.

The 11th of September highlighted in brutal fashion the crisis we are going

through and the heavy burden of responsibility which it fell to Spain to take on in its Presidency, not only towards the European Union but towards the whole international community. Nonetheless, this is a historic opportunity for the European Union's foreign policy to make a crucial contribution to the projection and consolidation of our values in the emerging new international order and to promoting peace, co-existence and harmony between all peoples and all cultures.

We also find ourselves at a difficult time in the economic cycle – which should not, however, mask the major successes we have achieved in strengthening the fundamental economic variables – but we have to renew our commitment to the goal of full employment.

Fully conscious of all this, Spain intends to make an organisational and leadership effort to consolidate, encourage and legitimate the current European project, and thus demonstrate that terrorism will not be able to paralyse or derail that project, nor upset the values on which it is based.

The Presidency of the Union is not an isolated effort, nor is Spain's contribution to the European project limited to its actions during the half-year of its Presidency.

On the one hand, our actions during the Presidency will follow a line of action established by previous Presidencies. In this regard, we must point out that the enlargement process, the orderly transition to a single currency, the creation of an Area of Freedom, Security and Justice, the debate about the future of Europe, or the aspiration for a more competitive and dynamic economy, will be carried out on the basis of projects that have been mutually agreed upon in Göteborg, Tampere, Nice or Lisbon.

But on the other hand, the Presidency provides the opportunity to leave a deeper mark on a European policy that Spain has already encouraged in the recent past with initiatives such as the Lisbon process to achieve a competitive and dynamic economy, or the Tampere process, to achieve a real area for security, justice and freedom.

In fact, the action lines established in the past few European Councils are renewed developments that are totally consistent with the action lines that Spain has been encouraging for some time.

Clearly, too, the events of 11 September have underlined – even more starkly if that is possible – the fact that the European integration project is inseparable from the Atlantic alliance. Now is the time to remind young generations of Europeans that the prosperous and peaceful Europe of today owes its existence, at least in part, to the generosity and solidarity shown by many North Americans at a time, not so long ago, when Europe was no more than a battlefield and then a continent in ruins. It now behoves us in turn to show the same solidarity. During its Presidency of the Union, Spain will resolutely promote this solidarity.

This then is the Spanish Presidency's philosophy: to consolidate and take forward the ongoing European project and certain universal values which all Europeans share for the first time, while maintaining continuity with the efforts of previous and future Presidencies, and with the determination to fight the strategic war against terrorism to the bitter end.

2. Theme of the Spanish Presidency

Hence, the «More Europe» theme chosen by the Spanish Presidency in response to these challenges. «More Europe» means two things:

First and foremost, it signifies the desire to give Europe its rightful place and influence in international relations. The success of the European project, which when it started in the fifties was already a response to growing internationalisation, is these days a prerequisite for managing the complex challenge presented by globalisation in most current political, economic and social contexts.

Secondly, «More Europe» signifies the essentially European nature of Spanish society, in which European integration has proved a highly important and positive spur to modernisation and social change.

3. Consensus and involvement

Given the current state of the European project and its profound implications for Spanish society, the widest possible consensus is required to fulfil what is a project for all and in whose success everyone should have a share.

The Spanish Presidency will encourage the involvement of all citizens in the activities and objectives of the Presidency and a closer relationship between the institutions of the European Union and its citizens.

Substantial reform of the European Union cannot be contemplated without citizens' support which confers sufficient transparency and legitimacy on those reforms, and without European citizens feeling directly involved in the construction of Europe and in its enormous impact on society and daily life.

The announcement of a Convention to prepare for the forthcoming Intergovernmental Conference to reform the Treaties, the establishment of a forum open to organisations representing civil society and the continuation of national debates on the future of Europe are concrete manifestations of this new way of building Europe.

Consensus and involvement are particularly vital if the challenges we face are to be confronted. In any case, whenever there has been «More Europe», whenever there has been a step forward in that direction, the result has been a bonus both for Spain and for Europe as a whole.

For Spain then, the Presidency of the European Union is, at the same time, a European and a national project, reflecting a Spain which is prepared to assume increasing responsibility at the heart of the European Union in order to help achieve a Europe which is increasingly integrated and occupies its rightful place in the world which has been emerging over the last decade.

4. Priorities of the Spanish Presidency

Given this historical context, its philosophy, its motto and its desire to press ahead with the European project, the Spanish Presidency believes it cannot avoid tackling the following six objectives, which will provide the focal point for its action and the outcome of which will provide the measure of its achievement:

1. Combating terrorism in an area of freedom, security, and justice.
2. Successful introduction of the euro.
3. Impetus to the Lisbon Process at the Barcelona European Council: a more prosperous, dynamic Europe at the service of its citizens.
4. European Union enlargement.
5. External relations: More Europe in the world.
6. Debate on the future of Europe.

Furthermore, the Spanish Presidency must take on and not ignore the inherent responsibility of every Presidency: i.e. to direct, guide, coordinate and organise the Council's affairs so as not to waste any opportunity to develop the European project in all areas of Community policy.

II. The six priorities of the Spanish Presidency

1. Combating terrorism in an area of freedom, security, and justice.

To achieve this objective, it is vital to move forward in the direction set by the Declaration of the Heads of State and of Government forty-eight hours after the terrorist attacks of 11 September, and by the plan to combat terrorism drawn up by the extraordinary European Council of 21 September 2001.

The Spanish Presidency will focus on four aspects which it considers fundamental to an integrated Union strategy:

1.1. Strengthening the instruments of the rule of law throughout the Union

From its own experience Spain knows that if the rule of law is to take on the threat of terrorism it is vital that all the legal systems of the Union's Member States should converge in order to eradicate any possibility of terrorist sanctuary in the territory of the European Union.

For such cooperation and convergence to be possible, the Spanish Presidency – basing itself on the agreements attained by the Belgian Presidency – will put all its effort into creating and strengthening the necessary legislative and judicial instruments, specifically the framework Decision on the combating of terrorism, the framework Decision on the European arrest warrant, the framework Decision on the freezing of assets, the mutual recognition of judgments and the development of Eurojust.

1.2. Greater cooperation between the security bodies of the Member States

To achieve this, the Spanish Presidency thinks it necessary to continue working on the common lists of terrorist organisations, on joint investigation teams, on strengthening Europol as much as possible, and on other methods of exchanging and using available information more efficiently.

1.3. Response to the current wave of terrorism

The current war against terrorism covers a vast spectrum of activities, from aircraft security to financial operations. With regard to the latter, the Spanish Presidency will place particular importance on the work of the Joint JAI/ECOFIN Council in areas such as money-laundering, asset-freezing and cooperation between the financial intelligence units of the Member States.

1.4. International cooperation

The Spanish Presidency wants the European Union to be a decisive player in the struggle against the international terrorist network, cooperating closely with firm United Nations action in areas such as the achievement of a Comprehensive Convention on International Terrorism. The Union's relations with third countries will be assessed against the yardstick of their cooperation in the fight against terrorism.

The Spanish Presidency will in particular promote the closest possible cooperation with the United States in the police and judicial sphere.

1.5 Fulfilment of Tampere

The Laeken European Council has reaffirmed the commitment to the creation of an Area of Freedom, Security, and Justice. Although the current exceptional circumstances require putting security first, Spain intends to advance in all the fields implied in fulfilling the Tampere mandate.

Thus, regarding the area of freedom, Spain will place special emphasis on moving ahead in those matters which have made the least progress, such as the creation of a common policy on asylum and immigration.

Specifically, the proposed Directives regarding admittance rules, the definition of the term "refugee", and the methods of subsidiary protection, as well as the proposed Regulations for applying the Dublin Convention more efficiently, will be the priority tasks in the field of asylum. As for immigration, the Presidency will make an effort to get approval for the proposed Directive regarding family reunification, and will encourage an Action Plan based on the Commission's Communication on illegal immigration.

Likewise, Spain will strongly support an improvement in managing the control of the external borders.

Regarding the fight against drug trafficking, the Spanish Presidency will work towards adopting the Commission's proposal on this matter.

There will be continued efforts to create the European Justice Area through the mutual recognition of civil and criminal judicial decisions, based on mutual confidence. In the civil sphere, special emphasis will be placed on the creation of the European Enforcement Order.

Finally, judicial and police cooperation in criminal matters will be stepped up through examination of the Green Paper on the European Public Prosecutor, and the creation of a European network to train magistrates will be encouraged.

2. Successful introduction of the euro

The beginning of the Spanish Presidency on 1 January 2002 coincides with an event of unprecedented importance in the process of European integration: the introduction in twelve European Union Member States of the single currency, the euro, to replace the national currencies of those Member States. This event, which is the culmination of a long process of preparation, exemplary singlemindedness and efficiency in meeting one of the great challenges facing Europe, will come about ten years after the incorporation of Economic and Monetary Union in the Treaty and on the exact date agreed on seven years ago in Madrid.

With the euro in the European Union, a monetary zone comparable to the United States will be established to form the world's number one trading power, triggering the integration of the financial markets and economic policies of the States adopting it. This will bring the citizens of Europe very tangible proof of the benefits of the European Union.

The challenge facing the Spanish Presidency will be to guarantee that the new notes and coins are introduced smoothly and efficiently and to set about the task of administering the considerable advantages offered by the new common currency. Similarly, it will need to push for a greater role for the euro as the fundamental reference currency on the international capital and debt markets, which will lend it greater political visibility and bring major economic benefits.

The introduction of the euro will focus the efforts of the Spanish Presidency on the following three areas:

2.1. Guaranteeing an orderly transition while the euro is being introduced and ensuring that the fight against forgery and fraud is effective

1 January 2002 is the date on which the process of introducing euro notes and coins commences. New Year celebrations will be held to commemorate the event at both European and national level. This will be the climax of the awareness campaigns conducted over the previous months. Communication campaigns will have to be continued in order to give citizens all the information they need so that the transition to the new currency is effortless and orderly.

Weekly joint press conferences to be held by the Presidency, the European Central Bank and the Commission in the first few weeks of January and February should also contribute towards attaining this objective.

During the Spanish Presidency, priority will be given to implementing all the points contained in the statements made at the recent European Council in Ghent on the introduction of the euro and on combating forgery and fraud. In this respect, the information exchange network between the Member States participating in the euro will be particularly relevant.

The decisions that will be adopted on continuing the fight against forgery and fraud, and the implementation of existing legislation in this area will also be important. The introduction of euro coins and notes will need to be monitored closely. A swift response will have to be given to any contingency that arises during the changeover.

A report will be presented to the Barcelona European Council on the process of converting to the euro, and this will allow the results to be appraised.

2.2. Bolstering coordination of economic policies against the backdrop of stability

The euro should become a stability factor that instils confidence on financial markets and among consumers. A fundamental pre-requisite for attaining this objective is that national economic policies must be monitored and coordinated more closely in every respect (not just from the budgetary point of view) in order to maintain solid foundations for the European economy, and to give more direction for the economic policy decisions required so as to minimise any possible negative repercussions of reduced economic growth.

In practice, this coordination will take the form of efforts to promote the role of the Euro Group, strengthen the Broad Economic Policy Guidelines and support joint appraisal of the economic situation. From the budgetary point of view it will be important to tighten up coordination of national budget policies in the framework of fulfilling the Stability and Growth Pact. Particular attention will have to be given to the analysis of these programmes in the first quarter of the Spanish Presidency.

2.3. Promoting the role of the EU at international level and enhancing the visibility of the single currency

With the euro, a monetary area is being created within the European Union that is comparable to the United States in terms of its size, and the EU is consolidating its position as the largest trading power in the world. This exceptional economic and commercial standing at international level should start to have a noticeable effect at political level. Once the new currency has been introduced, the representative role of the euro will yield clear results at international level, enhancing the visibility of the euro area both within international financial fora (scheduled G-7 meetings), and in multilateral financial organisations. The Presidency of the Euro Group will have to take on this new role of the European currency and ensure that the representative role of the euro internationally can achieve its full potential.

Lastly, the many international meetings during the six months of our Presidency will provide an excellent opportunity to introduce and promote the euro to our partners.

3. Impetus to the Lisbon Process at the Barcelona Council: a more prosperous, dynamic Europe at the service of its citizens

From the outset Spain has actively supported, in the framework of the Lisbon European Council, the development and consolidation of the process of modernising and liberalising the European economy.

In Lisbon, the European Union set itself a number of ambitious objectives and a detailed work programme to attain them. Next spring, it will be two years since the process was started. Barcelona will be the opportunity for the Union to show that it can deliver.

The current economic slowdown cannot be taken as a pretext for postponing pressing decisions. On the contrary, it should act as an incentive to push through, where possible, reforms that are imperative for converting Europe into one of the economic areas with the greatest growth and job creation potential.

Lisbon was a success because it showed that Europe was ready for change. Globalisation of the economy and the appearance of new technologies have transformed the world. Economic sectors are burgeoning, new exporting countries are emerging, employment opportunities requiring new qualifications are being created. The European Union has to be at the forefront of this new order and act as a world leader, striving towards a dynamic and competitive Europe that is confident of its potential.

In order to do this, in Barcelona the Spanish Presidency will endeavour to make significant progress in five fundamental areas to modernise and

liberalise the economy and, ultimately, consolidate a more wealthy and competitive economic area within the European Union.

3.1. A European transport and communications area

More open and integrated transport systems offer the best guarantee of a good service and more efficient use of resources, in an environmentally-friendly manner. Businesses and citizens will benefit from tougher competition and greater inter-connection.

In the run-up to 2004, Trans-European Transport Networks throughout the Union will need to be encouraged to improve cross-border connections, by easing bottlenecks and facilitating growth and the combining of various modes of sustainable transport.

Similarly, the creation of the single sky in Europe will also have to be a priority at Barcelona. The advantages in terms of shortening flight times and cutting costs, not to mention the environmental benefits, call for this objective to be met with a view to 2004.

Rail is becoming increasingly important among the various modes of transport, both in terms of infrastructure and as a means of opening and liberalising the sector, for passengers and for freight alike. The second package of measures for the rail sector will therefore be important.

In the area of communications, political impetus will have to be given to developing broad-band networks, at both national and Community level, and these should enable us to develop the knowledge-based society swiftly so that we can compete with the countries in the rest of the world that are more

advanced in this area, and even take the lead in 2010.

The «e-Europe» initiative will be reviewed in Barcelona in the light of the Commission's recent evaluations and the discussions of the informal Council to be held in Vitoria. The Spanish Presidency will propose a new «e-Europe» action plan for 2002-2005. The purpose should be to develop the information society not only within the Member States but also between them.

3.2. Single energy market: liberalisation, openness and interconnections

The internal energy market is indispensable for the competitiveness of Europe's industry and for citizens to enjoy a better service and lower prices.

In this area the European Union must be guided by five major principles: openness, liberalisation, competition, transparency and interconnection. These principles are essential if tangible results are to be achieved, and there must be broad political consensus on this.

In practical terms, the Spanish Presidency will endeavour to obtain political agreement for the electricity and gas markets to be opened up completely, firstly, and as a matter of priority, for businesses. Furthermore, for the single electricity market to function, clear and uniform rules will also have to be introduced for setting prices and for managing cross-border traffic.

Lastly, extensive and well-connected energy networks are fundamental in order to overcome the problems of fragmentation and to underpin competition. The Spanish Presidency will

work in particular on revising the guidelines on Trans-European Energy Networks and on the previously announced infrastructure and interconnection plan, which should meet this need.

3.3. Single financial market

After the euro has been introduced the Spanish Presidency will give priority to developing the single financial market.

The political impetus given to the Financial Services Action Plan reflects the importance that European governments attach to this objective and it constitutes an opportunity to create a financial market of a size, depth and potential that is comparable to the best in the world. Such a market will secure for the European Union a more effective share of savings and lower capital costs, and will improve the conditions for investment and growth in Europe.

The Spanish Presidency will also regard the establishment of an integrated risk-capital market in Europe as continuing to be a key commitment which needs to be furthered in the Action Plan in order to facilitate investment and boost risk-capital activities.

To this end, the Spanish Presidency will encourage compliance with the deadlines set for 2005, with special emphasis, following Stockholm, on the integration of securities markets by 2003.

The Barcelona European Council will have to approve a definitive solution for the application, with the full support of the three Institutions, of the legislative procedure arising from the recommendations of the Lamfalussy report. Such a solution should be based on the determination of the Parliament, Council and Commission with regard to

compliance with the deadlines set for the integration of financial markets.

The Spanish Presidency will give special importance to the need to make progress in the harmonisation of rules of conduct, paying particular attention to the Directive on insider dealing and market manipulation and the Directive on the single company prospectus.

It will be equally vital to achieve rapid agreement on the new proposal for a Directive on takeover bids which the Commission is to present shortly, in order to encourage competition and business restructuring in Europe and stimulate investment flows into the European Union.

3.4. The objective of full employment: key to social cohesion in Europe

Barcelona should provide an opportunity to consolidate the social modernisation objectives established in Lisbon and, in particular, to progress towards the objective of full employment by 2010.

The European Union has set itself very ambitious aims in this field. We wish to create 20 million new jobs in Europe by the year 2010. We have already created more than two million since Lisbon. However, we still have a long way to go.

The Spanish Presidency will pay special attention to encouraging worker mobility throughout Europe.

The European Union has the valuable experience of the employment strategy. The Luxembourg process has been and should continue to be one of the cornerstones of the modernisation of

Europe, and be able to fulfil the objectives which we must pursue in Barcelona.

The Spanish Presidency will endeavour to bring the Luxembourg process into line with the spirit of Lisbon in order to achieve the best possible result from both, since it believes that the new phase of the employment strategy should last until 2010, and place greater emphasis on structural obstacles to job-creation, tax and social protection systems and labour-market institutions.

The report by the Council and the Commission on how to increase labour force participation and promote active ageing will be especially relevant. Its conclusions on the reduction of bottlenecks in the labour market, the informal economy and disincentives in tax and benefit systems which make it less attractive to take up jobs should be reflected in the employment strategy.

The Action Plan to develop and open up new European labour markets, based on the conclusions of the task force on skills and mobility, should incorporate practical solutions to facilitate worker mobility, including closer cooperation between national employment services.

Equally, the modernisation of the European social model will continue to be a priority in Barcelona, so that we are able to address, in particular, the consequences of the ageing population and its impact on the sustainability of national social protection systems.

Lastly, the return to full employment does not just mean creating more jobs, but also improving their quality, including equal opportunities for men and women and for the disabled, lifelong learning, and health and safety at work. In this context, the

Presidency will also pay special attention to all initiatives arising from the new needs of society and solidarity between the generations: the promotion of female employment, active ageing and health care for the elderly.

Further to the Laeken conclusions, the Spanish Presidency will convene a Social Summit with the social partners in order to draw up a multiannual work programme for submission to the European Council.

3.5. Education

In order to achieve a knowledge-based, competitive and dynamic economy, it is necessary to have a solid, practical and open education with a European dimension encouraging mobility between education systems and lifelong learning. We will only be able to realise our objectives if European young people and workers are prepared and trained.

The Stockholm European Council requested the Education Council and the Commission to submit a joint Report to the Barcelona Council in the spring of 2002. This report must include a politically ambitious Working Programme, with specific aims and milestones that permit meeting the objectives established for the education and training systems by the year 2010. At the same time, the culture of continuous learning must permeate the development of the scheduled activities. The conclusions of the High Level Group regarding competencies and mobility must also be included in this framework.

The Spanish Presidency will strive to define this unique framework, and will

pay special attention to the following matters:

- Support the transparency of the educational processes, as well as quality evaluation. The goal would be to achieve increased system quality and greater mobility between systems.
- Boost the teaching of a second and third Community language.
- Increase cooperation among educational establishments at all levels.
- Improve the training of teachers and trainers.

4. European Union enlargement

The enlargement process, which Spain and Spanish public opinion have always wholeheartedly supported, will undoubtedly be one of the most important tasks of the Spanish Presidency, bearing in mind that the most sensitive matters will have to be addressed in this final stage.

The Spanish Presidency's intention will be to make a decisive contribution to ensuring that negotiations will all those candidate States which are prepared can be concluded by the end of the second half of 2002, as provided for at the Göteborg European Council.

The main aim will be to reach common positions between the fifteen Member States on the most complex chapters of the *acquis*, as those are the chapters with the greatest financial implications: agriculture, regional policy, financial and budgetary provisions, drawing upon the current *acquis* and the current financial perspective adopted at the Berlin European Council in 1999. We will also endeavour to close all other chapters still open.

Moreover, in this last stage of the negotiations it will be necessary to address the fulfilment of the accession criteria. All countries taking part in negotiations fully meet the political criteria; with regard to the economic criteria, ten have functioning market economies and will in the short term be able to face internal market competition. In this final stage, therefore, it is appropriate to begin verifying the third requirement, i.e. effective implementation of the Community *acquis*. The first general assessment, based on the Action Plan to be drawn up by the Commission, will be conducted at the Seville European Council. The Drafting Group for the Act of Accession will also be established during the Spanish Presidency.

The economic progress of Bulgaria and Romania will be followed particularly closely. The Spanish Presidency will support the willingness of their Governments to make progress in internal

reforms, increasing the pace of these reforms so that it may be possible for all chapters to be opened, thus keeping alive their accession prospects.

Backing will be given to the efforts being made as part of the ongoing UN-sponsored drive to work out a political settlement for the Cyprus issue.

The recent constitutional changes have brought forward the prospect of the opening of accession negotiations with Turkey. Accordingly, in line with the conclusions of the Laeken European Council, the Spanish Presidency will encourage Turkey's pre-accession strategy, which should mark a new stage in analysing its preparedness for alignment on the *acquis* and, if required, set new objectives in the accession process.

5. External relations: More Europe in the world

The Spanish Presidency will endeavour to ensure that the European Union speaks increasingly with a single voice on international issues, thereby helping to consolidate the European Union's importance, visibility and credibility. The ambitious and consistent development of the CFSP is inherent in the building of Europe and European aspirations and in the Union's responsibilities to the international community.

5.1. ESDP

In the area of security and defence it is essential that the European Union be possessed of the military and civil instruments enabling it to act more effectively in the management of crises.

In this regard, Spain intends to undertake, in the framework of the creation of military concepts to be applied in crisis management headed by the European Union, the study of conceptual and organic aspects of the use of military forces for limited operations that require a rapid response. This study will take into account the European Union's rapid response elements.

The international situation in the wake of the crisis of 11 September has made it even more important that the ESDP become operational as soon as possible. The Spanish Presidency will therefore make a determined effort to take this chapter of the building of Europe further forward, since without it there can be no real talk of a Europe with its own identity in the international community.

The Spanish Presidency's priorities in this area will thus be to boost the development of military capabilities, extend consultation

and cooperation relations with the Atlantic Alliance and other international organisations and build up and implement Union crisis-management procedures. 11 September also demonstrated the need to promote further cooperation in the area of intelligence, in particular improving coordination among the European Union Member States' various intelligence services. This will reinforce the CFSP's analytical and forecasting capability.

Finally, Spain intends to launch a debate aimed at including the fight against terrorism as an ESDP objective, and providing ESDP with the means that are required to fulfil that objective.

The Spanish Presidency will also take forward the development of civil crisis-management instruments and reinforce the powers of the Civilian Aspects Committee.

5.2. Transatlantic relations

Transatlantic relations are one of the essential priorities in the upcoming Spanish Presidency, just as they were in the past Presidency.

In addition to the fight against terrorism, which was mentioned in the first chapter, there are other priority sectors in which the Union and the United States share common objectives – such as environmental protection, the fight against poverty in the developing countries and the multilateral increase in trade. In those sectors, effective and mutually beneficial concertation is crucial. The launching of the new round of WTO talks, which will reinforce confidence in economic recovery and

speed up the development of trade, provides an opportunity to highlight these common objectives. All of this augurs very well for the European Union Summits with the United States and Canada scheduled to take place during the Spanish Presidency.

5.3. The situation in Afghanistan

The Spanish Presidency will encourage the fleshing out of the Laeken European Council's decisions concerning the situation in Afghanistan. It will give special attention to making emergency humanitarian aid available to the Provisional Afghan Government, implementing the timetable for political transition agreed at the Bonn Conference, participating in the future UN-sponsored multinational force and establishing and implementing a long-term rehabilitation and reconstruction programme for Afghanistan.

Likewise, the Spanish Presidency will take special account of the need to ensure that the European Union's work on Afghanistan during the coming six months includes a possible review and tightening of the Union's links with Afghanistan's neighbours, such as, *inter alia*, India, Pakistan and the Central Asian Republics.

5.4. The Middle East Peace Process

During the Spanish Presidency efforts will need to be redoubled to put an end to violence and to open up a prospect of a political settlement, the need for which has become more pressing than ever because the current deterioration of the Peace Process is affecting stability and security throughout the region and collective anti-terrorist action at regional level is at risk. The European Union will undertake those efforts in consultation with the United States, the United Nations, Russia and the Arab countries most closely involved in the Peace Process, as established in the recent declaration on the Middle East approved by the Laeken European Council.

5.5. The Euro-Mediterranean Association

Spain is especially sensitive to the Mediterranean and believes that, six years after its launch, the Barcelona Process needs to retain its full force as a framework for cooperation and dialogue. Under the political and security chapter, Spain will attach particular importance to combating terrorism. Under the economic and financial chapter, Spain will launch a series of initiatives to bolster economic association and boost the Mediterranean partners' commercial integration including, *inter alia*, the creation of a Euro-Mediterranean Development Bank, which has already been included in the Conclusions of the Laeken European Council

Regarding the social, cultural and human chapter, the Spanish Presidency will seek to adopt a regional programme on matters coming under justice and home affairs and take a series of steps to bolster the «Dialogue of cultures and civilisations» with the Mediterranean partners.

5.6. Russia

Russia is one of the main exponents of the historic changes currently taking place. The unprecedented cooperation it is offering is confirmation of its total alignment with Euro-Atlantic reference values. The Spanish Presidency will seek to consolidate the strategic relationship with Russia at the European Union-Russia Summit scheduled to take place in Moscow in May. Here, emphasis should be placed on common areas in the economic and energy fields, the new anti-terrorism dimension and the specific situation of Kaliningrad, in particular questions concerning the transit of persons.

In the first half of 2002, Spain in its capacity as Presidency-holder, will back the development of initiatives under the European Union's «Northern Dimension».

5.7. Western Balkans

The Spanish Presidency's main task will be to continue to manage the Stabilisation and Association Process (SAP), with due reference to the actual situation in each of the five countries affected. The first Commission Report on the Annual Review of the SAP will be with the Council at the end of March. Finally, the Council will decide on the reform of the Stability Pact for South-Eastern Europe and the potential for its more effective coordination with the strategy and aims of the SAP.

The Spanish Presidency will continue the work programme established with the Federal Republic of Yugoslavia with the aim of encouraging the latter's gradual participation in the SAP.

5.8. Latin America

The second European Union-Latin America-Caribbean Summit will receive the Spanish Presidency's particular attention and will encourage the development of economic and political relations.

Specific summits will also be held with Mercosur, the Andean Community, Mexico and Chile. The Spanish Presidency will work towards extending the framework of relations with the Andean Community and Central America.

These meetings could provide a good opportunity to conclude the negotiations on the Association Agreement with Chile and to give a decisive boost to those taking place with Mercosur so as finally to secure a commitment from the European Union which will ensure that preferential relations with this area are maintained and developed.

5.9. Asia

The Spanish Presidency will not disregard the great potential offered by European Union relations with Asia. The dialogue with Asia in the context of ASEM will need to tackle the possible extension of the process and make appropriate preparations, in the form of a ministerial meeting, for the IVth Asia-Europe Summit planned for the end of 2002.

5.10. Sub-Saharan Africa

The Spanish Presidency will impart continuity and impetus to the European Union's policy in this region, particularly in seeking settlement formulas for the major armed conflicts (Great Lakes, Western Africa and Horn of Africa) and for the domestic problems faced by countries such as Angola and Zimbabwe.

5.11. United Nations

The Spanish Presidency will endeavour to ensure that the European Union continues to give resolute backing to the United Nations Charter and its institutions. In the present circumstances, it will place particular emphasis on all matters relating to the fight against the international terrorist network and, more especially, to the implementation in full of Security Council Resolution 1373. The Spanish Presidency will also pay special attention to the entry into force of the Statute of the International Criminal Court, the development of the Commission on Human Rights, the International Conference on Development Finance, the Second World Assembly on Ageing, the FAO Food Summit +5 and the preparations for the World Summit on Sustainable Development, to be held under the Danish Presidency.

5.12. Development cooperation

With regard to the ACP, the Spanish Presidency will be marked by the start of negotiations for the new Economic Partnership Agreements with the future regional ACP free-trade areas. The plan is for the negotiating mandate to be adopted with a view to the Council of EU-ACP Ministers' meeting due to take place in the Dominican Republic in June 2002.

6. Debate on the future of Europe

The Nice Declaration on the future of the Union marks a watershed in the history of European integration, as it establishes that transparency and participation are the essential elements which should inspire the current debate on the future of Europe.

The new stage launched in Nice should not be seen as a reaction to any crisis which the European Union is supposed to be suffering, but rather as a necessary consequence of its success. Few could have imagined when the Treaties of Rome were signed that now, scarcely 45 years later, millions of European citizens would be about to use a single currency or that a European rapid reaction force would practically be a reality, to mention only two of the most significant recent achievements.

The Laeken Declaration formalises the agreement reached by Heads of State and Government at their meeting on 14 and 15 December 2001 to convene a Convention composed of representatives of the Governments of the Member States, national parliaments, the European Parliament and the European Commission, and in which the candidate countries will take an active part. The objective of this body will be to draw up options and recommendations which will be submitted to the Intergovernmental Conference with a view to reforming the Treaties.

Aware of its responsibility for getting the Convention started, the Spanish Presidency will cooperate with the President and Vice-Presidents appointed in Laeken with a view to taking the measures necessary to ensure that the Convention's proceedings can commence in accordance with the planned timetable.

The success of the future Convention as a preparatory instrument of the 2004 Intergovernmental Conference is a singularly significant challenge which must ensure that the use of this procedure is consolidated in the future. This innovation should be set in the context of the process of constitutionalising the Treaties and the European Union.

The Convention is the body that gives shape to the structured phase of the public debate on the future of Europe launched at Nice. For it to fulfil its mission properly, it is first of all essential that its members behave as true representatives of the institutions that elected them.

It is up to each of these institutions and to the Praesidium itself not to disappoint the expectations placed in this innovative procedure for preparing amendments to the Treaties.

In tackling the themes developed in the Laeken Declaration, the Convention must endeavour to achieve a concrete and realistic approach. Abstract theoretical debates taken up with the definition of artificial archetypes must be avoided, and the need to meet citizens' concerns must constantly be borne in mind.

The Convention in turn needs to be particularly sensitive to the anxieties and expectations of civil society expressed in the various national debates and in the European civic forum, which will receive regular reports on the work of the Convention and which may be consulted or invited to hearings, under procedures which the Praesidium will determine.

It is essential that the Convention should maintain synergy with the European Council. To that end, the Council will keep itself informed of the Convention's proceedings. The President of the Convention is to present a first report to the Seville European Council, which will make it possible to seek the views of the Heads of State or Government.

The Spanish Presidency will strive to ensure that the process keeps to the planned timetable. The desired target would be completion of the Intergovernmental Conference in June 2004. For that to be possible, it is essential that the Convention should work efficiently and diligently from the start, so that it can draw up a document with clear and precise options or recommendations within the specified time-limit.

There should be a long enough period of reflection between completion of the Convention's work and the beginning of the IGC, so that the Convention's results can be discussed in the framework of the

national debates and in the national parliaments. The subsequent Intergovernmental Conference could then act rapidly and decisively in its task of agreeing the changes to the Treaties needed to achieve a more integrated Europe.

Reform of the Council of Ministers of the Union

The Spanish Presidency believes that reform of the Council is at present a subject of great importance and urgency; thus it will, in line with the conclusions of the Laeken European Council, set in motion a discussion on proposals to be submitted by the Secretary-General before the Barcelona meeting, with a view to drawing relevant operational conclusions from those proposals at the Seville European Council.

European governance

The Spanish Presidency will take the necessary steps to ensure that the Council holds an in-depth debate on the White Paper on European Governance once the consultation period provided for therein is over, taking into consideration the outcome of that exercise.

In particular, the Spanish Presidency very much welcomes the importance attached in the White Paper to improving regulatory arrangements. Accordingly, taking account of the favourable reception given to the Mandelkern report and the Commission communication on regulatory simplification, it undertakes to continue and take forward this debate, the next stage of which should lead to a practical plan of action in the first half of 2002.

III. Impetus to Union policies

For the Spanish Presidency, «More Europe» means developing, in continuity with preceding and following Presidencies, the European project as a whole, not missing any opportunities to deal with, and move forward, all EU matters as far as possible. This is more a part of the responsibility of any EU Presidency than a «priority area».

To give an idea of the scale of the task and the effort of leadership, logistics and organisation that goes with it, the Spanish Presidency will have to take charge of more than 530 items or subjects at the 33 Councils of Ministers planned. Besides the Summits of Heads of State and Government in Barcelona, Madrid and Seville, 41 ministerial meetings are set to be held in Spain – one every three working days throughout the Spanish Presidency – and 151 lower-level meetings – more than one a day.

In this context, the following should be highlighted as the essential core of those policies:

Employment and social affairs

The strengthening and development of the various existing Community instruments for creating and improving employment is one of the obligatory priorities of any Presidency. The Spanish Presidency will attach particular importance to the fulfilment of the Social Agenda decided on at Nice, the initial assessment for the review of the Luxembourg Strategy, matters relating to social protection and exclusion, the sustainability of pension systems and the ageing of the population in the light of the impetus given by the United Nations Global Conference to be held in Madrid in April 2002.

New ways of working require a flexible labour market with the qualifications necessary to balance supply and demand, preserving health and safety at work and quality in work.

Internal Market

The European Union's internal market must continue to be an essential pillar of economic growth, job-creation and benefits for economic operators, especially SMEs, consumers and European citizens. The Spanish Presidency will try to fulfil the current objectives covering all the traditional sectors, from industrial and intellectual property to technical harmonisation and consumer protection.

Full compliance with the *acquis communautaire* and a high level of transposition of Community law into national legal systems, in accordance with the 98,5% target set at Stockholm, will be vital factors in creating the necessary competitive conditions and providing a favourable environment for the efficient consolidation and development of the great Community internal market.

A particularly important aspect of the internal market for consumers and the farming sector will be the development of the White Paper on Food Safety, since the European Food Authority will be coming into operation at the beginning of the Spanish Presidency.

Economic and Social Cohesion

Economic and social cohesion is one of the essential policies of the Treaty on European Union, since it complements and enriches the Internal Market.

Its fundamental importance will increase with the forthcoming enlargement, and last year this prospect prompted the Commission to set out its initial thoughts on the development of the policy.

The Spanish Presidency, which will receive an update of the Second Report on Economic and Social Cohesion from the Commission early in 2002, will move the debate forward in the Community bodies with a view to enabling the parameters of this policy to be defined in the future.

Outermost regions

Spain will resolutely move forward the work programme fleshing out the Treaty's provisions on the outermost regions, seeking approval of the tariff and indirect taxation regimes in the Canary Islands and of the decisions concerning special taxes on certain alcoholic beverages in the French overseas departments, the Azores and Madeira, and will do the necessary to make progress towards the approval of a new tax scheme in the French overseas departments.

Likewise, the Spanish Presidency will endeavour to make progress on defining the outermost regions' status in the context of the reform of Community regional policy.

Telecommunications

Telecommunications is a basic sector of the European economy and will therefore have to take a prominent place in our Presidency, in two areas: first, harmonisation and liberalisation, with emphasis on the final approval of the last Directive, dealing with data protection, completing the telecommunications regulatory package. Secondly, there is the need for a process of reflection on the future of technological convergence, and in relation to the information society the eEurope 2002 initiative will have to be relaunched with new objectives.

Transport

In the transport sector, the main political effort under the Spanish Presidency should focus on the safety of the various means of transport – road, rail and in particular air and sea transport – and on liberalisation, with the aim of giving a significant impetus to the creation of the single European sky. Regarding the Galileo project, the Presidency will work towards carrying out the mandate given by the Laeken Council.

Industry and Energy

Within the framework of the overall strategy to develop European industry, the debate on competitiveness should focus on topics relating to the creation of new undertakings, technology transfer and development of the biotechnology industry.

In order to guarantee that undertakings can operate under equal conditions in the internal market, it will be necessary

progressively to reduce State aid and to guarantee uniform application of the competition rules, in accordance with the Stockholm conclusions within the framework of the reduction in the overall volume of such aid and its redirection towards horizontal objectives.

The Spanish Presidency will also have to conclude the work on full incorporation of the coal and steel sectors into the EC Treaty.

Similarly, and further to the objectives agreed in Lisbon, the Spanish Presidency will try to achieve significant progress in discussions on the Commission proposals to liberalise the markets in gas and electricity and to achieve a fully integrated and operational internal market.

The Spanish Presidency will also attach importance to encouraging measures relating to energy efficiency, as regards both energy supply (renewables, co-generation) and demand (building and transport measures).

Research and Development

Besides formalising the adoption of the common position, and depending on the outcome of the European Parliament's second reading, the Presidency may proceed to the final adoption, after conciliation with the European Parliament, of the Vith R+D Framework Programme. Subject to approval of the VIth FP, discussions may also begin during the Spanish Presidency on the specific programmes to implement that Framework Programme.

Environment

Environmental questions are today at the forefront of the international political

agenda and the EU is a clear world leader. The Spanish Presidency will accordingly give priority to environmental policy, as regards both the number of dossiers under discussion and the importance attached to them.

Preparations for the Sustainable Development Summit in Johannesburg will have an important place on the political agenda. We will therefore give particular attention to that Summit and to moving work forward on the European Union Strategy for Sustainable Development agreed on in Göteborg.

The negotiations on combating climate change will also be given priority and it will be necessary to maintain the impetus of measures both at internal EU level and in negotiations under the Agreement.

Agriculture and Fisheries

In the agricultural sector we will press ahead with work on consolidating the European agricultural model. We will also continue the reforms already envisaged in the common market organisations and impetus will be given to reforms in other sectors such as fruit and vegetables, dried fruits and rice. Reform guidelines will also be drawn up for protein crops.

Agricultural insurance will also receive attention, the aim being to extend its use throughout the Community.

The Agriculture Council will follow closely the development of events which will determine the future of the CAP such as the negotiations on the agriculture chapter in the framework of enlargement

and the agricultural negotiations in the WTO.

During the Spanish Presidency work will also continue on the proposals in the White Paper on Food Safety, strengthening consumer confidence.

As regards animal health, the Spanish Presidency considers it desirable to undertake a review of legislation on the eradication of fast-spreading exotic diseases such as foot-and-mouth disease and African swine fever, adapting the rules to new technical and scientific knowledge in order to avoid health crises in Union territory wherever possible. The Directive on zoonoses will also be amended to update the current rules.

At the informal meeting of the Agriculture Council the Spanish Presidency will launch a debate on the future of rural development to increase the viability of farms, without losing sight of the aspect of equal opportunities for men and women in rural areas.

In addition, in view of the challenges facing the common fisheries policy and the socio-economic importance of the sector, revision of the common fisheries policy will be a challenge and a priority for the Spanish Presidency.

Approval by the Council of the components of that revision, which is due to enter into force on 1 January 2003, will depend on willingness and progress in the discussions on the Commission proposals during 2002.

Health

In addition to the questions relating to food safety, the Presidency will

endeavour to improve patient care and increase patient access to the technologies of the future, by promoting research on cell therapy and tissue banks. Work will also be continued on the Community health programme and the campaign against smoking.

Education

As regards education, the Spanish Presidency will focus discussion on those aspects of education and training which best respond to the true requirements of society and the market and which will contribute most effectively to the modernisation of education systems in the future.

Life-long learning will be the main subject of the discussions, particularly those aspects of learning, whether formal, informal or non-formal, in which the Community perspective provides added value, while respecting the principle of subsidiarity.

Culture and Audiovisual

The Spanish Presidency will propose a discussion on the importance and the role of culture in the Union, in the context of Citizens' Europe and enlargement.

The cultural content of the digital era and the application of information and knowledge technology to the cultural heritage is another topic to which the Presidency will give particular attention.

In the audiovisual sector, priority will be given to all the measures necessary to introduce terrestrial digital television, to replace analogue television.

IV. Conclusion

The challenges faced by the Union in the coming months are the fight against terrorism, the introduction of the euro, continuing economic and social reforms, fulfilling the enlargement schedule, developing a European foreign and defence policy, and the debate about the future of Europe.

Only if specific advances are achieved in these priorities will we be able to ensure that Europe becomes the area of Prosperity, Openness, Freedom and Security that its citizens are demanding.

The ultimate goal of «More Europe» is responding to the citizens' expectations.

