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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 2011

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1. INTRODUCTION

This Commission presents its 2011 Work Programme at a particularly challenging time for the EU. There are clear signs of economic recovery after the worst crisis of recent decades – but that recovery is not yet firmly established. For this reason, the new initiatives that the Commission will propose and initiate in 2011 have a strong focus on accelerating recovery. 2011 should be the year when the Europe 2020 strategy is embedded as the backbone of efforts at EU and national level to deliver smart, sustainable and inclusive growth. It should see full agreement on the comprehensive new regulatory framework for the financial sector, the launch of the first European semester of economic policy co-ordination and a series of practical measures to leverage change. By the middle of 2011 the Commission will set out how to gear the EU budget to the delivery of Europe 2020, in its proposals for the next Multi-annual Financial Framework of the EU. This Work Programme is built on the five main political priorities for the EU set out by President Barroso in the first State of the Union Address, delivered before the European Parliament in September 2010¹:

- Dealing with the economic crisis and building the momentum of the recovery
- Restoring growth for jobs by accelerating the Europe 2020 reform agenda
- Building an area of freedom, justice and security
- Launching negotiations for a modern EU budget
- Pulling the EU's weight on the global stage

This Work Programme is the first to be adopted under the new programming cycle initiated by the Political Guidelines of the Commission President and set out in the Framework Agreement between the European Parliament and the Commission. The Work Programme can also help to inspire a new approach to programming common EU priorities, as set out in the Treaty of Lisbon.

The Commission Work Programme by nature focuses on actions to be delivered in 2011. However, within the new multiannual perspective of the programming cycle, the annual Commission Work Programmes also provide a framework for assessing ongoing policies, and pointing to areas where policy initiatives need to be developed to realise the long-term policy strategies needed to deliver the EU's goals.

Given the urgent need to complete the EU's work on key proposals in areas including economic governance and financial regulation, the Commission will explore with the European Parliament and the Council how to give priority to the rapid adoption of a certain, limited number of particularly urgent proposals.

¹ See State of the Union Address 2010 of 7 September 2010.

2. RESTORING GROWTH FOR JOBS: ACCELERATING TOWARDS 2020

2.1. Strengthening economic governance and initiating the European Semester

The Commission has recently tabled a significant package of proposals to strengthen the tools of economic governance and extend them to include the coordination of economic and fiscal policies². The new proposals would deliver broader and enhanced surveillance of fiscal policies at EU level, as well as a better coordination of macroeconomic policies to address shortcomings in the existing legislation, including through upstream action on macro-financial imbalances. New enforcement mechanisms would prevent or correct excesses that could damage Europe's fiscal or financial stability. To maintain the momentum, the Commission calls upon co-EU legislators to advance quickly in their political deliberations.

In the first half of 2011, the European Semester of policy coordination will become the central structure for the EU's common efforts to boost growth and jobs. In January 2011, the Commission will adopt its first Annual Growth Survey to launch the European Semester. The Annual Growth Survey will analyse the economic situation of the Union, including potential imbalances and systemic risks. It will look in particular at where the EU stands in relation to the five targets set in Europe 2020, so that we can start to benchmark the EU's transformation into a smart, sustainable and inclusive society.

2.2. Financial regulation: completing the reform

A comprehensive timeline for delivery of proposals to complete the EU's financial reform was presented in June 2010³. Early in 2011, the Commission will table the remaining proposals to complete the financial sector reform.

Most of the proposals to address the flaws exposed by the crisis are already agreed or on the table, with the recent agreements on the financial supervision package as a milestone. In the first half of 2011, the Commission will follow up with a further series of improvements to bank capital rules (CRD IV) to implement within the EU the outcome of international work in the Basel Committee on Banking Standards, changes to the Market in Financial Instruments Directive (MiFID) and the Market Abuse Directive to complete the move to more transparent and safer derivatives markets, a proposal on Credit Rating Agencies, as well as legislation establishing a framework for bank crisis management and resolution to equip the relevant authorities with a consistent set of tools including resolution funds.

A particular focus will be the protection of small investors and ordinary consumers: initiatives will include legislation on access to basic banking services, and action to promote responsible lending and borrowing practice on mortgages.

These and other proposals will complete the Commission's ambitious reform programme for the financial sector. A joint goal of the European institutions should be to have the full reform agreed by the end of 2011, thus putting in place an advanced system of financial regulation as one of the foundation stones for healthy, job-creating growth. Meanwhile, the EU will continue its efforts to promote a strong and coordinated global approach, notably through its

² COM(2010) 522, COM(2010) 523, COM(2010) 524, COM(2010) 525, COM(2010) 526, COM(2010) 527, 29.9.2010.

³ COM(2010) 301, 2.6.2010.

active participation in the G20. The Commission will pursue its work on a fair contribution of the financial sector.

2.3. Smart growth

Through the Europe 2020 flagship initiatives on Innovation Union⁴, Youth on the Move⁵ and the Digital Agenda⁶, the Commission has shown how the EU can act on many fronts to boost Europe's smart growth potential. During 2011, the concrete proposals announced in the flagships will be rolled out and implemented through complementary action at European and national level.

The expanding possibilities of the internet present new opportunities for audio-visual producers and broadcasters but pose new challenges for the protection of intellectual property rights. Cross-border and pan-European licensing in the audiovisual sector will stimulate creativity to the benefit of European citizens.

European standards should play a stronger role as platforms for the global competitiveness of our enterprises, especially for SMEs. The ICT sector is one of the areas with huge potential. A package of proposals during 2011 will aim at creating a more integrated European Standardisation system.

The Commission will also set out ways in which the EU level can help to modernise higher education and set out its vision for future action to foster knowledge and innovation.

2.4. Sustainable growth

As announced in Europe 2020, the Commission will set out its vision for "Resource efficiency" as a flagship initiative in 2011. This will break new ground in terms of integrated policy making at EU level. The aim will be to build progressively a framework based on resource efficiency to include the shift to a low-carbon society and which sets sectoral policies including energy, transport and the management of natural resources such as agriculture and fisheries within a long-term sustainable framework. This work will take time to develop, but the first fruits will consist of an overall approach setting out how energy, transport and the promotion of a low-carbon economy can today be put on the road to transform the EU economy by 2050. These interconnected initiatives will define medium and long-term scenarios, thus providing a solid basis for decision-making and more predictable conditions for large-scale investment. This also needs to be backed up with a broad approach to how resource efficiency can become mainstreamed into the way in which European society develops in the future.

A particular focus in 2011 will be on energy infrastructure and efficiency, which have immediate environmental, economic and energy security benefits, including huge job-creating potential.

The White Paper on the future of transport policy will examine the completion of the European transport area to provide an efficient, seamless infrastructure around a core network, building on innovation to achieve low-carbon transport.

⁴ COM(2010) 546, 6.10.2010.

⁵ COM(2010) 477, 15.9.2010.

⁶ COM(2010) 245, 19.5.2010.

Promoting the sustainable use of natural resources and releasing the innovative potential of sectors such as agriculture and fisheries will be a central theme of the Commission's proposals for the revision of the Common Agricultural Policy and the Common Fisheries Policy for the period of the new Multiannual Financial Framework.

During 2011 the Commission will continue to work to combat climate change. While continuing to drive forward international efforts to achieve an ambitious, global agreement, the Commission will also work intensively with bilateral partners to share ideas and develop common projects in areas like clean technologies, carbon trading and renewable energy. 2011 will also be a busy year in terms of the wider environment agenda - the preparations for the Rio+20 Earth Summit in 2012 will be high on the agenda and the Commission will be assessing the results of the Sixth Environment Action Programme and reviewing the thematic strategies on waste prevention and recycling.

2.5. Inclusive growth

Before the end of 2010 the Commission will publish its fifth cohesion report and propose two more Europe 2020 flagships – on "New Skills and Jobs" and "a Platform against Poverty". A number of concrete measures designed to promote inclusive growth will be set out in 2011. In close cooperation with social partners, the Commission will table a legislative proposal to improve the implementation of the Posting of Workers Directive, and update the Working Time Directive to new realities. The Commission will also work towards a quality framework, which takes full account of the specific nature of services of general economic interest, with the updating of the State aid rules as an important step. Securing inclusive growth also means addressing societal challenges such as the impact of population ageing. The Commission will support Member States' action to deliver adequate and sustainable pensions for citizens through concrete measures to be identified following the consultation launched in 2010. Promoting an ambitious agenda for economic, social and territorial cohesion will be a central theme for the revision of cohesion policy for the proposal of the new Multi-annual Financial Framework.

2.6. Tapping the potential of the Single Market for growth

The Single Market's achievements need to be constantly deepened and updated to achieve its potential. During the downturn the Union resisted the temptations of short-termism and isolation. But without a well-functioning Single Market, there will be no long-term growth for jobs in Europe. Now is the moment to push market integration to new levels, targeting the significant persistent gaps, as identified by Professor Mario Monti in his recent report for the Commission⁷.

Building on this work, the Commission has just proposed an important number of concrete proposals to re-launch the single market — in a Single Market Act⁸ — and the Europe 2020 flagship initiative on Industrial Policy⁹. Both underline the need to gear society as a whole to deliver the potential of the single market and to boost the framework conditions for Europe's economic operators.

⁷ http://ec.europa.eu/bepa/pdf/monti_report_final_10_05_2010_en.pdf

⁸ COM(2010) 608, 27.10.2010.

⁹ COM(2010) 614, 27.10.2010.

The Commission will continue to open up market access for our companies, in particular small and medium sized enterprises. An important aspect will be the presentation in 2011 of proposals for the modernisation of public procurement rules and the establishment of common rules concerning concession contracts. Other concrete initiatives targeted at SMEs during 2011 will include a regulation on the management of cross-border debt recovery.

The Commission will take a number of concrete steps including proposals for an Alternative Dispute Resolution (ADR) mechanism to facilitate the resolution of consumer problems in the EU and continuing the work on collective redress on the basis of the public consultation launched in 2010.

In the area of taxation, a proposal for a Common Consolidated Corporate Tax base (CCCTB) will aim to open the possibility for companies to opt for a system to make tax rules simpler, to reduce compliance costs and to help remove the tax obstacles that companies currently suffer, when they operate cross-border, without affecting actual tax rates. The Commission will also publish a Communication on a future VAT strategy targeting the weaknesses of the current system by modernising and simplifying it, to reduce the administrative burden of VAT on companies.

An Airports Package will aim to improve competition as well as consumers rights and environmental performance in this important sector, by dealing with airport capacity, the handling of slots and ground-handling, leading to a more optimal use of the European airport network.

3. PURSUING THE CITIZENS' AGENDA: FREEDOM, SECURITY AND JUSTICE

EU citizenship should be a tangible reality for EU citizens. Citizens' rights are firmly anchored in EU law. However, gaps remain between the rules enshrined in the Treaty and the reality that citizens face in their daily lives – as private individuals, consumers, students or as political actors.

The "Citizenship Report"¹⁰ just adopted by the Commission highlights a set of issues where action would be warranted to give practical meaning to individual rights granted at EU level. These efforts go hand-in-hand with measures taken in implementing the Action Plan for the Stockholm Programme (2010-2014) with a view to delivering an area of freedom, security and justice¹¹, using to the full the enhanced legal basis provided by the Treaty.

As part of its efforts at strengthening citizens' rights in 2011, the Commission will propose a legal instrument on European Contract Law.

In the area of criminal law, the Commission will propose a Directive on the rights of victims of crime to help ensure access to sufficient legal assistance, justice and protection for citizens across all Member States. In order to enhance mutual trust between judicial authorities and citizens, the Commission will also continue to make legislative proposals for introducing minimum standards for procedural in criminal proceedings, notably in the field of legal assistance and legal aid.

¹⁰ COM(2010) 603, 27.10.2010.

¹¹ COM(2010) 171, 20.4.2010.

The Commission will also make legislative proposals for a Registered Travellers Programme and an Entry/Exit System for third country nationals. The objective is to help keep the EU open to the world, while countering illegal immigration and preventing organised crime. In an open Europe, we must also prevent criminals from exploiting our economic system. Measures to be proposed next year will include a framework on the confiscation and recovery of illicit assets and Communications on a comprehensive policy against corruption and anti-fraud strategy.

Similarly, a revision of the civil protection legislation will enhance the EU's capacities in the field of disaster response, preparedness and prevention. Finally, the Commission will continue its work with the High Representative on a proposal to implement Art. 222 of the Treaty.

4. Europe in the World: Pulling our weight on the global stage

With the EU's new structures for external policy in place, we now have an opportunity to promote a comprehensive and cohesive policy on the external challenges we face today, demonstrating that the EU is a strong and reliable partner with a clear set of objectives expressed with unity and cohesion. The Commission will continue to support the new European External Action Service and help to develop a new phase in our external policies. The EU has already focused on the need to have a clear vision for our relations with strategic partners, as well as a strong and consistent position in international negotiations. That means making the most of policies for which the Commission is responsible such as development, trade, enlargement, humanitarian aid and the external aspects of internal policies, and co-ordinating them with the work of the EEAS to deliver a strategic overview of the EU's bilateral relations.

4.1. A comprehensive trade policy

A successful trade policy is a key pillar of the Europe 2020 strategy. Building on the trade strategy to be published in November 2010, the Commission will pursue ongoing negotiations with our trading partners, including through driving forward the several major bilateral agreements planned for conclusion in 2011 and keeping up the pressure for a breakthrough in WTO negotiations. In parallel, EU will take other concrete steps to position European companies on the global market place. The Commission will present in 2011 a legislative proposal for an EU instrument to improve access to public procurement markets in developed and large emerging economies, building on the implementation of our international commitments. The Commission will also propose measures to support European SMEs in developing their activities outside the EU.

In our comprehensive approach, we will also address how our trade policy can best serve developing countries in their integration into the global economy. The Commission will make a legislative proposal for a new Regulation on the Generalised System of Preference aimed at maximizing its positive impact on sustainable development and the countries most in need.

4.2. EU enlargement, neighbourhood, development policies and humanitarian aid

In 2011, the EU will continue to steer the enlargement process. Progress in negotiations, including any new negotiations which may be opened following the presentation of the Opinions on membership later in 2010, will be linked to continued progress made by candidate countries, with a special emphasis on respect for the rule of law.

The European Neighbourhood Policy has shown, over the last five years, the EU's ability to project its values and principles and to contribute to political stability and economic development in its neighbourhood – a strategic priority for the EU. The Commission will continue to help to deepen the EU's special relationship with these neighbours, including by carrying out a review of the EU's neighbourhood policy leading to proposals in 2011 for its further development in its bilateral and multilateral (Eastern Partnership, Union for the Mediterranean) dimensions.

The effective delivery of development assistance is a key objective for the EU as the world's largest development donor. A partnership approach is the best way to ensure the maximum overall EU contribution to the Millennium Development Goals, and a new generation of programmes to support development needs to be designed with this in mind. Particular attention will be given to the follow-up of the Green Paper on the future of the EU development policy which will be presented in late 2010 which will assess the Union's development instruments to focus activity, where it can make a real difference for those in need.

Helping those affected by humanitarian catastrophes also remains a central building block of the EU's world wide engagement. The basis for these life-saving efforts will be strengthened through a proposal for a Revision of Council Regulation concerning humanitarian aid.

5. FROM INPUT TO IMPACT: MAKING THE MOST OF EU POLICIES

The magnitude and pace of world changes require the EU to act swiftly, responsibly and decisively. 2011 will see the fruit of a major reflection on how the EU can modernise its policy and financial instruments and find ways of working which maximise the added value of EU action.

5.1. A modern budget for Europe's future

The "Budget Review"¹² presented last week sets out the Commission's ideas on the purpose, architecture and delivery of a new EU budget post-2013. Europe as a whole is experiencing a period of austerity in public finances. The EU budget must be targeted to policies and areas where it can make a real difference, supporting medium and long term investment, and bring real added value in support of the Union's policy objectives – most obviously the EU budget should be one of the key tools to deliver Europe 2020. It must also be delivered in ways which maximise its impact. In June 2011, the Commission will present its formal proposals for the next Multiannual Financial Framework (MFF), covering both expenditure and the financing of the budget. On the spending side, the proposal will set out how and where the Commission believes it can use the budget to deliver EU policies most effectively. On the financing side, the Commission will make a proposal for a new own resources decision. These proposals will be the fruit of a detailed analysis of how EU spending can deliver the greatest added value, how it can act as a powerful tool for delivery of common EU objectives; and of a fresh look at the way that budget is funded.

In the coming months the Commission will issue a number of Communications and reports on key policy areas, in particular the reform of the common agricultural policy, of the common fisheries and the future of cohesion policy, which will also serve as the policy basis for the

¹² COM(2010) 700, 19.10.2010.

budgetary proposals of the MFF. The Commission will present detailed legal proposals for the specific financial instruments and programmes that should implement the new MFF. These will be presented in a number of packages from the summer to the end of 2011.

5.2. Promoting smart regulation

The Commission's better regulation agenda has led to significant improvements in policy-making at EU and national level. The design of new legislation builds on views from stakeholders and evidence gathered through wide consultations and subjected to an impact assessment process that has been externally assessed as effectively raising the quality of proposals. In parallel, the Commission has carried out a thorough simplification of existing legislation and has made significant progress in reducing administrative burdens and assisting Member States in the transposition of EU law.

Building on this experience, the Commission is ready to move to a new phase of smart regulation¹³. The whole policy cycle should be seen as a whole: from the design, through the application stage and until legislation is evaluated and revised. Starting with this Work Programme, in principle a positive opinion from the Impact Assessment Board will be needed before a proposal can be put forward for Commission decision.

The Commission will continue to work with the European Parliament, the Council and the Member States to ensure that the agenda is actively pursued by all, in both the EU legislative and implementation stages.

Finally, the voice of citizens and stakeholders most affected by legislation will be further strengthened by prolonging the consultation period from 8 to 12 weeks from 2012 onwards, by carrying out a review of the Commission's consultation policy in 2011 and by increasing predictability on the Commission's planned proposals and ex-post evaluation work to allow stakeholders to prepare their engagement at a much earlier stage.

These three pillars of smart regulation should deliver on its overall objective: having relevant, effective and quality EU legislation fulfilling its intended objectives and benefiting citizens and businesses.

5.3. On-going work

New actions with a focus on political priorities are only one aspect of the Commission's work. Throughout the year, the Commission remains responsible for implementing and overseeing agreed policies, reporting and taking stock of existing strategies and action plans, participating in international negotiations, contributing to conferences and major policy events. The Commission manages a wide range of financial programmes and operational tasks. In its responsibilities for the implementation of the EU's operational budget, the Commission seeks to ensure the best use of limited resources to secure the EU's objectives, obtain the best value for money while respecting principles of sound financial management. Much of this ongoing work results in the adoption of reports and documents which do not feature in the Annex to this document – although the work of implementation and monitoring absorbs an important share of the Commission's human and financial resources, this Work programme focuses on areas where the Commission is exercising political choice rather than discharging its responsibilities as an executive.

¹³ COM(2010) 543, 7.10.2010.

In recent years the Commission has been devoting more attention and resources to the implementation of EU law. The recently launched EU pilot experience¹⁴ is beginning to show results and considerable effort is being invested in speeding up the handling of infringement cases. More systematic analysis of the reasons for late and incorrect transposition of EU law is being done to feed into the ongoing simplification programme and is also being used in the revision of existing legislation. All of this work will contribute to giving the EU a modernised, up to date legal base which is "fit for purpose" and able to deliver on the EU's promises to its citizens.

6. CONCLUSION

This Work Programme sets out the key new initiatives the Commission commits to deliver in 2011¹⁵ and the initiatives on which it will work in 2011 and the years to come¹⁶, including simplification proposals and withdrawals¹⁷. This forward planning seeks to provide all stakeholders with predictability and transparency for their work, while maintaining openness and flexibility to adapt to changing circumstances. The Commission will of course at the same time continue to work on other issues that require urgent action, or on long term preparation for the future. The Commission will now work closely with the European Parliament and the Council, as well as stakeholders, including national parliaments, to ensure that the initiatives it will promote in the coming year will rest on a sound consensus about how the EU's should meet the expectations of its citizens for an ambitious and effective Europe.

¹⁴ COM(2007) 502 - Launched in April 2008.

¹⁵ See Annex I.

¹⁶ See Annex II.

¹⁷ See Annexes III and IV.