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Information note on the follow up to the informal meeting of Heads of State and Government at Hampton Court

1. INTRODUCTION

The informal meeting at Hampton Court on 27 October 2005 identified a number of key priorities to prepare the European Union to the challenges and opportunities of globalisation. The communication of the Commission 'European values in the globalised world' clearly set out the rapid and broad changes taking place today and explained why the status quo is not an option. The analysis was shared by the Heads of State and Government. Europe needs economic reforms and social modernisation to preserve its values.

At Hampton Court there was also broad agreement on the need for a new impetus in a number of areas that are important to successfully meet the challenges of globalisation and demography. These are research and development, universities, labour market participation and work/life balance, energy, migration (including illegal immigration) and security. The Commission will take this work forward, drawing where appropriate on external expertise to bring on fresh perspective on specific issues, with a view to delivering results during the Austrian Presidency. An interim report will be made ahead of the December European Council outlining the state of play and the approach that is being followed.

2. THE WORK STREAMS IN MORE DETAIL

The Hampton Court meeting underlined that there is a clear and common understanding that Europe must act urgently to prepare the European Union for the challenges of globalisation. Of course Member States and the European Union have not been idle in recent years, and we can build on many initiatives at EU and national level that are already underway. But, following Hampton Court, we must add new momentum and ideas which complement and reinforce on-going efforts, for example, within the renewed Lisbon Strategy for Growth and Jobs or on-going efforts of Member States and the European institutions on measures to counter terrorism, drugs, people trafficking and organised crime.

a) Research and development

Europe must have more world-class companies working on the technologies of the future. Greater business and industrial investment in R&D is required to give Europe the role it needs in areas like ICT, space, biotechnology, and nanotechnology. Beyond working for a rapid agreement on future 7th Research Framework Programme, we will set out ahead of the Spring European Council ideas on how to reinforce our research performance. The new European Research Council focused on excellence will help. We will use our upcoming Report on Research and Universities to examine other issues such as:

- How to improve the venture capital market and encouraging business angels to invest in high potential small firms?

- How to improve public R&D funding in order to increase its leverage effect on private sector R&D financing, to foster public-private partnerships and, in particular, to help high potential SMEs make the transition to the successful enterprises of tomorrow?
- How to improve the overall environment to make Europe a more attractive place for R&D investment?
- How to stimulate demand for research and innovation through better product market regulation and improved use of public procurement?
- How to ensure that Europe develops and takes advantage of the best and the brightest in R&D, making ourselves competitive with the best elsewhere, and exploiting global knowledge networks?

Outside expertise may be used to look, in particular, at the promotion of philanthropy as an addition source of R&D funding; the use of public procurement to stimulate the development and take up of new technologies and the creation of a European statute for high-growth SME's.

b) Universities

Centres of knowledge excellence have to be reinforced throughout the European Union. European Universities could lead the world again in research, education and innovation if they are able to attract and to keep the best brains. as the Commission could come forward with a Communication addressing common issues faced by European Higher Education systems and particularly, by universities; issues such as:

- How can we promote a more flexible and responsive and higher education system, increasing the autonomy of our universities and other higher education institutions and improving their leadership?
- How can we encourage more collaboration between higher education institutions and businesses?
- How do we expand the range of funding sources for higher education systems, in particular how do we stimulate more private investment in universities?
- What more should we be doing to improve the training of post-graduates, e.g. by developing more graduate schools across Europe?
- How can we develop long term sustainable partnerships between European and non-developing higher education systems across the world?
- How can European universities capitalise more on the growing global market for higher education and research?

Stronger cooperation between European Universities can maximise Europe's knowledge potential. Work on the concept of a new European Institute of Technology (EIT), announced as an important element of our growth and jobs strategy, is moving ahead and could play a pivotal role in this respect.

Reflections on these issues would be complementary to the on-going 'Bologna process', which has already resulted in significant reform of degree structures and quality assurance

mechanisms. Specific work, drawing on outside expertise, may be commissioned as to examine, inter alia, how we can promote excellence in European universities and Higher Education Systems by promoting European networks in key areas of science and technology.

c) Meeting the demographic challenge

With fewer Europeans of working age in the next decades, we have to rethink the work-life balance thoroughly and widen labour market participation. Much is already being done at national level, and reflections at a European level are well advanced following our Green Paper on Demographics earlier this year, but some of the issues are also closely linked to work in other areas such as the debate about migration (see below). We will be drawing our response to the Green Paper consultation early next year in our response to that consultation. Issues that will be addressed there should include:

- How to find practical solutions to family friendly policies, better child care and work life balance provisions?
- How to stimulate the positive economic impacts of legal migration?
- How to meet the employment challenge through lifelong learning and tackling barriers to the greater participation of older workers in the labour market?

On the basis of the results of the consultation on its 2005 Green Paper and subsequent additional work, the Commission will make put forward ideas for action in this area early next year, as well as preparing initiatives on a better and fairer work-life balance.

d) Energy

World demand for energy will increase further whilst supply remains tight. Against this background, the Commission will bring forward a green paper on a European energy policy in 2006 in which all options will be considered. This paper will draw on expertise from both inside and outside the Commission. It will lead to a Communication setting out a comprehensive approach to energy policy by the end of 2006.

Issues to be addressed could include:

- How can we diversify the sources of our energy, taking into account all sources of power?
- How can we develop a properly integrated European Grid and a genuinely open energy market?
- How can we ensure a coherent and operational approach to the European Union's dialogue with major energy suppliers?
- How can we develop a shared vision of our needs and our capacity to refine, process and store energy?
- How can we build further on our energy efficiency and clean technologies agenda?
- How can we address the challenges of global warming in a manner that will contribute to Europe's Lisbon and security objectives?

We also hope to be able to build on an agreement on the energy efficiency directive, making the 20% energy saving objective by 2020 a reality. The Commission will consider bringing

forward other energy initiatives, for example on biofuels and biomass and on use of clean coal.

e) Migration

Europe welcomes legal migration because it can help its economy and knowledge-base. However, we must also address the need for the successful integration of legal migrants within European society and the challenge presented by illegal immigration.

Issues to addressed include:

- How can we work more effectively with countries outside the European Union’s borders on illegal migration?
- How can we in particular work more effectively with source and transit countries – for example Sub-Saharan and North Africa - on migration issues; including an EU-African Ministerial conference on migration issues?
- How can we strengthen our border controls, including through the use of the latest technologies (e.g. biometrics)?
- How can we accelerate plans for a rapid reaction capability in the case of massive influxes of illegal immigrants?
- How can we make sure that the European Union’s funding and development aid is more strategically targeted towards poverty eradication and socio-economic development?
- How capable is the EU to deal with unforeseen emergency crises?

Work is on-going in this area with a number of deliverables planned before the end of this year, for example, the Commission will launch a policy plan on legal migration to the European Union. The new Border Control Agency will help to regulate migration and joint patrols will help to deal with sudden influxes of migrants. The Commission will contribute to develop a list of priority actions for improving global migration, with a special focus on the African region. The Commission will also table a comprehensive approach to fight illegal migration next year within a broader concept of security within the Union.

f) Security

The security of Europe’s citizens is a key concern, especially in the light of recent terrorist attacks. Preventing radicalisation, protecting our critical infrastructure and ensuring better cooperation are of pivotal importance.

Issues to address include:

- How can we work more effectively with countries outside the European Union’s borders on all justice and home affairs issues, including the use of available mechanisms and levers to tackle terrorists, human and drug trafficking?
- To develop a proper European Union counter-terrorism strategy which will focus on preventing radicalisation, protecting our infrastructure and ensure better cooperation and exchange of information so that our law enforcement can effectively prosecute terrorists and respond to attacks?

In relation to counter terrorism the Commission is fulfilling its obligations under the Plan of Action adopted following the Madrid attacks and the Hague Programme. This takes account

of the new timetable established following the London bombings. Proposals on the retention of telecom data, the exchange of information among law-enforcement authorities and the protection of data have been recently presented as have communications on violent radicalisation and on explosives. Drawing on these texts, the Presidency and Counter Terrorism Coordinator are now preparing a proposal for a counter terrorism strategy for the European Council of December 2005.

As announced by President Barroso at Hampton Court, the Commission will develop a concept paper examining how we can strengthen the external projection of the Union. The objectives of the concept paper, to be developed under the President's authority, will be to look at both the internal and external policies of EU that determine its role on the world stage; to assess what are its capacities and capabilities in this area, and to develop an approach and a series of practical measures to respond to current challenges and achieve further coherence, effectiveness and visibility in the EU's external role.

3. TIMING AND REPORTING

The Commission will pursue work on these issues over the coming months and the President will inform the current and in-coming Presidencies of its approach. It will confirm the general approach and provide an indication of the State of Play in an Interim Report ahead of the December European Council. This will also draw on the planned debates in a number of sectoral Councils on how the Union should respond to the challenges identified at Hampton Court. The Commission will keep the European Parliament informed of developments.

In many of the areas, as indicated above, work has started with some deliverables already foreseen in time for the December European Council.

The interim report should also confirm the areas where additional expertise is being used to inject fresh thinking into this work. The Commission will report in a comprehensive manner to the two European Councils under the Austrian Presidency in the first half of 2006: some issues will be dealt with in the context in the Annual Progress Report under the Lisbon Strategy. Other aspects of the follow up will feed into to reporting under the existing Hague programme, which will continue to be the main point of reference for the measures to be taken in the area of justice, freedom and security. This work may also have a bearing on the Commission's report on Plan D – democracy, dialogue and debate – towards the end of the Austrian Presidency.