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Community Lisbon Programme: Technical Implementation Report 2006

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1. INTRODUCTION

In March 2005, the European Council re-launched the Lisbon Strategy for Growth and Jobs and invited the Commission to present a programme setting out the necessary actions at Community level to help delivering the Lisbon Agenda. On 20th July 2005, the Commission presented the **Community Lisbon Programme (CLP)** which aims at contributing to the overall economic and employment policy agenda by implementing Community policies that support and complement national policies¹. However, the CLP is not only the Commission's responsibility. The Council and the European Parliament are responsible for ensuring that the legislative actions outlined in the CLP are adopted.

This Commission Staff Working Paper aims at providing a **systematic state of the implementation of the Community Lisbon Programme**. In section 2, some background is provided regarding the content and the purpose of the CLP. In addition to providing an overall assessment of the CLP's state of implementation in the European Commission and in the inter-institutional decision-making process in section three, the paper provides in section four a more detailed state of play of the key actions that have been highlighted in the CLP when it was developed in July 2005. **The technical implementation report including its annexes reflects the state of play as of the 31st July 2006. The more detailed reporting on the individual key actions in section 4 is up to date as of the beginning of October.** The paper concludes by highlighting the key messages in section five, and outlining the next steps in section six.

2. THE COMMUNITY DIMENSION OF THE REVISED LISBON STRATEGY

The European Council of March 2005 re-launched the Lisbon Strategy by focusing on jobs and growth in Europe. The re-launch entailed a **new governance architecture for the European economic reform process** clarifying the responsibility for implementing individual actions of the revised Strategy between the national (Member States) or the Community level. While Member States have outlined their economic reform efforts at the national level in national reform programmes (NRPs), the **Community Lisbon Programme covers policy actions at Community-level.**

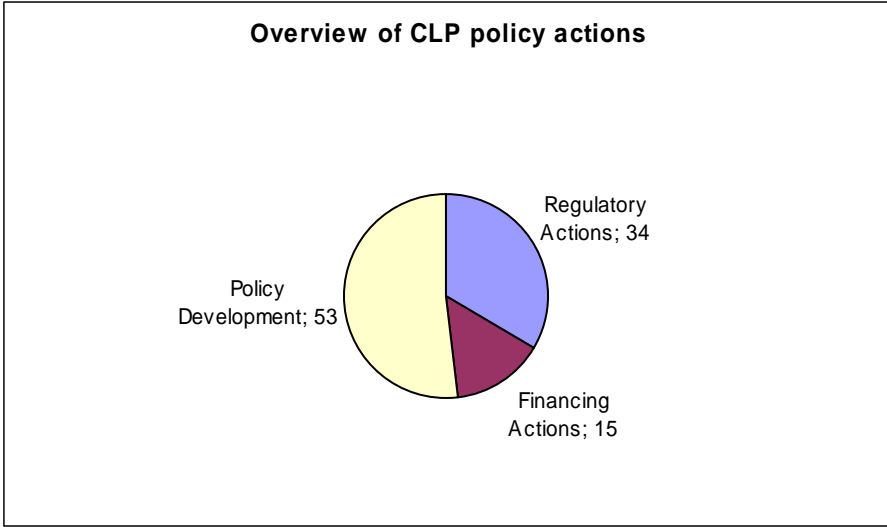
The policy actions contained in the CLP cover areas **where purely national action is insufficient because important cross-border externalities or economies of scale are concerned** (e.g. investment in R&D). The actions are undertaken because of their important potential to contribute to growth and jobs in the three key areas: 1) Making Europe a more attractive place to invest and work; 2) Knowledge and Innovation; 3) More and better Jobs. In fact, the Treaty provides the legal basis to develop policies in several important policy areas to generate sustainable economic growth in Europe. Community policies such as internal market policy, competition policy, trade policy and other policies are of strategic importance for establishing the right framework conditions in Europe to stimulate growth and jobs. For that purpose, the European Commission develops both regulatory policies and financing actions. In addition, it also sets the strategic policy agenda for the near future.

¹ "Common Actions for Growth and Jobs: The Community Lisbon Programme", COM(2005) 330 final, 20.07.2005. The systematic list of the 102 policy actions included in the CLP can be found in the annex to this Communication, SEC(2005) 981, 20.07.2005.

The role of the policy measures under the Community Lisbon Programme is to **act where the benefits from a concerted, community wide intervention are clearly superior to un-coordinated national action**. Moreover, for policy actions where the distribution of costs differs significantly from the distribution of benefits across Member States, it may be welfare improving to take measures which, from an individual country perspective, may be harder to implement. The presence of significant cross-border spill-overs are a major source of such community-wide net benefits. For each of the policy actions under the three key areas, a short description is provided in the technical implementation table annexed to this working paper showing the **estimated contribution of the specific action to jobs and growth**.

The 102 policy actions presented in the Community Lisbon Programme **comprise 34 regulatory acts (RA), 15 financing action (FA) and 53 policy development activities (PD)** (see fig. 1 below)². These different categories of actions influence the framework conditions in different ways. While regulatory actions influence the legislative framework and financing actions are the appropriate way to channel crucial investments into the Europe’s economy, the policy development activities set the strategic policy agenda for the coming years. Out of these 102 actions, the CLP concentrates on **23 key actions with high value added** whose state of implementation will be analysed in detail later in this paper. An overview of the state of implementation of the 102 policy actions is presented in the technical implementation table in the annex.

Figure 1



In parallel to the systematic effort that will be undertaken to assess the progress made by the Member States at the national level, the **Commission wants to assess the contribution of the CLP to the implementation of the growth and jobs strategy**. As a first step, this report describes the state of play with regard to the implementation of the measures contained in the CLP. Together with the Commission’s upcoming assessment of the Member States’ progress reports, this report constitutes the **basis for a discussion on the orientation of the CLP in the near future**. While a light update of the CLP could be envisaged in the context of the

² In a number of cases, 1 policy action represents in fact a collection of closely related policy actions (e.g. RA18 covers the 7 legislative proposals from the 3rd maritime safety package). This heterogeneity has of course to be taken into account when the state of implementation of each policy action is assessed.

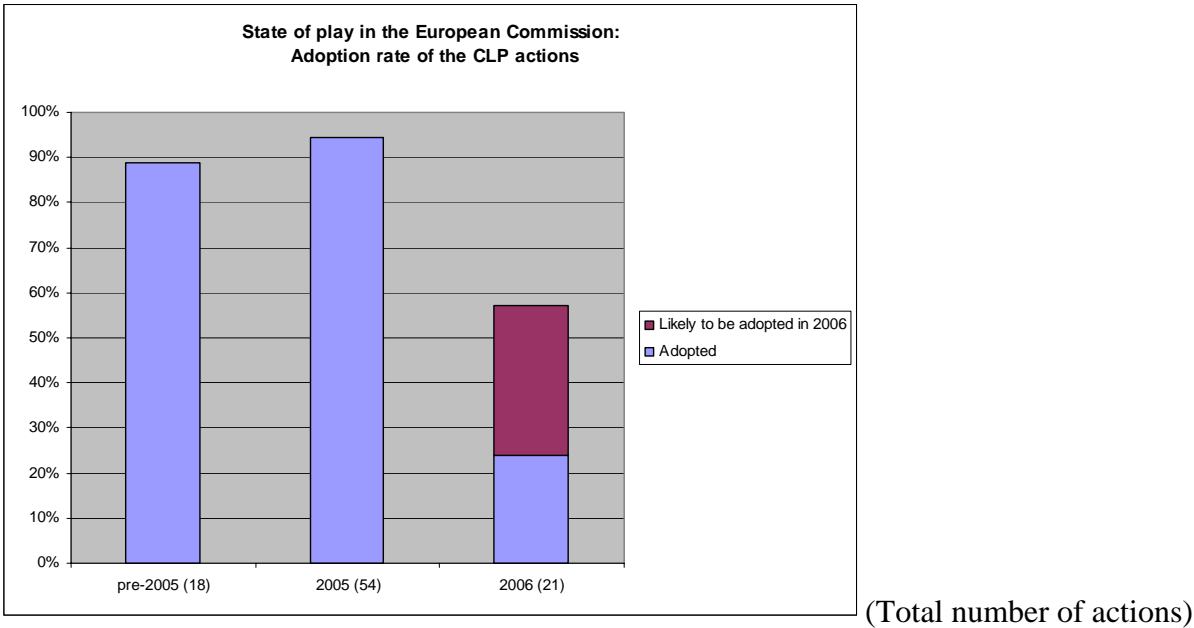
2007 Annual Progress Report, a major revision of the CLP would have to wait until the 2008 Strategic Report at the end of the first three-year cycle.

3. OVERALL ASSESSMENT

3.1. State of play in the European Commission

Whilst the 102 policy actions listed in the CLP are often of a very different nature (regulatory action, financing action, policy development), work on their implementation has progressed well since the adoption of the CLP in July 2005. **Up to the 31st of July, the European Commission had adopted 75 of the 102 actions** (see fig. 2 below). The Commission adopted 51 actions of the 54 actions that were originally planned in 2005. This year, the Commission has so far adopted 5 out of the 21 actions that are planned for 2006. This is mainly due to the fact that a number of actions planned for 2006 are foreseen to be adopted in the 4th quarter of the year (7 actions) and that a number of actions had already been postponed to 2007 (6 actions). For the three remaining actions, there is no planned adoption date.³ Figure 2 also illustrates that the bulk of actions in the CLP had been planned for the beginning of the 2005-2008 period⁴. In 2006 and especially 2007 substantially fewer actions had been scheduled. In the meantime, however, additional policy actions that are of relevance for the Lisbon Process but that were not included in the original CLP have been taken or are planned for 2007. Some of these are outlined in section 4. It could be envisaged to include a number of crucial key actions in the CLP for the year 2007 following a light update of the CLP.

Figure 2⁵



³ Two of these actions (RA06 and RA14) are related to ongoing trade negotiations. For the remaining action (RA12), the timing of adoption depends on the final adoption date of another legislative action.

⁴ RA09 is actually planned for 2008 but is here included here in the unspecified category.

⁵ This graph only reports on the state of play of the 102 policy action that were included in the original CLP of July 2005.

The 102 actions in the CLP contain 39 actions that have to go through the inter-institutional decision-making process. **For some of these regulatory (6) and financing actions (1), the Commission still has to adopt a legislative proposal.** Table 1 below lists these 7 policy actions that are concerned and provides information regarding the planned adoption date.

Table 1: The 7 CLP legislative actions with proposal still to be adopted (key actions in bold)

Policy Action	Regulatory/ Financing Action	Planned adoption date
Review of regulatory framework for electronic communications (RA02)	RA	I 2007
Framework Directive on clearing and settlement of securities actions (RA08)	RA	In place of legislative action, the objective is to have a code of conduct endorsed at the end of October 2006
Proposal on the Common Consolidated Tax Base (RA09)	RA	IV 2008
Extension of Directive 98/34 to services (RA12)	RA	Timing of adoption depends on final adoption of the Services Directive
Transfer of companies' registered seat (14 th Company Law Directive) (RA20)	RA	A policy statement at the end of November should shed light on the state of play regarding a potential proposal for a directive
Revision of the new approach to technical harmonisation and standards/ Global approach to conformity assessment (RA23)	RA	IV 2006
Legislative proposals, if necessary, for each joint technology initiative (FA08)	FA	2007 and 2008

3.2. State of play in the inter-institutional decision-making process

It is important to note that most legislative actions (i.e. regulatory actions and financial actions) contained in the CLP will only enter into force once they have been adopted by the Council and/or the Parliament.⁶ **Out of the 39 legislative actions in the CLP for which the Council and/or the Parliament play a role in the legislative process (see fig. 3 below), only 9 legislative actions have entirely passed through the legislative process so far.** For most legislative actions, this process is still under way. Table 2 lists the 18 legislative actions outstanding and provides information regarding their state of play within the inter-institutional decision-making process. As mentioned above, for 7 further policy actions, the Commission has not yet submitted a legislative proposal. The remaining legislative actions are related to ongoing international negotiations (5 actions), that depend upon the collaboration of policy actors other than the EU institutions for their successful completion. Whilst the majority of the legislative actions that are under way will probably not be finalised in the near future,

⁶ The CLP contains also legislative actions that do not involve inter-institutional decision-making, e.g. regulatory actions in the realm of competition policy.

around 8 actions are very likely to be finalised at the end of 2006. In the next section, more details will be provided concerning the state of play in the three key policy areas.

Figure 3

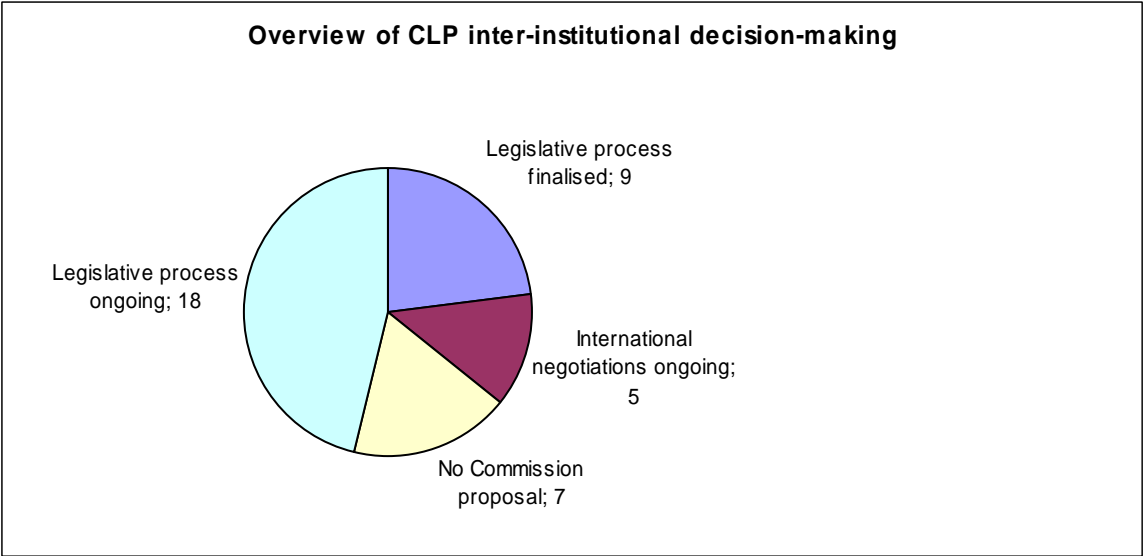


Table 2: The 18 CLP legislative actions in inter-institutional decision-making (key legislative actions in bold)

Legislative Actions	State of Play	Outlook
1. Community Patent Regulation and implementation measures (RA 01)	<ul style="list-style-type: none"> -Consultation procedure -Proposal made on 1 August 2000 -EP has given its opinion for the first reading on 10 April 2002 -No real progress in the Council since March 2004 	<ul style="list-style-type: none"> -Renewed efforts -The Commission will try to re-launch the process after a comprehensive consultation with stakeholders. A Communication and an action plan are envisaged by the end of the year
2. Audiovisual media services directive (RA 03)	<ul style="list-style-type: none"> -Co-decision procedure -Proposal made on 15 December 2005 -EP will prepare its opinion for the 1st reading in mid December 2006 -Common position in the Council is envisaged under Germany presidency 	<ul style="list-style-type: none"> -On track -1st reading agreement between Council and Parliament is not likely since many sensitive issues are at stake for Member States.
3. Directive on Services (RA 05)	<ul style="list-style-type: none"> -Co-decision procedure -Proposal made on 13 January 2004 -2nd reading of EP (vote in November 2006) 	-Adoption expected by the end of 2006
4. Directive on payment services (RA 07)	<ul style="list-style-type: none"> -Co-decision procedure -Proposal made on 1 December 2005 -EP opinion in 1st reading scheduled for November 2006 -Political agreement in ECOFIN envisaged for 28 November 	<ul style="list-style-type: none"> -Adoption after first reading agreement still possible this year -Negotiations for a possible 1st reading agreement started on 2 October -If no agreement in the 1st reading, then conclusion and adoption under German Presidency possible.
5. International co-operation within 3rd maritime safety package (7 legislative proposals) (RA 18)	<ul style="list-style-type: none"> -Co-decision procedure -The 7 proposals made on 23 November 2005. -EP opinion in 1st reading scheduled for March/April 2007 -On one proposal (COM (2005)589), there is already a general orientation, on another proposal (COM (2005)588) a general approach is envisaged for the December Council. On the other 5 proposals the Council has not really started to work yet 	<ul style="list-style-type: none"> -Progress rather slow -Adoption could still take some time. -Some proposals are more advanced than others.
6. Proposal to simplify the current VAT compliance obligations (RA 21)	<ul style="list-style-type: none"> -Consultation procedure -Proposal made on 29 October 2004 -EP has given its opinion on 1 December 2005 	<ul style="list-style-type: none"> -Quick adoption still feasible -Quick adoption has been complicated because the proposal has become part of a “VAT Package” to be discussed in ECOFIN on 28 November 2006
7. eCustoms: Modernised Community Customs Code (RA 22)	<ul style="list-style-type: none"> -Co-decision procedure -Proposal made on 30 November 2005 -EP opinion in 1st reading scheduled for December 2006 -General approach envisaged for Competitiveness Council in December 	-On track
8. 3rd railway package (RA 24)	<ul style="list-style-type: none"> -Co-decision procedure -The four proposals made on 3 March 2004 -EP opinion in 2nd reading scheduled for December 2006 	<ul style="list-style-type: none"> - Burdensome final adoption process ongoing -Conciliation process very likely and probably under German Presidency in 1st semester of 2007. This is also the envisaged adoption date.

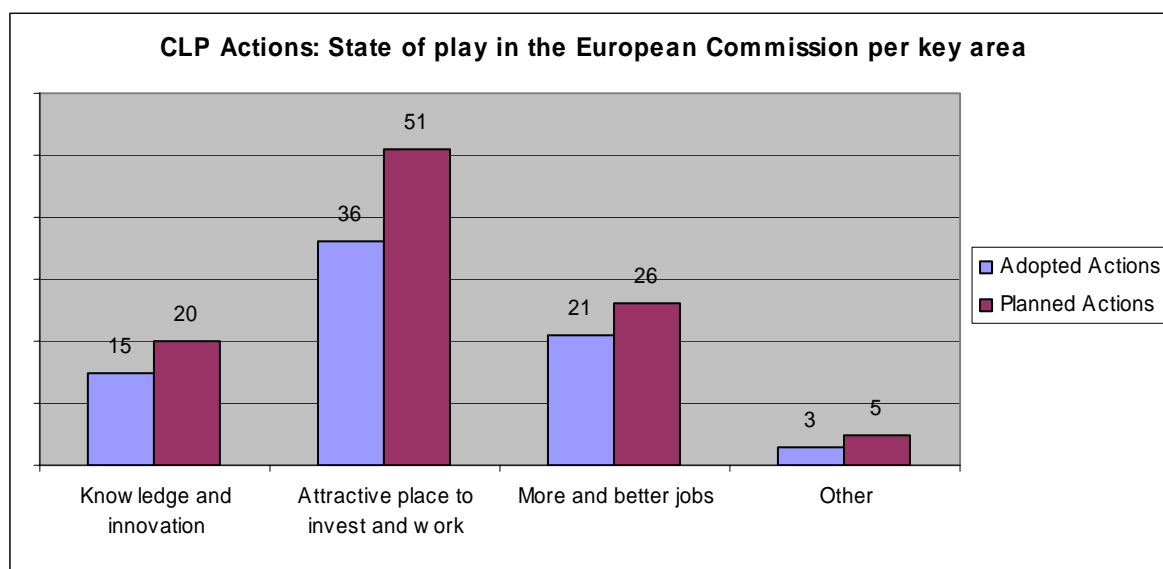
9. Legislation on portability of supplementary pension rights (RA 27)	-Co-decision procedure -Proposal made on 20 October 2005 -Opinion of EP in 1 st reading scheduled for early 2007 -Finnish Presidency will hold a debate at EPSCO Council on 1 December	-Progress rather slow -Proposal to be discussed in the EP and the Council. -Political agreement in the Council possible under German Presidency in which case the file can be concluded at the earliest under Portuguese Presidency (2 nd half 2007).
10. 7th Framework programme (2007 to 2013) (FA 04)	-Co-decision procedure -Proposal made on 6 April 2005 -7 th Framework Programme (COD): EP opinion for the 2 nd reading planned for the EP plenary in November -Specific Programmes (CNS): On the EP-Plenary for November	-Adoption expected by the end of 2006 -The entire package should be agreed and adopted by the end of 2006 to ensure a timely launch of FP 7 in January 2007.
11. Framework programme for competitiveness and innovation (2007-2013) (FA 05)	-Co-decision procedure -Proposal made on 6 April 2005 -EP opinion in 1st reading on 1 June 2006 -Political process is finalised, adoption after 1 st reading agreement	-Adoption expected by October 2006 -Programme should be officially adopted by Council on 12 October 2006
12. SESAR (previously SESAME) (FA 09)	-Consultation procedure -Proposal made on 25 November 2005 -General orientation in Council in June 2006 -EP opinion in 1 st reading scheduled for November/December 2006	-Adoption expected by the end of 2006
13. Trans-European transport networks including Quick Start Programme for transport (FA 10)	-Co-decision procedure -Proposal on TEN financial regulation made on 14 July 2004. -EP opinion in 1 st reading on 26 October 2005 -Amended proposal adopted on 24 May 2006 -Political agreement in the Council envisaged for November 2006	-Slow process but adoption is approaching -Attempts made to reach negotiated common position in which case the 2 nd reading is likely to be formality without changes of the negotiated common position
14. Trans-European Networks for Energy including Quick Start Programme for Energy (FA 11)	-Co-decision procedure -idem as for legislative action 13	
15. Marco Polo Programme (I and II) (FA 12)	-Co-decision procedure -Proposal made on 14 July 2004 -EP 1st reading on 17 May 2006 -Political process has been finalised on the basis of a first reading agreement -Final adoption by the Council in October 2006	-Adoption after first reading agreement expected by October 2006
16. Integrated Lifelong learning programme (FA 13)	-Co-decision procedure -Proposal made on 14 July 2004 -EP opinion in 2 nd reading (EP vote in October 2006)	-Adoption expected by the end of 2006 -Common Position of Council is negotiated so that the 2 nd reading should be a formality without any changes of the Common Position
17. Institute for gender equality (FA 14)	-Co-decision procedure -Proposal made on 8 March 2005 -EP opinion in 2 nd reading with vote planned for December 2006	-Adoption expected by the end of 2006 -Agreement possible in the 2 nd reading

18. Proposal establishing a Community Programme for Employment and Social Solidarity – Progress (FA 15)	-Co-decision procedure -Proposal made on 14 July 2004 -EP opinion in 2 nd reading. EP vote took place in September 2006	-Adoption expected by November 2006 -Agreement achieved between EP and Council in the 2 nd reading
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4. ASSESSMENT PER KEY POLICY AREA

The Commission’s work has been progressing rather well across all three key policy areas (see below fig. 4). Most policy actions (36) have been planned and adopted in the key area “Attractive place to invest and work”: this is also the area with the most work still to be done – 15 actions remain to be adopted.

In this section, the state of implementation of the 23 key actions is more closely assessed. Unlike in the rest of the working paper, this section is updated to the beginning of October. The key actions are analysed by key policy area. Preceding a systematic discussion of the actions in the three key policy areas, a short state of implementation is provided of the horizontal key actions related to cohesion and rural development policy.



Cohesion Policy Measures

Community Strategic Guidelines on Cohesion 2007-2013, PD01 / Decision on operational programmes for the structural and cohesion funds, FA01 / Regulations for the structural and cohesion funds post 2007, FA03

An important step was taken in the preparations for the next generation of cohesion policy programmes in the 2007-2013 period, when the new regulatory framework for the Structural Funds and the Cohesion Fund was adopted by the Council and the European Parliament. It entered into force on 1 August 2006 (five regulations in all). The new framework sets out the priority objectives, the implementation arrangements, and the financing arrangements for the new programmes. The implementation arrangements contain two important innovations for the realisation of the Growth and Jobs Strategy. First, they provide for the adoption by the Council of Community Strategic Guidelines as the basis for the preparation of the new

programmes. The Guidelines were adopted on 6 October and confirm the key role that the new programmes should play in delivering investment for growth and jobs. In a next step, the national and regional authorities use the Guidelines in drawing up national strategies (National Strategic Reference Frameworks (NSRFs)), which in turn lay the basis for the more detailed operational programmes at national or regional level. Second, the new arrangements require Member States to use the major part of the resources available in support of a short-list of actions directly relating to the Growth and Jobs Strategy. In other words, in the least developed regions a minimum of 60% of the resources available must be "earmarked" for Lisbon expenditures, 75% in the other regions, which translates into a Lisbon investment programme worth €200 billion from the Structural Funds plus co-financing (assuming that the indications from the new MSs are confirmed that they will participate in earmarking on a voluntary basis). The preparation of the NSRFs and operational programmes is well advanced as a result of the work undertaken in anticipation of the adoption of the Guidelines. The first decisions of the Commission relating to the NSRFs are expected before the end of 2006 while the first programmes are expected to be decided in the early months of 2007.

Rural Development Policy Measures

Community strategic guidelines on rural development, PD02 / Decision on rural development programmes, FA02

Rural Development is playing an increasingly important role in helping rural areas to meet the economic, social and environmental challenges of the 21st century. The new regulation on support for rural development financed by the new European Agricultural Fund for Rural Development focuses even more strongly on boosting growth, competitiveness, sustainability, diversification and supporting job creation. Five months after the adoption of this legal framework, the Agriculture Council adopted in February 2006 the EU strategic guidelines for rural development. These Guidelines identify the most important areas for the realisation of the EU priorities for the period 2007-2013 -with a particular focus on the renewed Lisbon strategy- which Member States should take up in their national strategy plans and rural development programmes. The contribution to the growth and jobs is substantially entrusted to the goal of improving the competitiveness of the agricultural and forestry sector and diversifying rural economies and their labour markets. Member States should submit their programmes by the end of 2006 with a first package of the Commission's decisions to be taken at the end of 2006 and the first half of 2007.

Concluding assessment

The Community contributes to the objective of more and better jobs by mobilising its expenditure policies. **The cohesion and structural funds are the largest financial instrument that the European Union has at its disposal** -in partnership with national and regional authorities- for investments to promote growth and jobs. This is reflected in the priorities contained in the draft Community Strategic Guidelines on Cohesion 2007-2013 but also in the proposal for the so-called **"earmarking" of the quantitative expenditure targets for the next generation of cohesion policy programmes**. The preparations for the cohesion policy measures are on track and should provide the right conditions for their timely and efficient implementation. In parallel, the preparations for rural development policies, focussing more specifically on the creation of growth and jobs in rural areas, are also on track. In addition to the expenditure policies already included in the CLP, the European Global Adjustment Fund is an additional new financial instrument that aims at enabling the EU to

support workers made redundant as a result of trade-related adjustment changes and thereby at promoting social cohesion in Europe.

4.1. Knowledge and innovation

4.1.1. State of play in the European Commission

Commission Communication on More Research and Innovation, PD05

The 2002 Barcelona European Council set the goal of raising overall research investment in the EU from 1.9% of GDP to approach 3% by 2010. The Commission confirmed in this Communication the importance of increasing R&D investment towards the EU target of 3% of GDP and assessed the progress made so far.⁷ The 3% objective clearly has had a mobilising effect on Member States which have set explicit targets. The 2006 Spring European Council Conclusions showed varying national ambitions on the commonly agreed Barcelona target. This Communication also listed a number of ambitious actions in support of R&D and innovation that are being undertaken and that also go beyond the 3% action plan.

Communication on Industrial Policy, PD04

On 5 October 2005 the Commission presented a new, more integrated industrial policy to improve the framework conditions for manufacturing industries and to ensure the consistency of various policy areas.⁸ The seven horizontal and seven sectoral initiatives outlined in the work programme of this communication are intended to complement work at Member State level to help address the key challenges faced by various sectors of the manufacturing industry. A mid-term review of the new industrial policy is scheduled for 2007. The Commission will report on the progress made on the work programme and consider possible extensions of the industrial policy initiative.

4.1.2. State of play in the inter-institutional decision-making process

The 7th Framework Programme for research and technological development, FA4

The proposed 7th Framework Programme (FP7) is the Community's main financial instrument for funding scientific research and technological development running from 2007 to 2013. It was proposed by the Commission in April 2005. The Council adopted a common position on 25 September 2006. The Council's common position will now be forwarded to the Parliament for the second reading, which is expected to take place at the end of November 2006. The Finnish presidency aims to get the programme swiftly through the second reading in order to ensure a timely launch of the FP7 in January 2007.

Community Patent Regulation and Implementation Measures, RA01

The creation of a Community Patent System is a crucial building block toward the development of a European knowledge-based economy. The creation of the Community Patent System aims at making it cheaper and easier to protect new inventions in all Member

⁷ "More Research and Innovation – Investing for Growth and Employment: A Common Approach", COM(2005) 488 final, 12.10.2005

⁸ "Implementing the Community Lisbon Programme: A policy framework to strengthen EU manufacturing – towards a more integrated approach for industrial policy", COM(2005) 474, 5.10.2005.

States with a single procedure. After the failure of the Competitiveness Council, in March 2004, to reach an agreement on the proposed regulation creating the Community patent, the 2005 Spring European Council called for a renewed effort. The requirements for translations of patent claims and the features of the future jurisdiction of the Community patent are the issues that have so far blocked the final adoption of the proposals. In order to regain momentum on patent matters, the Commission organised a comprehensive stakeholder consultation. A Communication and an action plan are foreseen before the end of 2006. At the moment, the ground is being prepared in order to make substantial progress under the Finnish and Germany presidencies.

4.1.3. *Concluding assessment*

In the area of knowledge and innovation, good progress has been made in setting up a **governance structure at European level for meeting the 3% GDP target of investment in research**. Encouraged by the 2006 Spring European Council, **all 25 member states have now R&D investment targets**. Meeting these targets by 2010 would lead to a significant increase in R&D expenditure in the EU which could reach up to 2.6 % of GDP by 2010. Higher R&D investment will improve international competitiveness. R&D is a policy area where there are important positive cross-border externalities. If all Member States jointly increased their R&D investment, individual Member States would each clearly benefit from the investments made in other countries.

Significant progress has also been achieved in improving the **framework conditions for knowledge and innovation**. The Commission's plans to adopt in 2006 a **new R&D and innovation state aid framework** as well as a Communication providing **guidance on tax incentives in favour of R&D** and a Communication on **knowledge transfer** play an important role in this regard.⁹ It should enhance Member States' abilities to support research and innovation. Furthermore, the Commission's new industrial policy develops an integrated approach that aims at improving the framework conditions, in particular for the manufacturing industries.

On the other hand, more progress needs to be made in improving the legislative framework for the development of knowledge and innovation by advancing the Community Patent. **Europe needs an adequate IPR system** that strikes the balance between the needs of small, medium, large firms, universities as well as individual inventors and the end-consumers and users. Such a system would encourage the wider and more efficient use of knowledge and thereby stimulate research and innovation. On the **expenditure side of Community R&D and innovation policy**, the preparation for the 7th Framework Programme is progressing towards a timely launch at the beginning of 2007.

In order to further strengthen policy-making in this key area, the Commission recently developed a **broad-based innovation strategy**¹⁰. It presents a framework to take innovation forward bringing together different policy areas which have a bearing on innovation. The Commission has established a **roadmap for a more innovative Europe** that outlines the most important planned or ongoing initiatives, identifies new areas for action, and in

⁹ See also next policy area.

¹⁰ Putting knowledge into practice: A broad-based innovation strategy for the EU", COM(2006) 502 final, 13.09.06. "An innovation-friendly, modern Europe", COM(2006)589, 12.10.06.

particular introduces a more focused strategy to facilitate the creation and marketing of new innovative products and services in promising areas - the “**lead markets**”.

4.2. Making Europe an attractive place to invest and work

4.2.1. State of play in the European Commission

State Aid Action Plan, PD03

The state aid action plan adopted by the Commission in June 2005 is a roadmap for a comprehensive reform of state aid policy that will cover a five-year period (2005-2009). The objective is to guarantee the Member States a clear and predictable framework, which enables them to grant state aid targeted toward achieving the Lisbon strategy objectives. The reform also aims at rationalising and simplifying procedures to grant state aid. Between 2005 and 2009 the Commission will present proposals detailing the reforms outlined in the action plan for each area relating to state aid. It will re-examine the instruments involving state aid to ensure that the same principles are applied in a consistent and comprehensive manner. However, some sectors that are subject to specific rules (e.g. agriculture, fisheries, coal and steel) will not be fully covered by the reforms initiated in the action plan.

State Aid Measures, RA10

In the context of the state aid action plan, an important number of regulatory actions are envisaged by the Commission. Progress in this field has been satisfactory as the Commission has completed half of the planned regulatory actions in the realm of state aid. While the revised regional aid guidelines and the state aid rules for Services of General Economic Interest were already adopted in 2005, the revised guidelines on state aid to risk capital have been finalised this year. A number of important initiatives are currently still in the pipeline. For 2006, the Commission still plans to adopt a new R&D and innovation framework and set a new threshold for de minimis aid. The review of the environmental state aid guidelines and the revision of the consolidated block exemption of certain aid measures to support SMEs, training, etc. are scheduled for 2007.

Market Inquiries and Competitiveness Assessments in Key Sectors, PD14

The Commission has initiated sector inquiries into a number of sectors which are of key importance from a competitiveness perspective. The inquiries aim at identifying obstacles to effective competition in order to allow the Commission to tackle these restrictive practices by an appropriate policy mix. The removal of obstacles to competition should foster the competitiveness of the sectors concerned. On 13 June 2005 the Commission launched an inquiry into competition in the gas and electricity markets. Well-functioning energy markets are crucial for the competitiveness of European industry, and for delivering the consumers' benefits expected from liberalisation such as more choice of suppliers and lower prices. On the same date, the Commission also launched inquiries into competition in financial services. The financial services enquiry focuses on three areas: payment cards, core retail banking and business insurance. The final report of the energy sector inquiry and the final report of the sector inquiry into retail banking (including payment cards) will be presented at the end of 2006. An interim report on business insurance will be made available in November 2006, after which a final report will be presented during the first quarter of 2007.

Doha Development Agenda, RA06

The aim of the Doha Development Round was to conclude a balanced agreement with the 149 members of WTO in areas including agriculture, non-agricultural market access, services and trade rules (especially trade facilitation, geographical indications and anti-dumping). After five years of complex negotiations, the Doha Development Round was suspended in July 2006 following the failure of negotiators to reach a compromise about reducing farming subsidies and lowering import tariffs. The EU remains committed to the WTO, and is working hard to resume negotiations as soon as circumstances in other countries allow it. Meanwhile, the EU is launching several initiatives that go beyond what can be achieved at the global level.¹¹

Intellectual property rights enforcement strategy, PD15

This strategy initiated in 2005 is intended to contribute to strengthening the enforcement of intellectual property rights in third countries. The strategy has delivered in many areas: an IPR working group including the Chinese authorities and EU right holders has been established; a joint cooperation programme on IPR enforcement with the US has been launched and an IPR dialogue with Japan has been initiated; IPR enforcement has been put on the WTO agenda; border controls have been stepped up and collaboration with companies enhanced to stop counterfeit and pirated goods at importation and transit. Several initiatives to step up these efforts are announced in the Commission's Communication published on 4 October 2006. China, Russia, Ukraine, Chile and Turkey are identified as priority countries on which to focus activity and resources in the fight against counterfeiting.

Better Regulation, PD16

Improving the quality of regulation can significantly spur growth in the EU economy. This is why "better regulation" is a centrepiece of the Growth and Jobs Strategy. The Commission's work on better regulation has advanced well. A number of important Communications have been adopted regarding better regulation, administrative costs, the screening of pending legislative proposals and the simplification of the regulatory environment. The Commission also adopted reviewed guidelines for impact assessment and has completed more than 150 impact assessments so far. In its March 2005 Communication on "Better Regulation for Growth and Jobs"¹², the Commission provided an overview of the fields of action where initiatives were to be undertaken. In September 2005, the Commission presented the outcome of the screening of legislative proposals pending before the legislator and identified the proposals to be withdrawn¹³. In addition to tabling a rolling simplification programme¹⁴ that will be implemented over the next three years, the Commission also issued in October 2005 a communication outlining the common methodology to measure administrative costs in EU proposals¹⁵. In early November 2006 the Commission will present a global review on better regulation that will assess the progress made by the EU institutions and the Member States, and will identify further actions to be taken. The Communication will cover all better

¹¹ "Global Europe: Competing in the world", COM(2006) 567, 4.10.2006.

¹² «Better Regulation for Growth and Jobs in the European Union», COM(2005) 97 final, 16.3.2005

¹³ «Outcome of the screening of legislative proposals pending before the Legislator», COM(2005) 462 final, 27.9.2005.

¹⁴ "Implementing the Community Lisbon Programme – A strategy for the simplification of the regulatory environment", COM(2005) 535 final, 25.10.2005.

¹⁵ «Communication on an EU common methodology for assessing administrative costs imposed by legislation», COM(2005) 518 final, 21.10.2005.

regulation topics: impact assessment, simplification, screening of pending proposals, administrative costs, application of EU law and actions in Member States.

Framework directive on clearing and settlement of securities transactions, RA08

This initiative aims at contributing to the creation of a single market in securities and to make cross-border clearing and settlement effective, safe and efficient at the European level. Even though the European Commission still regards clearing and settlement as a priority, the Commission decided that its objectives are for the time being best accomplished by a Code of Conduct instead of legislative action. The Code will include provisions on transparency, freedom of access and services unbundling. It should be endorsed at the end of October and lays out a timeframe for gradual implementation, leading to full application by the end of 2007.

Proposal for a consolidated tax base, RA09

This proposal will aim at removing cross-border barriers in the area of corporate taxation. It should enable companies to compute the taxable base for all their EU operations according to a new common tax code applicable across the EU, which should also permit the consolidation of profits and losses across the EU. This should result in a better allocation of resources within the internal market and a reduction of compliance costs. In its Communication on the “Progress to date and next steps towards a Common Consolidated Corporate Tax Base” in April 2006, the Commission reaffirmed the objective to complete the work and present a comprehensive legislative proposal by the end of 2008.

4.2.2. State of play in the inter-institutional decision-making process

Directive on Services, RA05

The objective of the services directive is to achieve a genuine internal market in services by removing legal and administrative barriers to the development of services activities between Member States. It should lead to more growth and jobs in the EU by freeing up cross-border trade and investment in services. On 4 April 2006, the Commission adopted an amended proposal for the directive which reflected closely the results of the first reading by the European Parliament in February. The modified proposal aims to enhance growth by reducing regulatory fragmentation, strengthening the rights of users of services and encouraging cross-border service provision. The Council adopted a common position on the draft directive on 24 July. The European Parliament is likely to conclude its second reading in November. Final adoption is foreseen by the end of this year.

Directive on payment services, RA07

The directive establishing a new legal framework for payments in the internal market aims at creating an integrated payments market which would enable payments to be made more quickly and easily through the whole EU. By removing the legal and technical obstacles blocking the creation of a single payments market, the proposal aims to introduce more competition in payments systems and facilitate the realisation of economies of scale. This should improve efficiency and reduce the costs of payments systems to the economy as a whole. The proposal lays down an appropriate prudential framework for the new payment institutions. In addition, it increases transparency for users and establishes the rights and obligations of payments service providers and users. The Commission adopted the proposal

on 1 December 2005 and it is now in its first reading. Given the importance of the directive to provide the legal foundation for the Single European Payments Area (SEPA) by the 1st of January 2008, all parties are working hard to secure adoption with a single reading before the end of 2006.

SESAR (ex SESAME) for the implementation of the Single European Sky, FA09

SESAR is the modernisation programme of the European Air Traffic Management infrastructure and the technological component of the Single European Sky. The Commission has proposed to set up a specific legal entity, a "joint undertaking", for the management of the programme where public and private sectors will join forces in order to foster technological innovation. The Council already discussed the proposed regulation on 9 June 2006. The proposal is currently being discussed in the European Parliament, whose opinion is expected in November. This should allow the Council to adopt the regulation later this year.

4.2.3. Concluding assessment

Important advances have been made in order to make Europe a more attractive place to invest and work. In addition to the adoption of a number of important state aid actions, the Commission launched sector inquiries into the energy sector and the financial sector. These inquiries aim at ascertaining the underlying reasons why markets do not seem to fully function in such sectors. In this way, **EU competition policy plays a crucial role in shaping European competitive markets that contribute to increasing productivity**. A significant number of policy actions envisaged in the state aid action plan have already been adopted by the Commission. The most important remaining issues are due for adoption by 2007 with the remainder spread out over the rest of this Commission's term. In addition to a pro-active competition policy, the ongoing **internal market review** endorsed by the June European Council this year also aims at making the internal market function more effectively. Even though the legal framework is largely in place, the full potential of the internal market remains unrealised. The internal market review was not included in the original CLP as it was initiated after July 2005.

Open and competitive markets need to be ensured, not only inside, but also outside Europe. In the realm of trade policy, the Commission has an important role to play in **ensuring that Member States have access to third markets** and compete on a fair basis with clear rules. In addition to the policy actions included in the CLP, the Commission recently adopted its Communication "Global Europe: Competing in the world". In this document, the Commission sets out its programme to strengthen the contribution of the external aspects of competitiveness to the overall objectives of the Lisbon Strategy. The primary means of doing so is through the WTO. In addition, the Commission will build on the platform created by the WTO to open further markets to trade and investment, to tackle barriers which lie behind the border and to step up EU engagement with major emerging economies.

In terms of **improving the overall EU regulatory framework**, important progress has been made. The Commission is driving forward successfully its **better regulation agenda** but more needs to be done at Member State level, notably in terms of implementation, simplification and putting into practice integrated assessments of environmental, social and economic impacts. Better regulation has a significant positive impact on the framework conditions for productivity, economic growth and employment. It aims at achieving EU policy objectives while improving the quality of legislation and thereby creates the right incentives for business, cuts unnecessary costs and removes obstacles to adaptability and

innovation.¹⁶ The picture is somewhat more mixed for the development of some important **specific regulatory frameworks**. Adoption by the end of 2006 is still feasible for the general services directive as well as for the more specific directive on payment services. The preparatory work on the common consolidated corporate tax base is ongoing and adoption of a proposal by the Commission is envisaged by the end of 2008. Finally, the legislative initiative for a framework directive on clearing and settlement of securities transactions will be replaced by the establishment of a code of conduct. In view of its current objectives, the Commission prefers a soft mode of governance over hard legislation.

4.3. Creating more and better jobs

4.3.1. State of play in the European Commission

Proposal for a European Qualification Framework, PD34

The EQF will facilitate the comparison, transfer and use of qualifications held by individual citizens by providing a reference framework which will serve as a translation device between different qualifications systems and their levels and enable them to relate to each other. After a Europe-wide consultation process and discussions with stakeholders, the Commission proposal for a draft Recommendation on the EQF was adopted by the College on 5 September 2006. The Recommendation will now be examined by the Council and the European Parliament. Agreement on the Recommendation could be achieved under the German or Portuguese Presidencies in 2007.

Action Plan on Legal Migration, PD32

Following a broad discussion on Community rules for admitting economic migrants to the EU, the Commission adopted an Action Plan on Legal Migration in December 2005. The plan presents an indicative roadmap covering the initiatives to be taken in the period 2006-2009. The plan mainly focuses on economic migration and aims at giving a clear and complete overview of a whole range of legislative and non-legislative initiatives the Commission intends to take in the next years. While 2006 has been mostly devoted to carrying out studies on specific issues and discussions on the way forward, this preparatory phase will be followed by several concrete initiatives starting from 2007.

European Institute of Technology, PD33

The proposal to establish a European Institute of Technology (EIT) was first put forward in 2005 as part of the mid-term review of the Lisbon strategy. The aim is to create a European flagship project for excellence in higher education, research and innovation, able to attract the best students and researchers world-wide. Building on a wide consultation process throughout 2005 and 2006 the Commission adopted two Communications on the EIT on 22 February and 8 June 2006 respectively. The European Council of June 2006 recognised the importance of the EIT and called on the Commission to present a formal proposal in autumn 2006. Following a new round of consultations with Member States and stakeholders, the Commission has worked on a legislative proposal (adoption expected on 18 October 2006). It will be presented to the Lahti informal summit on 19 October.

¹⁶ See 2007 Competitiveness Report.

4.3.2. Concluding assessment

Both the European Qualification Framework and the European Institute of Technology are Community initiatives that are developing well at the moment, and that aim at **enhancing the education and skills of Europe's workforce**. A continued investment in a highly skilled and adaptable workforce is crucial for creating more and better jobs. Economies endowed with a skilled labour force are better able to create, and make an effective use of, new technologies. While Member States play a major role in this key policy area, **complementary action that encourages cooperation between the Member States is developed at the Community level**

5. KEY MESSAGES

- The **European Commission has been making steady progress** with regard to the implementation of the CLP. By the 31st of July 2006, the European Commission had adopted 75 of the 102 actions. Nevertheless, **a considerable number of policy actions remains to be finalised** in the key area “Attractive place to invest and work”. In addition, there are 7 policy actions in the CLP for which the Commission still needs to adopt a legislative proposal.
- **An important number of policy actions are currently in the inter-institutional decision-making process.** Close collaboration between the EU institutions will be required in order to secure the successful implementation of the legislative part of the Community Lisbon Programme. By the 31st of July 2006, only 9 of the 39 legislative actions planned in the CLP had been successfully finalised.¹⁷ **The large majority of CLP legislative actions are under way.**
 - **Key legislative actions:** The final adoption of 3 key legislative actions, i.e. the Services Directive, the 7th Research Framework Programme and SESAR, is expected by the end of 2006. Also all parties are working hard to secure adoption of the Payments Services Directive at its first reading before the end of this year. **The European Commission's attempts to re-launch discussions on the Community Patent will only be successful with more support from the other institutions.**
 - **Other legislative actions:** For the large majority of the ongoing legislative actions final adoption is expected at the end of 2006 or the inter-institutional decision-making process is on track. However, **three specific actions are somewhat lagging behind:**
 - International cooperation within the 3rd maritime safety package (RA18)
 - 3rd Railway Package (RA24)
 - Legislation on portability of supplementary pension rights (RA27)

¹⁷ It should be pointed out that 5 legislative actions are related to ongoing international negotiations and therefore depend on the collaboration of policy actors other than the EU institutions.

6. NEXT STEPS

This implementation report is the first step of a **two-step strategy**. It is a **technical and factual document** on the state of implementation of the CLP and is presented around the same time that Member States are submitting their national progress reports. The report constitutes the basis for a second step which will start later this year consisting of a more thorough assessment of the CLP contribution towards the Lisbon objectives and identifying new possible action in key areas. While a **light update of the CLP** could be envisaged in the context of the 2007 Annual Progress Report, a **major revision of the CLP** would have to wait until the 2008 Strategic Report at the end of the first three-year cycle.

In this context, **it is important to underline that since the adoption of the CLP, the 2006 Spring European Council endorsed four priority areas for economic reform which could therefore be taken into account in updating the CLP**: 1) Knowledge and innovation; 2) Business environment, in particular for SMEs; 3) Employment policy; 4) Energy policy. These important areas include the broad-based innovation strategy incorporating a new patent strategy, the review of the internal market and the external competitiveness agenda, the European Global Adjustment Fund, the Commission proposals on the principles of flexicurity, and finally the Strategic Energy Review.

In the area of **knowledge and innovation**, the **broad-based innovation strategy**¹⁸ recently elaborated by the European Commission identifies the need for Community action to improve the EU innovation system in order to enhance the production and commercialisation of innovative technologies and create the appropriate environment for the exploitation and transfer of knowledge. **A new patent strategy in the context of a comprehensive IPR approach** will play a central role in this regard. An adequate IPR system for all types of IP rights is likely to contribute to more research and innovation through a wider and more efficient use of knowledge. Without introducing new structures, the **governance of EU innovation policies needs to be strengthened** within the context of the existing Lisbon governance in order to monitor the various innovation policy actions that are developed at the Community level.

The **review of the internal market** endorsed by the June European Council this year is a crucial building block to improve Europe's overall **business environment**. Even though the legal framework is largely in place, large potential benefits of the single market still remain unrealised. It is a great challenge to make the internal market function more effectively in a Union of 27 Member States and in an increasingly global context, allowing both business and consumers to reap the full benefits of a well functioning integrated market¹⁹ Particular attention should be paid to small and medium sized enterprises as they are a major source for growth and jobs. In order to ensure not only competitive markets inside but also outside Europe, the Commission has recently launched its **external competitiveness agenda**. This agenda includes initiatives on market access, EU policy on China, public procurement markets, trade defense instruments, steps to further protect intellectual property rights and a

¹⁸ "Putting knowledge into practice: A broad-based innovation strategy for the EU", COM(2006) 502 final, 13.09.06

¹⁹ The ongoing review of the consumer acquis aims at simplifying and making the consumer regulatory environment more coherent. It will also contribute to enhance legal certainty.

new generation of bilateral trade agreements to build on the EU's strong commitment to the WTO.

In the **priority area of employment**, the **European Global Adjustment Fund (EGF)** and Commission **proposals on the common principles of flexicurity** play a central role. The EGF was proposed by the Commission on 1 March 2006 and aims at enabling the EU to support workers made redundant as a result of trade-related adjustment changes. It is an important element in the positive management of the adverse effects of structural change, which, while globally beneficial for the European economy and for employment, can also trigger redundancies. For the Commission the concept of flexicurity represents an innovative set of policies on how to promote both labour market flexibility and employment security in combination with a high level of social protection. The common principles prepared by the Commission will not contain a one-size-fits-all recipe, but will rather show alternative pathways towards achieving more flexicurity in Europe.

Finally the envisaged **Strategic Energy Review** is an absolute priority for **energy policy**. The review is likely to cover all aspects of energy policy, analysing all the advantages and drawbacks of different sources of energy, from renewable to coal and nuclear and to cover the contribution of increased energy efficiency. This review considers options that enable the EU to move towards a sustainable energy future. It aims at addressing a number of important challenges such as the growing import dependency, the precarious situation in the global energy markets and the increased threats of climate change, which, if left unaddressed, could have a direct impact on the EU environment and on jobs and growth potential.

ANNEX
COMMUNITY LISBON PROGRAMME
TECHNICAL IMPLEMENTATION TABLE

State of play as of the 31st July 2006

Notes for Annex:

- The key actions of the Community Lisbon Programme are indicated in bold.
- In a number of cases, 1 policy action corresponds in fact with a collection of closely related policy actions (e.g. RA18 covers the 7 legislative proposals of the 3rd maritime safety package). The policy is only considered as “adopted” in this report when all the related policy actions mentioned in the report have been concluded.
- Abbreviations: Co-decision (COD), Consultation (CNS), Assent (AVC)

I. Regulatory Actions

N.	Policy action	Context of specific policy measure	Estimated contribution to jobs and growth	European Commission			Inter-Institutional Decision-Making	
				Originally planned adoption year	Status	Adoption year / planned adoption year	Status	Adoption year / expected adoption year
KNOWLEDGE AND INNOVATION								
RA01	Community Patent Regulation and implementation measures	The Community Patent is a key development to create favourable framework conditions for business to innovate and invest. It should be complemented by Council decisions setting up the Community patent jurisdiction.	A unitary patent will save costs for business, thus encouraging patenting, exploitation of research and diffusion of knowledge. The Community patent jurisdiction would avoid the expense, inconvenience and confusion that can occur when judgements in several national courts are required.	pre-2004	COM adopted	III 2000	CNS 1st reading	II 2007
RA02	Review of regulatory framework for electronic communications	EC regulation has prompted liberalisation and competition in European electronic communications over the last years. This is a key sector of the economy where fast evolution is driven by technological change and market competition. Regulation must keep pace with technological and market developments, e.g. stimulating innovative and competitive broadband services, or efficient spectrum management. This review was foreseen in the current EC regulatory framework on electronic communications.	An appropriate regulatory framework is essential to stimulate digital convergence and drive powerful market developments with a significant impact on competitiveness and job creation.	IV 2006	COM adopted	I 2007		
RA03	Audiovisual media services directive	The "TV without frontiers" directive has played a key role regarding the European internal market for TV broadcasts, supporting the competitiveness and public interest in this sector. However, it is now necessary to adapt this Directive to the new market and technological realities, which blur the boundaries between hitherto clearly distinct media and ICT sectors.	Apart from its cultural and political impact, Television is a very important source of economic development and jobs, in its own right and also indirectly through its impact in other sectors of the economy, e.g. sports. Addressing the changing environment of the sector should increase its contribution in terms of growth and jobs.	IV 2005	COM adopted	IV 2005	COD 1st reading	
RA04	Eco-design requirements Directive	The Directive is part of a package of measures to increase the efficiency of the whole energy supply and demand chain. This should reduce Europe's external energy dependency, ensure affordable prices to all end consumers (both industries and households), and increase EU competitiveness. In addition, this Directive will also help to meet the Union's Commitment under the Kyoto Protocol and contribute to the free movement of energy-using products within the EU.	The measures envisaged under this Directive will contribute to attain the 20% energy saving by 2020 announced in the Green Paper on an energy efficiency plan. They will also stimulate investment, in particular at local and regional level, increasing the competitiveness of EU companies, stimulating economic growth and creating at least 1 million new jobs (direct and indirect job impacts).	2004	COM adopted	III 2003	COD adopted	2005
ATTRACTIVE PLACE TO INVEST AND WORK								
RA05	Directive on Services	Improvement of the functioning of the Internal Market for services.	Removing restrictions and simplifying administrative procedures will create important business opportunities for cross border services activity and thus free up enormous growth and job creation potential. The resulting increase in EU gross value added should be of approx 0.8% and the net employment creation of approx 600,000 jobs. (Source: Copenhagen Economics).	I 2004	COM adopted	I 2004	COD 2nd reading	IV 2006

N.	Policy action	Context of specific policy measure	Estimated contribution to jobs and growth	European Commission			Inter-Institutional Decision-Making	
				Originally planned adoption year	Status	Adoption year / planned adoption year	Status	Adoption year / expected adoption year
RA06	Doha Development Agenda	Conclude a balanced and ambitious agreement with the 148 members of WTO in areas including agriculture, non-agricultural market access, services and rules (especially trade facilitation, geographical indications and anti-dumping).	The conclusion of the Agenda should improve market access for EU products to third countries, notably through a significant reduction of industrial tariffs and restrictions in services, trade facilitation and the strengthening of disciplines for non-tariff measures.	IV 2006	Ongoing			
RA07	Directive on payments services	The Directive will contribute to the consolidation and completion of the integration of the financial services markets.	Creation of an integrated EU wide infrastructure for payments will facilitate cross border economic activity.	III 2005	COM adopted	IV 2005	COD 1st reading	IV 2006
RA08	Framework Directive on clearing and settlement of securities actions	The Directive will contribute to create a single market in securities and to make cross-border clearing and settlement effective, safe and efficient at European level.	The measure will contribute to enterprise competitiveness and economic growth by improving the conditions for cross border economic activity.	I 2006	COM planned	IV 2006		
RA09	Proposal on the Common Consolidated Tax Base	This proposal is part of the Commission strategy aimed at removing cross-border tax barriers in the area of corporate taxation.	The proposal should result in a better allocation of resources within the internal market and a reduction of compliance costs. The associated increase in potential output and downward pressures on costs and prices will lead to significant welfare gains.	II 2008	COM planned	IV 2008		2010
RA10	State aid measures							
RA10a		R&D and Innovation aid Framework Enhances Member States' abilities to support research and innovation. The Framework will be preceded in September 2005 by a Communication launching a broad consultation on possible measures to render the state aid rules more supportive of innovation activities.	The new framework will make it easier to provide financial support for research and innovation. The prevailing R&D Framework could be extended with new provisions to assist young innovative companies, support clustering or encourage training and mobility, leading to enhanced enterprise competitiveness and new employment opportunities.	IV 2006	COM planned	IV 2006		
RA10b		Revised Guidelines on State aid to risk-capital Enhances Member States' abilities to enhance access to risk capital, notably for SMEs.	Increased access to risk capital by small and medium sized companies, particularly in knowledge intensive sectors, should stimulate enterprise growth and employment creation.	IV 2006	COM adopted	III 2006		
RA10c		Consolidated single block exemption on certain aid measures to support SMEs, training and employment, R&D, environmental protection, etc. Facilitates Member States' administration of State aid policy by extending the scope of the existing block exemptions and consolidating exemptions in a single legislative act.	Reduced administrative burden for Member States; clarity, simplicity, efficiency and predictability of the rules.	IV 2006	COM planned	IV 2007		

N.	Policy action	Context of specific policy measure	Estimated contribution to jobs and growth	European Commission			Inter-Institutional Decision-Making	
				Originally planned adoption year	Status	Adoption year / planned adoption year	Status	Adoption year / expected adoption year
RA10d		Revised Regional Aid Guidelines. Better targeting of state aid towards "Lisbon" objectives and further concentration of regional aid in less favoured regions.	A better targeting of regional aid should contribute to the overall redirection of public resources to socially more valuable activities. It should also result in a reduction of State aid that distorts competition and thereby impedes necessary structural change.	IV 2005	COM adopted	IV 2005		
RA10e		Review of the environmental state aid guidelines. Better targeting of state aid towards "Lisbon" objectives, notably through enhanced possibilities to support environmental investments.	Positive impact on jobs and competitiveness through higher efficiency of European enterprises. The guidelines should help support environmental technologies, which are a growth industry in several MS	2007	COM planned	IV 2007		
RA10f		State aid rules for Services of General Economic Interest (SGEI). The provision of effective and high quality Services of General Economic Interest (SGEI) is a key component of the European welfare state and is essential for ensuring social and territorial cohesion.	SGEI typically concern major sectors of the economy such as telecommunications, postal services, transport, energy provision, etc. A proper management and high quality of SGEI can highly contribute to competitiveness.	III 2005	COM adopted	IV 2005		
RA11	Interinstitutional agreement on a common approach to impact assessment	The 'common approach' is meant to be a first step in agreeing a common methodology for impact assessment, in line with the inter-institutional commitment of November 2003 on Better Lawmaking.	Agreement on a 'common approach' will help to ensure that all three Institutions carefully consider the potential impacts of their actions on jobs and growth.	III 2005	COM adopted	III 2005	adopted	2006
RA12	Extension of Directive 98/34 to services	Directive 98/34/EC has proven to be a very valuable instrument to remove obstacles and create a truly internal market for products and information society services. The proposal to extend this Directive to Services is complementary to the proposed Directive on Services. It should contribute to the smooth functioning of the Internal Market for services by 2010.	By facilitating the freedom of establishment and the freedom to provide services, the proposal will contribute to the creation of new employment opportunities and economic growth.	II 2006	COM planned	Timing of adoption depends on final adoption of the Services Directive.		
RA13	Free trade agreement with Mercosur	Conclude a free trade agreement with Mercosur (Brazil, Argentina, Uruguay and Paraguay). It would be a wide-reaching agreement covering goods, services, investments and public procurement. This would be part of a region-to-region Association Agreement, which would also include a political as well as a cooperation chapter.	The agreement would support multilateral market opening by pursuing further market access for EU industrial and agricultural products as well as EU service providers. It would also contribute to the creation of rules in a vast number of areas to secure trading conditions for EU firms.	N/A	Ongoing		Discussions ongoing how to fully re-engage the bi-regional negotiations, taking into account developments in the multilateral round.	

N.	Policy action	Context of specific policy measure	Estimated contribution to jobs and growth	European Commission			Inter-Institutional Decision-Making	
				Originally planned adoption year	Status	Adoption year / planned adoption year	Status	Adoption year / expected adoption year
RA19	Cross Border mergers (10th Company Law Directive)	The Directive will contribute to modernisation of company law facilitating cross border mergers and takeovers.	The measure will contribute to enterprise competitiveness and economic growth by improving the conditions for cross border economic activity.	pre-2004	COM adopted	IV 2003	COD adopted	2005
RA20	Transfer of companies' registered seat (14th Company Law Directive)	The Directive will contribute to modernisation of company law facilitating cross border mergers and takeovers.	The measure will contribute to enterprise competitiveness and economic growth by improving the conditions for cross border economic activity.	III 2005	COM planned	N/A		
RA21	Proposal to simplify the current VAT compliance obligations	This proposal is part of the Commission's VAT strategy to modernise and simplify the current VAT arrangements.	Reduction of compliance costs for companies carrying out VAT taxable activities in other Member States	IV 2004	COM adopted	IV 2004	CNS 1st reading	IV 2006
RA22	eCustoms: Modernised Community Customs Code	The modernised Customs Code will be the legislative pillar of eCustoms, initiative necessary to keep pace with the changes of the environment in which Customs and traders operate, particularly in respect of the rapid adoption of electronic data exchange.	Trade facilitation and reduction of compliance costs for companies carrying out imports into/exports out of the European Community, particularly if various Member States are involved.	III 2005	COM adopted	IV 2005	COD 1st reading	2009
RA23	Revision of the New Approach to technical harmonisation and standards/Global Approach to conformity assessment	The New Approach to technical harmonisation and standards and the Global Approach to conformity assessment require simple definition of the essential requirements for types of products, rather than detailed technical specifications, thus promoting innovation and competitiveness. A general review is required to strengthen this tool.	Ensuring the free movement of goods through technical harmonisation will improve economic integration and facilitate trade. It is estimated that the trade of products covered only by the major sectors regulated by the New Approach directives largely exceeds the € 1500 billion per year. Speeding up and improving the system will enhance the effectiveness of the Internal Market.	III 2006	COM planned	IV 2006		
RA24	3rd railway package (3 parts: 1. market opening of international rail passenger transport, 2. Common rules on train crew certification, 3. improvement of rail passengers rights)	The 3rd railway package aims to complement the regulatory framework for rail interoperability and safety, to pursue the Internal market project for rail passenger services and to enhance the service quality of rail transport.	The enhanced technical harmonisation and interoperability of international rail transport services, further market opening for international rail passenger services, and higher quality of rail transport services should improve the offer of rail services and consequently trigger increased demand. Overall increased efficiency will also improve the sector's competitiveness, supporting growth and employment.	I 2004	COM adopted	I 2004	COD all in 1st reading	COM (2004) 139, 142, 143 for 1/2007

N.	Policy action	Context of specific policy measure	Estimated contribution to jobs and growth	European Commission			Inter-Institutional Decision-Making	
				Originally planned adoption year	Status	Adoption year / planned adoption year	Status	Adoption year / expected adoption year
RA25	Directive on the charging of heavy goods vehicles for the use of certain infrastructures (Eurovignette)	This Community framework is an important complement to the internal market, guaranteeing sustainable freedom of movement. The directive will help reduce congestion and the undesirable external effects of road transport. Differentiated tolls will encourage the use of less polluting vehicles, the routes chosen for goods will be optimised, roads with a low environmental impact will be preferred and users will be encouraged to change their behaviour by taking account of the real costs of transport. The revenues from charges should be used to benefit the transport sector and optimise the entire transport system, including the TENs.	The directive should lead to a more rational and efficient use of network capacity. In the long term, economic operators will be encouraged to reorganise their logistical chain and to adapt their modal choices, with beneficial effects not only for the environment but also for the productivity and competitiveness of the transport sector.	pre-2004	COM adopted	III 2003	COD adopted	2006
CREATING MORE AND BETTER JOBS								
RA26	Directive (+ 2 recommendations) on fast track visa and work permit arrangements for third country researchers	The current visa and work-permit arrangements at the EU and/or national level are often not adapted to allow for fast and smooth access to the EU research system of third country researchers, who are needed to contribute to knowledge development in the EU. This has a negative effect on the attractiveness of the EU to the best third country researchers and means that the EU is not using the best human resources available worldwide for knowledge production.	Smooth and rapid access of third country researchers will allow enterprises and public research institutions to effectively tap the world's best human resources in R&D. As such the measure will contribute directly to raising the necessary HR-capacity in the EU attracting further research investments.	II 2004	COM adopted	I 2004	CNS / COD all adopted	2005
RA27	Legislation on portability of supplementary pension rights	Improved portability of pension rights should enhance labour mobility within the EU.	By reducing one important obstacle to labour mobility the measure will improve the effectiveness and the integration of the EU labour markets	I 2005	COM adopted	IV 2005	COD 1st reading	
RA28	Directive on recognition of professional qualifications	The Directive will facilitate the mobility of skilled professionals.	The Directive will facilitate cross border economic activity by making the conditions for migration easier.	2004	COM adopted	I 2002	COD adoption	2005
RA29	Recast proposal on the implementation of the principle of equal opportunity and equal treatment of men and women in matters of employment and occupation	The proposal, adopted in the context of regulatory simplification, aims at recasting different directives dealing with the principle of equal treatment between men and women in employment and occupation related matters.	By enhancing the principle of equal treatment, this recasting proposal should improve the rate of female participation in the labour market.	II 2004	COM adopted	II 2004	COD adoption	2006

II. Financing Actions

N.	Policy action	Context of specific policy measure	Estimated contribution to jobs and growth	European Commission			Inter-Institutional Decision-Making	
				Originally planned adoption year	Status	Adoption year / planned adoption year	Status	Adoption year / expected adoption year
FA01	Decisions on operational programmes for the structural and cohesion funds	Programmes will be adopted in accordance with the Community strategic guidelines which identify the most important areas for the realisation of Community priorities, in particular in light of the renewed Lisbon strategy for growth and jobs.	Each operational programme will include a series of thematic and territorial priorities which will be quantified with a limited number of performance and impact indicators (including number of jobs created).	III 2006	COM planned	I 2007 - II 2007		
FA02	Decisions on rural development programmes	Programmes will be adopted in accordance with the Community guidelines for rural development which identify the most important areas for the realisation of Community priorities, in particular in light of the renewed Lisbon strategy for growth and jobs.	The resources devoted to the diversification of the rural economy and quality of life in rural areas under rural development programming (including Leader) should contribute to the the creation of employment opportunities. These effects will be quantified in the programmes.	IV 2006	COM planned	IV 2006 - I 2007		
FA03	Regulations for the Structural and Cohesion Funds post-2007	The Structural and Cohesion Funds are the largest financial instrument that the Union, in partnership with national and regional authorities, has at its disposal for investments to promote growth and employment. The new regulations introduce "earmarking" provisions to ensure concentration on Lisbon-related investments.	Support will be concentrated on investments, such as infrastructure, innovative capacity, business development and human capital. The level of GDP is expected to rise by 10% and employment by 4-8% in the main beneficiaries, the 10 new Member States.	III 2004	COM adopted	III 2004	AVC / COD all adopted	2006
KNOWLEDGE AND INNOVATION								
FA04	7th Framework programme for research, technological development and demonstration activities (2007 to 2013)	The proposed 7th Framework Programme is the major Community financial instrument for strengthening knowledge generation, complementing Member State and private sector research efforts. It has four main programmes: Cooperation - transnational projects to strengthen excellence in key areas of science and technology; Ideas - to support investigator driven research; People - to strengthen human resources in research; and Capacities - to develop and fully utilise research capacities across the EU.	By strengthening the production and exploitation of knowledge in Europe, FP7 will help to stimulate the development of new products and processes, generating growth and employment, and enhancing competitiveness. The following estimates have been made of the additional effects of FP7 compared with the option of continuing with the existing FP as it is ("business-as-usual scenario"). FP7 will have an additional impact on growth of between around 0.5 and 1 percent of extra GDP by the year 2030.	II 2005	COM adopted	II 2005	COD / CNS both in 1st reading	IV 2006
FA05	Framework programme for competitiveness and innovation (2007-2013)	The programme will stimulate entrepreneurial initiative, the supply of capital for start-ups and expanding SMEs, the uptake of ICTs, innovation in enterprises, as well as the market uptake of environment friendly and energy efficient technologies - issues for which market gaps have been identified and value added can be achieved through EU cooperation.	The impact assessment estimated that in particular the equity and debt financing instruments for start-ups and growing SMEs could contribute to the creation or maintenance of up to 350,000 jobs over a period of 5 years.	II 2005	COM adopted	II 2005	COD 1st reading	IV 2006
FA06	European Investment Bank: Innovation 2010 initiative	The Innovation 2010 initiative (i2i) provides the framework for EIB financing of activities linked to the Lisbon Agenda until the end of the decade. It establishes a new indicative lending envelope of EUR 20 billion for the period June 2003 to December 2006.	EIB's Innovation 2010 Initiative is financing primarily R&D, innovative technologies human capital formation and ICT networks. Such targeted support is expected to have a significant impact on innovation. The initiative will also stimulate the creation and development of small business, by providing equity and facilitating access to bank credit.	II 2005	Adopted	N/A		

N.	Policy action	Context of specific policy measure	Estimated contribution to jobs and growth	European Commission			Inter-Institutional Decision-Making	
				Originally planned adoption year	Status	Adoption year / planned adoption year	Status	Adoption year / expected adoption year
FA07	Climate Change Financing Facility (EIB fund, later possibly follow-up of Post-2012 Climate change communication in terms of technology push policy)	The Facility would support to the EU Emission Trading Scheme and climate change policy in general, and contribute to the implementation of the Environmental Technologies Action Plan (COM(2004) 38 final).	The instrument would fund new, cost-saving investments in production capacities, helping accelerate the innovation cycle in related activities. It would also facilitate the necessary long-term structural change in production systems.	N/A	COM planned	N/A		
FA08	Legislative proposals, if necessary, on the framework of each joint technology initiative.	In drawing attention to the necessity of pursuing an active industrial policy, the Spring European Council 2005 recognised the role of "technology initiatives based on public-private partnerships in strengthening the competitive advantages of the industrial base while ensuring the complementarity of action at national, transnational and European level". For the 7th Research Framework Programme, the Commission has proposed the introduction of multi-financed large-scale "Joint Technology Initiatives" in fields of major European public interest, identified through dialogue with industry.	The key objectives of Joint Technology Initiatives include coherent implementation of European research efforts, accelerated generation of new knowledge, concentration of efforts on projects geared to Europe's industrial competitiveness goals, enhancement of the technology verification process and guidance of investment towards operational and marketable solutions.	II 2006	COM planned	2007 and 2008		2008 and 2009
ATTRACTIVE PLACE TO INVEST AND WORK								
FA09	SESAR (ex SESAME) European air traffic management infrastructure modernisation programme for the implementation of the Single European Sky	SESAR (ex SESAME) is the modernisation programme of the European Air Traffic Management (ATM) infrastructure and the technological component of the Single European Sky. The latter entails the reform of ATM in the EU in particular through the promotion of cross-border service provision and the creation of functional airspace blocks. This approach must be complemented and supported by the creation of a seamless interoperable ATM system integrating new technologies, delivering capacity to sustain traffic growth and enhancing operational efficiency and safety. The Commission has proposed to set up a specific legal entity, a "joint undertaking", for the management of the programme where public and private sectors will join forces in order to foster technological innovation.	According to a recent impact assessment, SESAR is expected to contribute more than 50 billion € to European economic growth, and will create some hundred thousands of highly qualified jobs in Europe. SESAR will enable Europe to sustain air transport growth in the next twenty years, by minimising the environmental impact of flights, reducing the cost of air traffic management services; above all, SESAR will significantly increase air transport safety.	II 2005	COM adopted	IV 2005	CNS 1st reading	IV 2006

N.	Policy action	Context of specific policy measure	Estimated contribution to jobs and growth	European Commission			Inter-Institutional Decision-Making	
				Originally planned adoption year	Status	Adoption year / planned adoption year	Status	Adoption year / expected adoption year
FA10	Trans-European transport networks including Quick Start Programme for transport	The Community has the task of contributing to the establishment and development of trans-European networks in the area of transport (TCE Articles 154 and 155). Investment in key TEN transport infrastructure strengthens the interconnectivity of networks, the dynamics of the internal market and territorial cohesion. Compliance with the Decision calendar for the TEN transport priorities approved by the Union in April 2004 should be ensured. The European Growth Initiative, endorsed by the European Council in December 2003, includes accelerated public investment in a Quick-start list of 30 transport cross-border project sections which are part of the TEN priority projects. It includes Galileo (satellite-based radio navigation for all modes of transport), for which the conclusion of international cooperation agreements is underway, with the aim to promote Galileo applications and extend the installation of land segment components in certain parts of the world.	New investments in the TEN transport priorities projects decided by the Council and Parliament would lead to: - GDP level increase by 0.2% - 0.3% by 2020 - up to 1 million permanent jobs to be added to the 3 million temporary jobs created during construction - time-savings on travelling in interregional routes of around 8 billion euro per year and a reduction of 14% in congestion delays (not included in the GDP calculation). As for Galileo, the profit/costs ratio has been established to be very high. The world market of the goods and services related to satellite radionavigation doubled between 2002 and 2003, from 10 billion to 20 billion euros. It should approach 300 billion euros by 2020. Galileo should create almost 150,000 jobs and the corresponding service and equipment market is estimated at about €9 billion a year.	pre-2004	COM adopted	III 2006	COD 1st reading	2007
FA11	Trans-European Networks for Energy including Quick Start Programme for Energy	The Community has the task of contributing to the establishment and development of trans-European networks (TCE Articles 154 and 155). Investment in key TEN energy infrastructure strengthens the interconnectivity of networks, the dynamics of the internal market and territorial cohesion while promoting security of energy supply. The TEN-E Guidelines will be adapted to enlargement.	In an energy-intensive economy adequate energy supply and distribution are essential for the functioning and well being of society. The demand for energy emerges from all sectors, in particular industry, transport and households. Energy infrastructures are key assets. Infrastructure development and market development are inherently linked.	2004	COM adopted	II 2006	COD 1st reading	2007
FA12	Marco Polo Programme (I and II)	Marco Polo I is an EU's intermodality market-oriented programme to shift international freight off the road towards more environmentally friendly modes: short sea shipping (SSS), rail and inland waterways (IWW). The Programme contributes to fighting road congestion and improves freight transport performance. The overall budget is EUR 100 million for 2003-2006. Marco Polo II proposes a budget of €740 million for the 2007 – 2013 Financial Perspectives. It adds "Motorways of the Sea" and "Traffic Avoidance" to the existing actions, provides better support for ancillary infrastructure, and broadens its geographical scope to Wider-Europe.	In the first 2 project selection rounds of Marco Polo I a total EC subsidy of € 35 million, shifted a contracted total of 26 billion tonnes-kilometres off the EU roads towards railways, SSS and IWW. The total eligible costs of these projects are € 746 million resulting in a subsidy leverage factor of 21. Additionally, 15 EUR in external costs are saved for each €1 of EC-subsidy spent, resulting in an environmental benefit of €525 million. Thus, Marco Polo funds trigger large private investments into new innovative transport services creating skilled local jobs. According to the ex-ante assessment of Marco Polo II, an EC-budget of €740 million would achieve at least total investments of € 2.1 billion and environmental benefits of € 4.5 billion. As with Marco Polo I, the effect on jobs will be significant. Additionally, EU neighbouring countries may be integrated through bilateral agreements (by contributing into the programme).	pre-2004	COM adopted	III 2004	COD 1st reading	IV 2006

N.	Policy action	Context of specific policy measure	Estimated contribution to jobs and growth	European Commission			Inter-Institutional Decision-Making	
				Originally planned adoption year	Status	Adoption year / planned adoption year	Status	Adoption year / expected adoption year
CREATING MORE AND BETTER JOBS								
FA13	Integrated Lifelong learning programme	Community spending programme for education and training	The programme contributes to the development of human capital and citizenship by promoting the mobility of students, apprentices, teachers and other personnel involved in education and training and improves the quality of education and training systems by supporting to the co-operation of education and training institutions and stakeholders.	III 2004	COM adopted	III 2004	COD 2nd reading	IV 2006
FA14	Institute for Gender Equality (ex Institute for equal opportunities)	The Institute should promote gender equality. Its creation was proposed by the European Council in June 2004 and has also been demanded by the European Parliament.	Equality between men and women is not only a fundamental right and a Community objective enshrined in the Treaty, but it is also prerequisite for achieving the Lisbon objectives particularly as regards female employment rates.	I 2005	COM adopted	I 2005	COD 1st reading	IV 2006
FA15	Proposal establishing a Community Programme for Employment and Social Solidarity - <i>Progress</i>	<i>Progress</i> will financially support the implementation of the Social Agenda which is the Community roadmap for action in the employment and social area as part of the Lisbon Strategy	By providing financial means for actions in the areas of employment, social protection and inclusion, working conditions or anti-discrimination <i>Progress</i> will be conducive to employment creation, greater social cohesion and ultimately higher growth.	III 2004	COM adopted	IV 2005	COD 1st reading	IV 2006

III. Policy Development

N.	Policy action	Context of specific policy measure	Estimated contribution to jobs and growth	European Commission			Inter-Institutional Decision-Making	
				Originally planned adoption year	Status	Adoption year / planned adoption year	Status	Adoption year / expected adoption year
PD01	Community Strategic Guidelines on Cohesion, 2007-2013	The Community Strategic Guidelines are the basis for the preparation of the Cohesion programmes. The Guidelines identify the policy areas of highest importance for the realisation of the growth and jobs agenda.	Each operational programme will include a series of priorities which will be quantified with performance and impact indicators (including number of jobs created) see also FA03.	III 2005	COM adopted	III 2005		
PD02	Community Strategic Guidelines on Rural Development	These Strategic Guidelines will identify the most important areas for the realisation of Community priorities, in particular in light of the renewed Lisbon strategy for growth and jobs and the Göteborg objectives.	The resources devoted to the diversification of the rural economy and quality of life in rural areas under rural development programming and Leader should contribute to the the creation of employment opportunities. These effects will be quantified in the programmes.	II 2005	COM adopted	III 2005		
KNOWLEDGE AND INNOVATION								
PD03	State aid action plan	Clarifies State aid policy in the context of the Lisbon Strategy and notably the objective of 'less and better targeted aid'; provides guiding principles as well as roadmap for State aid reform	The measure should lead to better targeted State aid, entailing a redirection of public resources to socially more valuable activities that have a higher potential to stimulate growth and create employment. It should also lead to a reduction of State aid that distorts competition and impedes necessary structural change.	II 2005	COM adopted	II 2005		
PD04	Communication on a Modern Industrial Policy	This communication will confirm the principles of Europe's industrial policy in the context of the renewed Lisbon mid-term review. It will build on a screening of industrial sectors that will include an analysis of the sectoral implications of R&D/innovation, skill requirements, trade-related policies, and regulations. On this basis, the Communication will outline the application of the industrial policy instruments responding to the specific challenges of individual sectors. It will become the basis for a work programme for the coming years.	Competitiveness assessments of specific sectors in terms of (1) knowledge, (2) regulation, (3) environment, (4) external dimension, (5) employment and (6) geographical dimension (incl. restructuring needs) will lead to better designed policy instruments to take account of the challenges of specific sectors. The manufacturing industry generates a gross value-added output of some €1750 billion and employs some 200 million workers in the EU.	III 2005	COM adopted	IV 2005		

N.	Policy action	Context of specific policy measure	Estimated contribution to jobs and growth	European Commission			Inter-Institutional Decision-Making	
				Originally planned adoption year	Status	Adoption year / planned adoption year	Status	Adoption year / expected adoption year
PD05	Commission Communication on More Research and Innovation - Investing for Growth and Employment: A Common Approach (ex Communication on investing in research (3 % of GDP objective and Action Plan) - achievements and the way forward)	In this Communication, the Commission will confirm the importance of increasing R&D investment towards the EU target of 3% of GDP and it will assess the disappointing progress so far. It will then identify the main challenges ahead and outline Community actions to help Member States address them, with two main lines of action: (1) Increasing and improving public support to R&D, and (2) creating a dynamic single market of knowledge and technology to underpin the single market of goods and services.	Knowledge is recognised to be the main resource that Europe can leverage to boost growth and jobs in a sustainable way. The challenge is to enable businesses established in Europe to compete and grow in an increasingly knowledge-intensive globalised economy. This is becoming vital for Europe's economy as large companies, which account for most business research, increasingly relocate their R&D in the most attractive areas worldwide. Studies suggest that reaching the 3% target by 2010 could create 1.7% additional GDP and 1.6 million jobs. Between 2010 and 2020 it would result in an additional GDP growth per year of almost 0.5 % on average, and a further 3.4 million jobs.	III 2005	COM adopted	IV 2005		
PD06	Sectoral and regional follow-up to the Communication on restructuring	The Commission adopted its communication on restructuring and employment in March 2005, as a contribution to the ongoing debate on anticipating and managing change.	In the framework of globalisation and deeper European integration, anticipating and managing change will contribute to fully exploit the potential of economic restructuring, while aiming at minimize its social impacts. The follow-up will include the mobilisation of all relevant actors, particularly social partners.	N/A	COM adopted	I 2005		
PD07	Commission report to the European Council on European Technology Platforms and Joint Technology Initiatives	European Technology Platforms and Joint Technology Initiatives should lead to the timely development and deployment of new technologies, foster sustainable development and develop new technology-based public goods and services. They are key to achieve technological breakthroughs necessary for Europe to remain at the leading edge in high technology sectors as well as accompany the restructuring of traditional industrial sectors. The conclusions of the Spring European Council 2005 called for such a report.	European Technology platforms contribute to a number of key policy objectives which are essential for Europe's future competitiveness in both sectors of significant strategic and economic importance and more traditional industrial sectors with still a high employment content.	II 2005	COM adopted	II 2005		
PD08	EU Guidelines or recommendations to make research careers more attractive including in the private sector - Commission Recommendation on the European Charter for Researchers and on a Code of Conduct for the Recruitment of Researchers	The availability of numerous, well trained and motivated researchers in the EU is a prerequisite to attract and sustain investments in research. Therefore, targeted efforts are needed to provide researchers with attractive long term career prospects. this can be achieved improving their employment and working conditions, making the R&D "professions" more attractive and creating more favourable conditions for every form of mobility within a given research career path.	The recommendation should contribute to create an open, competitive and attractive European labour market for researchers. This will foster a more effective knowledge production system, which in turn will attract more research investments.	I 2005	COM adopted	I 2005		

N.	Policy action	Context of specific policy measure	Estimated contribution to jobs and growth	European Commission			Inter-Institutional Decision-Making	
				Originally planned adoption year	Status	Adoption year / planned adoption year	Status	Adoption year / expected adoption year
PD09	EU Guidelines to ensure an optimal EU-wide use of fiscal incentives in favour of R&D	Guidelines aimed to improve the conditions for investment in research through pro-active taxation measures	Tax incentives can help to address market failures creating positive external effects with an impact on R&D investment, thereby contributing to research jobs and enterprise competitiveness.	II 2006	COM planned	IV 2006		
PD10	EU Guidelines or recommendations to improve research collaboration and technology transfer between public research and industry	The guidelines would contribute to the creation of a more uniform playing field regarding the management of knowledge and intellectual property in the frame of cross-border R&D collaborations and technology transfer activities. They would be one of the main constituents of the forthcoming Commission guidelines to improve university-research collaboration and	Improved collaboration and technology transfer between public research organizations and industry can have a potentially high impact on the innovative performance of European enterprises. A recent UK study (2005) found that, without the significant input of government progress in this area would be much slower.	IV 2006	COM planned	IV 2006		
PD11	i2010 - European information society/ implementation plan: inclusion initiative (incl. eSkills); eGovernment Action Plan; Strategy for secure information society; Strategy for broadband communications and convergence.	i2010 stimulates the spread of ICT infrastructure and services, which are key to the innovative capacity of enterprises, the efficiency of the public administration and the quality of life of European citizens.	ICT makes an increasing contribution to growth and jobs, both directly -through the economic weight of ICT sectors- and indirectly, as ICT solutions diffuse to the rest of economy.	2006	COM adopted	II 2006		
PD12	Green Public procurement (Promotion of the handbook for Green Public Procurement (GPP) in national and local public authorities, support to MS for the preparation of national Action Plans for GPP (2006), possible agreement of EU and national targets for GPP).	This initiative should mobilise public funding to create or enlarge markets for green investments. It is part of the implementation of the Communication on Integrated Product Policy (COM(2003)302) and of the Environmental Technologies Action Plan (COM(2004) 38 and COM(2005) 16)	Besides environmental benefits, Green Public Procurement can lead to a reduction of (external) costs throughout the life-cycle of investments; triggering innovation in sectors where public authorities are major customers (i.e. public transport, construction of road-and waterways).	2006	COM planned	2007		
PD13	Green Paper on a European Plan for Energy Efficiency	Efforts to increase the efficiency of the whole energy supply and demand chain should reduce Europe's external energy dependency, ensure affordable prices to all end consumers (both industries and households) and increase EU competitiveness. They are also key for the Union to comply with the its international commitments under the Kyoto Protocol.	An effective EU energy efficiency policy should not only lead to a 20% energy saving by 2020, but will also vigorously stimulate investment, increase enterprise competitiveness-notably of SMEs-, create at least 1 million new jobs (direct and indirect job impacts) and result in better living conditions for EU citizens.	II 2005	COM adopted	II 2005		

N.	Policy action	Context of specific policy measure	Estimated contribution to jobs and growth	European Commission			Inter-Institutional Decision-Making	
				Originally planned adoption year	Status	Adoption year / planned adoption year	Status	Adoption year / expected adoption year
ATTRACTIVE PLACE TO INVEST AND WORK								
PD14	Market inquiries and competitiveness assessments in key sectors	The market inquiries should allow identify obstacles to effective competition and allow the Commission to address restrictive practices. This action is part of the broader objective to adopt a more pro-active enforcement of the competition rules (Articles 81, 82 ECT).	Removal of obstacles to competition should foster competitiveness in high-value added sectors and stimulate the liberalisation of network utilities	II 2005	COM adopted	II 2005		
PD15	Intellectual Property Right (IPR) enforcement strategy	The IPR enforcement strategy adopted in November 2004 by the Commission focuses on effective implementation and enforcement of existing IPR laws and proposes to identify priority countries where enforcement actions should be concentrated. It responds to the increase in counterfeiting and piracy worldwide, an the associated increased public concern (losses for right-holders, health, safety and quality concerns for consumers, link with organised crime).	Widespread infringements of intellectual property rights deprive right-holders of the revenue from their investment in R&D, marketing, creative effort, quality control, etc. Fake goods affect negatively market-shares, sales volume, reputation, employment and ultimately the viability of certain IP based activities/companies. High levels of IPR violations also discourage foreign investment and transfer of technology.	N/A	COM adopted	II 2004		
PD16	Better regulation							
PD16a		Communication on Better Regulation and follow-up measures. The Communication set the framework to simplify and improve regulation, as well as reducing the burdens associated to complying with it. Follow-up measures include: an external evaluation of the Commission's impact assesment system and impact assesment methodologies; initiatives to facilitate the use of alternatives to legislation; adoption of principles and minimum standards for consultation; and a simplification programme.	An improvement of the regulatory environment will help create more conducive conditions for economic growth and improved productivity. SMEs will benefit most from lower regulatory burdens. Ensuring a flexible regulatory reponse will also foster rules that are workable and rapidly updated so as to respond to technological change thereby encouraging innovation.	I 2005	COM adopted	I 2005		
PD16b		Communication on administrative costs The measure is aimed at minimising the administrative costs imposed by legislation. This Communication is part of the broader Better Regulation initiative, as endorsed in March 2005 in the Communication on Better Regulation for Growth and Jobs.	Reduction in administrative burden directly linked to Community legislation at EU and national level will improve the regulatory environment, enabling firms to compete more effectively on all markets, making market entry easier for new firms, thus stimulating the creation of more firms, and more jobs.	IV 2005	COM adopted	IV 2005		

N.	Policy action	Context of specific policy measure	Estimated contribution to jobs and growth	European Commission			Inter-Institutional Decision-Making	
				Originally planned adoption year	Status	Adoption year / planned adoption year	Status	Adoption year / expected adoption year
PD16c		Communication on outcome of screening of pending proposals. The measure is part of the broader Better Regulation initiative, as endorsed in the Communication on Better Regulation for Growth and Jobs, of March 2005.	Proposals pending before the Parliament and Council should respect the EU's higher "better regulation" standards and help achieve the Lisbon objectives of growth and jobs. The screening of pending proposals may lead the Commission to amend or withdraw pending proposals.	III 2005	COM adopted	III 2005		
PD16d		Communication on the Commission's simplification programme. The measure is part of the broader Better Regulation initiative, as endorsed in the Communication on Better Regulation for Growth and Jobs, of March 2005. In this Communication the Commission announced its intention to present for October 2005 a communication concerning the new phase of its simplification programme developing an integrated sectoral approach for simplification.	The Commission will identify specific legislations disproportionately burdensome and complex for EU business and will adopt initiatives or proposals for simplification. The improvement of the regulatory framework at the EU level will have a positive impact on competitiveness.	III 2005	COM adopted	IV 2005		
PD17	Communication on SME policy	The Communication will highlight the important role that SMEs of various types can play in delivering stronger, lasting growth and more and better jobs. The Communication will also identify the market failures that hamper access to finance by European SMEs. The Communication will in particular identify obstacles to the development of venture capital in the EU.	The Communication will focus on measures to increase SMEs' competitiveness and to unlock their potential to stimulate growth and job creation. Improving access to finance by SMEs will be a key issue. Proposed measures in other fields should include: promoting the entrepreneurial spirit and encouraging more people to become entrepreneurs, facilitating business transfers, reducing the skills gap, improving market access, or further developing support services.	IV 2005	COM adopted	IV 2005		
PD18	EU-US regulatory cooperation and transparency	The EU-US June Summit adopted an Economic Declaration which sets up an EU-US high-level Regulatory Co-operation Forum. The Forum shall facilitate the exchange of views and best practice on a more horizontal level drawing on the many sectoral regulatory dialogues already existing.	Facilitation of the access of European companies to the US market through standardised rules.	II 2005	COM adopted	II 2005		
PD19	Policy paper following up to Green Paper Financial Services Policy	Consolidation and completion of the integration of the financial services markets.	Initiatives in this field will improve the framework for cross border trading and investment, diversification of investment portfolios, and wider access to capital at lower cost. This will boost cross border trade and investment.	IV 2005	COM adopted	IV 2005		
PD20	Interpretative communication on intra-EU investment in the financial services sector	The Communication should contribute to the consolidation and completion of the integration of the financial services markets.	Initiatives in this field will improve the framework for cross border investment, diversification of investment portfolios, and wider access to capital at lower cost. This will improve cross border trade and investment.	III 2005	COM adopted	IV 2005		

N.	Policy action	Context of specific policy measure	Estimated contribution to jobs and growth	European Commission			Inter-Institutional Decision-Making	
				Originally planned adoption year	Status	Adoption year / planned adoption year	Status	Adoption year / expected adoption year
PD21	Communication on "Fostering entrepreneurial mindsets through education and learning" (ex Communication on entrepreneurship education and learning)	The Commissioner for Enterprise and Industry together with the Commissioner for Education and Culture presented the Communication. It outlines a set of recommendations aimed to enhance the role of education in creating a more entrepreneurial culture. Starting from an early age, school education should stimulate young people's awareness of entrepreneurship as options for their future, give them means to develop entrepreneurial skills and help them to be more creative and self-confident in whatever they undertake. At a later stage, universities and technical institutes should integrate entrepreneurship as an important part of the curriculum, spread across different subjects, and require or encourage students to take entrepreneurship courses.	Systematic action in the area of entrepreneurship education has a strong positive impact on the attitudes of young people towards entrepreneurship and on the number of start-ups. The conference on entrepreneurship education in October 2006 will develop more concrete activities to implement the 8 key actions of the Communication and will find ways on how to finance these activities from EU funding programmes.	III 2005	COM adopted	I 2006		
PD22	Driving forward the agreed agenda with ASEAN: TREATI (Trans Regional EU-ASEAN Trade Initiative)	Develop EC-ASEAN dialogue and regulatory cooperation on trade issues focusing on standards, Sanitary and Phytosanitary Matters (SPS), forests, investment and trade facilitation, and support ASEAN economic integration.	Facilitation of the access of European companies to Asian markets through standardised rules.	N/A	Ongoing			
PD23	Extension of the major trans-European transport axes to the neighbouring countries	The Communication on Policy challenges and budgetary means of the enlarged Union recognises the role of the TENs as a key policy area and proposes priorities for the external dimension and cooperation. The Commission also adopted a strategy paper European Neighbourhood Policy, which addresses the opportunities and challenges created by the shift of EU external borders following the enlargement.	Good transport connections between the European Union and its neighbours are essential for trade and economic development. Interoperable, safe and secure transport systems reinforce sustainable economic growth and competitiveness and ensure effective movement of passengers, goods and services. The possibilities for the Community to finance transport investments outside its territory being limited, strong emphasis should be put on "soft" measures, technical assistance and cooperation with financial institutions.	IV 2004	COM planned	IV 2006		
PD24	Green Papers on Asset Management and Mortgage Credit	Consolidation and completion of the integration of the financial services markets.	<u>Asset Management</u> : initiatives will lead to a cost-effective fund industry, which will diversify risk more efficiently, allow retail investors to earn higher returns and make capital available for investment projects. <u>Mortgage Credit</u> : initiatives will lead to more increased border mortgage credit activity, to a more competitive and attractive market environment for mortgage businesses that operate across borders and to more choice and better prices for consumers.	III 2005	COM adopted	III 2005		
PD25	eCustoms initiative	The eCustoms initiative aims at creating a European electronic environment for customs and trade, which is consistent with the operational and legislative projects and developments scheduled or underway in the areas of customs and indirect taxation.	Reduction of compliance costs for companies carrying out imports into/exports out of the European Community, particularly if various Member States are involved.	III 2005	COM adopted	IV 2005		

N.	Policy action	Context of specific policy measure	Estimated contribution to jobs and growth	European Commission			Inter-Institutional Decision-Making	
				Originally planned adoption year	Status	Adoption year / planned adoption year	Status	Adoption year / expected adoption year
PD26	Revised Impact Assessment Guidelines	The measure is part of the broader Better Regulation initiative. The Guidelines are the culmination of a period of intense internal reflection and has taken into account stakeholder comments and views. The Guidelines also integrate the impact of EU legislation on competition in impact assessments.	Clearer and more effective guidance to Commission services will help to ensure that the potential impact on growth and jobs of Commission initiatives is properly analysed and taken into consideration.	III 2005	COM adopted	II 2005		
PD27	(Pilot) Internal Market Information System	IMI aims to support the emphasis on governance and partnership with Member States set out in the Internal Market Strategy. It is intended as a general tool to support the implementation of internal market legislation.	Improved administrative cooperation between Member States will reduce barriers to cross-border economic activity and will lead to a better functioning of the Internal Market.	IV 2005	COM adopted	I 2006		
PD28	Communication on Home State Taxation	The measure addresses, in the area of corporate taxation, the issues which most hamper SMEs in their cross-border activities.	Better corporate taxation would lead to better resources allocation in the internal market and reduction of compliance costs, implying an increase in the potential output and downward pressures on costs and prices.	III 2005	COM adopted	IV 2005		
PD29	Communication on Customs actions to combat counterfeiting	Measure to protect business from unfair competition from piracy and counterfeiting	Will help protect existing jobs and encourage investment in the EU.	III 2005	COM adopted	IV 2005		
PD30	Intelligent Transport Systems for logistics and intermodality	Road vehicle on board systems (including the digital tachograph) and multi-modal real-time for people on the move will facilitate passenger intermodality. It should enable services such as road user charging, vehicle identification, freight management or e-safety. It can also enhance traffic management by replacing the need to install expensive traffic counting systems in roads, as well as providing the platform for value added services such as dynamic route guidance and 'pay as you go' insurance.	ITS should result in reduced road congestion, which is estimated to cost the equivalent of 1% of GDP. ITS measures can also bring environmental benefits and contribute to the target to halve the number of fatalities by 2010. Through the use of ITS, inter-modality policies can ensure efficient use of inland navigation, railways and short sea shipping, as key elements of a competitive and sustainable chain of inter-modal freight transport.	2006	COM adopted	II 2006		

N.	Policy action	Context of specific policy measure	Estimated contribution to jobs and growth	European Commission			Inter-Institutional Decision-Making	
				Originally planned adoption year	Status	Adoption year / planned adoption year	Status	Adoption year / expected adoption year
PD31	Rail network interoperability, capacity and safety	The Community will take the necessary measures to ensure the interoperability of rail networks, notably in the field of technical standardisation. In particular the Commission will adopt technical specifications for interoperability of conventional rail and foster the deployment of the European Railway Traffic Management System (ERTMS). Deployment of ERTMS will enable both high-speed and conventional trains to carry a single European system on board.	The adoption of technical interoperability specifications will increase the competitiveness of the rail sector as a whole. Standardisation also reduces maintenance costs and favours international traffic, in particular in the field of freight transport. ERTMS will reduce costs for infrastructure managers. Its deployment over a decade on a European scale will strengthen the high speed railways market share and will contribute to stopping the marginalisation of rail freight. ERTMS deployment is very labour intensive requiring highly technical skills.	2005	COM adopted	III 2005		
CREATING MORE AND BETTER JOBS								
PD32	Action plan on legal migration	Following the European Council conclusions of November 2004 on legal migration, the Commission adopted in January 2005 a Green Paper in order to launch a broad discussion on Community rules for admitting economic migrants and on the added value of adopting such a common framework. Drawing on the inputs received, the Commission aims to adopt an action plan on legal migration.	Economic migration, if properly managed, is a key asset for the economic and social development of Europe and the competitiveness of EU enterprises. In the light of demographic decline and the expected fall in employment levels, migration is a growing necessity to meet labour market needs and sustain economic growth. The action plan should provide a response to these challenges and make progress towards an EU framework on economic migration.	IV 2005	COM adopted	IV 2005		
PD33	Consultation on European Institute of Technology	The consultation should explore with the Member States and public and private stakeholders the practical modalities to the creation of the European Institute of Technology.	The EIT should attract the best minds and companies and strengthen knowledge and innovation throughout Europe.	I 2006	COM adopted	I 2006		
PD34	Proposal for European qualifications framework	Proposal developed in the framework of the Education and Training 2010 work programme aimed to promote lifelong learning as well as geographical and occupational mobility.	Better transparency and use of qualifications should lead to improved lifelong learning opportunities, to a better allocation of human resources and a more integrated European labour market.	II 2006	COM planned	IV 2006		
PD35	Anticipate and accompany restructuring: adoption of Communication and consultation of Social Partners	The Social Agenda foresees that the Commission will develop a strategy for managing restructuring operations. The strategy focuses on improved interaction between the relevant European policies, greater involvement of the social partners, enhanced synergy between policies and financial levers and the adaptation of the frameworks of legislation and agreements.	The Communication will reinforce the capacity of all the actors (companies, workers, regions, etc.) to anticipate and better manage change and restructuring, thus enhancing the potential for employment growth and competitiveness. The Forum will constitute an important factor for building partnerships at Community level around policies designed to enhance the Union's capacity to cope with change.	I 2005	COM adopted	I 2005		

N.	Policy action	Context of specific policy measure	Estimated contribution to jobs and growth	European Commission			Inter-Institutional Decision-Making	
				Originally planned adoption year	Status	Adoption year / planned adoption year	Status	Adoption year / expected adoption year
PD36	Restructuring forum	The Forum regroups all the actors concerned by restructuring. It is a forum of discussion of all the policies and measures which may contribute to better anticipating and managing restructuring.	The Forum will constitute an important factor for building partnerships at Community level around policies designed to enhance the Union's capacity to cope with change.	I 2005	COM adopted	I 2005		
PD37	Social Dialogue	Social dialogue is a key feature of the European social model. The social partners are increasingly called upon to take an active part in attaining the objectives of the Lisbon strategy on growth and employment.	In the context of the overarching objective to achieve higher growth and jobs, the social partners can play a fundamental role by, inter alia, ensuring better productivity, sustainable employment, inclusive labour markets, higher participation rates and an adaptable workforce.	N/A	COM adopted	III 2004		
PD38	Confronting demographic change [Green paper]	The green paper will promote a reflection on the policy response to cope successfully with demographic ageing.	The action is linked to the goals of increasing employment, active ageing and ensuring a long term basis of sustainable growth.	I 2005	COM adopted	I 2005		
PD39	Communication on health services (ex Communication on Social and Health Services of General interest)	Follows exclusion from the scope of the services directive and the need to clarify European recent Court of Justice rulings.	The proposal shall develop a Community framework for safe, high quality and efficient health services, by reinforcing cooperation between Member States and providing clarity and certainty over the application of Community law to health services and healthcare.	IV 2005	COM adopted	II 2006		
PD40	Open method of coordination (OMC) in the field of social protection / social inclusion: common objectives on inclusion, pensions and healthcare reforms	The initiative should streamline the separate OMC processes in relation to social inclusion, pensions and health care systems with a view to ensure better internal coordination and linkages with the other Lisbon processes.	A central aim will be to strengthen the contribution of social inclusion policies and the modernisation of social protection systems with a view to stimulating growth and jobs.	IV 2005	COM adopted	IV 2005		
PD41	Promote the integration of people excluded from the labour market	Consultation of social partners and civil society on possible new approaches to the integration of people excluded from the labour market.	This action can contribute to improve employment participation rates.	III 2005	COM adopted	I 2006		
PD42	Monitoring policies for sustained integration of young people into the labour market, via the mutual learning programme on employment	The initiative is part of the development of strategies for reducing youth unemployment.	The action can contribute to improve labour market opportunities for young people	2005	COM planned	N/A		
PD43	Incorporate youth dimension in Social Inclusion Strategy	The initiative should contribute to develop inclusion strategies for young people.	Lifting young people out of situations of exclusion will enhance their chances to integrate the labour market.	2005	COM adopted	IV 2005		

N.	Policy action	Context of specific policy measure	Estimated contribution to jobs and growth	European Commission			Inter-Institutional Decision-Making	
				Originally planned adoption year	Status	Adoption year / planned adoption year	Status	Adoption year / expected adoption year
PD44	Proposal for European Credit Transfer Systems for Vocational Education and Training (ex Proposal for a European credit system for lifelong learning)	Proposal developed in the framework of the Education and Training 2010 work programme aimed to improve geographical mobility in learning contexts and lifelong learning in the area of vocational education and training.	Better transparency of qualifications and acquired competences should lead to improved lifelong learning opportunities, to a better allocation of human resources and a more integrated European labour market.	II 2006	COM planned	IV 2007		
PD45	Education and Training 2010: Follow-up measures	The Commission envisages a series of measures to take forward the Education and Training 2010 work programme, which is the Community strategic framework of co-operation in the fields of education and training. These include a Communication on the 2006 Joint interim Report on Education and Training 2010, to improve the governance and ownership of the programme; a proposal aimed to promote geographical and occupational mobility; a proposal on a quality charter for mobility; a proposal on competences for lifelong learning; and a Communication on adult learning.	The various measures should strengthen progress towards common objectives in the field of education and training. High quality human capital and enhanced labour mobility are key for competitiveness and job creation.	pre-2004	COM planned	IV 2006		
PD46	Follow-up to the European Youth Pact: Communication on 'European policies concerning youth. Addressing the concerns of young people in Europe: implementing the European Youth Pact and promoting active citizenship'	The Communication aims to improve education, training, mobility, employment and social inclusion of young Europeans	The measures proposed should help reduce youth unemployment, ensure that educational attainment levels are improved and that young people are equipped with the necessary key competences.	II 2005	COM adopted	II 2005		
PD47	Youthpass - Development of an instrument for recognition of non-formal learning in the youth field (ex Youthpass - tool for recognition of youthwork)	The instrument should be based on the common Europass format and provide a framework for validating non-formal and informal learning.	The measure should contribute to develop human capital and enhance employability of young people by recognising skills and competences acquired through non-formal and informal learning	2006	COM planned	2007		
PD48	European Voluntary Service	Developing new forms of European Voluntary Service should contribute to encourage mobility and develop skills and competences in young people.	The measure should contribute to develop human capital and enhance employability of young people	2005	COM adopted	III 2004		

N.	Policy action	Context of specific policy measure	Estimated contribution to jobs and growth	European Commission			Inter-Institutional Decision-Making	
				Originally planned adoption year	Status	Adoption year / planned adoption year	Status	Adoption year / expected adoption year
PD49	European Year of Worker's mobility in 2006	The objectives of the Year are anchored within the Treaty objectives to promote the free movement of workers and to enhance occupational and geographic mobility (as identified in the Employment Guidelines). A number of new developments are due to take place in 2006, including the decisions on the transitional measures following the 2004 enlargement, the follow up of the "Skills and mobility" Action Plan or the follow up of current actions in the field of social security and pension rights.	The Year should raise awareness of the rights of workers to free movement and of the existing possibilities for geographic and occupational mobility. Increased labour mobility can lead to a more efficient allocation of human capital and increased growth and employment.	I 2005	COM adopted	2005		
PD50	European Year on Equal Opportunities for all in 2007	The Commission's Communication on the Social Agenda for the period 2005-2010, emphasised the importance of promoting equal opportunities for all in order to achieve a more cohesive society. It announced the Commission's intention to develop a new framework strategy on non-discrimination and equal opportunities for all.	Eliminating discrimination in order to reap the benefits of diversity is an important element in the development of a more competitive and dynamic economy and society.	I 2005	COM adopted	II 2005		