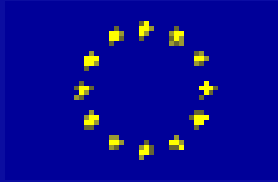


The Lisbon Strategy in the new SF programmes 2007-2013

An opportunity for the environment

Fernando Hervás Soriano
Secretariat-General
European Commission

A Coruña, 8 June 2006



The Lisbon Strategy for Growth and Jobs



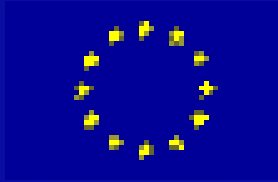
The challenges

**To adapt to globalisation and
grasp the opportunities it offers**

To increase prosperity as Europe's population ages

That means modernising our economies

**Success will mean maintaining Europe's core values,
a better quality of life and more opportunities for all**



The Lisbon Strategy for Growth and Jobs



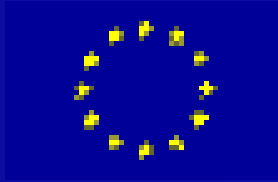
Globalisation – opportunity and challenge

Globalisation can benefit both richer countries and developing ones

Europe has significant competitive advantages

But we have to adapt to retain them

**Those who lose out in the short term
from the necessary changes must be supported**



The Lisbon Strategy for Growth and Jobs

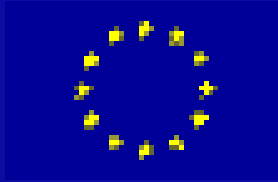


Demographics

Economic, social and scientific progress means Europeans are living longer

More people depend on pensions and health care but low birth rates mean fewer people to finance them

By 2050, only two people at work for every senior citizen



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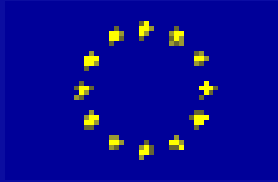


The solutions – knowledge

We need to invest in our people and in the products and services of tomorrow

But Europe directly invests only 1.15% of GDP on higher education (US 2.6 %)

And only 1.9 % of GDP on research and development (target 3 % by 2010, US 2.6 %, Japan 3.2 %)



The Lisbon Strategy for Growth and Jobs

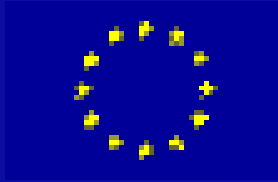


The solutions – enterprise

Small and medium enterprises create most new jobs in EU

But they are held back from starting up and growing by red tape and barriers to cross-border operation

For example, it takes months and thousands of euros to start a new company in some Member States



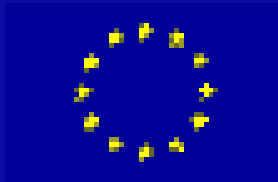
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The solutions – getting more people into work

We need more people working to make Europe more productive and to finance our welfare states

But only 63.3 % of the EU's working age population has a job (target 70 % by 2010)



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How does the Strategy work ?

Simpler procedures adopted 2005 - “partnership approach”

1) The Community Lisbon Programme

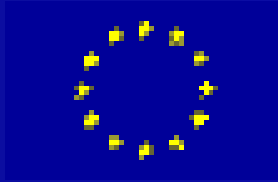
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a) Commission proposals for improving EU law

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b) All policies – e.g. Structural Funds, 7th Research Framework Programme, state aids – to prioritise Growth and Jobs

2) Member States implement National Reform Programmes



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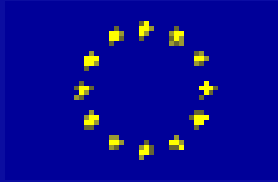


Inspiration is close to home

25 National Reform Programmes submitted in autumn 2005

Each contains ideas and initiatives that can inspire others

“Very encouraging” - Commission President José Manuel Barroso



The Lisbon Strategy for Growth and Jobs

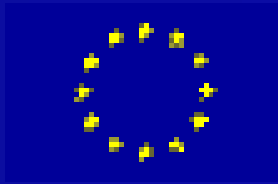


The urgent priorities now:

Implement National Reform Programmes

Update and improve the programmes with special attention to the areas agreed by EU leaders at their March 2006 summit:

- research, development and innovation
 - making life easier for SMEs
- jobs for young people, women and older workers
 - energy



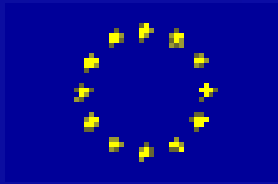
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And what about environment ?

Environmental policy, if well designed, can be an important means to further growth and jobs:

- ✓ Fostering innovation
- ✓ Encouraging clean production
- ✓ Inspiring the eco-technology sector
- ✓ Underpinning economic growth through provision of key environmental services (clean water, clean air, efficient transport)



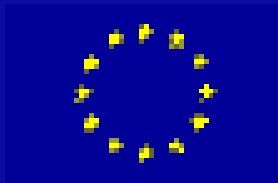
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Benefits for the labour market

Structural shift in employment (cleaner, more efficient products and processes).

- ✓ Eco-industry: 1,3% employment in EU-15, annual growth of 5%. EU-10 catching-up
- ✓ More labour intensive and geographically spread
- ✓ Relevance to key sectors as tourism
- ✓ Quality of life to attract foreign investments (Seattle effect)



The Lisbon Strategy for Growth and Jobs



Energy and resource efficiency, a good business case

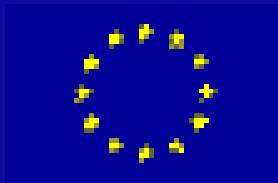
Restructuring and modernisation of companies, a crucial opportunity in particular in new MS.

Important pay-offs in a context of record high commodity prices

✓UK Envirowise: 300% water use excess

✓Bayer, British Telecom, Dupont and Norske Canada: savings of US\$4 billion (2004) through measures to achieve 60% of CO2 emissions

✓Large competitive advantage of EU eco-industry (1/3 of world market). Trade surplus of €600 million. Good prospects in China and Indian markets.



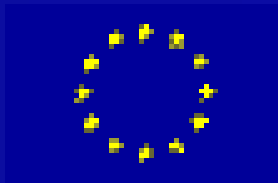
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Efficient infrastructure

Need for a strategic approach. Strategic Environmental Assessment logic.

- ✓ Environmental impacts of transport and congestion: 4% GDP. Tackle when projecting/building new infrastructure.
- ✓ Make existing infrastructure more efficient in water and transport sectors.



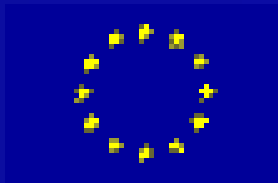
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How MS have addressed these issues in their NRPs?

NRPs in general “greener” than expected. A majority have chosen environmental sustainability and/or sustainable energy as a key priority.

Allows for the necessary bridge between Lisbon and the sustainable development strategy. SDS an overarching principle to be respected during implementation of NRPs.

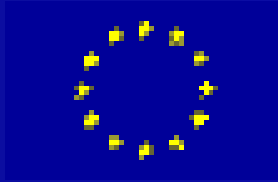


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Environment and NRPs

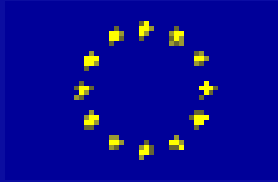
- ✓ All MS address promotion of renewable energy sources
- ✓ Vast majority refer to climate change and Kyoto protocol obligations
- ✓ Majority have highlighted importance of strengthening synergies between environment and growth
- ✓ Most MS refer to need to internalise environmental costs through economic instruments (e.g. shift tax burden away from labour towards resource use and pollution).
- ✓ Link to ETAP plays an important role for some MS.
- ✓ 2/3 of MS refer to biodiversity



The Lisbon Strategy and Structural Funds



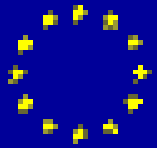
- Structural Funds have been recognised as crucial tools to support Lisbon implementation.
- Crucial at this stage that SF programming for 2007-13 is closely linked to Lisbon priorities and national reform programmes.
- Need to strengthen coordination both at EU and national levels.



The Lisbon Strategy and Structural Funds



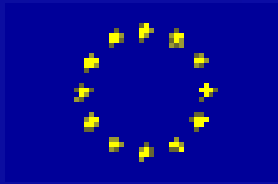
- I. Earmarking** - Increase the share of cohesion policy spending on "Lisbon" activities through earmarking
 - 60% Convergence
 - 75% Regional Competitiveness and Employment
- II. Strategic reporting** - Ensure that cohesion policy is fully integrated into Lisbon reporting structure



Earmarking: key features



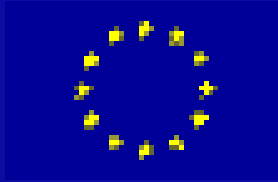
- Earmarking – a **political objective**: no financial sanctions
- Earmarked expenditures include priorities where MS Member States are already concentrating a significant effort in 2000-2006
- Earmarking priorities does not require MS to abandon other national priorities for investment such as environment or the fight against social inclusion.
 - more than € 100 billion will be available for other priorities as non-earmarked expenditures (compared to € 26 billion on environment in 2000-2006)



Lisbon in the NSRFs Community Strategic Guidelines



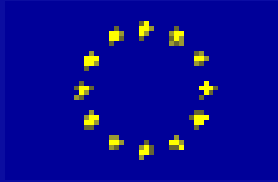
- Making Europe and its regions an attractive place to work and invest
 - Need to strengthen synergies between environment and growth (infrastructure, quality of life, fight against climate change, risk prevention)
 - New energy policy (efficiency, renewables, inter-connections)



Lisbon in the NSRFs Community Strategic Guidelines



- Improving knowledge and innovation for growth:
 - Role of eco-technologies and eco-innovations
 - Targeted and thematic support to R&D and to SMEs
- More and better jobs
 - Invest in human capital, environmental education and training.



The Lisbon Strategy for Growth and Jobs

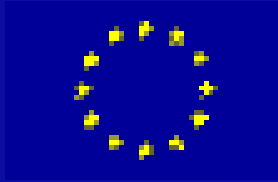


The Commission's positive vision

We can meet the challenges – Europe has met tougher ones

We can increase our prosperity in a sustainable way, allow more people to share in it and safeguard Europe's values

But we must move quickly – not bury our heads in the sand



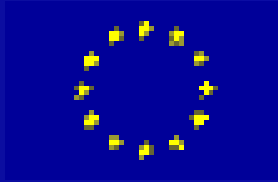
The Lisbon Strategy for Growth and Jobs

National Reform Programmes

The Council (Member States) agrees
on a short set of “Integrated Guidelines” for reform

Governments appoint national coordinators and produce National
Reform Programmes based on the guidelines and including
specific measures and targets

They consult parliaments, regions, businesses,
trade unions, NGOs and the public



The Lisbon Strategy for Growth and Jobs



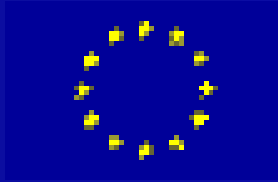
The Commission's role is to drive the process forward

It proposes draft Integrated Guidelines to the Council

It helps Member States prepare National Reform Programmes

It points out strong and weak points (in Annual Progress Report) submitted to annual spring summit of EU leaders

It helps Member States to bolster weak points and work together to “adapt and adopt” each other's best ideas



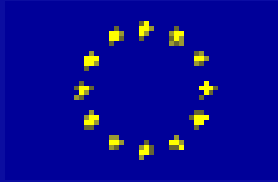
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Research, development and innovation

Ambitious national targets for R&D spending by 2010, so that overall 3 % of GDP is invested in R&D

A European Institute of Technology to be set up - Commission to propose next steps to June summit



The Lisbon Strategy for Growth and Jobs



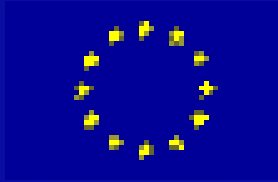
Enterprise and SMEs

SME's – “think small first” for all EU and national regulation
e.g. reduced administrative costs, better access
to public procurement markets

By end 2007, business “one-stop-shops” in each Member
State and business start-up time reduced to a week or less

Member States to strengthen entrepreneurship education

New text of Services Directive based on Parliament proposal



The Lisbon Strategy for Growth and Jobs



Getting people into work

By end 2007, offer education leavers job/training within 6 months

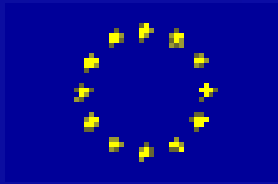
European Globalisation Adjustment Fund in place by 2007

European Pact for Gender Equality

Affordable childcare, better “work-life balance”

Social summit” in autumn 2006 – “flexicurity”

More training, opportunities and incentives for older workers



The Lisbon Strategy for Growth and Jobs



An Energy Policy for Europe (1)

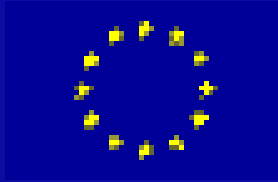
2006 spring summit agreed an Energy Policy for Europe is needed for security of supply, competitiveness, sustainability

An energy action plan will be approved at the 2007 spring summit

Action will go forward in the interim

Better coordination of electricity and gas infrastructure

All consumers to have a choice of energy supplier by June 2007



The Lisbon Strategy for Growth and Jobs



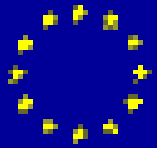
An Energy Policy for Europe (2)

Commission to submit Energy Efficiency Action Plan by mid-2006
- ultimate aim 20% energy saving by 2020

Share of renewable energies to 15 % and biofuels to 8 % by 2015

More support for research e.g. low emission technologies

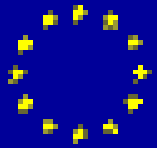
Commission and High Representative (Javier Solana) to present
to June 2006 summit the basis for an External Energy Strategy



Earmarking: key features



- Obligation for the EU-15: the Commission recommends extension to all Member States on a voluntary basis
- list of categories annexed to general SF Regulation
- Calculated as an **average** over the programming period
 - take account of the point of departure in the current period
 - additional effort of at least 10%



Lisbon in the NSRFs



- NSRFs should include:
 - priority actions identified in National Reform Programmes
 - the 4 priority actions in the Annual Progress Report
 - coordination mechanisms between Lisbon and cohesion processes at national and regional level.
- An issue to be discussed during Lisbon visits to MS in June-July