



## **Draft EPP Election Document 2009**

(Approved by the EPP Political Bureau on 29-30 January 2009)

### **Topics:**

#### **Introduction**

- 1. Creating Prosperity for Everyone**
- 2. Making Europe a Safer Place**
- 3. Combatting Climate Change**
- 4. Tackling the Demographic Challenge**
- 5. Uniting Europe on the World Stage**

## Introduction

The citizens in the European Union vote for the European Parliament in June 2009 – at a crucial moment for Europe. European integration is the greatest achievement in the history of our continent. It not only brought peace, freedom and stability to our continent, but also a period of unprecedented prosperity. In the past, the need for peace brought the peoples of Europe together. Nowadays, a number of problems require both close cooperation on European level and a strong Europe in the world: The current crisis on the financial markets and a severe worldwide recession, the fight against climate change, our ageing societies, as well as terrorism and organized crime. Only a strong Europe will be able to defend and protect our interests in the world. Only a strong Europe will be able to create a more sustainable global financial system and to tackle the other global problems which also deeply affect us in Europe.

Today, we must seize the opportunity to shape the world economy in a more sustainable way, based on our concept of a social market economy. Whereas the Socialists in Europe see this crisis as an opportunity to push for a leftist agenda which will destroy jobs and Europe's position in the world, we are convinced that our idea of a social market economy is the best response to this crisis. Our positions are distinctively different from the ideological leftist approach of the socialists, but they also fundamentally differ from the position of market fundamentalists who believe that markets should rule the world alone. We need better, sensible regulation. We strongly promote and support clear rules for the markets to function and prosper for the benefit of everyone – the society, the entrepreneur and the employee. This is what distinguishes a real people's party pursuing the common good from political competitors.

Our political family, the European People's Party, has influenced the historical development of Europe like no other political force. Throughout the history, the EPP has been the political family with a clear vision for Europe. We are convinced that many of today's problems cannot be solved on national level alone anymore. As the heirs of the founding fathers of European integration, Jean Monnet, Robert Schuman, Konrad Adenauer and Alcide de Gasperi, we are conscious about our rich heritage and committed to shape the Europe of the future.

As we do not believe that the state should be responsible for every question in people's lives, we are convinced that also the European Union should not deal with issues that can be better and more efficiently dealt with on a national, regional or local level. The EPP advocates a European Union that sets clear priorities – but stays out of issues that should be handled on a lower level, closer to the citizens themselves.

The EPP has for a number of years advocated a new Treaty for the European Union because Europe needs to be more transparent, more efficient, more democratic and more capable to act in order to cope with the enormous challenges ahead. We will continue our work of informing the citizens about the benefits of the Lisbon Treaty, and the consolidation of the EU must be our first priority now. We must be prudent about potential future enlargements; the EU's ability to act efficiently must be first ensured, and a new Treaty is a prerequisite for this. European countries which cannot or do not want to become members of the European Union, should be offered a close partnership with the EU.

## Our values

Our idea of Europe has always been based on the conviction that we share common values and traditions which are deeply rooted in our civilization. Our universal spirit, Europe's Judeo-Christian roots and common cultural heritage, as well as the classic and humanist history of Europe and the achievements of the period of the Enlightenment, are the foundation of our political platform.

We became used to living in a common geographic and political space of peace, freedom, democracy and prosperity, a space with enormously rich and inspiring cultural diversity. Our thought and political action are based on fundamental, interdependent and equally important universal values: freedom and

54 responsibility, fundamental equality, justice and solidarity. For us, genuine freedom means autonomy and  
55 responsibility, it means neither collectivism nor irresponsible and selfish individualism. For us, the dignity  
56 of the human being is central; we regard the human being as the subject, not the object of history.

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58 In our view, persons are not merely individuals, but human beings belonging to families, communities,  
59 regions, countries, enjoying both full rights and duties – also on the EU level. Justice, Fundamental  
60 equality for all and the dignity of every individual are inseparable. Solidarity means awareness of the  
61 interdependence of individuals and their communities. But it means above all protecting the weakest in  
62 our society and around the world. It implies global responsibility.

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64 In the framework of responsibility, the EPP also advocates a more sustainable way to deal with the planet  
65 we all share as our home. The responsible management of the biosphere and forms of life which make up  
66 mankind's common heritage is essential in order to keep our planet viable for future generations. The  
67 urgent problem of global warming underlines the need for humanity to decisively deal with this problem  
68 as quickly as possible on a global level. The EPP is convinced that the European Union will and must play  
69 an important role and show to other parts of the world that it is possible to modernize economies, create  
70 new jobs and preserve the environment at the same time. The current crisis is a reminder that sustainable  
71 development should be at the very core of all our decisions.

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## 1. Creating Prosperity for Everyone

### **Solidarity as the foundation of our society**

For the European People's Party, the economy is not an end in itself. It is at the service of a concept of society based on the individual, on freedom, solidarity and social cohesion. This is reflected by our idea of a Social Market Economy. For us, the European project always had a social dimension. The goals of great European achievements like the Single Market and our common single currency, the Euro, were always the added value they would deliver for the citizens by stimulating the economic development and creating more employment in an increasingly globalizing world.

The achievement of the goals of economic and political integration of Europe concerns all European citizens. Through its agenda, the EPP is sending a message of hope, prosperity and solidarity and calls upon all European citizens to work together for the common European future.

In future, employees will work in more flexible ways, concerning their daily or weekly working time as well as during their life time working (periods of working are succeeded by periods of training, periods of leisure, periods for family work and periods of social work) including sufficient childcare facilities and possibilities for parents to have children and a career at the same time. Our primary goal is to strike a balance between flexibility and security and therefore social security systems should be modernized in order to adapt to the new challenges without giving up their most important aims: solidarity and viability.

We consider economic dynamism in Europe not only as compatible with social responsibility, but rather as a precondition for it. There will be no social cohesion and political stability without a sustainable economic development. No-one should be held back and no-one should be left behind. We need to invest in education, life-long learning and employment to create opportunities for all, including employees, youth, newcomers and partially disabled persons. Everybody is entitled to income, work and an old age pension. This becomes increasingly a challenge as rising prices for food and energy particularly affect people with lower incomes as well as the unemployed. It is essential to further promote a knowledge-based society which is able to create new employment opportunities in a sustainable way. The social security systems should on the one hand help those in need by applying the principle of solidarity and on the other hand have a stimulating element for unemployed to enter the labour market.

### **A Value-driven Economy**

The EPP stresses the importance of values, not only in our societies in general but also in the economic sector. As a part of our society, the economy needs to follow the very same values on which our societies are built – freedom and responsibility are for us two sides of the same coin.

### **A Competitive and Sustainable Economy**

The emerging global society offers chances and challenges at the same time. For the European People's Party, the European Union is the right answer to tackle the challenges of globalization and to profit from the chances.

Economic growth is crucial to keep existing jobs and to create new ones. A major challenge for the European Union in the years ahead will be the transformation of our economies into knowledge-based economies. The world is going through radical changes in the framework of globalization. At the same time, our economies are facing the challenges of a weak dollar, rising food prices, energy costs and climate change. We consider these challenges also as an opportunity to transform our economies into sustainable and energy efficient economies and to make Europe a world leader in this area. Especially the

126 current recession should be used as an opportunity to promote “green” investments. This will enhance  
127 the position of the European economies and create new jobs.  
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129 The European Union has good preconditions to be an important economic player on global level. With 27  
130 Member States and almost 500 million citizens, it is currently the largest market. The economic dynamism  
131 created by enlargement has benefitted all Member States and a functioning Single Market will  
132 undoubtedly continue to be a driver of European economic development. Europe relies on trade and  
133 export and therefore has an interest in an open economy. The opportunities for growth, investments and  
134 labour are great. The Euro will bind the economies closer to each other and therefore encourage  
135 competition and entrepreneurship – two important preconditions for more growth and jobs.  
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137 For the European People’s Party, the creation of new jobs is a core priority. Only if we manage to reach a  
138 high level of employment, we will be able to safeguard prosperity for everyone and assure the future of  
139 our social security systems in the context of demographic change. Therefore, we consider work for  
140 everybody as the central goal of our economic and social policy, as well as the most effective shield  
141 against poverty and social exclusion. Moreover, we consider it our duty to care for good working  
142 conditions and for reliable social security systems.  
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144 New and sustainable jobs can only be created by a dynamic economy. Therefore, broad and sustainable  
145 economic growth is an important precondition to create more employment. The EPP considers the level of  
146 unemployment in some parts of Europe to be unacceptable. This creates negative effects on social  
147 cohesion and is financially unsustainable. Skill shortages, especially in the lower segment of the workforce  
148 contribute to this problem as well as the high level of taxation. We need more active systems in order to  
149 increase the employability of the unemployed. In the first place, this requires investment in human capital  
150 in order to establish a well-trained and highly motivated work force.  
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152 It also requires a stronger sense of entrepreneurship in all sectors of society. In order to promote  
153 employment, the EPP wants to focus on establishing direct and concrete measures which will encourage  
154 the creation of new business. Those measures should include easing the administrative burden on start-  
155 ups, simplifying the regulatory environment, reducing the general level of taxation, improving access for  
156 new enterprises to sources of finance, particularly risk capital, and promoting a more entrepreneurial  
157 culture. European-scale benchmarking on the role and the real impact of the public sector’s employment  
158 policies on employment figures and economic growth will be necessary, so that development of the  
159 employment policies is not based on biased information.  
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161 As underlined by the Charter of Fundamental Rights, we stress the importance of the workers’ rights and  
162 of the role played by all the different trade unions operating in Europe.  
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164 In order to improve the position of the European economies, the EPP puts forward the following priorities:  
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### 166 **Completing the Single Market and expanding the Euro-Zone** 167

168 With the Single Market and the Economic and Monetary Union, the EU has made enormous steps forward  
169 in creating a common market for now almost 500 million citizens. Numerous obstacles however, still  
170 remain to be solved. Especially in the service sector, in energy and transport, a true single market is still  
171 far from being achieved. This has negative consequences for our economies. The removal of the remaining  
172 obstacles in the Single Market (respecting the national competences on social security) is a key priority in  
173 order to promote growth and to create more employment. The same is true for introducing the Euro in  
174 further Member States.  
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179 **Giving priority to research and innovation**

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181 Europe still lags behind when it comes to research and innovation. Its main weakness lies in the  
182 fragmentation and scattering of its efforts as well as in the difficulty to go from the stage of research to  
183 that of innovation. In fact, there is still a gap between the creation of knowledge (research) and its  
184 implementation (products and services) as Europe is visibly weaker in the second stage. The cooperation  
185 of research programs within Europe and globally has to be improved and the overall spending on research  
186 and development (R&D) has to be increased to 3% of GDP in 2010 and 4% in 2015.

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188 **Reducing bureaucracy**

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190 Excessive administrative requirements kill new company formation and prevent existing ones from  
191 concentrating on their activity. The EPP wants to provide business with an environment that facilitates  
192 economic activity and enables it to face competition in the global economy. Therefore, bureaucracy  
193 should be minimized and the impact of legislation in terms of costs to companies and employment should  
194 be systematically assessed.

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196 **Promoting Small and Medium-Sized Enterprises (SMEs)**

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198 Two-thirds of private-sector jobs are in Small and Medium-Sized Enterprises, and SMEs create almost all  
199 new jobs. Their flexibility and dynamism make them a key factor in a country's economy being healthy.  
200 Europe lacks pioneering entrepreneurs and the EPP will do everything it can to re-ignite this spirit of  
201 entrepreneurship in order to create a more dynamic economy. Special attention has to be paid to the  
202 needs of start-up companies which should be relieved from excessive bureaucracy.

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204 **Reaching budgetary balance**

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206 We should not live today on the expense of future generations. Therefore, the EPP remains firmly  
207 committed to the Stability and Growth Pact to reach budgetary balance and to start paying back public  
208 debts. We consider macroeconomic stability as a key condition to achieve the goals of economic growth  
209 and job creation.

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212 **Avoiding Economic Depression and Making Financial Markets more transparent**

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214 Following the recent meltdown of the international financial system, we are witnessing the worst financial  
215 and banking crisis since the Great Depression. Coordinated policy actions were taken in Europe and the  
216 United States to stem this crisis from spreading, but the effects on the real economy are already being felt  
217 in many countries. As unemployment grows in the United States, recession becomes a bleak reality in  
218 Europe, emerging economies start to falter and the credit crunch is demanding its toll on many of our  
219 businesses - especially SMEs - exceptional, coordinated and swift actions must be undertaken by all  
220 policymakers alike to avoid further worsening of the situation. In order to limit the impact of the current  
221 developments on the real economy, the main goals are to rapidly restore confidence to the banking  
222 system, enact policies which can curb public sector growth, and urge for a serious reform the international  
223 financial sector.

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225 This crisis will affect our citizens all over Europe, and we will be judged by our political capacity to  
226 effectively respond in a coordinated matter to the challenges which lie ahead of us. We can not leave the  
227 financial sector walk off with the profits, and leave the public with the losses to bear. Lessons about the  
228 functioning of markets, in particular financial markets, have to be learned, and the role of regulation in a  
229 modern, globalized economy of the 21<sup>st</sup> century must be completely redefined.

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231 In addition, we need to better assess the question of big financial institutions which are deemed “too-big-  
232 to-fail” due to their size and their prospective effects on the whole economy. EU and national competition  
233 rules should be further tightened in order to avoid the recurrence of this phenomenon, and thus also  
234 eliminating the potential risk of their relying extensively on tax-payers’ money to rescue them in case of  
235 financial troubles. Therefore, a careful balance should be currently sought between the necessary  
236 rescuing of troubled banks and financial institutions which can undermine the efficient functioning (and  
237 recovery) of our market system, and the risk of their potential free-riding on future government  
238 protection, i.e. the resurgence of the “moral hazard” problem for big companies must be avoided at all  
239 costs.

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241 Furthermore, the risk potential of newly introduced financial instruments has to be assessed and the  
242 regulators should not allow instruments and practices which they don’t understand. A greater attention is  
243 also needed in the handling of retirement funds by financial institutions. Unambiguous rules must be put  
244 in place which allow for stronger safeguards, clearer information and increased transparency in the  
245 management of such funds by banking institutions in order to set better standards for consumers. This is  
246 of utmost importance, both for the future wellbeing of our citizens, and for our ability to demonstrate  
247 that we are truthful about building a more socially responsible and secure financial system.

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249 On this backdrop, the EPP supports regulatory actions that promote more transparency, accountability  
250 and surveillance both at EU and international level. We should focus on enacting “better regulation” for  
251 the financial sector, not “any regulation”. Furthermore, and although urgency measures are imbedded  
252 into the revised Stability and Growth Pact and indeed necessary at this hour, we should be careful not to  
253 bend the rules of healthy public debt management for an indefinite time. Temporary salvage measures  
254 should be put in place, while structural reforms should not be forgotten where needed in order to avert a  
255 global slump and the risk of an EU downgrading. Finally, we should prevent the resurgence of potentially  
256 explosive protectionist actions both in Europe and in the United States, as they would undermine growth  
257 in the long run and suffocate efforts for more innovation and investments in R&D. Finally, the EPP also  
258 endorses the following recommendations in order to reach a better functioning regulatory and policy  
259 regime in the financial sector in the future:

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- 261 1. Improve the financial sector surveillance and overall transparency of financial institutions.
- 262 2. Develop mechanisms for the creation of a European-wide and rule-based regulatory system in the  
263 financial sector.
- 264 3. Close the existing accounting gap.
- 265 4. Stabilize the financial system by creating necessary regulation and supervision on financial markets in  
266 Europe and worldwide. No financial products should be able to undermine the stability of our  
267 financial system. The financial system needs to be at the service of our economies and must take into  
268 consideration especially the needs of start-up companies and SMEs who create most of the jobs in  
269 Europe.
- 270 5. Improve the knowledge, dialogue and international cooperation between national supervisory  
271 authorities and financial institutions to avoid a lack of comparability and consistency in the evaluation  
272 of more and more complex financial instruments.
- 273 6. Need for the strengthening of international cooperation. If we are going to address this worldwide  
274 crisis and prevent a recurrence, we must reform and reconfigure the global financial system.  
275 European regulations alone are not sufficient for global financial markets. That is why there is a clear  
276 demand to strengthen international cooperation in the framework of an enlarged G20 and other  
277 international institutions.
- 278 7. Enhance the risk management practices of both financial institutions and rating agencies.
- 279 8. Revise managers pay and reform the incentive structure in management payroll system.

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281 The EU must also make an effort to see that the European economic, social and ecological values that are  
282 aimed at sustainable economic growth are also perceived as an attractive model by the rising new  
283 economies. In this sense the EU's role as a global partner should be further encouraged and sustained.

284 **Building a knowledge-based society**

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286 Although some progress has been made during the last years, the goal of the Lisbon strategy, which seeks  
287 to make the European Union the world's most competitive knowledge economy, is far from being  
288 reached. The EPP considers the goals of this strategy as an utmost priority so that Europe can be an  
289 important economic player on world level and provide its citizens with the jobs they require to lead a  
290 decent life.

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292 The quality and effectiveness of education and training systems and a highly skilled and motivated  
293 workforce are essential in order to improve the employability within the European Union. Education and  
294 training opportunities have to correspond to the needs of the labour market in order to ensure that all  
295 citizens are able to participate in the economic progress.

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297 For citizens to better prepare for and adapt to the needs of an economy based on high technology, we  
298 must obtain more from our education and training systems. This will allow citizens to play a full part in the  
299 knowledge society. Especially the idea of life-long learning must be internalized in all parts of society.  
300 Moreover, education and training opportunities should correspond to the needs of the labour market.  
301 Language training and experiences abroad broaden the horizon and increase mobility. In this regard, the  
302 EPP wants to remove the administrative obstacles (especially also in view of social security) which  
303 undermine mobility, especially in border regions within the European Union.

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305 **Reducing Taxes and Contributions**

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307 The generally high level of taxation and social contributions in many Member States is a handicap for the  
308 creation of wealth as it discourages private initiatives, stifles innovative instruments and dampens the  
309 engagement of new labour forces. Therefore, we invite the Member States to adopt the following  
310 recommendations regarding fiscal policy in Europe:

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- 312 1. To alleviate the general tax burden in Europe - which is still among the highest in the world - in order  
313 to provide more incentives to work, save and invest in Europe as recommended by the Lisbon Agenda.
- 314 2. To further simplify the tax systems in Europe in order to make them more transparent and  
315 understandable to taxpayers and to avoid the "two-tier" market formed by those who can afford tax  
316 advice and those who do not.
- 317 3. In order not to discriminate between capital and labour, tax cuts can not only be granted to the  
318 production side, but in the same way must also be extended to personal income levels.
- 319 4. As global economic competition increases, tax systems must be reformed to make countries more  
320 attractive to capital and for talents. This can be achieved by lowering the general tax burden, and by  
321 introducing lower rates and less exemptions. This, on the other hand, will lead to a convergence of tax  
322 systems.
- 323 5. In order to avoid irrational distortions of trade and incentives to fraud, and improve the global impact  
324 of their fiscal measures by encouraging cross-border activities, the EPP promotes further discussions  
325 concerning reasonable coordination relative to indirect taxation in Europe. This debate must be held  
326 within the framework of the EU Treaty provisions, as well as in respect of the Member States' national  
327 sovereignty.

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329 In view of enhanced competition in Europe and globally, the EPP welcomes those reforms of the tax  
330 system which lead through rate reductions and less exemptions to a convergence of tax bases. For that  
331 purpose, we think it is necessary to support a convergence of accounting principles in Europe. This can  
332 bring a benefit for the companies concerned and lead to a reduction of administrative costs.

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335 **Foreign Investment in Europe and the Role of Sovereign Wealth Funds (SWFs)**  
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337 It is our view that Sovereign Wealth Funds (SWFs) - which are financial vehicles owned by states that  
338 invest them in a wider range of assets of various kinds - can create both chances and risks at the same  
339 time. All foreign investments are subject to market and competition rules, and this applies in particular to  
340 the maintenance of free and fair competition.

341 Yet, in the long run, we believe that the chances could outweigh the risks, as they would represent more  
342 than an opportunity for the European economy.

343 In fact, the European economy could profit from more foreign investments, including from Sovereign  
344 Wealth Funds (SWFs) coming from emerging economies', especially as the emerging countries who will  
345 invest in Europe will become more and more dependent on the wellbeing of our own economies. This  
346 would also lead to more stable international relations.

347 However, political intervention in SWF transactions must be considered an option only in cases where  
348 national security is under threat. A code of conduct should establish minimum requirements regarding the  
349 formal mandates and statutes of SWFs, financial reporting at least on an annual basis, an independent  
350 auditing of the accounts and financial reports of the funds.

351 As a consequence, we recommend an approach based on open and transparent management of SWFs and  
352 a set of global rules set both at the EU level as well as the international level.  
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354 Finally, we need to establish a level playing field which allows for open and free markets for foreign direct  
355 investments and avoids the creation of asymmetries on the international markets. As many economies in  
356 which SWFs are domiciled are significantly less open than e.g. traditional industrialised economies like the  
357 USA and the EU, it is our aim to encourage more reciprocity of open market access – as opposed to  
358 reciprocity in protectionism.  
359

360 The European People's Party proposes:

- 361
- 362 1. Avert a global economic slump – European governments need to continue to better coordinate fiscal  
363 and monetary policies in order to avoid passing from the current economic recession to an economic  
364 depression in the future.
    - 365 1a. Although urgency measures are necessary in these times of crisis, we should be careful not to  
366 bend the rules of healthy public debt management for an indefinite time. We should not live  
367 today on the expense of future generations;
  - 368 2. Prevent a resurgence of protectionism - the EPP's sound economic competences, strong political will  
369 and swift policy measures undertaken up to now demonstrate that we are on the right track in order  
370 to avoid the mistakes of the 1930's, i.e. the adoption of protectionist measures which isolated  
371 countries from each other worsening their economic situation;
  - 372 3. Need to rebuild the international financial architecture - European regulations alone are not sufficient  
373 for global financial markets. That is why there is a clear demand to strengthen international  
374 cooperation in the framework of an enlarged G20 and other international institutions, taking also the  
375 increased role of the emerging economies into account;
    - 376 3a. Financial sector surveillance and overall transparency of financial institutions need to be  
377 improved. Especially the risk potential of newly introduced financial instruments has to be  
378 assessed and the regulators should not allow instruments and practices which they don't  
379 understand;
    - 380 3b. Concrete political and economic actions need to be undertaken in order to re-energise the  
381 ailing European banking sector. Banks must swiftly return to their original functions, i.e  
382 channelling credit to the real economy in order to finance companies and businesses, following a  
383 careful assessment of the risk involved;
    - 384 3c. A European-wide and rule-based regulatory system in the financial sector needs to be  
385 introduced as a consequence of the current crisis on the financial markets;  
386

- 387 4. The creation of jobs is our core priority. Only if we manage to reach a high level of employment, we  
388 will be able to safeguard prosperity for everyone and assure the future of our social security systems.  
389 We consider it our duty to care for good working conditions and for reliable social security systems.  
390 Finally, we need more active systems in order to increase the employability of the unemployed;
- 391 5. The coordination of research programs has to be improved and the overall spending on research and  
392 development has to be increased to 3% of GDP in 2010 and 4% in 2015 in order to improve Europe's  
393 position when it comes to research and innovation;
- 394 6. Bureacracy should be minimized and the impact of legislation in terms of cost to companies and  
395 employment should be systematically assessed;
- 396 7. The current economic recession also represents a golden opportunity to further increase our  
397 investments in "green technologies". This will help us to boost our economic growth and employment  
398 chances, and to credibly position Europe as a world leader in this sector;
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## 2. Making Europe a Safer Place

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The field of Justice, Liberty and Security has evolved into an important and dynamic policy area of the EU during last decades. Security in Europe presents serious challenges in various fields, which are not necessarily related with each other. Moreover, the security environment nowadays – in particular internal security – cannot be assessed without reference to today’s global security and conflict situation. No single country is able to tackle today’s complex problems on its own, global efforts and global cooperation is needed. There are no easy and reliable answers to the questions of how to overcome the threat of terrorism and organised crime, to address illegal immigration and to provide food safety and security for the European citizens. Therefore the European People’s Party develops a policy in order to protect European citizens and to make Europe a safer place to live.

### **Fighting terrorism**

Terrorism is a threat that endangers European values, security, democracy and freedom. The most recent wave of terrorism is global in its scope and is often linked to violent religious extremism. It is important to differentiate “religious extremism” from “Islam” or any other religion. It is terrorism, not Islam that objects to our open society. Terrorism as such is the main adversary and the greatest barrier to the Muslim world’s achieving personal development, freedom, prosperity and democracy. We will strongly oppose all political activities that, under false appearance of defending the Islamic faith, are based on threats and violence. The European Union must address itself to the methods of infiltration used by terrorist groups, especially within underprivileged populations, from which they tend to recruit new members.

The European Union must underline that attacks carried out against human beings, though carried out in the name of religion, are actions that contradict religion and that are ruled by hatred and inspired by a totalitarian political view of our societies. The EU and the Member States must show zero tolerance when dealing with violent attacks and threats, notwithstanding the protection and spurious justifications offered by some religious beliefs and movements.

It is important to work more rapidly to resolve the problems affecting the transposition of the European arrest warrant and surrender procedures into national law and abolish methods which have prevented these tools from being fully and coherently enforced. This would constitute an essential step towards wider ranging judicial cooperation and serve to strengthen mutual trust between Member States. The EPP supports the adoption of a framework decision that harmonises the conditions for the entry to, stay in, and expulsion from EU territory of all those who incite terrorist acts.

The European Union should promote universal values and human rights in the Muslim world. In this respect, the EU’s policy towards the Muslim countries that protect democratic standards or are encouraging a democratic process for their societies is extremely important.

Anti-terrorist measures are the competence of the Member States. But the EPP is convinced that a successful fight against terrorist movement and an effective protection of our citizens can only be reached if we coordinate our policies and agree on the principles. Moreover, the European Union has a clear political role to play in the fight against terrorism. We must achieve the development of a European security system, in which the competences of the EU institutions and the national institutions are precisely defined so as to be understood by the citizens of Europe.

452 **Combating and preventing organized crime**

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454 Organised crime activity in Europe remains a problem in the last decades despite of considerably  
455 increased budgets dedicated to control and prevention of organized crime. Moreover, in the light of  
456 globalization and advanced technologies appeared new forms of criminal activities. Therefore EPP  
457 believes that a global approach has to be implemented in order to tackle a global challenge of organized  
458 crime.

459 The EU has to intensify its cooperation with third countries through EUROPOL, in particular, to prevent  
460 trans-border crime and to build security in our neighborhood. Moreover, closer cooperation between law  
461 enforcement services of the Member States would better protect an area of freedom security and justice.  
462 Additionally, better coordination should be achieved in order to reduce all forms of corruption at every  
463 level in all EU countries.

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465 **Safeguarding citizens' liberties**

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467 The fight against terrorism must strike a delicate balance between ensuring our citizens' security, while at  
468 the same time safeguarding their right to privacy. Instances of sensitive data being "mislaidd" by  
469 government agencies and business companies or open to unauthorised use demands urgent review of  
470 how information on citizens is stored, who has access to it and for what purpose.

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472 **Taking the long term view - prevention is better than cure**

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474 We need to recognise the contribution made to our society by the vast majority of Muslim communities in  
475 Europe. Only by working with them closely can we tackle jihadist terrorism whose origins are now just as  
476 likely to be found in Europe as in the Greater Middle East. We should not be blind to cases of social  
477 exclusion of youth from the Muslim communities in our countries, making them vulnerable targets for  
478 those who want to turn their hearts and minds against Europe.

479

480 **Being proud of our own values and beliefs**

481

482 While respecting traditions and religious beliefs of ethnic minorities, we should nevertheless be  
483 "intolerant of intolerance" of our own value system and beliefs. We have a right to be proud of them and  
484 to have them respected.

485

486 The EU's foreign policy must be as coherent as possible with the principles laid down above. We must  
487 learn to distinguish between regimes and governments that support violence implicitly or explicitly and  
488 those that do not: having made that distinction, we must act accordingly.

489

490

491 **The European People's Party proposes:**

492

- 493 **1. European foreign and security policy has to be in step with a European internal policy. This should**  
494 **be based on principles, convictions and values, in order to tackle, from a position of unity and**  
495 **cohesion, problems such as totalitarian jihadist terrorism or other phenomena linked to asylum and**  
496 **immigration.**
- 497 **2. It is necessary to urgently redefine the current pattern of European Security and find mechanisms**  
498 **aimed at improving the communication and the synergies between the Commissioner for Freedom,**  
499 **Security and Justice, the EU Counter-Terrorism Co-ordinator and Europol's Director, links which**  
500 **currently do not exist. This should be the case especially when dealing in a common and organised**  
501 **way with the counterterrorist strategy.**
- 502 **3. To increase coordination between the national authorities in matter of internal security.**
- 503 **4. It is also necessary to arrange regular meetings, at least once a year, between the Home Affairs**  
504 **Ministers of every Member State, the Commissioner for Freedom, Security and Justice, the EU**

505 **Counter Terrorism Coordinator, the Directors of Europol, Eurojust, SITCEN and Frontex, in order to**  
506 **discuss exclusively the situation regarding jihadist terrorist organisations, such like the jihadists or**  
507 **the ETA.**

508 **5. It is also urgent to improve the operational capability of Europol and EUROJUST, in order to allow it**  
509 **to take part in an efficient and relevant way in this key priority of the EU.**  
510

## 511 **Developing a Joint Policy on Illegal Immigration**

512 Immigration is emerging as a key issue across Europe. In the past Europe was a place people left, but now  
513 it is a major destination for immigrants. A number of factors have influenced migration in recent decades:  
514 population growth, market globalisation, environmental degradation, advances in communication  
515 technologies, ease of transportation, political, economical and social conditions, regional conflicts and  
516 natural disasters.

517  
518 It is widely considered that massive emigration is a sign of failure for the country of departure, but at the  
519 same time we should not underestimate an impact of global warming and growing numbers of “climate  
520 change refugees”. And yet, however, in a lot of countries, the leaders are satisfied with high emigration,  
521 that keeps a disruptive youth busy elsewhere and that comes along with significant income in strong  
522 currencies.

523  
524 However, mismanaged immigration – especially uncontrolled illegal immigration – brings about tensions  
525 in the host country and inevitably leaves illegal immigrants in difficulties. They may become a source of  
526 organised crime and human trafficking. Combating illegal immigration and the preventing human drama  
527 connected with and arising from it, should be understood as key elements of a European response.

528  
529 The achievement of the freedom of movement for people within the European area, agreed on at  
530 Schengen in 1985, condemns national policies to inefficiency as long as there are no common objectives  
531 or coordination of the means. In a European Union without internal borders we have to take decisive  
532 actions at both national and European levels to better protect our external borders. Indeed, the pressure  
533 of illegal immigration on Member States in the Mediterranean and Atlantic region has reached an  
534 unprecedented high.

535  
536 The EPP recognises that actions taken at EU level - such as the establishments of FRONTEX – provide the  
537 basis for further cooperation between member states on the subject of Illegal immigration. Recognition  
538 that illegal immigration is a common European problem must be a pre-requisite for a successful policy to  
539 combat illegal immigration. Illegal Immigration calls for more concerted efforts and coordinated action.

## 540 541 542 **The European People’s Party proposes:**

543 **1. Respecting and Protecting the migrants’ human dignity. The unacceptable scandal does not lie in**  
544 **the dismissal of illegal workers, it lies in the disinterest of consciences towards the thousands of**  
545 **boat people drowned near our coasts and towards the hundreds of thousands of prostitutes who**  
546 **work in all our big cities coming from the East or the South.**

547 **2. On the job market, implementing the European preference. How could the new Member States**  
548 **accept from their partners that their workers are imposed restrictions that do not apply to people**  
549 **from third countries? Wherever possible, intra EU migration, within the framework of the**  
550 **regulations for the freedom of movement, should be encouraged, especially to tackle skill shortages**  
551 **in Member States. Greater job mobility should be facilitated by reducing bureaucratic barriers,**  
552 **including recognition of qualifications and ease of transferability of various acquired rights, such as**  
553 **pension rights.**

554 **3. Fighting illegal immigration, at the EU-level, starting from the needs, the capacity and some**  
555 **priorities set up by each Member States. Whenever it is possible, the Member States shall negotiate**

556 with the countries of origin. Also, and in addition to striking up partnerships with emigration  
557 countries, we need to encourage closer and better ties in the area of police and judiciary  
558 cooperation at European level. At the same time, coordination and controls at the EU's common  
559 borders will need to be stepped up and national agencies responsible for home affairs and security  
560 will require better funding and coordination at EU level. Frontex's mandate should be re-evaluated  
561 in order to cater for the increase in pressure from illegal immigration, and co-operation on  
562 combating the criminal activities and criminal organisations that often lie behind mass immigration  
563 and human trafficking should be reinforced. In the same light, we fully support the objectives of the  
564 European Neighbourhood Policy and its action plans aimed at promoting greater economic  
565 development, stability and better governance in many of the EU's bordering countries.

- 566 4. Applying a joint policy on asylum right. It should be our priority to establish procedural safeguards  
567 as well as common standards in the processing of asylum applications, enhance the protection of  
568 vulnerable persons, as well as strengthen solidarity with Member States facing disproportionate  
569 pressure from asylum seekers.
- 570 5. Coordinating our regularisation systems for migrants as well as the granting of citizenship to  
571 foreigners who acquire, at the same time, the European citizenship. In order to achieve these  
572 objectives, pursuing the establishment and the implementation of the Blue Card System for highly  
573 skilled workers in Europe could be one possible solution.
- 574 6. Propose to the countries of origin a global partnership: we need to establish a fair but firm returns  
575 policy whose message is transmitted to the countries of origin of illegal immigrants. In this sense,  
576 we fully support the European Commission's Return Directive which sets out a good balance  
577 between the repatriation of illegal immigrants and human rights guarantees. Similarly, the  
578 comeback of workers after a stay sufficient enough for them to get a solid professional experience,  
579 the readmission of people who are in an illegal situation, a police and judiciary cooperation to  
580 dismantle the border escorts' networks, and a section on co-development when it appears relevant  
581 are all important points for the EPP. Finally, solidarity mechanisms for Member States that are  
582 facing a disproportionate burden should be looked into at European level.
- 583 7. The protection of the coasts of the European Union is vital, in order to fight illegal immigration. The  
584 European Union is surrounded by sea and the majority of the illegal immigrants are entering the EU  
585 borders through it. Therefore, the creation of a European Coast Guard would contribute to combat  
586 this phenomenon.

587

588

## Ensuring Food Security and Food Safety

589

590

591 Food is an essential part of European culture and civilisation, and has major importance both in social and  
592 economic terms and in terms of public health. It affects us all, throughout our lives. Rising food prices  
593 have focused attention on how the EU can ensure a supply of good quality, affordable food for its citizens.  
594 We also face an even greater challenge of meeting increased demand for food globally. The developing  
595 world faces enormous problems as increasing commodity prices push more people into hunger and  
596 poverty, with dire consequences including famine, civil unrest and riots. Farmers across the world face  
597 huge challenges. Within the EU, they are being asked to produce more food against a background of  
598 increasing costs – quota restrictions and environmental constraints. The multi-functional nature of EU  
599 agriculture demands strict compliance with environmental, animal welfare and food safety standards.

600

### 601 **Food Security**

602 A growing world population with an increase of 80 million per year and an expected total of 8 billion  
603 people by 2025 is placing greater demands on food security, mainly but not only in the developing world.

604 We need to be open-minded in considering how much the current CAP needs to be adapted in response  
605 to new developments. Agriculture lies at the heart of the economic, ecological and social challenges of  
606 tomorrow. It is one of the key sectors of European strategy: it has economic significance, in terms of job  
607 creation; it has a role in local identity; it is closely tied to a dynamic agri-food industry, and it has  
608 environmental impact. Our ideas must also form part of a more global approach, taking account of  
609 governance worldwide, since the CAP alone will not answer problems such as world hunger or climate  
610 change.

### 611 **The European People's Party proposes:**

#### 612 **1. A renewed agricultural policy should meet four objectives:**

- 613 • **ensuring the supply of high quality products in the EU, taking into account the demands of farmers**  
614 **and consumers;**
- 615 • **contributing to the global food balance, so as to participate in world food and energy security and**  
616 **be present in the markets of the future,**
- 617 • **maintaining and developing the balance of rural areas as cultural landscapes, by ensuring the**  
618 **presence of activity and employment and to ensure the standard of living for farmers,**
- 619 • **participating in the fight against climate change and improving the environment, by creating**  
620 **agriculture which reconciles economic development and ecological efficiency.**

621 **2. The ability to cope with the volatility of markets is a determining factor if sustainable bases for**  
622 **production in Europe are to be maintained. Current forms of support, which are essentially fixed in time**  
623 **and disconnected from the real situation on the market, should be supplemented with less static tools,**  
624 **with due regard for international rules.**

625 **3. To have an efficient CAP within the EU, more account should be taken of the diversity of systems of**  
626 **production and of their needs. We need to find the right balance between sustainable agricultural**  
627 **production, while maintaining environmental protections. To meet challenges ahead, support for**  
628 **agriculture and for the agri-food industry within the CAP should be designed to encourage innovation**  
629 **and incorporate deep respect for the environment and the safeguarding of creation.**

630 **4. The high demands made of European producers in terms of health and environmental standards and**  
631 **even collective preferences such as animal welfare are legitimate, since they respond to the**  
632 **expectations of society, but they represent a high cost for producers. European production should**

633 therefore be governed by fair competition and protected from distortion, and a balance should be  
634 sought between competitiveness and social expectations.

635 **We need an increase of plant and animal production for staple foods and bioenergy by**

- 636 • **abolition of any set-aside areas within the EU and a better analysis of current EU environment/land**  
637 **use policies;**
- 638 • **accelerate moves to production and utilisation of second generation bioenergy (which processes**  
639 **manure and agricultural waste materials);**
- 640 • **research and development of new technologies for food, animal feed and welfare as well as energy**  
641 **production.**

642

643 **Food safety**

644 Where food is concerned, the EU citizens are more and more demanding with regard to the nutritional  
645 quality of the products and their safety to health. Additionally, the EPP pays special attention to the right  
646 of the consumer to decide for him or herself, especially as regards the legislations on food labeling,  
647 nutrition and health claims made about food. Information and education are essential to enable our  
648 citizens to make informed choices. We underline, that the EU citizens have the right to

- 649 • high quality food, especially regarding hygiene and safety,
- 650 • transparency and traceability of the food chain,
- 651 • clear, precise and informative food labeling,
- 652 • traditional and regional specialities, cuisines and food production,
- 653 • information and education on healthy lifestyle options.

654

655 **The European People's Party proposes :**

- 656 • **The European Food Safety Authority (EFSA) has a critical role to play in providing independent and**  
657 **scientifically based decisions and information to member states and consumers on food safety**  
658 **issues, including GM food. It should not engage in tasks which are outside its remit.**
- 659 • **Strong support for the "farm to fork" approach throughout the food chain.**
- 660 • **Support for the polluter pays principle concerning the hygiene, handling and production of food.**
- 661 • **The EU standards, including sanctions, must be applied to imported feed and food.**  
662
- 663 • **careful use of approved pesticides, fertilisers and animal health products.**  
664
- 665 • **Correct, accurate and scientifically-based food labelling Information campaigns in the Member**  
666 **States aimed at promoting healthy lifestyles, supported by the EU. Consumers should be**  
667 **empowered to make responsible lifestyle choices for themselves and their family. . Traditional and**  
668 **regional specialities, cuisines and food production should be preserved and promoted as part of our**  
669 **culture.**

670

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675



### 3. Combatting Climate Change – Our Responsibility for Future Generations

*"The only battle lost is the one not fought" - Loyola de Palacio*

#### Introduction

The Intergovernmental Panel on Climate Change (IPCC) has concluded that human activities are altering our climate system and will continue to do so. Scientific evidence shows that a significant part of the current warming is caused by humanly induced greenhouse gas emissions, mainly by the burning of fossil fuels which have been stored over millions of years in the earth's surface. The amount of greenhouse gases we add is enormous – some 26 billion tonnes of carbon dioxide alone each year.

Since 1900, Europe has warmed more than the global average, with a 0.95 °C increase, compared to the global average of 0.74 °C. The global average temperature is projected to increase by 1.8-4.2 °C and 2.0-6.3 °C for Europe (without policy measures) by the end of the present century.

In Europe, nearly all regions will be negatively affected by some future impacts of climate change, posing difficult challenges to many economic sectors. Negative impacts will include:

- increased risk of inland flash floods
- more frequent coastal flooding
- increased erosion (due to storms and the rise in sea levels)
- increased risk of forest fires (due to heat waves)
- water scarcity and droughts.

Climate change poses additional impacts on natural and socio-economic systems which are already subject to natural climate fluctuations (such as water scarcity, droughts, forest fires and floods) which cause widespread disruption in society's ability to harness natural resources. Decisions which influence the vulnerability of our societies must be made by our national and local governments, the international community, the private sector, local communities, and individuals. A global challenge needs a global response. Therefore, any political decision to reduce greenhouse gas emissions has to keep those "tipping points" in mind.

By setting clear reduction targets in March 2007, the European Union showed its willingness to fight against climate change, but the European Union cannot overcome climate change on its own. It can only try to control part of the problem and offer its readiness and political will to contribute to a global solution. In fact, no other region in the world is better suited to provide global leadership on this issue and to stimulate others by its own actions than the European Union. This EU leadership on the issue of Climate Change has also been confirmed by the decisions taken by the Heads of State and Government in December 2008. The financial and economic crisis should not be taken as an excuse to do nothing – in the contrary: we should take it as a wake-up call to modernize our economies and create new, sustainable jobs.

Therefore, we must begin now to put in place the policies and technologies, and the change of mindset needed to limit the damage caused by climate change and to promote a more sustainable way of life. This goal also has to be taken into account in the process of restructuring the energy market. The reduction of greenhouse gas emissions offers the opportunity to make us more independent from oil and gas imports. However, this must be achieved in a balanced way that will provide the necessary energy supply, while also investing in alternative ways to power our economies

As the largest European party, the EPP has already taken decisive steps towards effective action in energy efficiency, R&D and security of supply. We have made far-reaching proposals for a more sustainable, efficient and safe energy supply in our Policy Document "Europe's Energy Challenge" in March 2007. However, the challenge is huge and it is a collective responsibility to look for solutions to safeguard the

725 planet for future generations - it is in our hands to preserve creation. We consider this a political but also  
726 moral responsibility.

727

## 728 **Combatting Climate Change in Europe**

729

730 The Stern Review, which published its findings in 2006, predicted that climate change would have a  
731 serious impact on economic growth, if no mitigation was put in place. According to its findings, an  
732 investment of 1% of the global GDP is required to mitigate the effects of climate change, with failure to do  
733 so risking in a recession worth up to 20% of the global GDP.

734

735 Thus, the benefits of strong and early action far outweigh the economic costs of no action. In fact,  
736 according to the Stern Report, “the costs of stabilising the climate are significant but manageable; delay  
737 would be dangerous and much more costly”.

738

739 It is important to note that action on climate change will also create significant business opportunities, as  
740 new markets are created in low-carbon energy technologies and other low-carbon goods and services.  
741 These markets could grow to be worth hundreds of billions of euros each year, and employment in these  
742 sectors will expand accordingly.

743

744 The world does not need to choose between averting climate change and promoting growth and  
745 development. Changes in energy technologies and in the structure of economies have created  
746 opportunities to decouple growth from greenhouse gas emissions. Tackling climate change is the pro-  
747 growth strategy for the longer term, and it can be done in a way that does not cap the aspirations for  
748 growth of developed or developing countries.

749

750 Therefore, the EPP wants the European Union to be the frontrunner in carbon-free and low-carbon  
751 technologies. We are convinced that a courageous and rapid move towards the most modern and efficient  
752 technologies will benefit not only our climate and provide the basis for a global solution, but that it will  
753 also be beneficial for the economy as it will make us much less dependent on the import of fossil fuels.  
754 Therefore we consider the decarbonisation of our economies as a win-win situation which modernizes our  
755 economies and makes us less dependent on the import of fossil fuels.

756

757 The EPP’s main goal is to limit the average global temperature increase to 2° C above pre-industrial levels  
758 in order to avoid dangerous global warming. Research shows that stabilizing the level of greenhouse gases  
759 at 450 ppme (parts per million of CO<sub>2</sub> equivalent) would lead to a one in two chance of staying within the  
760 framework of a 2° C rise. This 2° C goal is essential and will be the determining figure in order to set the  
761 emission rates allowed in the future. The EPP calls for a 30% reduction in greenhouse gas emissions until  
762 2020 (compared to 1990 levels) according to the decisions adopted in the European Council in March  
763 2007. We also endorse the concrete measures taken by the European Council in December 2008 in order  
764 to implement the reduction measures while at the same time safeguarding the competitiveness of  
765 European industries. We are aware that those are ambitious goals that will require better integration of  
766 the climate change objectives in the relevant policy areas, strong efforts in energy efficiency, the  
767 promotion of carbon-free energy as well as the implementation and improvement of the Emission Trading  
768 System in all areas concerned. But we are willing to take the challenge, and perceive it as our duty to keep  
769 the earth an inhabitable place for future generations.

770

## 771 **Promoting Energy efficiency and Energy saving**

772

773 Energy efficiency in the production of electricity, the building sector, heating, transportation and products  
774 will be one of the key areas for reducing our energy consumption. Efficiency can be increased by  
775 enhanced standards, well-balanced tax/levy systems, and the application of the Life Cycle Cost Efficiency  
776 Principle to the purchasing decisions/choices of consumers. In electricity production the most modern  
777 technologies (e.g. combined heat-power generation) have to be applied.

778 The EPP welcomes the Commission's proposal to cut the total primary energy consumption in the EU by at  
779 least 20% by 2020, and encourages the creation of an international framework agreement on energy  
780 efficiency which favours energy saving mechanisms like efficient street lighting and passive heating and  
781 cooling systems for buildings. If Europe manages to deliver, its energy bill could be slashed by an  
782 estimated 60-100 billion Euro every year. This would also prevent 780 million tonnes of CO2 from being  
783 emitted in the atmosphere, or twice the amount the EU agreed to under the Kyoto Protocol. With regard  
784 to heating and building insulation, the Member States should grant benefits to owners who enhance  
785 energy efficiency in their buildings.

786  
787 In the transportation sector, the efficiency of cars has to be increased dramatically. Therefore, we call on  
788 the European car industry to make fuel efficiency an important target when developing new models. Also  
789 the air transport sector has to deliver a significant reduction – mainly by a rapid realization of the “Single  
790 European Sky” and the integration of air transport (as well as maritime transport) into the ETS. The EU  
791 should also further develop trans-European railway networks in order to provide rapid alternatives to air  
792 travel.

793  
794 The electricity consumption of products sold in the EU should be clearly marked on energy labels.  
795 Appliances which consume electricity even when turned off should be banned from the market. The EPP  
796 calls on the European Union and the Member States to promote campaigns for more awareness on the  
797 issue of climate change. The media also play a role and should not mislead the public with wrong  
798 information and manipulated data just in order to present more controversial debates on the issue.

#### 799 800 **Emission trading**

801  
802 The EPP is convinced that a genuine market-based system of reducing emissions should be applied where  
803 possible. An improved Emission Trading System could be the most important contribution to a significant  
804 reduction of greenhouse gases because it internalises external costs so that a market-based mechanism  
805 can reduce emissions where the costs for the economy are lowest. The cost-free allocation of emission  
806 allowances should be gradually reduced because only then a functioning market can be created. As many  
807 sectors as possible, e.g. chemicals, aluminium, coal mines, air and maritime transport, have to be  
808 integrated globally into the system in order to create a level playing field. We welcome the decisions to  
809 establish workable thresholds – Carbon leakage will not help the climate but risk jobs in Europe.

#### 810 **Renewable energy**

811  
812 The switch towards carbon-free energies is beneficial for the climate and it also makes us less dependent  
813 on the import of fossil fuels from politically unstable regions. The investments will pay off in a double way.  
814 The EPP stresses the need for increased efforts in research and development (R&D) and in moving new  
815 technologies from the laboratory to the market place in order to enable the application of innovative  
816 disruptive technologies in all areas of production and the use of energy. The European Union should be  
817 the market leader in the most modern, energy-efficient technologies.

818  
819 Renewable energy represents a huge potential, which in most of the EU Member States is not yet used to  
820 the scale it could be. Energy from hydropower, including wave, sun, wind, geothermal energy and biomass  
821 will have to be exploited on a much larger scale if we are serious about reaching the CO2 reduction goals.  
822 Renewable energy should have a share of at least 20% of the energy mix in the EU by 2020 but the aim  
823 should be to increase this share even further. The Commission should offer the opportunity for the  
824 Member States to establish sector-specific targets, especially for electricity production, heating and  
825 cooling, and transportation as proposed by the Renewable Energy Roadmap.

826  
827 Also in the future, each Member State will continue to choose its own energy mix, based on the  
828 geographical, economical, regional, climate and structural differences. But equally, each Member State

829 will have to fulfil its obligations to reduce CO2 emissions and to gradually increase the share of energy  
830 from low-carbon or carbon-free energy sources to the targets to be proposed in the burden-sharing  
831 regime. Incentives to comply with the targets should be cost-efficient. Each Member State should be able  
832 to choose the most appropriate measures to promote renewables. The aim is to ensure that national  
833 policies are aligned with the common EU objective, and at the same time take into account local  
834 circumstances.

835  
836 Member States should examine whether there are administrative barriers to successful deployment of  
837 RES (Renewable Energy Systems), such as unfavourable territorial planning rules, overly complicated  
838 permitting procedures or unclear responsibilities within authorities. The removal of such obstacles should  
839 be treated as a priority.

840  
841 The EPP supports the minimum target for biofuels, but stresses that clear standards and a certification  
842 scheme have to be introduced to ensure sustainability, especially for imported biofuels.

### 843 844 **Nuclear energy**

845  
846 Nuclear power stations contribute to stable base-load electricity, and produce relatively cheap energy  
847 with no CO2 emissions. Without nuclear energy, we would have emitted billions of tons more CO2 into  
848 the atmosphere. The current share of nuclear energy in the EU electricity production is 30%, it employs  
849 around 400,000 qualified people and avoids the emission of over 720 million tons of CO2 into the  
850 atmosphere, an amount comparable to the total annual CO2 emissions of the 210 million passenger cars  
851 in the European Union. The EPP is convinced that many countries will also need nuclear energy in the  
852 future because they will not be able to rely on renewables alone to secure base-load electricity. Nuclear  
853 power can contribute to fulfilling our commitment to reduce greenhouse gases. But we demand that  
854 every power station meets the highest possible standards concerning safety and that more research will  
855 be dedicated to the storage and reprocessing of nuclear waste.

856  
857 Taking into account that the debate on the future use of nuclear power is still open in many countries, the  
858 EPP according to the principle of subsidiarity, supports that each Member State should decide on the  
859 energy mix that it will follow, respecting each country's geographical, economic, regional and climate  
860 differences, and provided that all countries meet the emission reduction targets.

### 861 862 **Fossil fuels**

863  
864 The use of coal, oil and gas– will have to be used with much more consideration in the future. We will  
865 have to use less fossil fuels and we will have to use them more efficiently.

### 866 867 **Other greenhouse gases**

868  
869 Whereas carbon dioxide is certainly the most important greenhouse gas, the others should not be  
870 neglected when we are looking for a sustainable solution. In particular, the emission of methane has to be  
871 addressed. Therefore, strategies to reduce methane emissions from paddy rice and ruminant animals  
872 have to be developed.

### 873 874 **The fight against deforestation**

875  
876 Deforestation accounts for 25% of greenhouse gas emissions, and the pace of tropical deforestation and  
877 the negative impact on the global absorption capacity of natural sinks and biodiversity is alarming.  
878 Therefore, the EPP suggests that reducing, and in the long term halting, deforestation and forest  
879 degradation, and ensuring sustainable afforestation and reforestation, provides a cost-effective  
880 contribution to mitigating greenhouse gas emissions and to conserving biological diversity, promoting  
881 sustainable forest management, and enhancing security of livelihoods. Furthermore, the EPP strongly

882 believes that performance-based incentives to avoid deforestation need to be part of the future climate  
883 regime, and that it will be vital to create a strategic partnership with the countries most concerned with  
884 tropical deforestation, and to incorporate such incentives in the allocation of development aid by donors  
885 in Europe and worldwide.

886  
887 **Adaptation to climate change**  
888

889 All parts of Europe will increasingly feel the adverse effects of climate change. Therefore, adaptation  
890 efforts have to be stepped up and well-coordinated at all levels and in Community policies.

891 Adaptation will also bring about new economic opportunities including new jobs and markets for  
892 innovative products and services. European companies are currently leading in the world market on  
893 adaptation strategies and technologies, and we must maintain that competitive advantage by rapidly  
894 putting into place adaptation measures, such as climate-proof building techniques, improved agricultural  
895 management practices and new effective insurance products. This should be explored in close co-  
896 operation with the private sector.

897 European agriculture will face many challenges due to climate change. As increased heat waves, droughts  
898 and pests will more and more affect crop yields, livestock management and food production, the role of  
899 agriculture and forestry management techniques will increase as well. Several measures can be put in  
900 place such as efficient water use, promotion of climate resilient forest management, soil management  
901 measures and protection of permanent grasslands and multifunctional landscapes.

902 Emphasis must be placed on conserving and restoring biodiversity and ecosystem services in the wider  
903 countryside and marine environment, making regional and territorial development compatible with  
904 biodiversity, and reducing the undesirable impacts of invasive alien species.

905  
906 **A global solution to a global threat**  
907

908 We need a global approach which includes not only the industrialised countries but also the developing  
909 countries as well as the least developed countries.

910  
911 Since the consequences of climate change will affect us all, all countries need to take measures according  
912 to their level of development and their own capabilities in order to achieve globally binding targets in a  
913 fair and sustainable way. In this system, the developed countries will have to deliver the largest  
914 reductions, but also the developing countries will need to make considerable efforts to limit their  
915 greenhouse gas emissions. The combat against climate change will only be successful if we follow a global  
916 approach; the EPP therefore demands that the EU seeks diplomatic and political solutions and convinces  
917 others - especially the US, China and India - to undertake joint actions. In this context, the worldwide  
918 transfer of the appropriate knowledge and technology is of special importance in order to enable every  
919 country to implement the appropriate measures.

920  
921 In a global effort, developed countries must commit to cutting their greenhouse gas emissions by 30%  
922 compared to 1990 levels by 2020, as part of a post-2012 international agreement. As developed countries  
923 are technologically and financially able to reduce their emissions, they should lead the worldwide efforts  
924 on combatting climate change. Emission Trading System will ensure the cost-effectiveness of emission  
925 reductions.

926 The main emphasis of the UN post-2012 framework model should, in our opinion, be on energy savings  
927 and eco-efficiency, low-emitting technologies and its development.

928 To reach the technological change required, we need further international research and technological  
929 cooperation, especially with third countries. This should include setting up large-scale technology

930 demonstration projects in key developing countries. International research cooperation should, inter alia,  
931 assist the quantification of regional and local impacts of climate change as well as the development of  
932 appropriate adaptation and mitigation strategies. The more we cooperate on an international scale  
933 producing institutionally feasible agreements, the greater our results will be in terms of limiting global  
934 warming.

935  
936 Public authorities at all levels - regions, cities and communes - do have a particular responsibility as far as  
937 the fight against the challenges of climate change is concerned. The public sector can and must be the  
938 "pace-setter" for sustainable development. This is especially important when strengthening regional and  
939 local economic cycles.

940  
941 The EPP has always been a political reference when adopting and developing environmental policies. With  
942 this document, the EPP ratifies its commitment to environmentally sustainable policies, and establishes a  
943 new pact with the European citizens: the Environmental Preservation Pact (EPP).

944  
945 With this pact, the EPP awakens the "Eco-logic" consciousness of the European citizens, and renews its  
946 commitment, as it has done on many occasions in the past, to continue working to develop policies for the  
947 global welfare of society.

948  
949 **The European People's Party proposes:**

- 950
- 951 • **The average global temperature increase to 2° C above pre-industrial levels should be limited in**  
952 **order to avoid dangerous global warming; greenhouse gas emissions should be reduced by 30%**  
953 **until 2020 in the event of an international agreement;**
  - 954 • **Maintaining the EU's international leadership on climate change and promoting climate change**  
955 **dialogues with international partners;**
  - 956 • **Leading and setting priorities in the debate on the post-2012 climate policy;**
  - 957 • **Strengthening international cooperation in order to reach a decision on a post-2012 agreement**  
958 **by the end of 2009 in Copenhagen;**
  - 959 • **Stressing Research and Development on climate change friendly technologies, taking into**  
960 **account the important role of SME's in this area; the European Union should be the market leader**  
961 **in the most modern, energy-efficient technologies;**
  - 962 • **Progressing with the implementation of EU policies and focusing on reviewing the current EU**  
963 **Emissions Trading System (ETS), renewable, effort sharing etc;**
  - 964 • **Renewable energy should have a share of at least 20% of the energy mix in the EU by 2020; the**  
965 **Commission should offer the opportunity for the Member States to establish sector-specific**  
966 **targets as proposed by the Renewable Energy Roadmap;**
  - 967 • **The efficiency of cars has to be increased dramatically; the European car industry should make**  
968 **fuel efficiency an important target when developing new models;**
  - 969 • **The air transport sector has to deliver a significant reduction in emissions – mainly by a rapid**  
970 **realization of the "Single European Sky";**
  - 971 • **The trans-European railway networks have to be further developed in order to provide rapid**  
972 **alternatives to air travel;**
  - 973 • **The total primary energy consumption in the EU should be cut by at least 20% by 2020; electricity**  
974 **consumption of products sold in the EU should be clearly marked on energy labels;**
  - 975 • **Nuclear energy will be needed by some countries in the future as it can contribute to fulfilling our**  
976 **commitment to reduce greenhouse gases; every power station must meet the highest possible**  
977 **standards concerning safety; more research has to be dedicated to the storage and reprocessing**  
978 **of nuclear waste;**
  - 979 • **Deforestation and forest degradation has to be reduced and in the long term stopped, and**  
980 **sustainable afforestation and reforestation has to be ensured; the EPP welcomes the Commission**  
981 **Communication on this;**
- 982  
983

#### 4. Tackling the Demographic Challenge – Solutions for the Ageing of our Societies

Population ageing is both a challenge and an opportunity. Seizing this opportunity will require the co-operation of governments, employers, civil society and the European Union to adopt and implement a new agenda of age-friendly employment, entrepreneurship, volunteering policies and practices. The regional and social implications of population ageing must also be taken into consideration. Essential public goods and services, such as healthcare, housing, urban planning, transport and tourism services will be affected in ageing societies.

By the year 2050 the population of the European Union will have declined to 449 million, compared to its peak population of 470 million in 2025. In OECD countries the population over the age of 65 could more than double by the year 2050, reaching as high as 70% of the working age population. In the EU-25, the share of population of working age therefore is expected to decrease dramatically, from 67.2% in 2004 to 56.7% in 2050, a fall of some 52 million people.

The challenges that this phenomenon poses to policy are wide-ranging, as it touches on education, employment and social protection. The main drivers of demographic change are the birth and mortality rate as well as migration.

As the biggest pan-European party, the European People's Party (EPP) therefore says: The time for action is now.

#### **Healthcare, Social Security and Pensions**

The social and economic implications of population ageing are manifold and its impact on the social security systems in the EU cannot be underestimated.

Demographic trends:

- 1) *Low birth rate* – the current birth rate lies at 1.5 children for the EU-25. A limited increase of 1.6 is projected for the EU-25 by 2030.
- 2) *Ageing of baby-boom generation (45-65)* –this will lead to a substantial increase in the proportion of older people in Europe, and thus of pensions and other welfare spending.
- 3) *Higher life expectancy* – after increasing by eight years since 1960, life expectancy at birth could rise further by at least another five years by 2050.

As far as health policies are concerned, a wider “healthy ageing” strategy which focuses on promoting healthier lifestyles throughout life should be developed. This should go hand in hand with the adoption of the European Voluntary Quality Guidelines for health and long-term care in order to guarantee the right to dignity for elderly people across all Member States.

Ageing will lead to ever greater pressures on public spending, although the situation will vary widely from one country to another. National policy makers all over Europe therefore have to improve the viability of social security systems.

Age-related public spending will rise by 3 to 4 GDP points between 2004 and 2050, representing an increase of 10% in public spending related to pensions, health and services expenditures. This could undermine the potential for economic growth and compromise the functioning of the single currency, causing serious risk to pensions and health benefits across the European Union.

Pension reforms in Europe should be developed so that the effective age of retirement adapts to demographic developments. Subsidized early retirement should be stopped, unless justified by the

1037 hazardous conditions for the health of the workers. Unemployment, disability and other welfare benefits  
1038 must not be used as alternative pathways to an early exit from the labour market. Public employment  
1039 services should assist those elderly workers who want to re-enter the workplace.

1040  
1041 Solidarity between the generations means that the burden of pension schemes should be proportionally  
1042 distributed across generations and must not only lie on the shoulders of young citizens. Furthermore,  
1043 private pension funds should be established as a supplement to public ones.

#### 1044 1045 **Reconciliation of Family and Work Life**

1046  
1047 At present European citizens face major difficulties in reconciling their work and family life. For many  
1048 parents, especially for women, finding the balance between high qualification and success on the labour  
1049 market, and their wish to raise a family, is very difficult to achieve. Family friendly policies that improve  
1050 flexibility for working parents have to be introduced. Our educational systems and our work patterns have  
1051 to be more flexible in order to support them. The importance of supporting family life should be  
1052 prioritized in policies such as education, employment, transport, health and inclusion of young people.  
1053 Furthermore, better child care and housing policies have to be provided and parental leave for both  
1054 working parents has to be encouraged.

1055  
1056 We also have to consider the question of how strengthened flexibility with temporary contracts and lower  
1057 dismissal protection could affect family planning. The same applies to current middle class wage earners  
1058 who feel in danger of dropping out of the so-called middle class. We especially have to examine whether  
1059 young families can get sufficient access to services which they feel are needed to raise their children.

1060  
1061 Responsibilities need to be shared between the state and private industry. It should be our priority to  
1062 establish more children-friendly societies by: improving the availability and access to childcare facilities,  
1063 creating better financial conditions for young couples (through more effective family welfare allocations),  
1064 family-friendly fiscal policies, and the reduction of social security contributions for parents with disabled  
1065 children. The potential of our workforce should be enhanced through more and better education and life-  
1066 long learning schemes. The private sector is invited to: support young people's entrepreneurship and  
1067 provide more flexibility with respect to working time, look for new ways in the career planning of its  
1068 workers, especially of female workers, and guarantee sufficient child care facilities within the working  
1069 place. We believe that the new orientations for family policies will also contribute to growth and  
1070 employment and facilitate female labour force participation.

1071  
1072 We also invite Member States to further commit themselves to adapting their policies in support of family  
1073 life to take account of demographic ageing and the growing diversity in family relationships. Policies  
1074 aimed at reconciling work and family life can have a positive influence on both (female) labour force  
1075 participation and fertility. Countries which have: individual entitlement to parental leave for both men and  
1076 women, investment in high quality childcare services and more flexible organization of working time,  
1077 generally have both high birth rates and high levels of female employment.

1078  
1079 Balancing of professional, family and private life is an integral part of the Lisbon Strategy. Through the  
1080 emphasis placed on equality between men and women and equal opportunities more generally, the  
1081 Lisbon Strategy constitutes a framework of support for the development of national family policies. In the  
1082 same way, we support the childcare targets adopted by the European Council in 2002 and other initiatives  
1083 launched by the European Commission in support of demographic change and family life.

#### 1084 1085 **Education and Access to the Labour Market**

1086  
1087 Over the next 30 years, the dynamics of population ageing will have important implications on workforce  
1088 composition. Working-age population within the EU will decrease by over 52 million between now and  
1089 2050. Moreover, the old-age dependency ratio between the passive population (people aged 65 years and



1090 over) and the active population (those aged 15-64) is set to double and reach 53% by 2050. This means  
1091 that the EU will change from having 4 to only 2 persons of working age for each citizen aged 65+, resulting  
1092 in serious pressure on the welfare systems across Europe. The related costs have been calculated with a  
1093 drop of potential growth of European GDP of up to 1.2% between 2031 and 2050, if no action is taken.

1094  
1095 Youth, women, immigrants and elderly workers are particularly affected by either unemployment or  
1096 labour market inactivity. A greater participation of these categories in the labour market should be  
1097 encouraged. The participation of people aged over 65 in the economic and social fabric must be promoted  
1098 as an opportunity and not presented as a constraint. Flexible retirement must be encouraged and those  
1099 who are still fit and willing to work should do so even after their official retirement age.

1100  
1101 Education is key for the EPP. Higher levels of education are associated with significantly higher  
1102 employment rates and much lower unemployment rates. In 2005, the average employment rate among  
1103 the highly-skilled in the EU was 82.5%, for the medium-skilled (those having completed upper secondary  
1104 education) it was 68.7%, whereas for the lowest skilled it was only 46.4%.

1105  
1106 Life-long learning is especially important as early formal education may not suffice on its own to meet the  
1107 challenges posed by technological change and globalization. We also need to facilitate training and  
1108 learning of IT skills and computer knowledge for people of all ages. A key issue could be to encourage co-  
1109 financing between public and private enterprises where needed. We therefore invite Member States to  
1110 follow the targets specified by both the Lisbon Strategy and the European Employment Strategy which  
1111 aim to increase employment and growth.

#### 1112 1113 **Migration: An Opportunity for the EU to Respond to the Demographic Crisis?**

1114  
1115 The Member States should promote mobility and complete the Single Market. The EU needs a long-term  
1116 strategy in order to encourage and attract talented, qualified and skilled workers from the rest of the  
1117 world in order to become the most competitive and dynamic knowledge-driven economy. In fact, it is not  
1118 enough to bring migrants into Europe, we need to integrate them and offer them fair working conditions.  
1119 Therefore, awareness of the long-term implications on the social and economic systems of both legal and  
1120 illegal immigration, and the need for Member States to address the demographic features of these  
1121 communities, is vital.

1122  
1123 The EPP supports the fact that the Commission and European Parliament is working in co-operation with  
1124 the Member States to develop a common asylum and migration policy which focuses on legal immigration  
1125 for work purposes in order to satisfy requirements in certain sectors of the labour market, particularly  
1126 SMEs. EU migration policy should be supplemented by policies that integrate third-country nationals,  
1127 allocate greater financial resources, and include partnerships with third countries. This can be achieved  
1128 through marketing campaigns on a European and international scale and it should also include financial  
1129 incentives for migrants with skills and assistance for employers to recruit those migrants from outside the  
1130 EU.

1131  
1132 Integration programs should support legal immigrants to actively participate, rather than being passive  
1133 beneficiaries. In this sense, the EPP favours access to entrepreneurial incentive schemes for legal  
1134 immigrants. Language courses, vocational training, mentoring programs, life-long learning and enhanced  
1135 job placement attempts are needed to assist those immigrants disadvantaged in the labour market.  
1136 Ultimately, these efforts can contribute in the fight against discrimination while at the same time ensure  
1137 that immigrants are better integrated into labour markets and societies in general.

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1143 **The EPP proposes:**

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- **National policy makers all over Europe have to improve the viability of social security systems;**
- **The burden of pension schemes should be proportionally distributed across generations in order to safeguard solidarity between generations;**
- **Family friendly policies that improve flexibility for working parents have to be introduced;**
- **Better child care and housing policies have to be provided and parental leave for both working parents should be encouraged;**
- **Flexible retirement must be encouraged and those who are still fit and willing to work should be able to do so, even after their official retirement age;**
- **Life-long learning is especially important in order to cope with the challenges posed by technological change.**

## 5. Uniting Europe on the World Stage

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Europe needs to speak with one voice. This is what our citizens and our global partners expect from us. The EU has, with the development of a Common Foreign and Security Policy, European Security and Defense Policy and the High Representative undergone important steps in the direction of a Common European Foreign – and Security Policy which will strengthen Europe’s role in the world. This process has to be continued. Often, the EU functions as a bystander rather than an actor and a leader. In the G8, in the UN or even in the IMF, the European Union is not considered as a first-tier political actor. In Washington, Moscow, or Beijing, the EU is primarily viewed as a super-NGO endowed with significant financial resources and specialized know-how. Europe should though be in the position to, together with its global partners, pursue European interests in the world, take responsibilities and embrace the challenges of the 21<sup>st</sup> century. It is essential to find the right answers to this changed balance of power and to the threats which international terrorism and weapons of mass destruction pose on our societies. We would like to support a Common Foreign- and Security Policy integrated into a security strategy which also takes energy policy and natural resources into account. This is why we have to set the political and institutional premise in order for the EU to be able to act and to speak with one voice.

The European People’s Party is determined to change this:

**The Union itself.** With the most recent enlargement cycle, the EU has managed to embrace most parts of the continent. As a consequence, the EU is not only endowed with new means but also with new ambitions. For the future though it has to be clear that in order to become a Member of the European Union not only the fulfillment of political and economic criteria must be obtained but also the capacity of the EU to continue the European integration process must be taken into account. The identity and the capacity of the EU to act have to remain. When the Lisbon Treaty is ratified, it will grant the EU legal status, more efficient and democratic institutions, a major competency on foreign affairs and, for Member States that wish so, some capacities for common defense action. In most Member States, a large majority of citizens appear to have greater trust in the common foreign policy action of the Union rather than the independent action of their own countries: citizens want Europe that protects and reassures them. The successive foreign policy crises of the last 15 years in the Balkans, the Caucasus, Russia, the Middle-East and Iran, have revealed the shortcomings of national, ill-coordinated, and sometimes contradictory policies.

**Our neighborhood.** The European neighborhood stretches from Mediterranean countries to the Eastern neighbors and Russia. The EU creates a significant security impact at the global level by projecting its own model to other regions, especially at the South border of the EU. It is the meeting point of various religions and the stage of intractable conflicts, socio-economic, and political grievances. Illegal immigration, illicit arms and drug trafficking as well as international terrorism are some of the challenges that face the Mediterranean.

This is the reason why we would like to enhance the cooperation with our neighboring countries. Therefore the EU-Neighborhood Policy, in the interest of the EU and our neighboring countries, has to be strengthened and the difference of each country has to be taken into account. A stronger connection of these countries to the EU would also broaden the area of stability and security around the EU. The EU objectives for the Neighborhood Policy are to avoid new dividing lines and to strengthen the prosperity, stability and security in the region. However the Russian-Georgian conflict demonstrates security vacuum, especially in the Eastern neighborhood and an urgent need to reconstruct Europe's security architecture. The EU can no longer pretend that its goals and Russia's are in harmony. However an open and realistic debate with Russia should be developed over priority issues, such as stability beyond the EU’s Eastern borders, energy security and international tasks that require Russia’s involvement.

**The world.** - Until recently we were under the illusion that our historic attainment of perpetual peace was spreading as an unstoppable force outside its borders. The awakening is rude: Islamist terrorism brought

1212 bloodshed to London and Madrid like in New York, Islamabad, Marrakech and only recently in Mumbai. In  
1213 the last 7 years, 25 European States have been engaged in Afghanistan, in a military operation that is  
1214 getting deadlier by the day with no end in-sight. The endless Israeli-Palestinian conflict keeps fueling anti-  
1215 Western feelings not only in the Muslim world, but also in the Muslim communities of Europe. Iran  
1216 continues, aloofly, to undermine the nuclear non-proliferation Treaty and to develop long-range missiles  
1217 that could reach or even strike our continent.

1218  
1219 A stronger involvement of the EU in international crisis prevention and conflict solution activities is very  
1220 important. One of Europe's strengths is Diplomacy which enjoys a high credibility and trust in many parts  
1221 of the world. Europe should use these strength in order to stabilize the Near and Middle East and bring  
1222 peace to these regions. Peace and stability in the Middle East would also help to overcome tensions  
1223 between Western and Islamic countries. The EU carries these responsibilities together with the US, Russia  
1224 and the UN in order to revive the plans for the "road map".

1225  
1226 The EU and the US share common values and interests. We as the EU have therefore to, with our partners,  
1227 fight for and strengthen freedom, democracy, human rights, the rule of law and rules of market economy.  
1228 The new US administration will give us the opportunity to review and re-assess the main priorities of  
1229 common EU-US concern and to find ways in which our reinforced transatlantic partnership will tackle the  
1230 new global challenges. Also, the EU must engage in an open and honest manner with the emerging  
1231 economic superpowers but, at the same time, it must scrutinize all of their actions on the international  
1232 stage. The experience and prestige the EU has achieved over the years must be transformed into a  
1233 leading role in world affairs – our authority, for example, in dealing with climate change is recognized  
1234 internationally and is indisputable. Europe, therefore, has an important role to play in re-defining the rules  
1235 and norms of international affairs for the 21<sup>st</sup> century.

1236  
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### 1238 **EPP Priorities on Foreign Policy**

1239 The Lisbon Treaty makes common foreign policy possible and citizens are looking forward to it: the EU  
1240 must not be the 28<sup>th</sup> foreign policy option of European diplomacy; the EU must become the proposal-  
1241 making actor, the one which **formulates** and **coordinates** the implementation of a common foreign policy  
1242 strategy, and **speaks** with a single European voice. The envisaged **High Representative for Foreign Affairs**  
1243 **and Security Policy** will bring greater coherence and will underpin our common foreign policy approach.  
1244 The starting point must be an agreement on a **European agenda**: while leaving aside unforeseen crises,  
1245 we must identify all of our common foreign policy priorities and objectives.

1246  
1247 At the same time, we should deal with our American friends as **equal partners**. Even though the priorities  
1248 of the EU and the US are not necessarily the same, we must stand side-by-side and manage jointly our  
1249 common foreign policy challenges such as the spreading of democratic values and the suppression of  
1250 fundamentalist terrorism. Moreover, the EPP must continue to foster its fruitful relations with like minded  
1251 political parties and organizations in North America, who share our values, since this will reinforce, on a  
1252 **political level**, the transatlantic partnership.

1253  
1254 **First objective for the next five years: to consolidate the post-Cold war era.** EU's area of peace,  
1255 democracy, security, respect of the rule-of-law, respect of human rights and of the territorial integrity of  
1256 each country must spread outside the EU, to transition countries in Eastern Europe and the Caucasus. At  
1257 the same time, it's the Union's responsibility to implement a comprehensive and viable policy towards  
1258 Russia. The EU has high interests in good relations to and on a successful reform policy in Russia. Russia  
1259 furthermore is a very important partner for the EU. This is the reason why we support a continuation and  
1260 finalization of the negotiations of a Partnership and Cooperation Agreement. The interests of center- and  
1261 eastern European countries must though be taken especially into account. A partnership must include an  
1262 open and critical dialogue on developments of democracy and the rule of law in Russia and furthermore  
1263 Russia's role in Eastern Europe and the Caucasus.

1264

1265 Peaceful coexistence with our non-EU neighbors is not sufficient – we must strive to live together in an  
1266 area dictated by democratic principles and the rule-of-law. The recognition of borders, the respect of  
1267 national sovereignty, the freedom to choose alliances, the observance and adaptation of the Treaties on  
1268 nuclear and conventional forces, and the transformation of the OSCE into a real European security pact,  
1269 must all be embraced by our non-EU neighbors. Also, the negotiation of a new framework-agreement  
1270 between the EU and Russia must be balanced and mutually beneficial, while securing EU's interests.

1271

1272 In the light of this objective the EU must come up with a real neighborhood policy. This policy should not  
1273 offer the same degree of partnership to all of our neighbors: Belarus and Morocco for example have few  
1274 problems in common. But many common principles could be formulated in a '**Neighborhood Charter**':  
1275 peaceful relations based on the rule of international law, respect for each other's independence, respect  
1276 of good neighboring relations, reciprocity of commitments, implementation of mutual agreements in  
1277 compliance with international law (Universal Declaration of Human Rights, Non-proliferation Treaty etc.).  
1278 The Barcelona process–Union for the Mediterranean, and the partnership proposed by Poland and  
1279 Sweden to the East, constitute appropriate frameworks for this new policy.

1280

1281 **Second objective: to put an end to terrorism.** We believe in a peaceful coexistence of cultures. We would  
1282 like to strengthen the cooperation with Muslim countries in order to increase their trust in western  
1283 cultures and traditions. This is the reason why also we should be more open and willing to deal with  
1284 existing democratic traditions in the Arabic world. Europe respects all religions and beliefs. Together with  
1285 its allies, Europe is fighting against fundamentalist terrorism and Al Qaeda extremism whose primary  
1286 victims are the Muslim people themselves. We are well-aware of the damage made in the West by the  
1287 systematic confusion between fundamentalist terrorists on the one hand, and mainstream Islam on the  
1288 other. We must put all of our efforts in isolating religious extremists from Islamic communities and  
1289 societies and from moderate Muslim political regimes. At the same time, the EU must have a clear policy  
1290 and push for the two-states-formula in the Israeli-Palestinian conflict while maintaining the security of  
1291 Israel, as well as with Pakistan, a key actor in the Afghan conflict. The fight against terrorism must also  
1292 include operations within the EU's borders and against political terror organizations like ETA and PKK.

1293

1294 **Third objective: to prevent the start of new cold wars.** If we are not careful, the second half of the 21<sup>st</sup>  
1295 century may resemble the second half of the 20<sup>th</sup>, in other words a fragile balance of terror between  
1296 opponents commanding apocalyptic weapons. But there will be one major difference: this time, the game  
1297 will not only involve two worldwide actors, in control of themselves and of their allies, but a range of  
1298 actors that are often threatened by internal instability and complex regional factors.

1299

1300 Thus, the EU must call for the strengthening of the fundamental Treaties on the non-proliferation of  
1301 weapons of mass destruction and promote agreements that will secure regional balances. This implies  
1302 that the EU will dare inviting itself to all disarmament negotiations; including the nuclear ones.

1303

1304 **Fourth objective: to improve the conditions for a sustainable globalization based on rule of law,  
1305 effective multilateralism and free trade.** Strengthening the WTO is of fundamental importance for global  
1306 prosperity and helps to defuse conflicts based on diverse national economic interests.

1307 Post-cold war international institutions have been up to the task but they are ill-adapted for the  
1308 challenges of the new century. It is in this field where European "soft power" is most credible. The EU  
1309 should have two guiding principles in this process: 1) to restore the full legitimacy of international  
1310 organizations which, for the moment, do not take sufficient account of the new democratic and economic  
1311 power struggles; and 2) to reinforce these organizations as well as international agreements on new  
1312 worldwide challenges: better functioning of international financial markets, environment protection, the  
1313 management of migratory flows, the handling of precious resources like water, energy, and rare  
1314 commodities, the management of new information technologies, common ethic rules for scientific  
1315 research, etc.

1316 **Fifth objective: to intensify the global development cooperation.** Fighting poverty and supporting  
1317 economic and social development in Africa as well as in the less developed countries in Asia and Latin  
1318 America is an important task for the coming years. A sustainable globalization must include all countries  
1319 and provide opportunities for all peoples. Environmental and health policies as well as policies for better  
1320 education and development of physical infrastructure are all areas where the EU could give substantial  
1321 contributions to a better world. The partnership of the EU to our neighboring continent Africa should be  
1322 more effective and strengthened.

1323 **Sixth objective: to strengthen international organizations** in particular the UN as it has the highest  
1324 legitimacy to address and solve global problems. We, therefore, appeal for a stronger and more efficient  
1325 UN. We furthermore would like to see a more effective multilateralism which more intensively includes  
1326 emerging nations and developing countries. The IMF should also be strengthened as it contributes to  
1327 more stability and security on international financial markets.

#### 1328 The EPP priorities on Security and Defense Policy

1329 It is the moment of truth. As far as military matters are concerned, the most dreadful duplication is not  
1330 between the NATO and EU Headquarters but between our own national armies, most of which are now  
1331 considered obsolete. European countries spend \$250 billion, i.e. half of the American military budget, to  
1332 finance 27 armies, 23 air forces and 20 fleets without being able to send more than 2% of their troops to  
1333 combat: rarely has the cost/benefit efficiency ratio been that low for such an important issue. Currently,  
1334 national armies are constructed with very dated ideas and structures and have weapons that are designed  
1335 to face a military situation that existed 50 years ago yet were unable, for example, to line-up a few dozen  
1336 European helicopters that were necessary to maintain peace in Darfour between some nomad tribes  
1337 armed with bazookas and rifles.

1338 **Europe's biggest enemy is the misperception of time.** Fifteen years after the addition to the Treaties of  
1339 the concept of common foreign, defense and security policy, ten years after the Saint-Malo agreement  
1340 and the appointment of the High-Representative, and despite some substantial successes in Congo and in  
1341 Aceh (Indonesia), each Member State keeps acting as if it still has twenty years of preparation in order to  
1342 deal with the complex military challenges of today's world.

1343 Thus, in order to give new impetus to the current European defense architecture, while respecting the  
1344 neutrality of some Member States, the EPP proposes the establishment of a **European Security and**  
1345 **Defense Pact**, which will include:

- 1346 1. A **political agreement with the United States** and our other allies on the division of political and  
1347 military tasks and on the respective role of the EU and NATO in the present world.
- 1348 2. The **definition of the content in the commitment on mutual solidarity** between all the EU Member  
1349 States, be incorporated in the Lisbon Treaty. Furthermore, we would like to include a European  
1350 defense in a political and military mutual assistance pact in close relations with NATO.
- 1351 3. The **updating of the "European Security Strategy"** adopted in December 2003. We need to identify  
1352 and deal with the common threats that we face, together.
- 1353 4. The presentation by each Member State of the **industrial, technological, military, financial and**  
1354 **human resources that they are ready to commit** in the framework of Community solidarity and the  
1355 European Security Strategy.
- 1356 5. The commitment by every Member State **to converge and pool all future research on weapons**  
1357 **and military technologies:** drones, satellites, soldier equipment, anti-missile systems, next generation  
1358 major weapon systems (tanks, aircraft, etc.). The **European Defense Agency** would naturally be the  
1359 coordinator of these programmes.
- 1360 6. The launching of a **'common defense force'** by those Member States willing to participate on a  
1361 **permanent basis.** It would include:
  - 1362 - the commitment to unlimited solidarity between the participating States;

- 1363 - the agreement to share the means between these States in order to avoid useless duplication;
- 1364 - the adoption of a coherent and comprehensive armament program by the national  
1365 Parliaments of the participating Member States;
- 1366 - the setting-up of a lean and well trained multinational army corps, with the capacity to  
1367 respond immediately in a crisis situation;
- 1368 - the agreement to **unify and to re-evaluate regularly the conditions for intervention of**  
1369 **national contingents** («*caveats*») when participating in peace-keeping missions of the United  
1370 Nations or other organizations.

1371 In accordance with the spirit of the Lisbon Treaty, this cooperation would take place within the framework  
1372 of the European Union and it would be open to any Member State willing to participate.

1373  
1374 **The EPP proposes:**

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- 1376 - **To transform its neighborhood policy into a 'Neighborhood Charter';**
  - 1377 - **To intensify actions so as to put an end to all forms of global terrorism;**
  - 1378 - **To strengthen the fundamental Treaties on the non-proliferation of weapons of mass**  
1379 **destruction and to engage in global disarmament negotiations;**
  - 1380 - **To improve the conditions for sustainable globalization based on rule of law and free trade and**  
1381 **to intensify global development cooperation;**
  - 1382 - **To strengthen international organizations and to work for more effective multilateralism;**
  - 1383 - **To foster transatlantic relations and to reinforce them on a political level;**
  - 1384 - **To give new impetus to the current European defense architecture and to establish a *European***  
1385 ***Security and Defense Pact***