

OVERVIEW OF THE PRIORITIES AND PROGRAMME OF THE HUNGARIAN EU PRESIDENCY

Information material

On 10 November 2010 the Hungarian Government adopted the draft programme of the Hungarian Presidency of the Council of the European Union. The document is in constant evolution on the basis of the progress of different dossiers under the Belgian Presidency and will be finalised after the December European Council.

Hungarian Presidency program in context

The priorities of the Hungarian Presidency are partly predetermined by two factors: Hungary's membership of the trio Presidency and the global economic crisis.

The Hungarian Presidency is the last member of the Spanish-Belgian-Hungarian trio. Its programme, therefore, fits into the trio programme and its priorities are built on the results of the Spanish and Belgian Presidencies.

During the first half of 2011, Europe needs to concentrate on improving its economic performance and on job creation so as to make growth sustainable and the recovery from the crisis irreversible. Some important lessons from the crisis have been learned and political decisions were made to reinforce economic co-ordination, to strengthen the control of fiscal discipline and to elaborate a framework ensuring long term competitiveness of the European economy. 2011 will be the year of action: we will start implementing the decisions taken in 2010 and using the opportunities offered by the Lisbon Treaty. In case no agreement is reached on the 2011 budget, the Hungarian Presidency will do its utmost to ensure that it is adopted in the shortest time possible.

General priorities

The Presidency Programme is built on four main priorities. Their shared central element is the objective of putting Europe to the service of its citizens: re-focusing policies on the sorely missed human face of European integration.

1. Growth, jobs and social inclusion for promoting the European social model

In order to consolidate European economic recovery, which is our common goal, it is necessary to strengthen European economic co-ordination and to adopt its new instruments. It is our objective to reach a compromise on the Commission's legislative proposals concerning enhanced economic governance.

Its key points are (i) the launching of the European semester, (ii) the strengthening of fiscal discipline (review of the sanctions in the framework of the SGP and the consideration of public debt in the excessive deficit procedure) (iii) and the creation of a macroeconomic surveillance mechanism (following the pattern of the excessive deficit procedure) giving a

more efficient and timely response to structural problems of competitiveness and macroeconomic imbalances.

Based on the conclusions of the October European Council, the related creation of a permanent crisis resolution mechanism requires the amendment of the Treaty. Pending the final decisions of the December 2010 European Council, as incoming Presidency, we are ready to ensure that the necessary Treaty amendment is adopted as soon as possible.

The Europe 2020 Strategy is our common tool boost employment, enhance competitiveness and social inclusion – three closely interrelated and mutually supporting objectives. Its targets have already been agreed upon. In 2011, our task will be to start implementing it both at national and at European level. Discussions on the flagship initiatives will continue: (i) the Innovation Union will be elaborated and the implementation will start; (ii) the agenda for new skills and jobs will be discussed with special focus on job creation; (iii) and the adoption of Council conclusions is planned on the Digital Agenda, on the Youth on the Move and on the Resource Efficient Europe initiatives. In the framework of the European platform against poverty, the Hungarian Presidency will focus on child poverty and the integration of the Roma population. Our special priority is to adopt the European framework for national strategies of the inclusion of the Roma and to provide new momentum for the solution of this important European issue.

During the implementation of the Europe 2020 Strategy due attention should be paid to the demographic trends and the social and family policy measures affecting the aims of the Strategy itself. It is worth conducting a general assessment of the effects of these trends and measures and to share best practices among Member States in these fields with a view to enhance efficiency.

The adoption of the Single Market Act will be high on the agenda of the next presidency semester. The success of the reformed economic cooperation, the enhanced surveillance of the financial markets and the efficient implementation of the EU 2020 Strategy requires the completion of the internal market through the dismantling of the remaining barriers to free and fair competition. SMEs are the key factors to Europe's competitiveness and have a significant potential to create jobs. The revision of the Small Business Act should lead to enhanced mobility and competitiveness for SMEs. The creation of a European patent is a fundamental and at the same time symbolic element for the EU single market.

The creation of stable and predictable financial markets requires more efficient regulation and the modernisation of the financial supervisory system. The negotiations of the dossiers linked to the financial services roadmap will continue. The most important ones are: (i) the reform of financial supervision, (ii) the increase of transparency on the capital markets, (iii) the elaboration of a crisis prevention and management framework, (iv) and the revision of the capital requirements of banks.

2. Stronger Europe – building on the foundations and saving the future

The future of the EU will be defined by its most important common policies. The review of the CAP and the cohesion policy and the creation of a truly common energy policy have to be thoroughly discussed. The next multiannual financial framework has to be tailored to the future needs and developments identified during those discussions. We need to match our

common goals with the appropriate instruments. The Hungarian Presidency plans to launch preparatory discussions, having a strategic importance, in this context.

Economic, social and territorial cohesion is one of the main pillars of the EU. An internally unified Europe is more competitive globally and more efficient in external actions. We need to ensure that the cohesion policy maintains this as its most important objective and also that it retains the necessary means for reaching it.

When discussing the future of the CAP, EU Member States need to have a double focus: preserving the values of the common agricultural policy and facing up to the new challenges. When it comes to the instruments and objectives of the CAP, we should not forget about citizens' expectations concerning the sustainability of predictable food industry and guaranteeing food safety. Agriculture does not only provide food, but also contributes to the preservation of the landscape and rural lifestyle; it offers ecological services; increases employment and helps tackling demographic problems.

The creation of a unified and efficient common energy policy is a new priority for the Union. Achieving energy security is currently one of Europe's greatest challenges. We need to create a common European energy market, build the necessary infrastructure, find community financing methods, reach unified actions vis-à-vis external partners and diversify sources, routes and suppliers. The special European Council on 4 February 2011 dedicated to energy policy and innovation will be a flagship event during our Presidency. It will provide political orientation to the harmonisation of national technical regulation, the building of key infrastructure and the financing of necessary investments. Since an energy efficient Europe is a key to achieve future sustainability and security of supply, improved national and common regulatory measures as well as appropriate financial incentives are urgently needed. In order to avoid further delay, adoption of a reviewed European 2020 energy efficiency action plan is a priority. The Hungarian Presidency also plans to hold political discussion at an informal Energy Council dedicated to the preparation of a low-carbon energy roadmap for 2050, which allows for a coordinated European strategy that includes all relevant technologies.

Responsibility towards future generations is a common theme in many European policies. Ensuring environmental sustainability and combating climate change are key concerns for European citizens. The EU has to keep its leading role in the global fight against climate change. Pending the outcome of the Cancún Summit in December 2010, the Hungarian Presidency is committed to ensuring the implementation of the Cancún decisions in the EU and to further advance negotiations with a view to be able to adopt legally binding measures by the end of 2011.

The Hungarian Presidency wishes to devote special attention to water policy: in the context of climate change, we intend to focus on the integrated and sustainable management of extreme water related events.

Biodiversity is our common heritage, we have to ensure that it is preserved for our children. It has to be placed in a larger context and relevant discussions have to be integrated into the reform of key sectoral policies. The new EU strategy on biodiversity will be discussed at the Environment Council.

Various forms of macro regional co-operation have demonstrated their added value in strengthening cohesion and competitiveness. The adoption and the implementation of the European Danube Region Strategy is a priority.

3. A Union close to its citizens

The Presidency will work on bringing Europe closer to its citizens. Tangible results have to be achieved in the field of freedom, security and justice. EU policies in this field have a direct impact on the everyday life of citizens. Public security, legal certainty and the enforceability of legal rights are key areas for action. In accordance with the principles and objectives laid down in the Stockholm Programme, we will continue working on providing concrete and visible results of the cooperation in the field of justice and home affairs. We have to ensure that the right to the freedom of movement does not undermine the security of EU citizens and vice versa, the legitimate demand for more security is accommodated without concessions on our commitment to the freedom of movement in the EU.

Protection of citizen's rights is a priority, therefore, we will ensure that discussions on the compensation of the victims of crimes will continue. Increasing the efficiency of the fight against organised crime and cybercrime is also a key issue. In the field of personal relations between citizens the protection of personal data, cross border inheritance cases and matrimonial property regimes are in the focus of the Hungarian Presidency.

The better management of migration flows and the integration of migrants are still topical issues. Work on the adoption of the proposals aiming at the creation of a common European asylum system will be continued.

Since the entry into force of the Lisbon Treaty, the rights of EU's citizens are guaranteed in the Charter of Fundamental Rights. The first assessment on the implementation of the Charter will be an important contribution to the protection of the rights of the citizens.

The Lisbon Treaty has also introduced the European Citizens' Initiative. The speedy adoption of the implementing provisions and the launch of the first initiatives in the adopted legal framework is a highly significant issue for the Hungarian Presidency.

The Schengen area without internal border control is one of the most tangible achievements of European integration for EU citizens. The Hungarian Presidency supports the accession of Romania and Bulgaria to the Schengen area in the first semester of 2011 if they meet the necessary technical criteria, as foreseen by their relevant Treaties of accession.

2011 is the European Year of Volunteering and the Hungarian Presidency intends to promote this initiative.

European cultural heritage has an immeasurable value we need to protect in order to guarantee the solid intellectual foundations of a unified Europa. The "unified in diversity" motto truly reflects Europe's cultural complexity and the importance of diversity. As part of the Europe 2020 Strategy, it is necessary to identify those areas where the cultural and creative industries could contribute to achieving European economic objectives i.e. growth targets, as they play an important role in ensuring European competitiveness, social

development and cohesion. Promotion of civil society initiatives in this area is a key element of success.

4. Enlarging responsibly and engaging globally

The simultaneous enlargement and deepening of the EU is a historic success. The Hungarian Presidency will promote the continuation of the enlargement process. Europe has to remain open towards those countries that fulfil the criteria: are ready and willing to strengthen the rule of law, democracy and human rights, to adopt and implement the *acquis*.

The Croatian accession negotiations have reached their final phase. It is important to ensure that Croatia fulfils all the requirements for accession before the negotiations are concluded but it is equally important not to delay it unnecessarily. The Hungarian Presidency will do its utmost to help Croatia meet the accession criteria and to close negotiations under its term.

The integration process of the Western Balkans has to be continued. The European Council's decision to invite the Commission to issue an *avis* about Serbia's request for accession is a clear message that strengthens the credibility of the integration process. Hungary is ready to take on the relevant presidency tasks if Member States decide to start the accession negotiations with FYROM. It is also important to maintain the momentum in the accession negotiations with Turkey and to start negotiating the substance of the accession with Iceland.

The Union is a strong global player. The Lisbon Treaty has created a new institutional structure in order to strengthen the EU's position *vis-à-vis* its external partners. The European External Action Service will ensure efficient representation of common EU interests all over the world. It is our common interest to ensure that it becomes operational within the shortest possible time.

The renewal of the EU's neighbourhood policy is of utmost importance. Based on its geographical location, the Hungarian Presidency can bring added value to the EU's policy towards its Eastern neighbours. Budapest will host the second Eastern Partnership Summit in May 2011 with a view to strengthening relations between the Union and the six Eastern Partners.

The EU's development cooperation policy is an integral part of the EU's external relations as well. As the world's greatest donor, the Union plays a major role in the global fight against poverty. The Commission's upcoming proposal on the renewal of the common development cooperation policy will be an important milestone. Relevant discussions will start during the Hungarian Presidency.