



Roimn an Taoisigh
Department of the Taoiseach



Ireland and the European Union

Identifying Priorities and Pursuing Goals

4th Edition 2006

1 ▾ EU Member States

Austria
Belgium
Cyprus
Czech Republic
Denmark
Estonia
Finland
France
Germany
Greece
Hungary
Ireland
Italy
Latvia
Lithuania
Luxembourg
Malta
Netherlands
Poland
Portugal
Slovakia
Slovenia
Spain
Sweden
UK

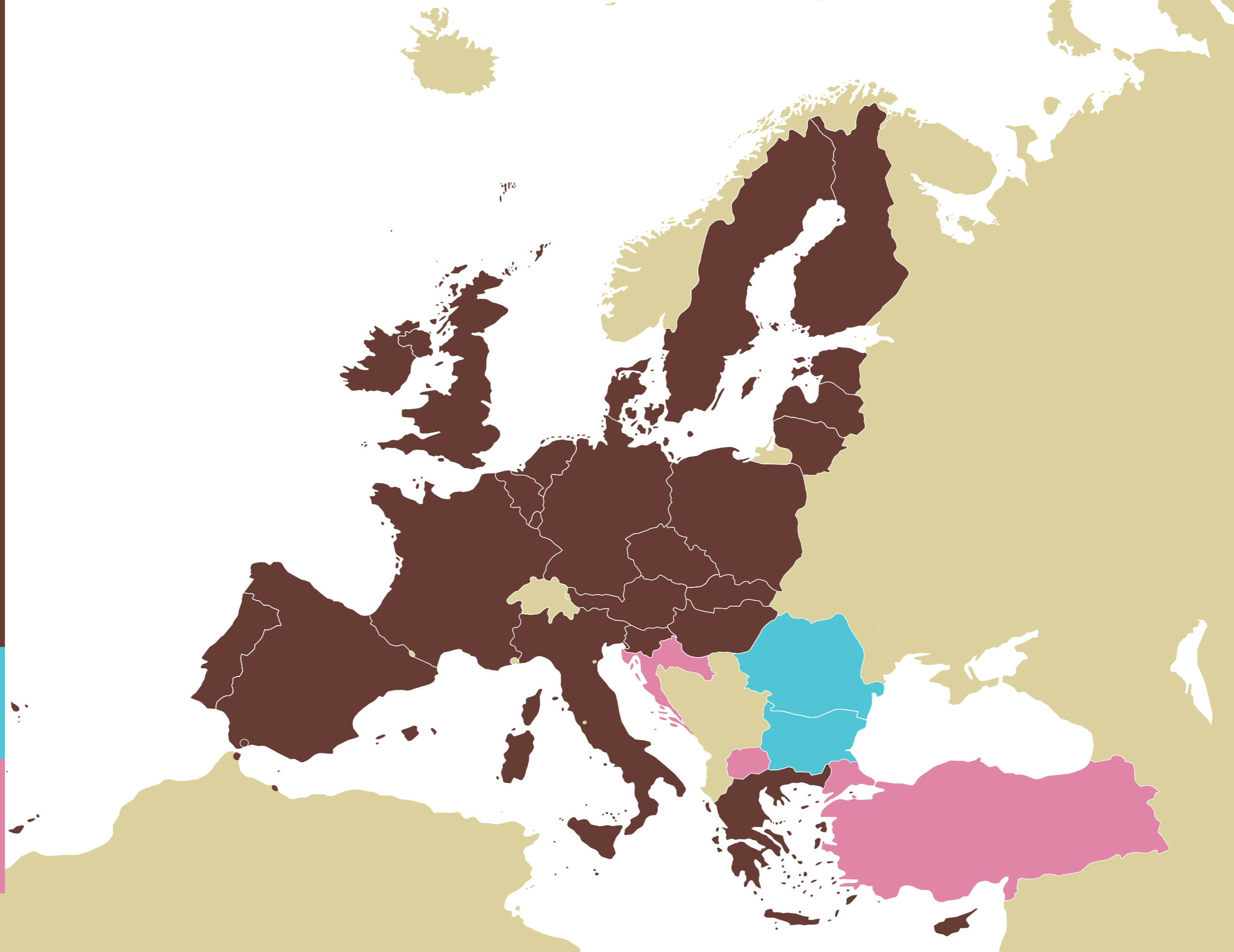
2 ▾ Countries due to join the EU on 1 January 2007

Bulgaria
Romania

3 ▾ Candidate Countries

Croatia
Turkey
The Former Yugoslav
Republic of Macedonia

4 ▾ Non-EU Members



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Foreword by the Taoiseach ↙

Over the past year, the EU has been engaged in a process of debate and reflection on the European Constitution. In Ireland the Government, the Oireachtas and the National Forum on Europe have worked hard to encourage debate on the challenges we face in Europe and how best to deal with them. The Minister for Foreign Affairs has published a short report on the period of reflection in Ireland.¹

In June 2006, the European Council reviewed the outcome of this period of reflection. It approved a two track approach during the period ahead: the delivery of concrete results for the public, and at the same time, extensive consultations on the Constitution, which will result in a report to next June's European Council on the way forward. We will support both the Finnish and German Presidencies in this work.

The European Council also identified 2008 as a date by which necessary steps will have been taken to allow the process advance. This represents a shared commitment to take the necessary decisions by that time.

The approach of the European Council reinforces the widely held view that, while the way forward is very far from clear now, it will begin to become clearer next year.

In the meantime, the EU will work hard on its challenging agenda. The message we have taken over the last year is that the public is interested in the Union delivering results.

The European Union will:

- ▶ push ahead to fight crime and terrorism;

- ▶ deal with the challenges of energy and climate change;
- ▶ promote economic growth and job creation under the revitalised Lisbon Agenda.
- ▶ pursue initiatives that strike a chord with the citizen.

It is not possible to divorce the debate on the European Constitution from the day-to-day business of the Union. If we can convince people that their daily concerns are being met, if the broad economic climate in the Union improves and confidence recovers, if we can create more jobs and give hope to the unemployed, then the prospects for the European Constitution will improve.

I firmly believe that the European Constitution is the best means of equipping the Union to meet the

¹ Available on the website of the Department of Foreign Affairs at: www.foreignaffairs.gov.ie

challenges of the future. The Government remains committed to the Constitution and to its eventual entry into force.

While the past year was a period of reflection, this did not mean that business in the EU came to a standstill. On the contrary, there has been a strong determination to push ahead with the EU's agenda and not to allow the setback over the European Constitution to derail progress.

In December last year European Council reached agreement on the Financial Perspectives for the EU for the years 2007 - 2013. The new Perspectives, which have since been agreed with the European Parliament, protect the interests of each Member State and allow the EU to move forward on a sound financial basis. They provide for €862.36 billion for the years 2007-2013.

From Ireland's perspective, the overall result was excellent. We expect that over the seven years covered by the Perspectives, our receipts from the EU will amount to €14 billion while our payments will be €13 billion, leaving us with a net benefit of €1 billion. We anticipate that we will become a net

contributor to the EU budget near the end of the seven-year period. This gradual move to net contributor status is consistent with our deep national commitment to the EU and the very rapid economic progress that EU membership has made possible.

In many respects the agreement on the Financial Perspectives is the last major building block in the current enlargement process. Bulgaria and Romania will soon become full members of the European Union. Accession negotiations have opened with Turkey and Croatia. Candidate status has been granted to the former Yugoslav Republic of Macedonia.

Next year, 2007, marks the 50th anniversary of the Treaty of Rome. This will be a moment to acknowledge the enormous contribution the EU has made to the preservation of peace and the promotion of economic and social progress on our continent. It will also be a time to recognise the fundamental importance of EU membership to Ireland's economic success and social progress. There is hardly an area of economic or social life in Ireland that has not benefited from our membership.

The EU continues to be of vital importance to us. The objective of these annual publications is to explain, in clear and straightforward terms, the agenda we are pursuing in the EU and the importance of the EU to our economy and our society.

This 4th Edition of Ireland and the European Union: Identifying Priorities and Pursuing Goals sets out our key national objectives in the European Union for the coming period. It highlights the key issues facing us in the coming months.

We will continue to ensure that we promote Ireland's interests while, at the same time, ensuring that the interests of the European Union as a whole are met.

Bertie Ahern T.D.
Taoiseach

Introduction ↙

The basic objective of the publication is to inform people in a clear and concise fashion, about the Government's priorities and goals across a wide range of EU policy issues.



Ireland's EU membership has been vital to our economic success ↘

Ireland has been a Member State of the European Union for 33 years. By now the Union is part and parcel of everyday life and to a large extent is taken for granted. Many decisions taken at EU level, however, have very significant implications for jobs, growth, environment, social policy and other key areas of our lives. The Government is therefore determined to ensure that citizens are fully informed about the issues.

This publication looks forward and sets priorities and goals for the future. It is, however, worth recalling just how important our EU membership has been to Ireland.

- ▶ Since we joined in 1973, Ireland has received €55.7 billion from the EU budget, or €39.4 billion, net of contributions².
- ▶ In 1973 Ireland's exports were €1.1 billion. By 2005, exports have increased to €88.4 billion. In 1973 almost 55% of our exports went to the UK and 21% went to the other EU Member States. By 2005, 17% of our exports went to the UK, and 46.2% went to the other EU Member States.

- ▶ In 1998 (the first year for which comprehensive information is available) the total stock of Foreign Direct Investment in Ireland amounted to €53.3 billion. By the end of 2004 it stood at approximately €172 billion.
- ▶ During the period 1993-2003, the Union supported more than 120 important infrastructural projects in Ireland.
- ▶ The EU's programme for Peace and Reconciliation in Northern Ireland and the Border Region of Ireland (PEACE II) has provided €531 million in support of the peace process and the Good Friday Agreement.

In summary, our membership of the European Union has been fundamentally important to our economic development. Ireland's access to the vast EU internal Market is one of the major attractions for foreign investors in Ireland. The Union has made very significant financial contributions in support of the development of Ireland's infrastructure, and in support of the peace process and the Good Friday Agreement.



Key Themes ↙

The European Constitution and the Future of Europe ↙

Ireland remains committed to seeing the European Constitution enter into force.

This position will shape our participation in the continuing discussions surrounding the European Constitution and the Future of Europe. Following the No votes in France and the Netherlands, the June 2005 European Council initiated a period of reflection across the EU and suspended the target date of 1 November 2006 for ratification. In June 2006, the European Council decided on a twin track approach for the year ahead – a focus on delivering results and the preparation of a report on the European Constitution to be considered by the European Council in 2007.

In Ireland, the Government has published a comprehensive guide to the European Constitution and has also published a White Paper setting out our views on the Constitution.

It is generally recognised that there are no quick fix solutions to the current situation facing the European Union. It will take time and effort to devise a way forward that would enable the European Constitution to be successfully ratified by all Member States so that it can enter into force.

The period of reflection has enabled Member States to engage in national debates on the future of Europe and to encourage public discussion of the concerns expressed by EU citizens. In Ireland, the Taoiseach and Government Ministers will continue to work to raise awareness of European issues. The National Forum on Europe will continue its work in fostering continuing debate on European issues of vital concern to Ireland.

Enlargement ↘

The forthcoming accession of Bulgaria & Romania to the EU will mark the completion of the Union's fifth enlargement, increasing its membership from 15 to 27 Member States. Following the signing of the Accession Treaty on 25 April 2005, both countries are participating in EU meetings as active observers. The priority now is to ensure that both countries address all outstanding issues in order to be ready to accede to the EU, as planned, on 1 January 2007.

Ireland welcomed the opening of accession negotiations with both Croatia and Turkey on 3 October 2005 and looks forward to contributing effectively to a rigorous and fair negotiation process. Ireland also welcomed the reaffirmation by the EU on 20 March 2006 of its

determination to fulfil the commitments made to the countries of the Western Balkans in the Thessaloniki agenda.

The Union's future enlargement strategy will be a matter for discussion during 2006. Ireland will take a constructive and pragmatic approach to enlargement. It is clear that the Union has work to do in order to prepare itself for any further enlargement and that it must, in particular, address the concerns raised by EU citizens. Ireland has always firmly supported enlargement, but it is imperative that the Union's enlargement policy should enjoy popular approval. This means that EU citizens must be presented with a clear strategy for future enlargement and that is based on objective conditions and realistic commitments.

Ireland will continue to build its relations with the new Member States and with the acceding and candidate countries, including by providing assistance and training through the Accession Training Programme funded by the Department of Foreign Affairs.

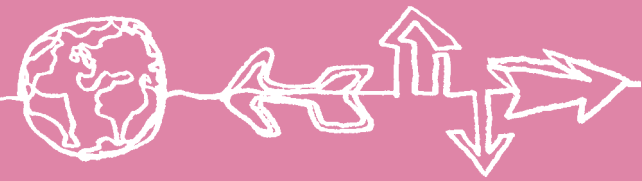
Making a Success of the Lisbon Agenda ↘

The Lisbon Agenda provides a framework for the Member States of the Union and the Commission to work together in support of jobs, growth, social cohesion and the protection of the environment. The Agenda recognises Europe's commitment to solidarity and protection of the weak as well as the EU's leading role in the global effort to protect the environment and fight climate change. The Agenda is a key element of the Union's efforts to strengthen the competitiveness of the European economy. The EU needs to increase its investment in research and development, particularly in frontier technologies, to match the levels in key competitors such as Japan and the US if it is to truly be able to compete with them.

Internally the EU faces a significant demographic challenge as longer life expectancy results in an increase in the number of older people entitled to pensions and healthcare, while low birth rates mean that the average age of the population increases. High levels of unemployment in a number of Member States, coupled with low growth rates, are also an issue.

At its meeting in March 2005, the European Council re-launched the Lisbon Agenda with a particular focus on growth and jobs. Under this revitalised Agenda each Member State has, in consultation with the social partners and national parliaments, prepared a National Reform Programme geared to its own needs and specific situation.

The Government is strongly committed to the success of the Lisbon Agenda. After a period in which much political time and energy was spent on securing EU enlargement and on agreeing the European Constitution, the Government believes that economic and social issues must now be to the forefront of the EU's agenda. If the EU is to retain the confidence of the people, the Member States have to show that by cooperating together within the framework of the Lisbon Agenda, they can deliver higher growth, more jobs and a Europe that is capable of meeting the competitive challenges of globalisation.



The European Union and the World ↙

The European Union of twenty-five Member States embraces four hundred and twenty five million people and accounts for around a quarter of the world's GNP.

In a rapidly globalising world in which China and India are developing into major world political and economic powers, it makes sense for the EU Member States increasingly to act together in the international arena to protect and promote their interests and common values.

Our EU membership gives us a voice at the negotiating table where issues of global importance are under discussion or negotiation. Through our EU membership we are better placed to strengthen and develop our relations with important international partners such as the United States, China, India, Japan, Russia and Canada.

In recent years the European Union has become increasingly active in the global arena.

The EU's Values and Objectives ↘

The European Constitution sets out clearly the objectives pursued by the EU in its relations with the wider world. The Constitution says that the EU shall:

◀ Contribute to peace, security, the sustainable development of the earth, solidarity and mutual respect among peoples, free and fair trade, eradication of poverty and the protection of human rights, in particular the rights of the child, as well as to the strict observance and the development of international law, including respect for the principles of the United Nations Charter ▶

“Contribute to peace, security, the sustainable development of the earth, solidarity and mutual respect among peoples, free and fair trade, eradication of poverty and the protection of human rights, in particular the rights of the child, as well as to the strict observance and the development of international law, including respect for the principles of the United Nations Charter.”

In all its relations with countries beyond its borders, the European Union is inspired by the common values of the Member States. Again the European Constitution sets out clearly and simply what the Union’s values are:

“The Union is founded on the values of respect for human dignity, freedom, democracy, equality, the rule of law and respect for human rights, including the rights of persons belonging to minorities.”

A commitment to a strong and effective United Nations ↘

The EU itself is the product of a unique and highly sophisticated form of international cooperation between sovereign States. At the global level the EU is a firm and consistent supporter of strong effective international institutions where the countries of the world can work together to deal with the challenges and opportunities of globalisation, promote their economic

and social development and face up to threats to their common security.

Strengthening the United Nations and equipping it to fulfil its responsibilities and to act effectively is a priority for the EU. At the UN, the EU Member States work together to support and implement the reforms proposed by Secretary General Annan and endorsed by the UN Summit in September 2005. These include the establishment of a UN Peacebuilding Commission, a new UN Human Rights Council and a reform of the way in which the UN is managed.

The EU is also working with the United Nations to help preserve peace in regions in conflict. In Bosnia and

< The Union is founded on the values of respect for human dignity, freedom, democracy, equality, the rule of law and respect for human rights, including the rights of persons belonging to minorities >

Herzegovina, an EU military force (EUFOR-Althea), operating under a UN mandate, is helping to preserve peace and promote stability in a country that has suffered violent conflict. Ireland has 53 officers from the Defence Forces with EUFOR. The EU Police Mission in Bosnia and Herzegovina was headed by Assistant Commissioner Kevin Carty of the Garda Síochána from March 2004 – February 2006.

Around the world, the EU is increasingly using its military, civil and development assistance resources in support of peacekeeping and conflict prevention. The EU is engaged in the Palestinian territories, Macedonia, Aceh (Indonesia), the Congo, Iraq and Moldova. It is also providing support to the African Union mission in Darfur, Sudan.

The UN Secretary General has supported the efforts of the EU to build up rapid response units (Battlegroups) which could be deployed to help stabilise regions at serious risk of conflict and, if necessary, to provide support to international efforts to deal with major humanitarian crises such as the Asian tsunami or the Pakistan and Indian earthquakes.

The Government has indicated that Ireland will participate in an EU Battlegroup. We are currently exploring the possibility of joining an EU Battlegroup with like-minded EU partners, such as the Nordic States. The Government would retain ultimate responsibility for the decision on whether or not Irish troops should be deployed in an EU Battlegroup operation. Any such deployment would be subject to the Triple Lock – Government Decision, Dail approval and a UN mandate.

EU Security Strategy ↘

As the EU begins to assume greater global responsibilities, it needs to be clear about the security threats it faces and the policies to be pursued to deal with these threats. In 2003, the EU agreed a “European Security Strategy: A Secure Europe in a Better World.” This strategy identifies terrorism, the proliferation of weapons of mass destruction, regional conflicts, State failure and organised crime as key challenges facing the EU.

Key International Partners

United States ↘

In dealing with globalisation and international security challenges, the EU has forged a close and effective relationship with the United States. The

EU and the US have a common belief in democratic government, human rights and market economics. There is very close cooperation between the EU and the US on the range of threats identified in the EU's Security Strategy.

The EU-US relationship is developed through regular EU-US Summit meetings with the US President. During Ireland's EU Presidency in 2004, President Bush attended the Summit at Dromoland Castle. In February 2005, President Bush met with all twenty-five heads of State and Government and the President of the EU Commission in Brussels.

The European Commission has an active delegation in Washington, headed by the former Taoiseach, John Bruton, which promotes EU views on global political and economic issues with the US Administration, Congress and the US public.

Asia ↘

The Asia-Europe Meeting (ASEM) is a key component in the EU's expanding dialogue with Asia. The ASEM covers political, economic and cultural issues and includes all twenty-five EU Member States plus 13 Asian countries. A Summit of Heads of State and

Government of all of the countries involved in ASEM takes place every second year, with the next summit taking place in September 2006. The EU also has regular Summit meetings with China, India, Japan and Korea. There is also a Ministerial dialogue with the members of the Association of South East Asian Nations (ASEAN). The EU is working with the Afghanistan Government as part of the international engagement to seek to ensure the successful transition to peace and stability in the country.

Latin America ↘

Across the globe the EU is in the process of developing strong political and economic relations with its key global partners. In Latin America, the EU is deeply engaged in political dialogue, economic partnership and development cooperation with a large number of regional groupings. The third EU-Latin American Summit took place in May 2004 in Guadalajara (Mexico) during Ireland's EU Presidency. The 58 participating countries made strong and concrete commitments in three areas: Social cohesion, Multilateralism and Regional Integration.

The fourth EU-LAC Summit took place in Vienna (Austria) on 12-13 May 2006.

The Mediterranean Region ↘

The EU's relations with its neighbours in the Mediterranean region is governed by the global and comprehensive Euro-Mediterranean Partnership launched in Barcelona in 1995 between the European Union and its 10 Mediterranean Partners. This process covers political, economic, social and cultural cooperation and dialogue between the EU and its Mediterranean neighbours. The Taoiseach took part in the 10th Anniversary Summit in Barcelona in November 2005.

The EU and the Middle East Peace Process ↘

The EU is also deeply engaged in the search for a just and lasting peace in the Middle East. The EU supports a two-State solution leading to a final and comprehensive settlement of the Israeli-Palestinian conflict with Israel and a democratic, viable, peaceful and sovereign Palestinian State living side-by-side within secure and recognised borders. The EU is a member of the Quartet (UN, US, EU and Russia) that is



leading the search for peace in the region. The EU is the largest donor to the Palestinians and to the United Nations Relief and Works Agency, the main international agency providing humanitarian relief.

The EU has consistently condemned terrorism, including suicide bombings and the firing of rockets at Israeli population centres. The EU has also been consistent in its condemnations of violence against Palestinian civilians, and extra-judicial killings, and has repeatedly reminded all parties of their responsibility to protect civilian lives.

The EU recognises Israel's right to protect its citizens from terrorist attacks, but emphasizes that the Israeli Government, in exercising this right, should act within international law and take no action that aggravates the humanitarian and economic situation of the Palestinians.

The EU also has two operations on the ground in the region – the EU police Mission in the Palestinian Territories and the EU Border Assistance Mission at Rafah Crossing Point in the Palestinian Territories.

Africa ↘

Africa is a major strategic partner for the European Union. The European Council in December 2005 adopted an EU Strategy for Africa which sets out a succinct, action-focused strategy for guiding the EU's relations with Africa over the next decade. Ireland supports the Strategy's aim of promoting development, security and good governance in Africa and achieving the Millennium Development Goals.

Strengthening relations with the EU's Neighbours in Europe ↘

The enlarged EU wants to avoid the emergence of new dividing lines in Europe. Through the European Neighbourhood Policy, the EU offers a privileged relationship to its closest neighbours based on a deep political relationship and economic integration. The Policy now extends to Algeria, Armenia, Azerbaijan, Egypt, Georgia, Israel, Jordan, Lebanon, Libya, Moldova, Morocco, the Palestinian Authority, Syria, Tunisia, and Ukraine.

Bilateral Action Plans agreed between the EU and each partner country are a

key element of the European Neighbourhood Policy. These Plans set out an agenda of political and economic reforms with short and medium-term priorities.

Russia is the EU's largest neighbour, brought even closer to the EU by enlargement. Russia is also a major supplier of energy products to the EU. The EU's Security Strategy recognises relations with Russia as a major factor in the EU's prosperity and security.

The bilateral basis for EU relations with Russia is the Partnership and Cooperation Agreement which is founded on shared principles and objectives: the promotion of international peace and security, support for democratic norms and for political and economic freedoms.

At the St. Petersburg Summit in May 2003, the EU and Russia agreed to reinforce their cooperation by creating in the long term four 'common spaces' – a common economic space; a common space of freedom, security and justice; a space of cooperation in the field of external security; as well as a space of research and education, including cultural aspects.

◀ The Cotonou Agreement's underlying objective is the fight against poverty ▶

Recent Developments

The EU is the World's Largest Donor of Development Assistance ↘

The European Commission and the twenty-five Member States are collectively the world's largest donor of official development assistance.

The European Council in June 2005 agreed that those Member States which have not already reached the UN ODA target of 0.7% of Gross National Product should do so by 2015. An interim target of 0.51% was set for 2010. (The 10 Member States which joined the EU in 2004 have lower targets). Four EU Member States and Norway have already reached the 0.7% target. Ireland's national target of reaching 0.7% of GNP by 2012 is more ambitious than the collective EU target.

Relations between the European Union and African, Caribbean and Pacific (ACP) states are a particularly important aspect of the EU's development cooperation policy and, more widely, of its external action.

From 1975 until 2000 these relations were governed by the Lomé Convention. In June 2000 in Cotonou, the EU and the ACP countries signed a new agreement, the Cotonou Agreement, which will govern their relations for a twenty-year period.

The Cotonou Agreement's underlying objective is the fight against poverty. It covers political relations, development cooperation and trade issues. The Agreement is supported by the European Development Fund, managed by the EU Commission and funded by the EU Member States. The fund will provide €13.5 billion to the ACP over a five year period.

The EU is a major Trade Power ↘

The EU is the largest exporter in the world and the second (after the US) largest importer. The EU has a common trade policy, where the European Commission negotiates on behalf of the Union's 25 Member States. The EU is, therefore, one of the driving forces behind the current round of trade negotiations – the Doha Development Agenda – in the World Trade

Organisation. (Further details of our national approach to these important trade negotiations are given at p27).

The EU is the largest trading partner for the world's poorest countries: 40% of EU imports originate in developing countries, amounting to €362 billion worth of trade in 2001. The EU is also the world's most open market for the world's 50 poorest countries. Around 70% of the agricultural exports of the poorest countries is exported to the EU.

The EU has eliminated all duties and quotas for all products except armaments, but including agricultural products, from the world's 50 poorest countries under its Everything But Arms (EBA) initiative. Developed countries had committed to this objective already back in 2001. Other developed partners are still to follow the EU's example to implement the commitment taken in 2001.

Freedom, Security and Justice - The EU's Role ↙

Maintaining and developing the European Union as an area of freedom, security and justice is a key objective of the Treaty of the European Union. The EU has specific legal procedures to deal with this issue, as well as special arrangements for Ireland and Britain, which take account of the existence of the Common Travel Area between our two countries.

The EU has the following priorities in securing freedom, security and justice:

- ▶ Strengthening the ability of the Union and its Member States to combat terrorism, organised crime, drug trafficking and other forms of serious crime, particularly through measures to improve the way in which the Member States cooperate with one another in dealing with crimes and other matters that involve police forces or the Courts in a number of countries;
- ▶ The development of common policies to deal with people seeking asylum in the European Union or those who wish to immigrate into an EU Member State;
- ▶ The further development of joint cooperation between the Courts of the Member States in both civil and criminal cases.

In November 2004, the EU adopted an agreed programme - The Hague Programme – to fight crime and drugs and promote freedom and security throughout the EU. The Hague Programme sets out around 90 actions. A strategy on drugs was added to the Programme in December 2004.

The Hague Programme and its accompanying Action Plan deal with issues of direct concern in the daily lives of the EU's citizens.

The Programme focuses on the free movement of people throughout the EU, the fight against terrorism and organised crime and efforts to ensure that criminals cannot evade justice by fleeing from one Member State to another.

Events such as the 11 September 2001 terrorist attacks in the United States, the 11 March attacks in Madrid in 2004 and the attacks in London in July 2005, underline the need for increased security for EU citizens – a need which is a central focus of the Hague Programme.

The Programme and the Action Plan contain a large range of proposed activities grouped under the following headings:

(1) Strengthening Freedom Asylum

- ▶ The further development of a Common Asylum System in the EU by 2010 through the adoption of a common procedure for dealing with people seeking asylum in EU

countries and a uniform status for those who are granted asylum or protection on humanitarian grounds, consistent with international law.

- ▶ Enhanced practical cooperation between Member States' asylum services, including a single procedure throughout the EU for considering claims for protection from refugees and asylum seekers, the joint compilation of information on the country of origin of asylum seekers and refugees and dealing with particular pressures on the asylum systems and reception capacities of some Member States. In due course, the EU will consider establishing an EU support office for all forms of cooperation between EU States in the area of asylum.
- ▶ Greater emphasis will be placed on partnership between the EU and countries from which the EU is receiving significant flows of asylum seekers and countries through which asylum seekers pass on their way to the EU to enable them to strengthen the capacity of their national asylum systems.



Migration

- ▶ Combating illegal migration and trafficking in human beings through the further gradual establishment of the integrated management system for the EU's external borders and the strengthening of controls at and surveillance of the external borders of the Union.

- ▶ On a practical level Ireland will participate in measures which are of assistance in ensuring information on these activities is shared including:

(1) The work of the European Border Agency (FRONTEX), the Immigration Liaison Officer network and other information sharing networks. We will also seek to participate in relevant operational activities of FRONTEX, and

(2) Initiatives, which assist in combating illegal migration and trafficking in human beings. A past example in this area is the Directive on the obligation of airline carriers to communicate passenger data.

- ▶ Improve the security of visas and residence documents, such as the inclusion of biometric features.

(2) Strengthening Security

Combating cross-border crime and terrorism

- ▶ Exchange of information for the purpose of combating cross-border crime and terrorism, including the commitment that the exchange of such information should be governed by the principle of availability while striking the right balance between privacy and security. The principle of availability means that a law enforcement officer in one Member State who needs information in order to perform his or her duties would be able to obtain that information from another Member State.

- ▶ In a practical sense, since early 2005, the Garda Síochána has been liaising closely with SitCen (the EU's Situation Centre), which was established to provide strategic analysis of the terrorist threat based on intelligence from Member States. SitCen has produced a range of analysis papers, which have

informed Member States' counter-terrorism strategies, including Ireland's.

- ▶ Recognition that the effective prevention and combating of terrorism requires Member States to focus on the security of the Union as a whole as well as their own security. This flows from the changing nature of the security threat and a recognition that cooperation between the intelligence and security services of Member States is absolutely necessary if we are to combat terrorists who move and cooperate across borders.

- ▶ Two recent developments are of particular note:

- The Criminal Justice (Terrorist Offences) Act 2005 has enabled Ireland to make further provision for measures directed towards the financing of terrorism, which features prominently in the Hague Programme, and to give effect to the EU Framework Decision on Combating Terrorism. This Framework Decision supports bringing the laws of the Member States closer into line in relation to a common definition of terrorist

- offences, including offences relating to terrorist groups; and
- The Justice and Home Affairs Council on 1-2 December 2005, agreed that Member States should take a number of principles into account when implementing national measures aimed at preventing terrorist abuse of the non-profit sector, such as charities. In preparing the legislation on charities regulation, the Department of Community, Rural and Gaeltacht Affairs' approach to the work reflects the principles agreed at EU level.

Development of the activities undertaken by Europol

- ▶ Ireland has worked closely with Europol³ and has contributed to the production of its first organised crime threat analysis. This is a major development for Europol and it represents a significant contribution to the use of intelligence-led law enforcement within the Union and by the Member States.

Drugs

- ▶ The EU Action Plan on Drugs 2005 to 2008 transposes the EU Drugs Strategy 2005 - 2012 into concrete actions. The ultimate aim of the Action Plan is to significantly reduce the prevalence of drug use among the population and to reduce the social harm and health damage caused by the use of and trade in illicit drugs. The plan aims to reduce both supply and demand through a number of specific actions. The multi-disciplinary balanced approach of Ireland's National Drugs Strategy 2001-2008 is consistent with the EU Strategy and Action Plan.

{3} Strengthening Justice

Judicial cooperation in Criminal Matters

- ▶ Mutual recognition will remain the guiding principle for the development of judicial cooperation in both **criminal** and **civil** matters. Mutual recognition means that, in general terms, it should be possible that the decision of a court in one Member State be recognised in all Member States to ensure that a criminal cannot evade justice by

fleeing from one Member State to another. The following are two important examples where the mutual recognition principle is being applied:

- The **European Arrest Warrant** was given effect in Ireland by way of the European Arrest Warrant Act 2003. The European Arrest Warrant replaced the earlier system of extradition between Member States of the European Union with a simplified system of surrender of persons suspected of having committed or having been convicted of criminal offences. Although the new procedures have only been in operation for a relatively short time, the indications are that the European Arrest Warrant is working effectively.
- In June 2006 the Council of Ministers concluded negotiations on another important mutual recognition initiative – the **European Evidence Warrant**. This warrant will assist Member States in prosecuting crime by providing a simplified procedure for obtaining evidence in other Member States. In practical

³ Europol is the European Law Enforcement Organisation which aims at improving the effectiveness and cooperation of the competent authorities in the Member States in preventing and combating terrorism, unlawful drug trafficking and other serious forms of international organised crime.



terms, the European Evidence Warrant will mean that an evidence warrant issued in an EU State may be immediately recognised and executed in another Member State.

- ▶ The Programme also envisages continuing work on bringing the criminal laws of the Member States closer together to ensure that serious criminal offences are punished in a similar manner in all Member States. The following are important examples of such approximation measures:

- The Framework Decision laying down the constituent elements of criminal acts and penalties in the field of illicit drug trafficking was adopted in October 2004. The objective of this instrument is to target illicit drug trafficking by providing for a common EU definition of drug trafficking to be punishable in all Member States and by establishing minimum rules in relation to punishment levels.
- A proposed Framework Decision on the fight against organised crime is at an advanced stage of

negotiation. Its primary purpose is to have a common EU approach to criminalising the activities of those who are involved in criminal organisations.

Judicial cooperation in Civil Matters

Examples of important mutual recognition initiatives in the civil law area are as follows:

- ▶ The Regulation creating a **European Enforcement Order for Uncontested Claims** (Regulation 805/2004) came into full effect on 21 October 2005 and deals specifically with the recognition and direct enforcement in a Member State of a judgment given in another Member State on an uncontested debt. The ability to enforce cross-border judgments efficiently, albeit in the limited field of uncontested claims, should be of benefit to individuals as well as to the Irish business and trading sector.
- ▶ Work continues on two further proposals designed to facilitate better access to justice across the Member States of the Community:
 - Proposal for a Regulation creating a **European Order for**

Payment Procedure establishing a procedure for getting a court decision in respect of an uncontested claim, thereby facilitating the quick and cost effective collection of uncontested debt. Orders for Payment will be directly enforceable in all Member States.

- Proposal for a regulation creating a **European Small Claims Procedure** that aims to facilitate rapid and cost effective processing and collection of such claims, and judgments thereon will be directly enforceable in another Member State.

Conclusion ↘

In The Hague Programme, the European Council has reaffirmed the importance of developing the Union as an area of freedom, security and justice. Ireland will actively contribute to the mid term review of the Hague programme during the Finnish Presidency of the EU.

Better Regulation ↙

Improving the quality and accessibility of law making at both the European and national level, can spur economic growth and bring real benefits to consumers, business and other citizens.

In 2002, the European Commission highlighted the need to "simplify and improve the regulatory environment".

Later that year, the European Council in Seville spoke of "better lawmaking" as being an important issue. Often, improvements to the regulatory framework are labelled as "cutting red tape". However, in more recent times, the drive to ensure that regulations are appropriate, proportionate, effective and efficient has come to be known as the **better regulation agenda**.

Better regulation is now a priority for the whole of the European Union. It is seen as a key element of the re-launched

Lisbon strategy, the EU's strategy for growth and for more and better jobs.

Ireland has been among the vanguard of EU Member States in promoting the better regulation agenda, in particular since 2001 when the OECD conducted a review of regulatory reform in Ireland. When Ireland held the Presidency of the EU for the first half of 2004, it included the subject as one of its priorities. Subsequently, in December 2004, Ireland was among the six consecutive Presidencies to push for greater regulatory reform at European level. The "Six Presidency Initiative" set out a number of objectives to be achieved on

different aspects of better regulation, in particular:

- ▶ Assessing the likely impacts, costs and benefits of proposals for regulation, before they come into force, to inform better decision making.
- ▶ Simplifying and consolidating the stock of existing legislation.
- ▶ Tackling the administrative costs of regulation, which can impose an unnecessary burden on consumers, business and citizens.



◀ While there is a recognition now that better regulation is vitally important for competitiveness and economic growth, better regulation also has a role to play in promoting inclusiveness and good government for all citizens ▶

2005 was a year of significant progress on all aspects of the EU's better regulation agenda. In March, the Commission launched a package of measures, or "action plan" to cut red tape, entitled "Better regulation for growth and jobs in the European Union". Initiatives included in this action plan were:

- ▶ More simplification of EU and national legislation, following a review of the body of existing legislation with a view to simplifying and consolidating rules where possible.
- ▶ Screening of existing proposals for legislation, to ascertain whether they are really necessary or advisable.
- ▶ Improved impact assessments for proposals for new legislation, to

assess the likely impacts on, for example, competitiveness, the environment, consumers, and business. This enhanced analysis will allow for better-informed policy decisions.

- ▶ Reducing the administrative burden, so that the administrative costs of regulation on consumers and business do not become a barrier to economic growth.

Example: EU Screening - Commission withdraws one third of its proposals:

In September 2005, the Commission announced that it would be withdrawing 68

of its 183 proposals for EU laws that were pending at the European Parliament and Council. These proposals were scrapped because they were inconsistent with the Lisbon objectives; did not meet better regulation standards; were not advancing in the legislative process; or were simply outdated. Examples of the withdrawn proposals include sales promotions in the Internal Market; weekend ban for lorries; and pack sizes for coffee.

Since the launch of the action plan, the Commission has made progress on all the priorities it set. For example, it launched revised Guidelines on how to conduct an impact assessment in June, with the intention of ensuring more robust and comprehensive impact assessments.

Alongside the Commission's work programme, the European Parliament and Council have also made advances, most notably in the area of impact assessments, where agreement was reached between the three Institutions on handling and preparing impact assessments. As a result, both the Parliament and Council are now committed to conducting impact assessments on their own suggestions for substantial amendments to Commission proposals for legislation.

While there is a recognition now that better regulation is vitally important for competitiveness and economic growth, better regulation also has a role to play in promoting inclusiveness and good government for all citizens. Therefore, it is crucial that the Institutions of the EU continue to make headway on reforming the regulatory framework. Cumbersome and complicated areas of law need to be simplified. Proposals for new regulations need to be fully examined for unwanted impacts; and the costs of administering regulations need to be kept in check so that they do not inhibit economic growth. Ireland will continue to drive forward this agenda both at EU and at national level.

◀ Since the launch of the action plan, the Commission has made progress on all the priorities it set ▶

Agriculture and Rural Development ↙

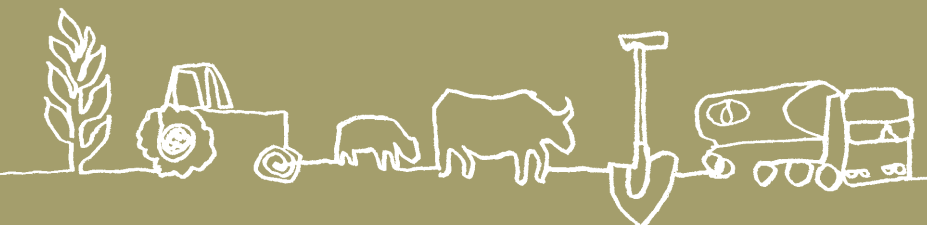
The Government's objective is to ensure that the national strategy reflects the overall EU aims of competitiveness and sustainability and meets the varied needs of Ireland's diverse rural areas.

The new EU Regulation on Rural Development which was agreed by the Council in September 2005 and the related Strategic Guidelines, which were adopted at the February 2006 Council of Ministers meeting, set the new policy framework within which national strategies and individual rural development programmes will be formulated in the next programming period from 2007 to 2013. The new framework will ensure that national programmes are consistent with overall

EU policy objectives, including the Lisbon and Gothenburg agendas of competitiveness and sustainability. The priorities for the future are to –

- ▶ Improve competitiveness of agriculture and forestry
- ▶ Improve the environment and countryside
- ▶ Enhance the quality of life in rural areas and promote diversification of economic activity

In line with the new policy a separate national rural development strategy will be formulated and following agreement on the strategy with the Commission, an operational programme detailing the actual support measures will be prepared for implementation with effect from 2007 onwards. The Government's objective is to ensure that the national strategy reflects the overall EU aims of competitiveness and sustainability and meets the varied needs of Ireland's diverse rural areas.



Avian Influenza ↘

Avian Influenza is a contagious viral infection of many avian species world wide including domestic poultry, wild and exotic birds, shore birds and migratory waterfowl. The effect of infection can range from mild to acute disease, with a high rate of mortality.

Since December 2003, a number of South East Asian, African and Middle-Eastern countries have reported outbreaks of high pathogenic avian influenza (H5N1). Outbreaks of the highly pathogenic strain have also been confirmed in a number of Member States, mainly in the wild bird population.

As part of the EU's co-ordinated response the Government has put in place a comprehensive range of contingency measures aimed at minimising the risk of the virus being introduced into Ireland and ensuring that we are equipped, in the event of an outbreak, to ensure its very early identification and speedy eradication. The actions taken at EU level include a ban on the importation of poultry and poultry products from affected countries, the preparation and publication of measures to be taken in the event of an outbreak and efforts to promote, mobilize and help

coordinate financial support for the global response to avian influenza.

All measures taken at EU level have been implemented speedily in Ireland. In addition, an Expert Group, comprised of veterinary, scientific, medical and ornithological experts has been appointed to advise the Minister in relation to control measures and any other matters on which its advice is sought. Contingency arrangements have been developed with the assistance of other public agencies who have an interest in this issue. A high level of vigilance and national awareness is and will be maintained.

WTO ↘

The Government's objective is to secure an overall balanced outcome to the World Trade Organisation negotiations that, insofar as agriculture is concerned, can be accommodated without further reform of the Common Agriculture Policy.

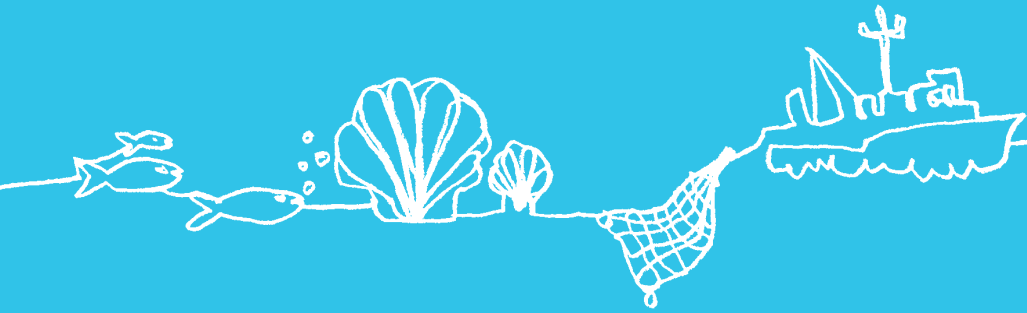
Significant progress towards the conclusion of a new agreement was

made at the WTO Ministerial Conference in Hong Kong in December 2005. Insofar as agriculture is concerned, the main outcome was the agreement to the phasing-out of all forms of export subsidy by 2013 which is conditional and will only be confirmed when there is agreement on the modalities for the parallel elimination of all forms of export subsidy and on the conclusion of a new agreement.

The intensive negotiations on the outstanding issues are continuing with the objective of reaching a final agreement in 2006.

Ireland's key objective is to secure a balanced outcome that can be accommodated without further reform of the Common Agriculture Policy, in line with the EU negotiating mandate approved by the Council of Ministers. Our specific priorities are (a) the continued designation of the EU's decoupled payments as non-trade-distorting and their exemption from reduction commitments in the future (b) the full parallel elimination of all forms of export subsidy and (c) retention of the maximum possible level of protection for EU producers against increased imports, especially in sectors in which Ireland has a particular interest and (d) to achieve recognition of Non-Trade Concerns.





Fisheries ↙

The Government promotes the development of a sustainable fishing and aquaculture industry in Ireland within the framework of the Common Fisheries Policy.

The Common Fisheries Policy (CFP) sets the legal framework for the development and implementation of policy on the fisheries and aquaculture sectors. The CFP legal framework was established in 1983. It was reviewed and reformed in 1992 and again at the end of 2002. The new CFP has a strong emphasis on stock conservation and

recovery. It provides for a more long-term approach to fisheries management, involving the setting of multi-annual recovery plans for stocks outside safe biological limits and also for multi-annual management plans for other stocks. Other important measures include strengthened control, inspection and enforcement provisions, and the

creation of Regional Advisory Councils involving stakeholders to advise the Commission in respect of particular sea areas or fishing zones. Ireland welcomed the new CFP, which included many of the recommendations of Ireland's National Strategy Review Group. These included stronger control and enforcement and the establishment of

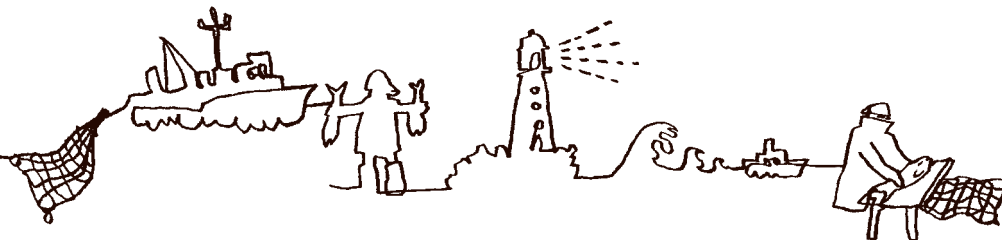
◀ Our national key objectives are consistent with this overall aim of the CFP and are fully supported by the Irish fishing, processing and aquaculture industries ▶

the Regional Advisory Councils. The Hague Preferences were also specifically recognised in the framework regulation. The Hague Agreement allowed Ireland to double its 1975 catches of a number of stocks and this Preference is invoked each year during the fixing of Total Allowable Catches (TACs).

Our national key objectives are consistent with this overall aim of the CFP and are fully supported by the Irish fishing, processing and aquaculture industries. These industries account for approximately €700 million annually in Irish sales and exports. It provides employment for over 25,000 people, with 6,000 jobs in the catching sector and 10,000 onshore jobs dependent on catches from Irish vessels. It makes a significant contribution to the economic and social fabric of the many communities located in mainly rural areas or small towns and villages around our coastline.

Our objectives in the Common Fisheries Policy include:

- ▶ **Development of plans to support the recovery in fish stocks**, including technical measures such as closed areas and modifications to fishing gear, for depleted fish stocks of importance to Ireland;
- ▶ **Development of more environmentally-friendly fishing methods** to substantially reduce the quantity of fish discarded from the catch;
- ▶ **Successful establishment of Regional Advisory Councils** to give fishermen and others involved in the industry greater involvement in the Common Fisheries Policy;
- ▶ **Agreement on a new European Fisheries Fund for the period 2007 to 2013 to assist the continued development of the Irish seafood sector;**
- ▶ **Agreement on Total Allowable Catch and quotas at a sustainable level** and the continued application of the Hague Preferences which deliver additional whitefish quotas to Ireland in particular the early establishment of a Community Fisheries Control Agency which will help to secure a level playing field in fisheries control and surveillance;
- ▶ **Maximum benefit to Ireland from annual EU/Norway/Faroe Islands fisheries negotiations in respect of shared stocks;**
- ▶ **Continued development of EU policy on aquaculture in areas such as the implementation of best practice regulations** for the continuation of an environmentally sustainable aquaculture industry and the development of the highest veterinary standards to produce a healthy quality product.



Taxation Issues ↙

Taxation issues at EU level continue to require close engagement by Ireland. The main issues concern Corporation tax, VAT, European Court of Justice rulings and State Aids.

Taxation issues at EU level continue to be an important element of the work of the Council. Ireland, along with other Member States, continues to maintain its principled position that unanimity in voting in Council must be maintained for all taxation matters.

In the area of direct taxation, a Commission technical working group is considering the issue of a common consolidated corporate tax base. Ireland along with all other Member States is attending this group without prejudice to the national position. Ireland does not support the initiative on the common consolidated corporate tax base on

grounds of principle and practicality. It would complicate systems, remove flexibility and interfere unduly with member States autonomy in using tax as a national policy instrument. We continue to argue for tax competition and flexibility and will maintain our commitment to the 12½% rate of corporation tax.

In the indirect taxation area, VAT continues to be an important area with a number of proposals live at EU level. Ireland continues to engage and promote the Irish position on these proposals.

An increasing number of tax cases are coming before the European Court of Justice. This is an area of ongoing importance as such judgements have direct effect.

State Aids continue to be an issue in the taxation area. This is particularly the case in dealing with continued oversight by the EU Commission of domestic tax incentives under EU State Aid rules and the need for Commission approval in many cases.



Sustaining Employment Growth ↙

In 2005, the European Council agreed to refocus the Lisbon Agenda on growth and jobs. Based on a new Integrated Guidelines Package (combining the employment and economic guidelines), Ireland has prepared a National Reform Programme (NRP) covering the period 2005-2008.



In striving to further raise employment rates, against the background of the overall employment rate target for the EU of 70 % by 2010, Ireland's priorities are –

- ▶ ensuring an adequate labour supply by facilitating greater participation in the workforce by the unemployed, inactive and economic migrants; greater integration of vulnerable groups is envisaged, for example, through measures recently introduced for people with disabilities;
- ▶ **maintaining a strong focus on education and training, including lifelong learning; particular emphasis is being placed on those with low-skill levels and older workers.**

Measures to improve adaptability to structural change by workers and companies is also a key priority. Workplace innovation, skills development

and work-life balance are all supported through the implementation of the National Workplace Strategy which was published in March 2005. The strategy provides a comprehensive framework that will assist workplaces to meet the challenge of enhancing Ireland's economic competitiveness and performance and fulfils a commitment the Government made in both the Programme for Government and with the Social Partners in "*Sustaining Progress*".

Our policies and commitments are aimed at maximising employment, minimising unemployment, investing in human capital, and promoting equity in the labour market.

The strategy also embraces the social policy dimension of the labour market in terms of promoting employment rights and health and safety standards. New

legislation came into operation on 1st September 2005 providing for a modern legal framework to guarantee best international practice with regard to occupational health and safety in Ireland. The social partners are involved in the development of new proposals and the implementation of legislation, including Ireland's role and commitments in relation to the Lisbon Agenda and the National Reform Programme.

In pursuing employment growth and social cohesion, the Department of Enterprise, Trade and Employment, as the National Authority for the European Social Fund, will continue to be responsible for the overall management of the Operational Programmes for Employment and Human Resource Development.

< Our policies and commitments are aimed at maximising employment, minimising unemployment, investing in human capital, and promoting equity in the labour market >

◀ The new streamlined framework will promote better policy-making and will better support the effort at national and EU level to achieve the goals of the renewed partnership for growth and jobs ▶

Social Policy Agenda 2006-2010 ↘

The European Social Policy Agenda forms part of the integrated approach towards achieving the economic and social targets set out in the Lisbon strategy. In February 2005, the Commission published its new Social Policy Agenda, which covers the period 2006 to 2010. The Agenda aims to preserve and modernise the European social model as the essential mechanism by which Europe will boost growth and jobs.

The Social Policy Agenda includes a range of actions including a revamped cycle of the European Employment Strategy, a strategic approach to anticipating and managing change, a rationalised and streamlined legal framework, a key role for Social Dialogue and the promotion of Corporate Social Responsibility.

The Government supports closer cooperation with the social partners in facilitating change and helping in the effective transformation of the European economy. We look forward to the Commission's forthcoming Green Paper on Labour Law and will play an active role in the process of streamlining and updating European employment legislation. In the area of Corporate Social Responsibility, Ireland awaits the Commission's Communication in response to the report of the Multi-stakeholder Forum and will continue our involvement in the development of EU policy in this area.

Enhancing Social Cohesion ↙

Ireland aims to simplify the processes for social cohesion, reduce the amount of reporting and ensure good interaction with the growth and jobs priorities as set out in the new Integrated Guidelines for Jobs and Growth.



The new strategy for growth and jobs, adopted at last year's European Council, provides a framework where economic, employment and social policies mutually reinforce each other. The European Council has emphasised that policies for social protection and social inclusion have to be closely co-ordinated with the employment and growth policies, at both national and European level, in order to ensure that there is a positive interaction between these three policy areas. In this context, the European Council agreed in March 2006 new common objectives and working methods in the areas of social inclusion, pensions, and health and long-term care.

The new streamlined framework will promote better policy-making and will better support the effort at national and EU level to achieve the goals of the renewed partnership for growth and

jobs. Ireland supports these new working methods that aim to simplify the process, reduce the amount of reporting and ensure good interaction with the growth and jobs priorities as set out in the new Integrated Guidelines for Jobs and Growth.

Based on the new framework, national reports on strategies for social protection and social inclusion which address the specific challenges of each policy area will be drawn up by Member States covering a 3 year period. The first report covering the period 2006-2008 must be submitted by 15 September 2006 in order to fit in with the current timetable for reporting on the Integrated Guidelines on Jobs and Growth through the National Reform Programmes, however, subsequent reports will be for three year periods.

The national reports will contain 3 thematic sections covering social inclusion, pensions and healthcare and will prioritise national strategies to address the common policy objectives.

In addition, the annual Joint Report on Social Protection and Social Inclusion agreed between the European Commission and the European Council is submitted to the Spring European Council each year. This Report assesses Member States' progress in achieving the common objectives and review how social protection and social inclusion policies are contributing to the Partnership for jobs and growth and also assess how the progress towards these goals are impacting on social cohesion.

◀ The new streamlined framework will promote better policy-making and will better support the effort at national and EU level to achieve the goals of the renewed partnership for growth and jobs ▶

Enhancing Competitiveness through Research, Development and Innovation ↙

Ireland's enterprise policy agenda is concerned primarily with putting in place the broad framework conditions within which enterprise and innovation can flourish and prosper and consumers are protected. While this is achieved primarily under national enterprise and regulatory policies, the EU also plays an important role.

A fundamental component of that enterprise policy is Research and Development and in that area a range of measures to promote competitiveness and productivity are supported. While R&D is a central element of enterprise policy there is currently a realisation that Ireland needs to invest much more in R&D if it is to secure sustainable and high-value growth. Ireland's Gross Expenditure on R&D at about two-thirds of the EU average has grown exponentially over the last decade. Government Investment in R&D increased fivefold, from €0.5billion between 1994-1999, to €2.5billion under the National Development Plan, 2000 – 2006 and EU support, through its research framework Programmes, has acted as an important source of additional funding for Irish endeavour in this field. Ireland will continue to advocate and support better SME participation in EU research funding mechanisms.

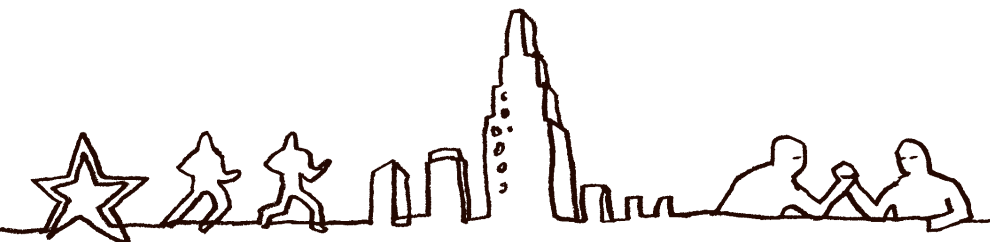
A number of key steps have been taken to build further on this positive start. In June 2006, the Government published a strategy for Science, Technology and Innovation which will drive efforts in this critical area and help achieve the Lisbon and Barcelona targets for research, technological and development innovation (RTDI) and ensure that by 2013, Ireland will be renowned for research excellence and at the forefront of generating and using new knowledge for economic and social progress.

A greater emphasis will be placed on productivity by encouraging greater levels of innovation and entrepreneurship, across the Enterprise Sector, with particular focus on SMEs. A range of key Initiatives are underway to drive this development, drawing on the work of expert Bodies, like the Enterprise Strategy Group and the Small Business Forum. The Forum has been asked to take into account the Lisbon Strategy,

including the actions contained in the European Charter for Small Enterprises. The Forum reported to the Minister for Enterprise, Trade and Employment in May 2006.

Competition policy, including the state aid régime, while largely under the direct competence of the Commission, is also an important priority at national and EU level. The EU is striving to compete in a global market for its share of global R&D investment. It will be essential to secure a larger share of high-tech investments from global firms into the EU if we are to address weaknesses in the EU's industrial structure and R&D performance. In this context, Ireland supports the reduction of the administrative burden in State aid control, in particular for SMEs.

◀ The EU is striving to compete in a global market for its share of global R&D investment ▶



Services ↙

The Government is strongly supportive of efforts at EU level to create a genuine Internal Market for Services whilst eliminating any risk of social dumping, protecting public services and safeguarding workers' rights and consumer interests.

Services play a very important part in our modern economy. Services account for up to 70% of GNP and Employment.

The services covered by the draft Directive on Services in the Internal Market represent about 40% of GDP, roughly twice as much as manufacturing. They also account for the majority of new jobs created in

Ireland in recent years and are likely to account for the majority of jobs created in the years ahead. It is important that remaining barriers to growth in services provision across the EU are removed if Ireland is to take full advantage of the potential of the single market.

The Government welcomed the agreement reached in the European Parliament on a draft Services Directive. It also welcomed the revised Directive, which takes the amendments approved by the European Parliament into account.

Justice / Regulation of Charities ↙

The Government is putting in place a Charities Regulator to regulate the charities sector and to prevent the misuse of charities/non-profit organisations for the financing of terrorism or other criminal activities.

The Department of Community, Rural and Gaeltacht Affairs has responsibility at national level for the introduction of legislation to regulate the charities sector and is lead Department in relation to developments at EU level concerning prevention of the misuse of charities/non-profit organisations for the financing of terrorism or other criminal activities.

The specialist aspect of the Department's involvement is situated

within the wider context of the EU Counter-Terrorism Strategy. The Department works in liaison with the Department of Justice, Equality and Law Reform and the Department of Finance in order to ensure coherence with Ireland's overall position.

Against the background of the publication by the European Commission, at end November 2005, of a **Communication on the Prevention of and Fight against Terrorist Financing**

through enhanced national-level coordination and greater transparency of the non-profit sector, including a Recommendation to the Member States and a Framework for a Code of Conduct for the sector, the Justice and Home Affairs Council on 1-2 December 2005, agreed that Member States should take the following five principles into account when implementing national measures aimed at preventing terrorist abuse of the non-profit sector:



- ▶ Safeguarding the integrity of the non-profit sector is a shared responsibility of Member States and non-profit organisations
- ▶ Dialogue between Member States, the non-profit sector and other relevant stakeholders is essential to build robust defences against terrorist finance
- ▶ Member States should continually develop their knowledge of their non-profit sector, its activities and vulnerabilities
- ▶ Transparency, accountability and good governance lie at the heart of donor confidence and probity in the non-profit sector
- ▶ Risks of terrorist finance are managed best where there are effective, proportionate measures for oversight.

In preparing the legislation on charities regulation⁴, the Department of Community, Rural and Gaeltacht Affairs will have appropriate regard to the emerging EU dimension.

Firstly, the approach to the work is reflective of the five principles agreed at

EU level. Secondly, the new Charities Regulator - which is to be established under the legislation - is to be expressly empowered to co-operate on an administrative basis with statutory bodies, both inside and outside the State, in relation to regulatory and law enforcement matters. Assistance with law enforcement provides the general context for such cooperation at EU level. The global fight against terrorism, including prevention of the misuse of charities for terrorist financing, provides a further, specific context. Administrative cooperation across borders would be integral to effective implementation, in the future, of the Recommendation to Member States and the proposed Code of Conduct for non-profit organisations issued by the Commission at end November 2005.

In addition, the six principles of good regulation, namely

- ▶ necessity
- ▶ effectiveness
- ▶ proportionality
- ▶ transparency
- ▶ accountability
- ▶ consistency

which were identified by the Government in its 2004 White Paper on *Regulating Better*, have been applied to the work on regulating the charities sector from the outset, both in terms of preparation of the new legislation itself and of the provisions contained in it relating to the Charities Regulator.

⁴ The General Scheme of the Charities Regulation Bill 2006, as well as selected highlights of the General Scheme, can be accessed on the Charities Regulation web page of the website of the Department of Community, Rural and Gaeltacht Affairs, www.pobail.ie

Environmental Policy ↙

A fundamental goal of the European Commission this year is the full application of European Union policies and rules within all the Member States.

Ireland will:

- ▶ continue to work intensively towards meeting the requirements of European environmental legislation in a timely and proper manner;
- ▶ remain committed to the concept of sustainable development and support the EU Sustainable Development Strategy; and
- ▶ actively work for the implementation of the European Union's Environment Action Programme.

A fundamental goal of the European Commission this year is the full application of European Union policies and rules within all the Member States.

This requires continued attention to the effective implementation of European law. In this context, Ireland continues to work intensively towards meeting the requirements of European environmental legislation. The Commission's engagement with Member States concerning transposition and implementation of environmental legislation is part of the day-to-day business of the Commission. Ireland, in common with all other Member States, will continue to work with the Commission regarding the timely and proper implementation of environmental legislation on a continuing basis.

Ireland was one of only two Member States to fully implement the Directive on recycling waste electrical & electronic equipment on time in August 2005. It has been a phenomenal success, with thousands of items of electrical & electronic waste going into proper recycling systems.

The application of environmental legislation, when considered in the context of the unprecedented economic development in Ireland over the past decade, presents the challenge of ensuring that economic growth and prosperity does not result in environmental degradation. This work is geared towards achieving the objectives of the 6th Environment Action





< Ireland is committed to the concept of sustainable development and supports the ongoing process at EU level to review the Sustainable Development Strategy >

Programme which are to tackle climate change, to protect soils and halt the loss of biodiversity, to achieve an environmental quality that does not give rise to significant impacts on or risks to human health (air, water, noise, chemicals) and to ensure the sustainable use of natural resources and the management of waste.

Sustainable Development ↘

There is strong public concern that the environment be protected. The attention being given to these concerns is reflected in the European Union's continued pursuit of sustainable development, which will remain the overarching objective of all European Union policies. Sustainable development can sometimes seem a complicated concept. In reality, it's about people and quality of life. It's about maintaining a

high quality environment while pursuing economic prosperity and social progress.

The on-going review of the European Union's Sustainable Development Strategy provides an opportunity to assess progress so far, to consider linkages between EU and national sustainable development strategies, to identify priority actions and to clarify the links with the Lisbon Strategy. The European Council adopted the outcome of the review in June 2006. Ireland is committed to the concept of sustainable development and supports the ongoing process at EU level to review the Sustainable Development Strategy.

The implementation of the Lisbon Strategy will be prioritised during 2006 with emphasis placed on making Europe a more attractive place to invest and

work; promoting knowledge and innovation as an engine for growth; and creating more and better jobs. The Commission continues to work towards developing environmental policies that stimulate economic growth and employment while reducing trade-offs and promoting win-win solutions.

Communications ↙

Television Without Frontiers Directive

The primary purpose of the Television Without Frontiers Directive is to ensure the effective operation of the internal market for television broadcasting services by ensuring the free movement of broadcasting services throughout the EU.

It achieves this by setting down a minimum set of rules that will apply to all television channels licensed in the EU and by then providing that once a channel has been licensed in one Member State, it may be received in any other Member State without being subject to any additional regulation.

The provisions of the existing Directive relate to the following:

- ▶ quotas for European works (50% of the output on each channel must be made up of recent European works. News and sport are excluded from the calculation.)
- ▶ quotas for independent production (broadcasters must spend a minimum of 10% of their budget on independent productions)
- ▶ advertising, sponsorship and teleshopping rules (rules on when advertising may be inserted and the amount of advertising, together with rules controlling the nature of advertising, including a ban on tobacco advertising and controls on alcohol advertising.)
- ▶ the designation of certain events as events of major importance to



◀ The principal aim of the EU Commission’s proposal to amend the Directive is to put in place a new regulatory framework that takes account of advances in technology and market developments in a neutral and non-preferential manner ▶

society that should be available on free television

- ▶ protection of minors
- ▶ protection against incitement of hatred
- ▶ right to reply

Proposal for an amended Directive ↴

The principal aim of the EU Commission’s proposal to amend the Directive is to put in place a new regulatory framework that takes account of advances in technology and market developments in a neutral and non-preferential manner. The amending Directive introduces new definitions based around the concept of “audiovisual media service” in Article 1 of the

amended Directive. The definition of audiovisual media services covers mass media in their function to inform, entertain and educate, but excludes any form of private correspondence, like e-mails sent to a limited number of recipients. This definition also excludes all services the principal purpose of which is not to provide audiovisual content, even where such services contain some audiovisual elements. Services where the audiovisual content is merely ancillary to and not the principal purpose of the service are not covered. The Commission’s proposal includes new definitions of “linear audiovisual services” that would include traditional television broadcasting along with IPTV, streaming or web-casting on the one hand and “non-linear services”, such as “video-on-demand”- services, on the

other hand. It is proposed that “non-linear services” would only be subject to a basic tier of regulation relating to:

- ▶ protection of minors
- ▶ prohibition of incitement to hatred
- ▶ identification of the media service provider
- ▶ identification of commercial communication
- ▶ some qualitative restrictions for commercial communication (e.g. for alcohol targeted at minors).

In the case of linear services the Commission has proposed a more liberal régime in relation to the rules governing the insertion of advertising during programmes and has proposed

that product placement be allowed, subject to regulation. A new provision is proposed to introduce a rule on the non-discriminatory application of the right to short news reporting for linear services.

In the area of jurisdiction over broadcasters the Commission has not proposed any significant amendments. Accordingly, the amended Directive would still provide that where a broadcaster in one Member State operates a service that primarily targets an audience in another Member State that it is the national rules of the Member State in which the broadcaster is based that shall apply to that broadcasting service. This does not address the concerns raised by Ireland and a number of other Member States.

Almost half of the television services watched by Irish audiences are provided by broadcasters that are based in other EU Member States. The Directive provides the guarantee that such services will be subject to a certain minimum degree of harmonised measures. While the Directive provides that Member States may introduce national rules that go beyond the provisions of the Directive, the ability of any Member State to introduce measures at a national level that have a meaningful impact will be influenced by how open the market is in that Member State. Accordingly, the provisions of the Directive are of greater importance to a Member State such as Ireland where the market for broadcasting services is more open than they would be for some

of the larger Member States where it is common that over 90% of what audiences view is also subject to national regulation.

In March 2006 the Minister for Communications, Marine and Natural Resources announced that he intended to conduct a consultation process in relation to the EU Proposal to amend the Directive and invited submissions in this regard from members of the public.

The outcome of the negotiations on the jurisdiction issue will have a major influence on Ireland's ability to continue to introduce national measures such as the children's advertising codes or the rules on subtitling.

◀ Almost half of the television services watched by Irish audiences are provided by broadcasters that are based in other EU Member States. The Directive provides the guarantee that such services will be subject to a certain minimum degree of harmonised measures ▶

Knowledge Economy ↙

Background to i2010

In June 2005 the European Commission adopted the initiative i2010. i2010 is the European Commission's new strategic framework laying out broad policy guidelines for Information Society and the media.

The purpose of this new, integrated policy is to encourage knowledge and innovation with a view to boosting growth and creating more better-quality jobs. It is a key element of the renewed Lisbon Strategy for growth and jobs.

The i2010 focuses on three key priorities:

- ▶ The creation of a **single European information space** to promote an open and competitive single market for information society and media,
- ▶ Increased **investment and innovation in ICT** through practical deployment of ICT-based services and renewed leadership in ICT research
- ▶ The **creation of an open, transparent and accessible knowledge society** that is consistent with sustainable development and prioritises better public services and quality of life.

National Priorities in which the Communications Development Division are involved with in relation to i2010

A single European information space

- ▶ Promoting a flexible regulatory policy that is supportive of the deployment of the information and knowledge society in Ireland while protecting stakeholder interests.
- ▶ Support the implementation of “New Connections” – the Government’s framework document for covering policy in the area of the information society
- ▶ Promoting new infrastructure development, encompassing access as well as backhaul capacity on a commercial basis throughout the country
- ▶ Promote the provision of open access regional broadband infrastructure in association with public and private sector partners under the Group Broadband scheme

Innovation and Investment in Research ↘

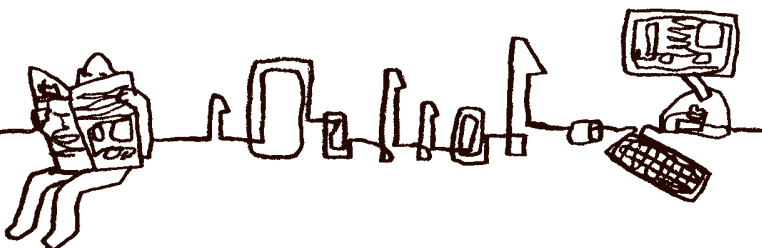
- ▶ Promote investment in next generation research networks
- ▶ Implement in full the emerging EU regulatory framework in the area of network security

- ▶ Upgrading the broadband capacity in all schools throughout Ireland to ensure equality of access in the educational sector to the information society.

Creation of an open, transparent and accessible knowledge society ↘

Ireland will co-operate with the Commission and other member states, in developing innovative strategies to deliver broadband rollout to more remote areas. The Regional Broadband Programme sets out our investment priorities over the next three years.

The Government is addressing the infrastructure deficit by building high-speed open access Metropolitan Area Networks (MANs) in 120 towns and cities nationwide in association with the local and regional authorities, and by offering funding assistance for smaller towns and rural communities to support the roll-out of broadband services through the County and Group Broadband Scheme, under which 150 projects have already been approved covering over 450 communities. The provision of broadband to all primary and post primary schools in the country has now begun, and will be completed by early 2006.



Energy ↙

The conclusions of the European Council in March 2006 set out the broad guiding principles and the key objectives of an Energy Policy for Europe.

In the energy sector the challenge for both Ireland, and the EU as a whole, is to ensure the achievement of the 3 main energy policy pillars: energy security of supply, promoting environmental sustainability and ensuring the continuing competitiveness of Europe's economies.

The discussions at the European Council on energy were very much a first step in what promises to be a long and complex process. It is without doubt an issue of central importance to Ireland and the future success of our economy. **Ireland**

will be participating actively in the EU debate and tabling our own contribution on the way forward. The Government will publish a national Green Paper on Energy in the coming months.

At the EU level, the future development of the Energy Policy for Europe will be taken forward through an Annual Strategic Energy Review which the Commission will present on an annual basis beginning next year.

In addition, the Spring European Council next year will aim to adopt a prioritised

Action Plan which will support the achievement of the objectives of the Energy Policy. In the short term, the EU will pay particular attention to driving forward an Action Plan on Energy Efficiency, implementing the Biomass Action Plan, developing an Interconnection Action Plan and making the EU-Russia dialogue more effective.

The European Council's Conclusions make clear that the EU's work on energy will not, in any way, affect our national policy that there will be no nuclear power generation in Ireland.

◀ In the short term, the EU will pay particular attention to driving forward an Action Plan on Energy Efficiency, implementing the Biomass Action Plan, developing an Interconnection Action Plan and making the EU-Russia dialogue more effective ▶

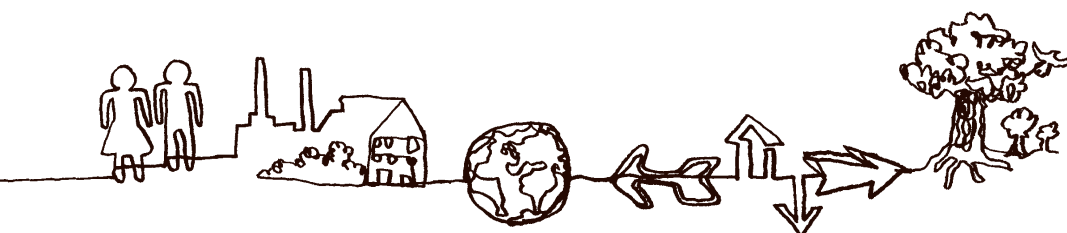
The new Energy Policy fully recognises that decisions on the primary sources of energy and energy mix remain firmly with the Member States.

Overall the EU's new ambitious work programme on energy is very much in line with the Government's approach.

Issues such as energy diversification, interconnection, storage, security of supply and greater exploitation of indigenous resources are all of crucial importance to us.

Energy policy cuts across environment, climate change, transport, regional, research and development and external relations policies. The future

development of our national policy approach will, therefore, be based on strong coherence at the national and EU level between energy and other key policies.



Education ↙

In the education sector Ireland's priorities include the European Qualifications Framework, Lifelong Learning, the European Youth Pact, the Youth in Action programme and to continue to focus on the contribution education and training can make to the Lisbon Agenda.



European Qualifications Framework ↘

The 2004 Joint Interim Report of the Council and the Commission on education and training called for the establishment of a European Qualifications Framework (EQF). The establishment of such a framework was also a key outcome of the Irish Presidency conference that took place on common approaches to Vocational Training and Higher Education which was held as part of the Irish Presidency programme.

Ireland will actively support the development of the EQF during 2006 and will participate in the Commission's EQF expert group. This expert group is charged with finalising a legislative text for the EQF, notably in respect of the European qualifications framework for the higher education area, and the common reference levels for vocational education and training respectively, but

also in respect of quality assurance mechanisms.

The EQF takes higher education and vocational education and training as its starting point, but will be developed within a lifelong learning perspective. The work on the EQF provides a focal point for linking together diverse strands of work, in the field of transparency and recognition of qualifications. The EQF will also complement the EUROPASS initiative, which covers all levels of education and training, as well as non-formal learning, and will facilitate access to the labour market between Member States. The increased use of EUROPASS will be promoted in 2006.

Integrated action programme in the field of lifelong learning ↘

The current mobility and cooperation in education and training programmes will

come to an end in 2006. Discussions will continue under the Finnish Presidency on a new integrated programme for mobility and cooperation in lifelong learning, which will cover both education and training covering the period of 2007-2013. This programme will be the successor to the existing Socrates and Leonardo programmes.

The proposed new integrated programme will contain four separate sectoral programmes:

- ▶ COMENIUS (school teaching)
- ▶ ERASMUS (higher education and advanced training)
- ▶ LEONARDO DA VINCI (initial and continuous vocational education and training)
- ▶ GRUNDTVIG (adult education)

◀ Ireland will actively support the development of the EQF during 2006 and will participate in the Commission's EQF expert group ▶



In addition to the four sectoral programmes there will be a “transversal” programme which will cover inter-sectoral themes (4 key activities):

- ▶ policy development
- ▶ language learning
- ▶ ICT
- ▶ dissemination

The satisfactory conclusion of the discussions on these programmes will be a priority for Ireland.

Lisbon Agenda ↘

The Department of Education and Science, in conjunction with the Department of Enterprise, Trade and Employment, will also continue to focus on the contribution that education and training can make to the Lisbon Agenda.

Ireland will participate in peer learning activities which are being planned by the Commission for 2006 in the context of implementing the education and training 2010 work programme. Areas of particular interest to Ireland include exchanging best practice in the areas of non-formal and informal learning, teacher training, social inclusion, the

development of key competences for lifelong learning and making the best use of resources.

Other areas that will be developed at EU level in the course of 2006 which will be of particular interest to Ireland are the increasing synergies between education, research and innovation and the development of a common EU platform for quality assurance in vocational training and higher education.

European Youth Pact ↘

Ireland will actively support a Resolution on the implementation of the European Youth Pact within the National Reform Plans. The European Pact for Youth identifies the vulnerability of young people as a group in modern society and the consequent need to equip them through their education and training to meet the challenges they face.

The success of achieving the Lisbon objectives depends on engaging with citizens, stakeholders and the social partners in order to ensure the success of the Lisbon goals.

The Pact with Youth is a means of bringing the Lisbon strategy closer to European citizens, particularly its young citizens.

Youth in Action Programme ↘

Youth in Action is the Commission’s proposal for a new Youth Programme to commence in 2007 and continue until 2013. It will follow on from the existing Youth Programme that ends in 2006. The Youth Programme is the European Commission’s mobility and non-formal education programme targeting young people aged between 15 and 25 years. Ireland fully supports the proposal for a separate Youth programme and will participate in finalising the new programme before the end of 2006.

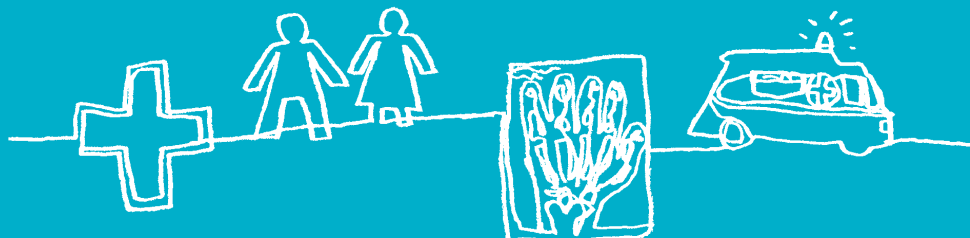
Health Care ↙

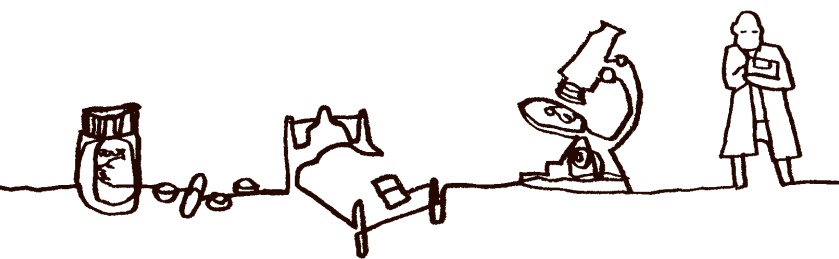
Health Care is a matter for the Member States, rather than the European Union. The Union has, however, adopted a programme in the field of public health to encourage cooperation between the Member States when dealing with issues such as health threats.

The Treaty specifies that: "Community action in the field of public health shall fully respect the responsibilities of the Member States for the organisation and delivery of health services and medical care". The European Constitution

provides that: "Union action shall respect the responsibilities of the Member States for the definition of their health policy and for the organisation and delivery of health services and medical care. The

responsibilities of Member States shall include the management of health services and medical care and the allocation of resources assigned to them."





◀ The central element of the Health Council in Brussels in December 2005 was the issue of avian 'flu and pandemic preparedness. This issue was discussed in further detail during an Informal Health Minister's meeting in Vienna on 24 February 2006 ▶

Proposals to merge the Public Health and Consumer Protection Programmes (2007 – 2013) ↘

The European Commission has proposed to merge and extend the Public Health and the Consumer policy programmes under one framework. The aim of this ambitious new Programme is to create "healthier, safer, more confident citizens". On the health side this will be done by enhancing the current public health action programme (2003 -2008). The main public health objectives are:

- ▶ To protect citizens against health threats
- ▶ To promote policies that lead to a healthier way of life

- ▶ To contribute to reducing the incidence of major diseases
- ▶ To improve efficiency and effectiveness in health systems,
- ▶ To support the above objectives by providing health information and analysis

Influenza Pandemic Preparedness ↘

At an EU level the health sector's role in relation to the recent avian 'flu outbreaks relates to the human health implications that would arise were there to be an outbreak of avian flu within the EU. The overall aims of pandemic planning are to reduce mortality and morbidity, and to minimise the resulting disruption to society.

The central element of the Health Council in Brussels in December 2005 was the issue of avian 'flu and pandemic preparedness. This issue was discussed in further detail during an Informal Health Ministers' meeting in Vienna on 24 February 2006. The need for coordinated, open and transparent communication was the key message to emerge from the Vienna meeting. Following a European and global analysis of the situation on the ground and current risks, Health Ministers stressed the need for rapid action, negotiated within the European Union, to effectively combat the avian influenza virus. Ministers emphasised the need to ensure close cooperation with other international organisations, such as WHO, FAO etc., to guarantee the effective transfer of knowledge and

experience. The clear statement from the meeting was that the situation regarding human health remains the same, and there is no cause for alarm or concern. The European Centre for Disease Prevention and Control will continue to play a key role in monitoring the spread of communicable diseases.

Health in the Services Directive ↘

The draft Directive is part of the process of economic reform launched by the Lisbon European Council 2000 ("the Lisbon Agenda") with a view to making the EU the most competitive and dynamic knowledge-based economy in the world by 2010. Consumer services including health services are covered by the proposal.

The draft Directive completed its first reading in the European Parliament on 16 February 2006 where a large number of amendments were adopted. These include a proposal to exclude public and

private health services from the scope of the Directive. The European Commission is preparing a modified proposal based on the vote in the Parliament. This modified proposal is expected to adopt a large part of the Parliament amendments and will form an important input into the second reading stage of the negotiation process between the Council and the Parliament.

EU health proposals in 2006 ↘

Ireland will continue its input in preparing health legislation in Council on proposals such as Advanced Therapies (cell engineering), and the Review of Medical Devices legislation. European Commission proposals on the following areas are expected: alcohol strategy, safety and prevention of injuries and patient safety. In addition to dealing with pandemic influenza preparedness the Austrian Presidency focussed on the prevention of Type II Diabetes and women's health in

particular. The Finnish Presidency priorities include 'health in all policies', and 'health in working life' as well as making progress on the health legislation in hand.

◀ The European Centre for Disease Prevention and Control will continue to play a key role in monitoring the spread of communicable diseases ▶

Transport ↙

Maritime Safety and Environment

Owing to the international nature of shipping, action to enhance safety at sea and prevent pollution of the marine environment is most effective when taken by agreement at regional or international level. EU Member States including Ireland have consistently supported measures at EU and international level to improve safety standards for ships and the protection of the marine environment.

The drive towards improvement in safety and environment protection was given added impetus following the Erika (France, December 1999) and Prestige (Spain, November 2002) disasters. Measures have been introduced or agreed in relation to:

- ▶ compensation available to victims of pollution by oil tankers;
- ▶ regulation of ship classification societies;
- ▶ accelerated phasing-out of single-hull oil tankers;
- ▶ strengthening of Port State Control measures;
- ▶ ship reporting arrangements;
- ▶ ship and port security.

In addition, a European Maritime Safety Agency was established by Regulation in August 2002. A third maritime safety package, aimed at building on advances to date was introduced by the European Commission in December 2005. Ireland welcomes the proposals put forward and is supportive of the overall aim of the initiative. Ireland is participating fully in the development of this and other initiatives being progressed at EU level, including the European Marine

Strategy – a thematic strategy to protect and conserve the marine environment – which was published in 2005. A debate on the need for an EU-wide maritime policy has commenced and Ireland is participating on a Maritime Policy Task Force set up in this regard. A Green Paper on maritime policy is expected in 2006.

Ireland will continue to participate fully in the development of new initiatives being progressed at EU level.

Transport Policy ↘

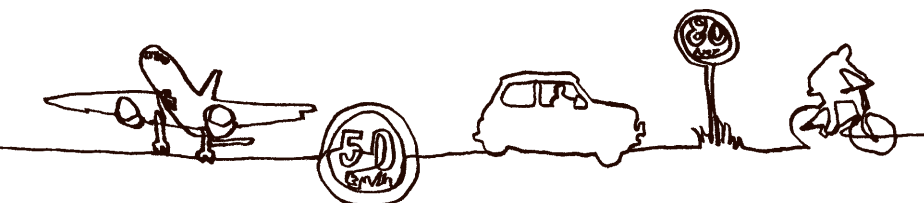
In the context of European Transport Policy, Ireland favours the development of a sustainable transport system that recognises our particular needs as an island nation and our consequent high dependence on road and maritime transport.

In 2001, the EU launched a sustainable development strategy, focusing on a number of key unsustainable trends and advocating a new approach to policy-making which includes sustainable transport as a key priority. A review of this strategy is now under way, and the Commission is due to propose a strengthened sustainable development strategy for EU leaders to consider during 2006.

Ireland welcomes the review of the Sustainable Development Strategy, particularly the need to strengthen implementation of sustainable development in the transport sector.

Modal Shift ↘

The focus of future actions should be on how to break the link between economic growth and transport growth. At the same time it is important to recognise that continued economic growth will generate greater needs for mobility, with a subsequent requirement for additional investments in transport infrastructure and services. It is only right that there should be a continued emphasis on getting a new balance between modes of transport. However, the concentration on promoting rail and inland waterway transport means Ireland's specific needs as a peripheral island Member State are not to the fore. Ireland supports modal shift from road to rail transport as a means of reducing the negative impacts of passenger and freight transport. However, our capacity to expand rail freight is constrained by the relatively short distances and low volumes here compared to the long distance freight transport on mainland Europe.





Ireland supports the development of intermodality to create a seamless transport system, however, it will be important to ensure that our peripheral island status is taken into consideration in promoting the most viable options for freight transport in Ireland.

Infrastructure Charging ↘

Charging systems, in theory, offer the potential to balance competing objectives in relation to meeting transport needs, by accurately charging users for the hidden costs of using infrastructure e.g. congestion, environmental impacts and accidents. Effective charging and demand management systems can only be put into place where there is real and attractive choice to the private car.

We feel that charging systems are a long-term option which are probably best left for Member States to consider and pursue.

Road Transport ↘

For geographical reasons, Ireland is heavily dependant on road transport as a means of accessing our markets throughout the European Union and beyond. Over 90% of our goods are carried by road and it is vital to the economy, therefore, that we promote a professional and viable road haulage sector.

In line with EU policies, Ireland seeks to promote fair competition in the haulage industry through better regulation and enforcement of licensing, vehicle standards and drivers' hours and working time rules. The objective is to combat illegal activities that undermine legitimate operations and practices that endanger road safety. The planned establishment of a Road Safety Authority during 2006 that will be responsible for the enforcement of road transport rules in Ireland is a major step forward in this regard.

At EU level, agreement has been reached on a new set of rules governing driving times, breaks and rest periods for commercial drivers together with a new Directive providing for significant increases in enforcement levels. In addition, new EU rules provide for the introduction of digital tachograph technology in new vehicles from May 2006. These digital recording devices fitted to the cabs of large commercial vehicles will provide better data security and facilitate enhanced enforcement of drivers' hours rules.

These developments will do much to safeguard the viability of Ireland's road haulage sector and promote road safety.

Rail Transport ↘

In rail transport the European Commission presented the Third Rail Package, in March 2004. This is the latest in a series of measures aimed at promoting the revitalisation of the railways in Europe. The Package aims to complete the integration of the European railway area and further stimulate use of the railway system. **Ireland's particular objective in the EU negotiations on the Package is to ensure that our island location, physically separated from the European railway network, is taken into account.**

Trans-European Networks for Transport (TEN-T) ↘

During Ireland's EU Presidency, we successfully achieved the target of agreeing an updated Trans European Networks (Transport) (TEN-T) for the enlarged EU and a revision of the existing TEN-T Guidelines. TEN-T is a selection of European transport projects considered to be of strategic importance in removing bottlenecks, developing intermodal road and rail solutions and generally enhancing transport on a pan-European level.

The revised TEN-T Guidelines take into account the diverse geographical and socio-economic circumstances of the Member States. They recognise the need to bring the peripheral and outlying regions of the EU closer to the rest of the Union. A new mechanism was agreed for supporting “motorways of the sea” (see Maritime Transport).

Ireland has two specific projects in the list of priority projects in the revised TEN-T Guidelines – the Cork Dublin Belfast road corridor and the Cork Belfast rail corridor - and good progress is being made on the upgrading of these to cater for increased usage on the corridors.

Air Transport ↘

EU negotiations with the US about a wide-ranging aviation agreement began in October 2003 and continued in 2004 and 2005. The European Commission and US authorities concluded the EU-US Aviation negotiations on Friday 18 November 2005.

The Agreement was considered by the Transport Council in December 2005, where the text of the agreement received unanimous support.

However, the Council also observed that improvements in the US rules on ownership and control of airlines would be an essential element for a Stage One deal to be concluded. The US is currently revising its rules on ownership and control, and is expected to issue new rules in August 2006.

EU Ministers briefly discussed the Agreement again at the Transport Council in March 2006. If EU Ministers are satisfied on new US rules on ownership and control it is expected that the Transport Council in October 2006 will approve the signing of the Agreement.

Maritime Transport ↘

A central theme of the Commission’s White Paper on Transport is a stronger reliance on the intermodality of freight transport. Intermodality means the linking together of the alternatives to road transport. The productivity of the road transport system is declining due to increased congestion and enforcement of improved social standards. Intermodality makes better use of existing infrastructure

◀ During Ireland’s EU Presidency, we successfully achieved the target of agreeing an updated Trans European Networks (Transport) i.e. TEN-T for the enlarged EU and a revision of the existing TEN-T Guidelines ▶

< A central theme of the Commission's White Paper on Transport is a stronger reliance on the intermodality of freight transport >

and service resources through integrating short sea shipping, rail and inland waterways into the transport logistics chain.

The concept of Motorways of the Sea is central to the achievement of the goal of increased reliance on intermodality. Motorways of the Sea involves the concentration of freight flows on sea-based logistical routes offering frequent, fast and reliable service. The specific objectives are to reduce road congestion and to improve access to peripheral and island regions and States. The Motorways of the Sea concept is now incorporated into the EU guidelines for the development of the trans-European transport network and into the proposal for a second Marco Polo programme for EU financial assistance to improve the environmental performance of the freight transport system.

Four corridors have been designated for the setting up of projects of European interest, including the *Motorway of the Sea of Western Europe* (leading from the Irish Sea via the Atlantic Arc to Portugal and Spain).

With 99% of our external trade by volume being transported by sea, Ireland is critically dependent on efficient and effective maritime transport services. The need to avoid the anticipated capacity deficits at our commercial seaports in the period to 2007 and beyond, is a central element of the Government's ports policy. In this context, Ireland's key priority is to promote participation in the EU programmes by the maritime transport sector in Ireland, in partnership with undertakings in other Member States or eligible third countries, in order to meet the growing needs of our economy.

The European Commission has now withdrawn its second proposal for a Directive on market access to port services, following a vote against the proposal in the European Parliament. Ireland will fully engage in the policy debate that the Commission plans to launch following the failure of the proposed Directive. Ireland's key priority is to ensure that the positive market liberalisation elements of the proposal continue to be the guiding principal of European ports policy.

Culture ↙

To achieve European integration it is important to conserve and safeguard our common cultural values and roots as a key element of our identity, as well as preserving the richness of our cultural diversity.

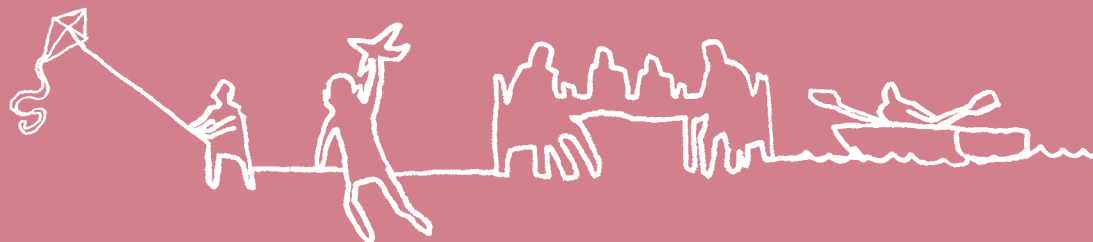
Ireland is actively supporting the establishment of a new Community programme for cultural cooperation, entitled the "Culture 2007 Programme", for the period from 2007 to end December 2013. Such a programme will be complementary to national or regional action in the field of cultural cooperation.

The general objective of the programme will be to develop a cultural cooperation between the artists, cultural players and cultural institutions of the countries

taking part in the programme, with a view to encouraging the emergence of European citizenship. Ireland aims to secure Community support for the specific aims of promoting the cross-border movement of people working in the cultural sector, encouraging the transnational circulation of works and cultural and artistic products between EU Member States and intercultural dialogue.

Ireland is also actively supporting the proposal to designate 2008 as

the Year of Intercultural Dialogue. The overall aim of the designation is to promote intercultural dialogue as a means to enable all those living in the European Union to maximise the opportunities provided by a diverse and dynamic society and to raise awareness of the importance of developing an active European citizenship which is open to the world, respectful of cultural diversity and built on the common values of the European Union.



< Ireland is actively supporting the establishment of a new Community programme for cultural cooperation, entitled the "Culture 2007 Programme", for the period from 2007 to end December 2013 >

Of particular relevance in the current period of reflection on the European Constitution is the proposed EU programme on citizenship (2007-2013), which aims to give citizens the opportunity to interact and participate in constructing an even closer Europe, forge a European identity and enhance mutual understanding between European citizens. Ireland welcomes the fact that this programme places emphasis on the practical ways in which contact amongst European citizens and between citizens and the European institutions can be increased.

Audiovisual Sector ↘

The expression and protection of European citizenship and culture are fundamental functions of a vibrant audiovisual sector, which also has a primary role in building a European

cultural identity, particularly regarding young people. Increased circulation of European audiovisual works has proved to be an important means of strengthening intercultural dialogue, mutual understanding and knowledge among European cultures to form a basis for European citizenship. Circulation of European audiovisual works can only be achieved by reinforcing the sector and enabling the creative potential of European cultures to be fully realised. In the Lisbon European Council's conclusions, it was stated that the "content industries create added value by exploiting and networking European cultural diversity". Community action to support the competitiveness of the audiovisual industry will contribute to achieving the objectives set by the Lisbon strategy

Driven by rapidly evolving technological delivery methods, the nature, quality, and relevance of European content in a Global and Converging Environment will face new challenges in the years to come. New Community action for the audiovisual industry should contribute to translating European cultural values into a competitive worldwide industry, by overcoming the obstacles that prevent operators from benefiting from the advantages of the Internal Market for non-national audiovisual productions. In this context, the implementation of a new, integrated and appropriately financed MEDIA programme (2007-2013), aimed at supporting the pre and post-production elements of audiovisual works for the SME's⁵, takes on an even higher profile and urgency. Ireland fully supports the implementation of this programme.

Sport ↙

Ireland supports action by the EU in support of sport and education and in the fight against doping in sport.

The draft EU Constitution acknowledges, for the first time, a formal EU role in the promotion of sport. Ireland's EU Presidency, in the first half of 2004, initiated work on a new more structured EU programme in this area.

The European Year of Education through Sport (EYES) 2004 was an important EU Commission initiative in the area of education and sport. Ireland believes that the EU should continue to address issues relating to the educational and social values of sport to ensure a lasting legacy from EYES 2004 and as such the Irish Government is supporting an Active School Initiative in all schools. This initiative was first introduced into the Schools as part of the European Year of Education through Sport 2004 and is being continued during 2006 to

create a continuing link between the European Year of Education through Sport and UN Year of Sport and PE. It recognises and encourages excellence in physical education and co-curricular sport and physical activity programmes in schools.

Ireland also supports coordinated EU initiatives to counteract the pernicious influence of doping in sport. Specifically, we will continue to promote the effective implementation of anti-doping actions under the Council of Europe Anti-doping Convention, the World Anti-doping Agency (WADA) and the proposed new Global Anti-doping Convention under the aegis of UNESCO.



Tourism ↙

Ireland supports a role for the EU in fostering the sustainable development of tourism and in promoting good practice in the future development of Europe's tourist industry.

Europe is a global leader in the tourism sector, one of the most dynamic areas of the global economy. Europe's leading role is based on the quality of its tourism infrastructure and the diverse nature of its competing destinations. European governments recognise that if the tourism sector is to sustain and develop, challenges such as competitiveness and the removal of barriers must be addressed. Ireland is already dealing with these challenges through the implementation of the recommendations in the major policy review report, "New Horizons for Irish Tourism: An Agenda for Action" published in 2003.

At EU level, the Commission and the Member States are working on a variety of tourism issues, particularly in relation to the sustainable development of the sector and assessing the impact of other EU policies on the competitiveness of the sector. Ireland supports this work and welcomes recent statements from the Commission on the development of a renewed Tourism Policy which would aim at addressing the competitiveness of the industry and seek to create more jobs through the sustainable growth of tourism in Europe and globally. In this context, EU action will focus on three main sets of actions:

- ▶ Better regulation and policy co-ordination
- ▶ Improved use of the available European financial instruments and
- ▶ Actions addressing specific tourism-related issues

Ireland also welcomes the assurance from the Commission that this policy will not involve unnecessary regulation; new specific financial instruments; or the imposition of standards when those can be elaborated through voluntary self-regulation.



The External Policies of the European Union ↙

During 2006, Ireland will continue to work in close cooperation with our European partners to fashion effective responses to the many challenges which face the international community.

< We will strongly support the continued efforts of the EU and the international community to secure a diplomatic solution to the issue of Iran's nuclear programme >

Within the Union, we will work to develop further the Common Foreign and Security Policy (CFSP), including the European Security and Defence Policy (ESDP), in accordance with Ireland's values and interests. We will also play our part in ensuring that the EU, consistent with its values, makes a positive and coherent contribution to the international community's efforts to promote peace, human rights and development and international law, including through improvements in the effectiveness of the multilateral system enshrined in the United Nations Charter.

Our key political priorities for action at EU level during 2006 will include the following:

We will contribute to the further development of the **European Security and Defence Policy (ESDP)**, in line with our traditional commitment to

peacekeeping, crisis management and conflict prevention. A key area of focus will be the ongoing work to improve the military and civilian capabilities that the Union has at its disposal to carry out peacekeeping and crisis management operations, and the further development and successful management of those operations. In this context, the EU is putting in place the capacity to deploy Rapid Response Elements, or Battlegroups, to crisis situations within a 15 day period. In accordance with the recent Government decision on this matter, Ireland has indicated to its EU partners a positive disposition to taking part in Battlegroups, and the legal, operational and other issues surrounding participation will be addressed during 2006. We will also continue our participation in a number of the existing ESDP operations, and consider whether to contribute to new operations as these come on stream.

Ireland will work closely with our partners in the Union and the international community to renew and accelerate the momentum of the **Middle East Peace Process**, and to ensure continued support for the Palestinian people in the new and more challenging political climate which now prevails. The promotion of stability in the Middle East region as a whole, including **Iraq**, will remain a priority for the EU.

We will strongly support the continued efforts of the EU and the international community to secure a diplomatic solution to the issue of **Iran's** nuclear programme.

We will work with EU partners to support the development of peace and stability in the countries of the **Western Balkans**, with a focus on ensuring a European perspective for the region. A key priority for Ireland will be to make a contribution

to EU support for the Kosovo final status agreement, which may well be reached before the end of 2006.

Following on from the September 2005 UN Summit, Ireland and the EU will continue to play an active role in pursuing the reform of the **United Nations**. We will also seek to build on successes already achieved in this area by making a strong contribution to the work of the new Peace Building Commission (to which Ireland is a founding donor), and by seeking to address breaches of **human rights** and fundamental freedoms through the work of the new Human Rights Council.

Africa will remain a key political priority for Ireland and the EU, with a particular focus on addressing continued conflicts in DRC, where we have supported the fledgling electoral process as well as

the EU operation to support the UN's MONUC monitoring mission; Darfur, where we will continue to support the African Union's AMIS mission which it is intended will be succeeded by a UN mission during 2006; and Liberia, where we remain a major contributor to the existing UN peacekeeping force.

The EU is preparing for major summits in 2006 with its partners in **Asia** (ASEM Summit, 10-11 September) **and Latin America and the Caribbean** (EULAC Summit, 11-13 May) and Ireland will work to ensure that these Summits yield improvements in the Union's relations with the respective regions.

Combating **terrorism**, notably through increased international cooperation, remains a key priority for the European Union, and Ireland will remain fully engaged in efforts to fully integrate the

fight against terrorism into the external policy of the Union. Cooperation on non-proliferation, **arms control and disarmament** will also continue to be a key priority for Ireland both within the European Union and with other states and regions.

Relations with our transatlantic partners remain of central importance and the European Union will continue to enhance dialogue and cooperation with the **United States** and with **Canada** across the full spectrum of international issues.

The European Union will continue to deepen relations with **Russia**, and to develop further relations with its other near neighbours to the East, **Ukraine** and **Moldova** in particular through the progressive implementation of the EU's European Neighbourhood Policy. It will seek to encourage democratic forces

< The Asian tsunami and the Pakistan earthquake, as well as the devastating effects of Hurricane Katrina, caught the imagination and attention of the EU public in an unprecedented way >

within civil society in **Belarus**, while maintaining appropriate pressure on its régime.

Development Issues ↘

Development policy is intrinsically connected with globalisation, which has rightly been described as the dominant paradigm of our time. Action must be taken to meet the challenges of globalisation, and the EU's development policy, combining the action of the Member States and the EC, is one of the most useful ways of doing that. We have to make globalisation, including the world trade system, work better. In the words of Jagdish Bhagwati "globalisation must be managed so that its fundamentally benign effects are ensured and reinforced".⁶

The fundamental objective underlying *all* EU – and Irish – development efforts is to contribute to poverty reduction, and that should form a crucial component both of the EU and our own national sustainable development strategies.

Recalling that Ireland has committed to achieving the 0.7 per cent target by 2012, in the context of the very extensive scaling up of resources devoted to development in coming years, Ireland

welcomes the increasing emphasis being given at EU level to aid effectiveness and to policy coherence. More money alone won't solve the problems of the world's poorest – it must be disbursed in the most effective and coherent way.

Ireland should take every opportunity at EU level to emphasise how imperative is the fight against HIV/AIDS, such is its importance as a cross-cutting issue.

Ireland should strive to ensure that the *European Consensus on Development*, agreed late last year by the Council, Commission and the European Parliament, is observed both in spirit and in practice.

Africa is the main focus of Ireland's development efforts. Therefore we should seek to ensure full implementation of the EU-Africa Strategy, which was endorsed by the European Council at its meeting in Brussels in December 2005.

Ireland welcomes the increased priority being given to more effective humanitarian assistance. The Asian tsunami and the Pakistan earthquake, as well as the devastating effects of Hurricane Katrina, caught the

imagination and attention of the EU public in an unprecedented way. This is the area of development activity that is the most immediate. Better coordination is an urgent priority.

Migration and development is set to become an ever more important issue as we seek to grapple with huge population flows, with their attendant problems such as key sector 'brain drain' from developing countries.

6 In Defence of Globalization by Jagdish Bhagwati, p. 35, published by Oxford University Press, 2004

