

587

UDENRIGSMINISTERIET

Medlemmerne af Folketingets Europaudvalg
og deres stedfortrædere

Asiatisk Plads 2
DK-1448 København K
Tel. +45 33 92 00 00
Fax +45 32 54 05 33
E-mail: um@um.dk
Telex 31292 ETR DK
Telegr. adr. Etrangeres
Girokonto 300-1806



Bilag
1

Journalnummer
400.C.2-0

EUK

2. marts 2004

Til underretning for Folketingets Europaudvalg vedlægges Formandskabet's reviderede kommenterede dagsorden vedrørende Det Europæiske Råds møde i Bruxelles den 25.-26. marts 2004, 6847/04.

A handwritten signature in black ink, which appears to be 'P. H. Olsen', written in a cursive style. The signature is underlined.



**COUNCIL OF
THE EUROPEAN UNION**

Brussels, 2 March 2004

6847/04

POLGEN 9

NOTE

From : The Presidency

To : Permanent Representatives Committee/Council

Subject : *European Council (25/26 March 2004)*
– *Annotated draft agenda*

According to the Seville European Council Conclusions the General Affairs and External Relations Council, acting on a Presidency proposal, shall draw up an annotated draft agenda at least four weeks before the meeting of the European Council. The Presidency accordingly submits the following annotated draft agenda.

o

o o

The Presidency intends to limit the agenda to the following items:

- I. The Lisbon Strategy: Priorities
- II. IGC: Report from the Presidency
- III. International Situation (*as necessary*)
- IV. Other Business

The meeting will be preceded by an exposé by the President of the European Parliament, Mr. Pat Cox, followed by an exchange of views.

I. THE LISBON STRATEGY: PRIORITIES

(see draft conclusions attached)

II. INTERGOVERNMENTAL CONFERENCE

The Presidency is expected to report to the European Council on the prospects for progress on the basis of consultations conducted according to the mandate by the December 2003 European Council.

III. INTERNATIONAL SITUATION

(as necessary)

IV. OTHER BUSINESS

Financial Perspectives

Short, procedural conclusions are anticipated.

Residence Palace

The European Council is expected to take a decision on using the Residence Palace building for its meetings.

Draft Presidency Conclusions

European Council 25/26 March 2004

MEETING THE LISBON CHALLENGE

1. Meeting the expectations of Europe's population for improved living standards and a better quality of life requires strong economic growth with a high degree of social cohesion and environmental protection.
2. The Union set itself ambitious goals in March 2000. Four years later, the picture is a mixed one. Considerable progress has been made and the European Council reaffirms that the process and goals remain valid. However, the pace of reform needs to be significantly stepped up if the 2010 targets are to be achieved. The European Council is committed to demonstrating the political will to make this happen.
3. The message from this European Council is one of determination and confidence. The challenges ahead are formidable but Europe has the will and capacity to achieve its economic potential. Enlargement will stimulate the European economy, creating new opportunities and promoting convergence. The Lisbon process will benefit from the experience and contribution of the new Member States.

Delivery

4. The Lisbon Agenda is based on a consistent approach: between the actions of the Union and those of the Member States, and also between the different areas of policy – economic, social and environmental. Individual measures must be mutually reinforcing and reforms must be pursued across all areas. The European Council took full account in its discussions of the Synthesis Report from the European Commission and of the key messages from all the relevant Council formations. It will keep under close review the detailed actions being taken to progress implementation across the range of sectors.
5. The European Council agrees that the critical issue now is the need for better implementation of commitments already made. The credibility of the process requires stepping up the pace of reform at Member State level. Enhanced monitoring of national performance is needed, including information exchange on best practice. There must be speedier translation of agreements and policy making at EU level into concrete measures. The European Council underlines the need to address the unacceptably high deficits in transposing agreed measures into national law, and to complete the legislative programme arising from the Lisbon Agenda.
6. The most important policy issues that deliver higher growth and employment must be prioritised. Accordingly, this year's Spring European Council focuses on two issues: sustainable growth and more and better jobs.

SUSTAINABLE GROWTH

(i) Sound Macro-economic policies

7. The main economic challenge facing the European Union is to realise its growth potential. The economic recovery that started in the second half of 2003 is gathering pace. The Union must build on this momentum in its internal and external policies. It must seize the opportunity to accelerate its internal reform process. Increasing external openness and improving the dynamic economic relationships between trading partners will enhance growth prospects.
8. Well-managed public finances and price stability are two key bases on which to build a sound macroeconomic environment. Public finances must be secured in line with the discipline of the Stability and Growth Pact. Member States must ensure that they meet their commitments for budgetary consolidation in order to achieve the medium term position of close to balance or in surplus and reduce government indebtedness.
9. Long-term sustainability of public finances is secured in only about half of the fifteen Member States. The European Council strongly encourages the Member States to strengthen employment, health and pension reforms aimed at tackling the fiscal challenges associated with population ageing.
10. Structural reforms are necessary and beneficial – necessary in an increasing globalised economy and beneficial because they contribute significantly to increasing growth and employment through a positive impact on confidence and through promoting a better allocation of resources.
11. The European Action for Growth, adopted at the European Council in December 2003, sets out a roadmap for increased investment in physical and human capital to complement structural reform. The ‘Quick Start Programme’ established as part of that initiative requires serious engagement by Member States and the EU institutions, as well as project promoters, to ensure that projects are undertaken in an economically viable, sustained and timely way. The Programme covers a range of sectors - Transport, Energy, Broadband, Research, Innovation and Development – and it is critical that those projects which do most to advance the Lisbon goals be prioritised. The European Council will review progress at its Spring 2005 session.

(ii) Environmentally Sustainable Growth

12. Growth, to be sustainable, must be environmentally sound. Through better policy integration and more sustainable consumption and production patterns, growth must be decoupled from negative environmental impacts.

12bis Improvement in energy efficiency is essential to address the challenge of climate change, ensure the security of energy supplies, and reduce overall costs. The European Council reaffirms its commitment to delivering on the Kyoto Protocol targets and is ready to consider a longer term target at the 2005 Spring Council on the basis of a preparatory cost/benefit analysis by the Commission.

13. Clean technologies are vital in order to fully exploit synergies between enterprise and the environment. The European Council welcomes the Environmental Technologies Action Plan and calls for its rapid implementation. It invites the Commission and the EIB to explore the broadening of the range of financial instruments to promote such technologies and requests the Commission to report on overall progress to the Spring 2005 Council. The Commission is also invited to report to next year's Spring Council on other opportunities for the Union to promote win-win opportunities where environmental improvement can help to achieve the economic and social goals of the Lisbon Strategy.

(iii) Social Cohesion must be central

14. A high level of social cohesion is a key aspect of the Lisbon Agenda. Strategies which make a decisive impact on social exclusion and on the eradication of poverty are therefore essential. Gender equality policies are instruments of social cohesion as well as of growth. Modernising social protection systems and mainstreaming the social inclusion agenda through implementing national action plans will also help.

(iv) Competitiveness and Innovation

15. The European Council emphasises that competitiveness, innovation, and the promotion of an entrepreneurial culture are defining conditions for growth. With the strides being made by other global players, the Union must act more decisively if it is to maintain the capacity to support the European social model in the years ahead.

16. The European Council focuses on four specific priorities to enhance European competitiveness: effective institutional arrangements, completing the internal market, better regulation and higher rates of R&D.

Institutional Arrangements

17. The Competitiveness Council was established as part of the package of reforms agreed at the Seville European Council. It must now move forward rapidly to champion and drive a clear and integrated response to the competitiveness challenges facing the Union. In the formation of the next Commission, the incoming President will wish to consider how to ensure the competitiveness agenda is effectively supported.

Completing the Internal Market

18. The internal market is one of the Union's greatest achievements. However, the market remains highly fragmented in the services sector. More competition is required to improve efficiency, increase output and employment, and benefit consumers. The European Council calls for a general agreement before the 2005 Spring European Council on the draft Directive on Services.
19. An effective single market for Financial Services will provide more and cheaper capital, including much needed venture capital. The European Council calls for the remaining elements of the Financial Services Action Plan – the proposed Directives on Investment Services and on Transparency – to be finalised before the end of the current Parliament.
20. Progress is also urgently required on intellectual property rights. The European Council sets a deadline for final agreement on the Community Patent by [] and for political agreement on strengthening enforcement of intellectual property rights.

Better Regulation

21. If the Union is to promote an entrepreneurial culture, further steps are required to help businesses start up, develop and grow. Excessive levels of regulation, high administrative burdens and high start-up costs reduce economic dynamism. Better regulation at both European and national levels will achieve desirable policy objectives at the lowest cost to business and society.
- 21bis. The European Council welcomes the recent four Presidency initiative on better regulation and supports the proposed measures to drive this forward over the coming year. It will return to the issue of better regulation at the November 2004 European Council and invites the Commission to submit proposals in advance on strengthening its business impact assessments and developing a method to measure administrative burdens on business.

Reaching the R&D target

22. A particular priority is to ensure strengthened business investment in R&D. By comparison with performance elsewhere, the relative weakness of private sector investment in R&D within the Union is striking. Part of the answer lies in ensuring that public sector investment in this area secures greater leverage of private funds. The European Council also calls on Member States to consider targeted support and incentives to encourage greater R&D investment by business.
23. The overall aim for Europe must be a strong science and research capacity and accelerated public and private sector investment in R&D. Innovative sectors investing strongly in R&D require public support. Human resources are also critical and priority must be given to training, retention and mobility of researchers.

24. The main European instrument in the research area is the European Framework Programme for Research and Development. This programme must be simplified to make it more user-friendly for industry and science, in particular for small and medium-sized enterprises and start-ups. The priorities should be to promote cooperation between business and research, to boost future technologies, and to support basic and applied research. The European Council sees merit in examining the case for EU support for basic research of the highest quality in the context of preparations for the next Research Framework Programme.

MORE AND BETTER JOBS

25. Delivering more and better jobs is the most urgent issue to be addressed over the coming year. Higher employment rates are critical to achieving economic growth and, given the strong correlation between unemployment and poverty, to furthering social inclusion. An overall EU unemployment rate of more than 8% is unacceptable.
26. Follow-up action is essential on implementing the recommendations of the Employment Task Force chaired by Mr. Wim Kok. The incorporation of the Task Force messages in the Joint Employment Report is a welcome step. The European Council emphasises the need for decisive action by Member States along the lines suggested by the Task Force, within the framework of the Broad Economic Policy Guidelines and the European Employment Strategy. The Spring European Council in 2005 will review how far these national actions have boosted progress towards the Lisbon goals.
27. Within an overall employment strategy, Member States should give urgent attention to three particular structural challenges: adaptability, attracting more people into the labour market, and investing in human capital.
28. Adaptability requires that non wage labour costs are reduced, wages better reflect productivity, and obstacles to flexible forms of work are removed while addressing security for workers.
29. Attracting more people into the labour market means ensuring that the interaction between taxes and benefits is such that working brings a clear financial reward. It also means developing specific strategies to encourage the participation of women and older workers. Encouraging more women into employment requires addressing gender disparities in pay and creating more family friendly workplaces. Retaining older workers requires the right legal and financial incentives.
30. Investing more, and more effectively, in human capital is critical to growth and productivity as well as to promoting social integration and inclusion. If the EU is to become the leading knowledge based economy in the world, education and training will play a vital part. The European Council underlines the need for reform and investment in the key areas for the knowledge society. It also recognises that life long learning has positive effects on productivity and labour supply and supports the Commission proposal to adopt a framework programme during 2005.

31. The challenge now is follow up: real progress towards more and better jobs must be made over the coming year. At its Spring 2005 session, the European Council will review progress in the course of the year. The European Council invites the Council and the Commission jointly to prepare a concise report especially for that discussion. The report should focus in particular on progress made in strengthening country specific recommendations within the European Employment Strategy.

Enhancing Free Movement of Workers

32. A single labour market is central to the development of the EU. The European Council therefore welcomes recent progress in a number of areas which will promote mobility. The European Health Insurance Card will become operational in June 2004. Two measures which will facilitate the recognition of qualifications across the Union – the Directive on Mutual Recognition of professional qualifications and Europass – should be the subject of political agreement by June 2004.
33. The reform of regulation 1408/71, which simplifies and modernise the provisions protecting the social security rights of workers moving within the Union, is a significant step which is expected to be finalised within the lifetime of the current European Parliament.

BUILDING PARTNERSHIPS FOR REFORM

34. Support and advocacy for change must reach beyond governments. In order to generate this support, the European Council calls on Member States to build Reform Partnerships involving the social partners, civil society and the public authorities, in accordance with national arrangements and traditions.
35. Such national Reform Partnerships should promote complementary strategies for change, addressing the broad range of policies - economic, social and environmental - encompassed by the Lisbon Agenda. These strategies should be reflected in clear national policies and objectives. The Partnerships should be consulted by Governments in the course of preparing national contributions to the mid term review of the Lisbon agenda.
36. The social partners at EU level are already closely and constructively involved in progressing the Lisbon objectives, through the Tripartite Social Summit. Further action is now required to boost their role in advancing the strategy. The European Council welcomes the commitment of the social partners to deepening their involvement through a new European Partnership for Change in order to promote growth and accelerate employment and productivity.

LOOKING FORWARD TO 2005

37. The continuing validity and relevance of the Lisbon process is not in doubt. Next year, the midpoint of the decade, is an appropriate point for an in-depth review of delivery. The European Council notes that the Commission intends to set up a road map to reinforce the Lisbon strategy and improve its implementation.
38. The mid-term review should consider how the Lisbon targets can best be met, particularly in light of enlargement. The review should include an assessment of:
- the progress made towards agreed sectoral targets, as well as the range of structural indicators and benchmarks used to measure Member State performance;
 - the measurement of European performance in the global context;
 - measures necessary in the new economic and geopolitical climate to increase the level of growth and to achieve the goal set in March 2000;
 - governance and other measures and instruments available both to Member States and the EU to attain the Lisbon goal;
 - mechanisms for communicating the objectives of the Lisbon strategy to consumers, citizens and key stakeholders.
39. The European Council invites the Commission to establish a high-level group headed by [...] to carry out an independent review along the lines set out above. Its report should identify measures which together form a consistent strategy for our economies to achieve the Lisbon objectives and targets. The group should be composed of a limited number of highly qualified individuals able to reflect the views of all stakeholders. It should report to the Commission by 1 November 2004. Its report will be made public.
-