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to: Mr Javier SOLANA, Secretary-General/High Representative

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– Proposal for a Community Lisbon Programme 2008 - 2010

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COMMISSION OF THE EUROPEAN COMMUNITIES

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**COMMUNICATION FROM THE COMMISSION TO THE EUROPEAN  
PARLIAMENT, THE COUNCIL, THE EUROPEAN ECONOMIC AND SOCIAL  
COMMITTEE AND THE COMMITTEE OF THE REGIONS**

**Proposal for a Community Lisbon Programme 2008 - 2010**

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## 1. INTRODUCTION: TOWARDS A NEW COMMUNITY LISBON PROGRAMME (CLP)

A close partnership between Member States and the Community is at the heart of the renewed Lisbon Strategy for Growth and Jobs. Whilst Member States implement their policies under the **National Reform Programmes**, additional **Community level policy actions are essential to complement and strengthen national actions**. Community level actions for example can provide a common legal and/or policy framework; they help provide policy co-ordination with Member states; moreover the Community directly plays a role in supplementing the resources of disadvantaged regions and Member states, e.g. through the Cohesion policy programmes. Progress in creating the right framework conditions both at Member State and Community level is needed to significantly boost growth and jobs in the EU.

This Communication proposes the **Community Lisbon Programme (CLP)** for the period 2008-2010 setting out in a way similar to a Member State national reform programme, the **key Community-level measures**. The proposal for a new CLP is based on the integrated guidelines and rests on the four priority areas defined by the 2006 Spring European Council. It integrates the actions to be undertaken at Community level for the next cycle, as proposed in the Commission's Strategic Report for adoption at the 2008 Spring European Council. It sets out a **series of ambitious but realistic actions** that should be achieved at the Community level by 2010. There is a need for a concerted political drive by all the EU institutions to reach agreement on these measures in the next three years to boost growth and jobs.

## 2. STRENGTHENING AND RENEWING THE CLP

The first Community Lisbon Programme for 2005-2008 generated significant results. For example, progress has been made towards improving the **legal framework of the single market**, through the adoption of the services directive and the implementation of the Financial Services Action Plan. The Commission has also driven forward its **better regulation agenda** to cut unnecessary costs and remove obstacles to innovation. Substantially greater amounts of Community funding have been made available for growth and jobs. The **new regulatory framework for the Cohesion policy programmes** will make some € 210 billion available for investment in growth and jobs over 2007-13, an increase of over 25% compared to 2000-06. Overall **over 87 actions** of the 102 announced in the original 2005 CLP had been delivered by mid-2007. Substantial efforts have also been made by the Council and the European Parliament to speed up inter-institutional decision-making. Of 18 legislative actions in the inter-institutional decision-making process identified in the 2006 CLP Implementation Report, some 10 have been adopted by Council and Parliament<sup>1</sup>.

While there have been a number of successes, the 2005-2008 CLP did not always provide a strong enough framework to fully prioritise CLP actions and speed up their adoption and implementation. The CLP was often perceived as the reform programme of the European Commission alone, whereas its achievement requires the full engagement of all the Community institutions and Member States.

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<sup>1</sup> "Community Lisbon Programme: Technical Implementation Report 2006" - SEC(2006) 1379.

The new CLP for the 2008-2010 cycle aims at **remedying these shortcomings**. The Commission therefore is proposing a **more strongly prioritised programme with only 10 key objectives** that can be delivered during the period 2008-2010. The objectives and the accompanying proposed actions all:

- **Demonstrate considerable Community-level value-added** or significant synergies with the policies of the Member States and/or other policies conducted at EU level.
- **Show significant impacts on growth and jobs**, either directly, or through facilitating restructuring and adjustment.

### **3. 10 KEY OBJECTIVES FOR THE NEW CLP IN THE FOUR PRIORITY AREAS**

The Commission proposes that the 2008-2010 CLP should contain ten key objectives and corresponding actions based on the integrated guidelines and fully resting on the four priority areas.

<b>10 Key Objectives to be accomplished by 2010</b>
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1. The Commission will propose a renewed Social Agenda by mid-2008 and will help to address the skills gap.
2. The Commission will make proposals for a common policy on immigration in 2008.
3. The Community will adopt a Small Business Act to unlock the growth potential of SMEs throughout their life-cycle.
4. The Community will move towards the target to reduce EU administrative burdens by 25 % by 2012 and implement an ambitious simplification programme.
5. The Community will strengthen the single market, increase competition in services, and take further steps to integrate the financial services market.
6. The Community will make a reality of the fifth freedom (the free movement of knowledge) and create a genuine European Research area.
7. The Community will improve the framework conditions for innovation.
8. The Community will complete the internal market for energy and adopt the climate change package.
9. The Community will promote an industrial policy geared towards more sustainable production and consumption.
10. The Community will negotiate bilaterally with key trading partners to open up new opportunities for international trade and investment, and create a common space of regulatory provisions and standards.

A detailed list of actions is provided in the Annex in which measures are divided in three categories:

- Measures to be adopted by the European Commission.
- Measures to be adopted as priority action by other institutions.
- Measures still requiring implementation.

**This categorisation clearly highlights the responsibilities of each institution.** It is proposed that **these measures are prioritised by all EU Institutions.**

The Commission considers that the full implementation of the CLP would make a major contribution to the success of the Lisbon Growth and Jobs strategy. An analysis of the longer term impact of the measures included in the CLP suggests that their implementation could **have a significant impact on the level of EU real GDP**<sup>2</sup>. Since the CLP actions would work through enhancing productivity and competition and improving adaptability, this would represent a permanent and sustainable increase in real GDP and jobs.

In order to support the different Community policies outlined under the four priority areas below, the **Community's own financial resources** have been mobilised to focus on growth and jobs, improving growth catch-up and economic adjustment particularly in the new Member States and other economically disadvantaged regions. These resources include the European Cohesion policy programmes, the European Agricultural Fund for Rural Development (EAFRD), the Lifelong Learning Programme, and the European Globalisation Adjustment Fund. The Cohesion policy funds amount to some € 347 billion over 2007-2013 and EAFRD to some € 91 billion. The earmarking of Structural Funds has provided substantial additional financing for the Growth and Jobs Strategy. To increase further the leverage effects of Community spending, the focus on the Lisbon priorities needs to be closely monitored and further strengthened if necessary in the 2010 mid-term reviews of the Cohesion policy programmes and EAFRD through more refined earmarking in those areas showing the highest returns. Amongst the priorities are skills up-grading (including e-skills), education and training, critical infrastructure investments, leveraging private investment, and increasing participation in the information society. It is estimated that by 2015 some 2 million additional jobs will be generated due to the investment of the structural and cohesion funds<sup>3</sup>.

### **3.1. Investing in people and modernising labour markets**

**Objective 1: The Commission will propose a renewed Social Agenda by mid-2008, particularly covering education, migration, and demographic evolutions, and will help to address the skills gap by improving the monitoring and forecasting of future skills requirements.**

Investing more in education and skills is a precondition for a self-determined life of people. It is critical to Europe's success in the age of globalisation and it is also one of the most effective ways to assure equal opportunities and to fight vigorously inequality and poverty.

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<sup>2</sup> See the Staff Working Document "Spillovers and complementarities in the context of the Lisbon Growth and Jobs Strategy including the economic effects of the Community Lisbon Programme" where it is estimated that the economic impact of the CLP measures would raise the level of the EU's real GDP by up to 2¾ percentage points by 2020. However, since this study relies upon different economic models, methodologies, data sources, and assumptions, caution must of course be exercised in interpreting the results.

<sup>3</sup> European Commission (2007): Fourth Report on Economic and Social Cohesion.

Demographic trends will further increase pressures on labour supply, skills gaps, and public welfare budgets. In this situation, improving education and skills are essential both for employability and social cohesion. A **renewed Social Agenda** is needed, focussing on education, migration, and demographic trends, to ensure a Community-wide perspective in tackling these issues.

Following up the “New skills for new jobs” initiative<sup>4</sup>, the Community can also contribute to improving the matching of labour market needs and addressing the skills gap through the appropriate **coordination of forecasting instruments to better anticipate EU-wide labour market developments**. While the Community has already launched various projects to anticipate labour market trends and skills needs, it is now necessary to improve the coordination of these various attempts in order to maximise their impact. In addition, skills development will be supported by an EU-wide strategic framework for training policies and specific measures to ensure the quality of vocational training.

In order to ensure a more efficient matching of labour market needs and tackle the skills gap problem, the Community must remove the significant regulatory barriers that currently exist to the single labour market. The most important include the insufficient comparability and recognition of qualifications and restrictions on the portability of pensions and social benefits. Removing these obstacles will complement Member States efforts to facilitate the better use of skills and eliminate skills mismatches.

**Actions:**

- Propose a renewed Social Agenda by mid-2008.
- Enhance the transparency, recognition and comparability of qualifications and increase the portability of pensions and other social rights across the EU.
- Improve the capacity to anticipate EU-wide labour market trends and skills needs.

**Objective 2: The Commission will make proposals for a common policy on immigration in 2008.**

The Community also needs to develop a **common policy on immigration** to better respond to current and future labour market needs. Although net migration to the EU runs at over 1.5 million a year, the majority of migrants tend to be in low skilled segments of the workforce. To meet the increasing demand for higher skilled workers whilst avoiding a patchwork of inefficient and competing Member state schemes, a common policy on economic migration is essential. Improving the skills-mix of EU migrants will improve their contribution to the needs of the EU labour market and help reduce skills shortages. The Commission has already made initial proposals, including covering highly-qualified migrants to the EU through the “blue card” scheme. The Commission will further comprehensive proposals for a common policy on immigration in 2008.

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<sup>4</sup> "New skills for new jobs", Conclusions of the Education Council of 15 November 2007.

**Action:**

- Move towards adopting a common policy on immigration that responds to the needs of the EU labour market, including a “blue card” scheme to attract highly-skilled workers.

**3.2. Unlocking business potential, especially of SMEs**

**Objective 3: The Community will adopt a Small Business Act to unlock the growth potential of SMEs throughout their life-cycle.**

The Community should by 2010 **unlock the growth and jobs potential of SMEs** that make up more than 99% of all firms and employ 67% of the EU’s workforce. Whilst many CLP actions will also assist SMEs, it is necessary specifically to address their relative lack of access to the internal and export markets and to reduce administrative burdens. The Community will therefore design and implement a “**Small Business Act**” setting out the principles and concrete measures to support SME throughout their life-cycle and notably through a special private company statute adapted to SMEs needs; exemptions from burdensome legal requirements (e.g. the collection of statistics and documentation, VAT, and accounting requirements); easier access to risk capital; protecting their ideas; support for recruitment and retraining of staff, facilitating their participation in public tenders and in R&D programmes; closer links with universities and research centres; facilitating their transfer and providing entrepreneurs with a new chance in case of business failure.

**Actions:**

- Adopt a European Small Business Act setting out the principles and concrete measures to support SMEs throughout their life-cycle.
- Undertake a specific screening of the *acquis communautaire* from an SME perspective and introducing exemptions from administrative requirements of EU legislation wherever possible.

**Objective 4: The Community will move towards the target to reduce EU administrative burdens by 25% by 2012 and implement an ambitious simplification programme.**

The Community will complete its comprehensive review of the Community’s legislative *acquis* in order to **simplify and to remove unnecessary burdensome requirements on businesses** whilst maintaining the legislation’s original objectives. This work will complement the efforts of Member States to achieve their commitments to reduce administrative burdens by 25% by 2012. Reducing administrative burdens will allow firms, especially SMEs, to increase internal funds for investment and will improve incentives for adaptability and innovation. In pursuing simplification policies, the Community will fully respect the principle of subsidiarity and the “think small first principle”.

**Actions:**

- Ensure the full implementation of the rolling simplification programme for existing Community legislation to remove unnecessary burdensome requirements on businesses.



- Ensure the full implementation of the Action Programme for reducing administrative burdens related to EU legislation. All Fast Track Actions scheduled for 2007 should be finalised by the 2008 Spring European Council.

**Objective 5: The Community will strengthen the single market, increase competition in services, and take further steps to integrate the financial services market.**

There is clear evidence that competition in services is lower than in EU goods markets. The Community needs to stimulate competition and increase efficiency to ensure that the **single market for the services sector becomes a reality**. The comprehensive and timely implementation of the **services directive** by Member States with Commission support will be important. It will considerably facilitate the establishment of service providers and the free provision of services by reducing administrative burdens and removing existing barriers. This will improve market access for businesses, in particular SMEs and increase both the choice for consumers and their access to services. Timely standardisation and interoperability are important issues in the single market, especially for ICT goods and services. In this context competition policy can play a complementary role.

Analysis undertaken by the Commission, including for the Single Market Review, shows that there are a number of key network industries and services that require particular attention, including **postal services, electricity/gas, rail, financial services, electronic communications, and the retail and wholesale industries**. Consequently, the Community should **strengthen single market policy and the enforcement of competition policy** with the aim of increasing productivity and reducing prices for consumers, whilst ensuring the provision of services of general interest. For that purpose, the Community needs to enhance its **market monitoring of key sectors** including effects on consumers and use all available tools, including a consumer scoreboard to allow the long term monitoring of consumer markets. More effort is also needed to enforce existing legislation to ensure transparency and guarantee genuine choice for consumers and other purchasers. Overall, improving competition and efficiency in services would improve competitiveness throughout the whole economy.

Further Community efforts are also needed to **integrate the European financial services market** in order to ensure that the full benefits accrue from the introduction of the euro and to provide financial services users with a wider range of less expensive products with a high level of consumer protection. Despite the success of the Financial Services Action Plan (FSAP), some segments of the EU financial system still remain fragmented. The Single Euro Payments Area still needs to be established, barriers need to be removed for greater cross-border activity and competition in retail financial services, and the single framework for wholesale and investment markets still needs completion and implementation.

Cross-border arrangements for **financial supervision and crisis management** also urgently need to be strengthened to reflect increased turmoil in financial markets and rising instability. Through more efficient financial intermediation, the single market for financial services could simultaneously reduce the cost of capital for borrowers and raise the rate of return for savers through more efficient financial intermediation. An efficient financial market is particularly important for the Member States belonging to the euro-area since it facilitates adjustments and reallocation of resources and increasing their robustness to economic shocks.

Work will continue to reduce compliance costs resulting from the tax fragmentation of the internal market in particular for SMEs, as well as to allow companies to choose an EU-wide tax base.

**Actions:**

- Strengthen the single market and competition, enhance sectoral market monitoring, and improve regulation where necessary, notably focussed on key services and network industries.
- Ensure the comprehensive and timely implementation of the Service Directive.
- Ensure the achievement of the Single Euro Payment Area and remove barriers, increase competition in retail financial services, and consolidate the single framework for cross-border wholesale markets and investment business.
- Strengthen the existing supervisory arrangements and make progress on developing appropriate tools for cross-border crisis management of EU financial institutions.

### **3.3. Investing in knowledge and innovation**

The Community will make a reality of a "fifth freedom" – the free movement of knowledge completing the four freedoms of movement of goods, services, people and capital. The realisation of this "fifth freedom", through establishing a European Research and Higher Education Area and improving the key framework conditions for innovation, is necessary to overcome the fragmentation of national research and innovation policies. Only this can enable the EU to attain world-leading research performance and improve attractiveness for private investment.

**Objective 6: The Community will make the "fifth freedom", the free movement of knowledge, a reality and create a genuine European Research area.**

In order to make the "fifth freedom", the free movement of knowledge, a reality and create a genuine European research area and in partnership with Member States, all three components of the knowledge triangle, research, innovation, and education, need to be strengthened<sup>5</sup>. Increased pooling of research resources with and between Member States on a variable geometry basis will be facilitated by joint programming and by the development of a legal framework for the creation and operation of pan-European research infrastructures. The development of a Community strategy and framework for international science and technology co-operation will also increase EU and Member state co-operation and international leverage.

An effective European single labour market for researchers based on the idea of a "European passport" should be established which will improve career prospects and the cross-border recruitment and mobility of researchers. This will complement Member state efforts to strengthen and reform the higher education sector and will facilitate networking and enhance co-operation between universities, research organisations and business.

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<sup>5</sup> R&D/innovation was a key challenge in 24 out of 25 Member state National Reform Programmes in 2005.

The European Institute of Innovation and Technology is also a key element of this strategy integrating education, research and innovation. In this way it will become a model for the promotion of open innovation and knowledge sharing between public research organisations and industry. Overall, achieving a European Research Area will achieve economies of scale and scope, help allocate resources more efficiently, and result in substantial positive spillovers across borders for the benefit of all Member States.

**Actions:**

- Pool R&D resources to ensure their more effective use, by agreeing by end 2008 areas for joint programmes and launching common calls for projects by end 2010.
- Improve cross-border mobility and career prospects of researchers based on a European "passport".
- Make the European Institute of Innovation and Technology fully operational.
- Launch a new generation of world-class research facilities by drawing up by end 2009 roadmaps for the launch of the commonly agreed projects. For those projects of a global scale, launch a dialogue with interested international partners during 2008.

**Objective 7: The Community will improve the framework conditions for innovation, in particular for venture capital and intellectual property rights.**

The Community needs to improve the key framework conditions for innovation through the implementation of its broad-based innovation strategy<sup>6</sup>. This includes for example the development of lead markets in new technologies, strengthening the framework of intellectual property rights, and accelerating the setting of interoperable standards.

In particular, the Community needs to **create more favourable conditions for the financing of innovation** to facilitate the more widespread emergence of highly innovative SMEs and facilitate the development of lead markets in new technologies such as low carbon technologies. The development of an EU-wide regime for venture capital is a key requirement. The Community must work closely with Member States to remove existing regulatory and tax obstacles to cross-border investments by venture capital funds. It must also help to bridge the equity gap in terms of early stage risk-based financing. The SME guarantee programme of the European Investment Fund should be substantially expanded to leverage micro-credit and mezzanine finance<sup>7</sup>. It is estimated that raising the EU average use of venture capital to that of the current best performers would make available an additional € 20 billion a year for venture capital investments.

The Community must also work to **improve the usage and protection of the intangible assets**, particularly intellectual property rights that also help leverage financing. The patenting system in the EU still suffers from costly and burdensome fragmentation that hampers the

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<sup>6</sup> "A broad-based innovation strategy: nine strategic measures for innovation action at the EU level", Conclusions of the Competitiveness Council of 4 December 2006.

<sup>7</sup> The 2006 EIF programme amounted to just over € 2 billion, assisting some 180 000 SMEs throughout the EU.

transfer and dissemination of knowledge and innovation across the EU<sup>8</sup>. Increasing its efficiency and enforcement secures returns on R&D investments, setting incentives for R&D activities, financial investments and the commercialisation of innovations. An enhanced Community system for patents, including the creation of a Community patent and the improvement of the patent litigation system, would not only considerably decrease patenting costs but also provide more legal certainty.

**Actions:**

- Promoting an EU-wide market for venture capital.
- Improve investment readiness and access to finance for SMEs.
- The creation of a Community patent and the improvement of the patent litigation system, substantially bringing down the cost of patent registration and increasing legal certainty.

### 3.4. Energy and climate change

**Objective 8: The Community will complete the internal market for energy and adopt the climate change package in order to put in place the framework to achieve at least a 20% reduction in greenhouse gas emissions and reach a 20% renewables energy share by 2020.**

In the face of rising global competition for energy supplies and to achieve the ambitious 2020 targets for reducing greenhouse gases and increasing the share of renewable energy, the EU needs to create a true **EU-wide internal market for energy** and a **wide emissions trading scheme**. The creation of an internal energy market will increase efficiency and improve energy security. Past liberalisation of national energy markets has not always created strong competition. The full implementation of existing legislation and **the effective separation of generation and supply from networks** operations are needed to further increase competition and efficiency by allowing market entry of new competitors. Furthermore, it is necessary to strengthen the independence and co-operation of energy regulators and remove technical barriers to market integration, notably through substantially **strengthening the cross-border interconnection capacity** with a view to making sufficient transmission capacity available to integrate national markets. This is intended to create real incentives for the € 1000 billion investment in new generation plants and better cross-border interconnections that are needed over the next 20 years. The internal market for energy will need to be complemented by a cost-effective emissions trading scheme to ensure the achievement of the 2020 targets for reducing greenhouse gas emissions and by a **Community framework for the cost-effective development of renewable energies** to reach a renewables energy share of 20% by 2020.

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<sup>8</sup> The average costs for processing and translation of patents in the EU is more than ten times higher than in the US and Japan.

**Actions:**

- Adopt the legislative package to achieve the internal electricity and gas market by May 2009, in order to create an internal market for energy favourable to competition and investment, strengthen the independence and co-operation of energy regulators, and remove technical barriers to market integration.
- Adopt the legislative package to realise the EU's targets on greenhouse gases and renewable energy by May 2009.

**Objective 9: The Community will promote an industrial policy geared towards more sustainable production and consumption, focusing on renewable energies and low-carbon and resource-efficient products, services and technologies.**

The European Council's ambitious climate change targets for 2020 will require unprecedented investment in new low-carbon technologies and result in fundamental changes in the EU economy. Strong Community action is needed to ensure the development of a dynamic **internal market for environmental technologies, in particular low carbon and energy/resource efficient technologies**. Member State efforts to promote these industries inevitably lack the scope of market opportunities and economies of scale that could be realised through the development of a truly EU-wide market for environmental products, services, and technologies. Success therefore requires a new Community-wide **sustainable industrial strategy** in order to lead the transition towards a low carbon and resource efficient economy<sup>9</sup>.

New markets should be stimulated through the implementation of lead market strategies in areas such as sustainable construction, recycling, bio-based products and renewable energy. Such strategies would boost demand for environmental technologies yielding significant environmental and economic benefits. They would also include the early development of dynamic EU environmental standards for the single market resulting in subsequent competitiveness gains as such standards become accepted internationally. Other instruments are labelling requirements and the promotion of green procurement. **Community funds should also be used to leverage private sector funding** for the research and commercialisation of low carbon product and technologies, such as clean technology venture capital financing. Alongside the Emissions Trading Scheme, **a review of the energy taxation directive** would aim at ensuring that energy taxation is a more effective and supportive instrument of the EU energy and climate change objectives and contributes to the cost-effectiveness of such policies. Furthermore, the possibility of using other fiscal instruments including VAT to promote low energy products should be examined.

**Actions:**

- Establish an internal market for environmental technologies and promote the development of European lead markets for energy/resource efficient technology.

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<sup>9</sup> Commission Communication "Mid-term review of industrial policy: a contribution to the EU's Growth and Jobs Strategy" - COM(2007) 374, 4.7.2007.

- Review the energy tax directive to link it more closely to the EU's energy and environmental objectives.
- Review of measures to strengthen the public procurement of high-performance environmentally-friendly products, technologies and services, including with regard to buildings.

#### 4. THE EXTERNAL AGENDA

**Objective 10:** Whilst working to conclude the Doha multilateral trade negotiations, the Community will negotiate bilaterally with key trading partners to open up new opportunities for international trade and investment, improve market access focussing on countries and sectors where significant barriers remain, and create a common space of regulatory provisions and standards.

The Community is committed to further breaking down barriers to trade and investment and will stand firm against unfair practises in trade and investment and against distorted competition. A successful completion of the Doha round remains the best way of ensuring this. All available instruments will be used to ensure that Europe's openness is maintained and matched by increased access to third country markets. The Commission will report annually on market access activities, identifying countries and sectors where significant barriers remain and undertaking consultations with the countries concerned. Where problems remain, the use of Community trade instruments and/or WTO action will be considered.

The Community is committed to shape globalisation with a view to maximising its benefits and sharing it with its partners. The Community needs to further engage with key trading partners, including neighbour countries and the emerging economies and should further promote regional economic integration with its neighbourhood. **Bilateral trade agreements with key trading partners**, including neighbour countries (such as the negotiations on an enhanced agreement with Ukraine) and the emerging economies, enable the EU to go beyond WTO commitments and include ambitious provisions for regulatory and behind-the-border cooperation. Bilateral Free Trade Agreements are currently under negotiation with South Korea, India, and the ASEAN countries, with others planned to follow. A Partnership Agreement with China will improve market access for EU companies and promote regulatory convergence. These agreements will stimulate international trade and investment, increase competition, and lower consumer prices. Furthermore, the negotiations for association agreements with Mercosur, the Andean Community and Central America contain important parts on trade and other economic relations. These negotiations, together with enhanced policy dialogues, can also contribute to further promoting sustainable development in partner countries, to promoting common values and internationally agreed social and environmental standards, including decent work.

Establishing a stable **common regulatory space** with major trading partners such as the US (in the framework of the Transatlantic Economic Council) will begin a process towards a harmonisation of regulations and standards particularly in respect of new technologies, ultimately benefiting all trading nations. This will significantly reduce costs for businesses by reducing non-tariff-barriers and spur trade. Action also needs to be taken to improve the **effectiveness of the IPR enforcement system against counterfeiting**. Key initiatives are increased co-operation with major trading partners to strengthen customs co-operation and support enforcement in major source countries, such as through the EU-US Action Strategy

on IPR and the conclusion of the negotiations on a new Anti-Counterfeiting Trade Agreement (ACTA).

**Actions:**

- Promote ambitious bilateral agreements with important trading partners and promoting integration with neighbouring and candidate countries through developing a common economic space.
- Potential use of Community trade instruments as follow up to the Commission's annual reporting on market access.
- Fully develop the potential of the Transatlantic Economic Council and work with other key trading partners to create common space of compatible regulatory provisions and standards.
- Improve the effectiveness of the IPR enforcement system against counterfeiting, including through a multiparty Anti-counterfeiting Agreement (ACTA).

## 5. ENSURING THE DELIVERY OF THE CLP

The CLP presents the key economic reform objectives for the period 2008-2010 that can make the greatest contribution to growth and jobs at Community level whilst supporting and complementing national efforts. This **strategic agenda** should guide the work of all of the EU institutions on the Community dimension of the Growth and Jobs strategy. While other measures can also contribute, the CLP actions have been identified as the most urgent and important for economic reform that can be achieved during the 2008-2010 period. To realise this, the **Commission proposes two key elements for ensuring delivery:**

First, it is essential that the **European Parliament, the Council and the European Commission agree on the strategic reform objectives and actions**. On this basis, the European Parliament and future Council Presidencies should be invited to give the utmost priority to the Community Lisbon objectives and actions.

Secondly, a close follow-up of the implementation of the CLP is indispensable to guarantee timely delivery. This could be done by reporting on the Community's achievements in its economic reforms through an **annual implementation report**, assessing the extent to which the Community is successfully implementing the concrete measures outlined in the attached table. It would constitute an important input into the multilateral surveillance exercise in the autumn, allowing a systematic screening of progress at the Community level alongside the thematic assessment of reforms at Member State level. The European Parliament would also be invited to review progress. This would feed into the Commission's **Annual Progress Reports** which would advise on whether any updating of the Community Lisbon Programme is required. On this basis, the **Spring European Council** should take stock and provide further direction, where necessary, as part of its annual overall assessment of the Growth and Jobs Strategy.

**The European Commission, therefore, invites:**

**– The European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions to endorse the proposed Community Lisbon Programme 2008-2010 in particular by:**

- endorsing the 10 key objectives for Community action and the measures proposed under each objective;
- agreeing to review progress and providing guidance on an annual basis;
- prioritising the actions required to implement the 10 key objectives.



## ANNEX

Integrated Guidelines Number	Key Objectives	Measures to be adopted by the European Commission	Measures to be adopted as priority action by other institutions (EP, Council)	Measures to be implemented
<p style="text-align: center;">Guideline 20 (Matching of Labour, Market needs), 21 (Flexicurity), 23 (Investment in Human Capital), &amp; 24 (Education and training systems)</p>	<p>The Commission will propose a renewed Social Agenda by mid-2008, particularly covering education, migration, and demographic evolutions, and help to address the skills gap by improving the monitoring and forecasting of future skills requirements</p>		<p>Proposal for a <b>DIRECTIVE</b> on Portability of pensions - possible political agreement at the Council (end of 2007 )</p>	
				<p>Ensure progressive removal of transitional restrictions on the free movement of workers from the new Member States (by 2011)</p>
		<p>Revision of <b>REGULATION</b> on Portability of social security rights (2nd half 2009 ) ➔➔</p>	<p>Projected adoption (2nd half 2010)</p>	
				<p>Monitor the implementation of the <b>RECOMMENDATION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL</b> on the establishment of the European Qualifications Framework for lifelong learning (Projected adoption: February 2008): Member States are asked to relate national qualifications systems to the EQF by 2010</p>
				<p><b>DIRECTIVE-</b> Monitoring the implementation of the Professional Qualifications Directive – Deadline for implementation by Member States: 20 October 2007</p>
				<p>Ensure the implementation of the basic skills communication (by 2010)</p>
		<p><b>RECOMMENDATION</b> on EU-wide credit system transfer and accumulation systems for vocational training (March 2008) ➔➔</p>	<p>Projected adoption (March 2010)</p>	
		<p><b>RECOMMENDATION</b> on quality assurance in vocational education and training (March 2008) ➔➔</p>	<p>Projected adoption (March 2010)</p>	
				<p>EU-wide inventory and monitoring system for on-going anticipation of future skills requirements in the context of "new skills for new jobs" initiative -Implementation in the course of 2008 and 2009</p>
				<p>Ensure effective implementation of the Flexicurity common principles including the review "flexicurity: 3 years after".</p>

Integrated Guidelines Number	Key Objectives	Measures to be adopted by the European Commission	Measures to be adopted as priority action by other institutions (EP, Council)	Measures to be implemented
Guideline 20 (Matching of Labour, Market needs)	The Commission will make proposals for a common policy on immigration in 2008	<p>DIRECTIVE setting conditions of entry of seasonal workers (end 2008) →→</p>	<p>Proposal for a DIRECTIVE Entry of highly skilled workers; "Blue Card"</p> <p>Projected adoption (End 2010)</p>	
Guideline 15 (SMEs)	The Community will adopt a Small Business Act to unlock the growth potential of SMEs throughout their life-cycle	<p>Measures following Communication on "Small Business Act" (May /June 2008) →→</p> <p>Proposal for a Directive on the Small Company Statute (2<sup>nd</sup> half 2008) →→</p>	<p>Projected adoption (2010)</p> <p>Projected adoption (2<sup>nd</sup> half 2010.)</p>	
Guideline 14 (Better regulation)	The Community will move towards the target to reduce EU administrative burdens by 25 % by 2012 and implement an ambitious simplification programme	<p>Rolling SIMPLIFICATION PROGRAMME (2006-2009) including 109 actions (2009) →→</p> <p>Proposals to reduce administrative burdens following administrative burden mapping and measurement of EC legislation and related transposition measures (2007-2008) in 13 priority areas. Proposals in 2008-2010. →→</p> <p>Proposal for next batch of fast track actions alongside the strategic review on better regulation (January 2008) →→</p>	<p>Pending proposals from SIMPLIFICATION PROGRAMME</p> <p>First batch of fast track administrative burden reduction actions</p>	<p>First batch of fast track administrative burden reduction actions in comitology</p>
Guideline 9 (Information Society), 12 (Internal Market) & 13 (Open Markets)	The Community will strengthen the single market, increase competition in services, and take further steps to integrate the financial services market		<p>Proposal for a DIRECTIVE Revision of the regulatory framework for electronic communications and services</p> <p>Projected adoption (2009)</p>	<p>Market monitoring in key markets</p> <p>DIRECTIVE amending Directive 97/67/EC concerning the full accomplishment of the internal market of Community postal services (Implementation 2011/ 2013)</p> <p>DIRECTIVES - Third Package on Rail (Implementation by 2009)</p> <p>DIRECTIVE on services in the internal market - Implementation by the MSs 28 December 2009</p>

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		<p>Proposals to allow companies to choose an EU-wide tax base (3<sup>rd</sup> Q 2008) →→</p> <p>Measures to promote the creation of an EU mortgage credit market following a communication (White paper 19/12/07) →→</p> <p>Proposal for a DIRECTIVE amending Directive 85/611 on EU harmonised investment funds- UCITS (February 2008) →→</p> <p>Measures to ensure the realisation of Single Payments Area following a communication (2<sup>nd</sup> Q 2008) →→</p> <p>Strengthening EU arrangements for financial stability, through review of cooperation obligations, (End 2008) →→</p> <p>Proposal for a DIRECTIVE - Amendments to Directive 2006/48/EC and 2006/49/EC Capital Requirements (October 2008) →→</p>	<p>Projected adoption (3<sup>rd</sup> Q 2010)</p> <p>Projected adoption (2009)</p> <p>Projected adoption (February 2010)</p> <p>Projected adoption (2010)</p> <p>Projected adoption (2010)</p> <p>Proposal for a DIRECTIVE Solvency II -on the taking-up and pursuit of the business of Insurance and Reinsurance Projected adoption (End 2008)</p> <p>Projected adoption (October 2010)</p>	<p>Actions to improve implementation of single market following Communication on the application of Community Law (SMR)</p> <p>Follow up of Retail banking (including payment cards and payment systems) and Business Insurance Sector Inquiries</p> <p>DIRECTIVE - Monitoring Implementation of MiFiD- Entered in force 1 November 2007</p>
Guideline 7 (R&D)	The Community will make the "fifth freedom" (the free movement of knowledge) a reality and create a genuine European Research area.	<p>Framework REGULATION -Legal framework for construction and operation of pan-European research infrastructures (July 2008) →→</p> <p>Legislative and other proposals following Communication on "Partnership for a European researchers' passport for mobility and career development" (April 2008) →→</p>	<p>Projected adoption (July 2010)</p> <p>Projected adoption (2010)</p> <p>Implementation of legal and financial decision on European Institute of Innovation and Technology Projected adoption (2<sup>nd</sup> Q 2008)</p>	

Integrated Guidelines Number	Key Objectives	Measures to be adopted by the European Commission	Measures to be adopted as priority action by other institutions (EP, Council)	Measures to be implemented
		Measures for preparation of joint programming of research following a communication (September 2008) ➔➔	Projected adoption (2010)	
Guideline 8 (Innovation)	The Community will improve the framework conditions for innovation, in particular for venture capital and intellectual property rights.	Measures for mutual recognition process following Communication on "Removing regulatory obstacles to cross-border investments by venture capital funds" (December 2007) ➔➔	<p>Projected adoption (2010)</p> <p>Proposal for a COUNCIL REGULATION on the Community Patent and additional measures to set up an EU wide jurisdictional system for patent litigation Projected adoption (2010)</p>	<p>The Joint European Resources for Micro to Medium Enterprises initiative (JEREMIE)</p> <p>EIF - The High Growth and Innovative SME Facility (GIF): risk capital for innovative SMEs in their early stages (GIF1-€ 255m) and in their expansion phase (GIF2-€ 299 m)</p> <p>EIF- The SME Guarantee Facility, providing loan guarantees to encourage banks to make more debt finance available to SMEs, (€506 m)</p> <p>EIF-The Seed Capital Action and the Partnership Action: helping to reinforce the capacity of financial intermediaries to invest in and lend to SMEs. (€69 m)</p>
Guideline 11 (Environment), 12 (Internal Market) 13 (Open Markets) & 16 (Infrastructure)	The Community will complete the internal market for energy and adopt the climate change package in order to put in place the framework to achieve at least a 20% reduction in greenhouse gas emissions and reach a 20% renewables energy share by 2020.		<p>Proposal for a DIRECTIVE amending Directive 2003/54/EC concerning common rules for the internal market in electricity Projected adoption (end 2009)</p> <p>Proposal for a DIRECTIVE amending Directive 2003/55/EC concerning common rules for the internal market in natural gas Projected adoption (end 2009)</p> <p>Proposal for a REGULATION establishing an Agency for the Cooperation of Energy Regulators Projected adoption (end 2009)</p> <p>Proposal for a REGULATION amending Regulation (EC) No 1228/2003 on conditions for access to the network for cross-border exchanges in electricity Projected adoption (end 2009)</p> <p>Proposal for a REGULATION amending Regulation (EC) No 1775/2005 on conditions for access to the natural gas transmission networks Projected adoption (end 2009)</p>	

Integrated Guidelines Number	Key Objectives	Measures to be adopted by the European Commission	Measures to be adopted as priority action by other institutions (EP, Council)	Measures to be implemented
				Follow up measures to the energy sector inquiry
Guideline 10 (Industrial Base) & 11 (Environment)	<p>The Community will promote an industrial policy geared towards more sustainable production and consumption, focusing on renewable energies and low-carbon and resource-efficient products, services and technologies.</p>	<p>Proposal for a DIRECTIVE - Amending the Emission Trading Directive, 2003/87/EC (January, 2008) →→</p> <p>Legislative proposal on Carbon Capture and Geological Storage (CCS) (January, 2008) →→</p> <p>Proposal for a DIRECTIVE - Review of the Energy Taxation Directive (4th Q 2008) →→</p> <p>Proposal for a DIRECTIVE on the promotion of renewable energy (January 2008) →→</p> <p>Revision of DIRECTIVES on Energy labelling and household appliances (2008) →→</p> <p>Measures to strengthen the Public Procurement of high-performance environmentally-friendly products, technologies and services-following communication (Green Public Procurement) (1st Q 2008) →→</p> <p>Legislative proposals following the "Sustainable industrial policy/Sustainable consumption policy", notably extension of EUP Directive (March 2008) →→</p>	<p>Projected adoption (January 2010)</p> <p>Projected adoption (January 2010)</p> <p>Projected adoption (4th Q 2010)</p> <p>Projected adoption (January 2010)</p> <p>Projected adoption (2010)</p> <p>Projected adoption (2010)</p> <p>Projected adoption (March 2010)</p>	<p>Initially 14 Implementing DIRECTIVES for priority product groups for adoption of minimum energy performance standards (eco-design requirements) (Comitology until 2011)</p> <p>- 7th Framework Programme (2007-13): €2.3 billion for energy, €1.8 billion for environment (including climate change) - Competitiveness and Innovation Programme (CIP) (2007-13), Entrepreneurship and Innovation Programme (EIP) € 430 million for eco-innovation and Intelligent Energy for Europe (IEE) €730 million</p>

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Guideline 13 (Open Markets)	<p>Whilst working to conclude the Doha multilateral trade negotiations, the Community will negotiate bilaterally with key trading partners to open up new opportunities for international trade and investment, improve market access focussing on countries and sectors where significant barriers remain, and create a common space of regulatory provisions and standards.</p>	<p>International Agreement - Conclusion of the most important bilateral FTAs (ASEAN, India, South Korea)</p> <p>International Agreement - New Partnership and Cooperation Agreement (PCA) with China</p> <p>Bilateral Cooperation EU-USA- Transatlantic Economic Council</p> <p>Bilateral regulatory cooperation with US, Japan, China and Russia</p> <p>Multi-party Agreement - Anti Counterfeiting Trade Agreement (ACTA)</p>	<p>EU-US Action Strategy on IPR enforcement</p>	<p>European Cohesion Policy Funds (mid-term review 2010)</p> <p>European Agricultural Fund for Rural Development (mid-term review 2010)</p> <p>Lifelong learning Programme</p> <p>European Globalisation Adjustment Fund</p>
	<p>Monitoring and strengthening of spending on Growth and Jobs (earmarking)</p>			