



European
Commission



The Compact for Growth and Jobs: one year on

Report to the European Council,
27-28 June 2013

THE COMPACT FOR GROWTH AND JOBS: ONE YEAR ON

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The Compact for Growth and Jobs agreed by Heads of State or Government at the European Council in June 2012 contains a wealth of measures to help Europe move beyond the economic and financial crisis and to create smart, sustainable, inclusive, resource-efficient and job-creating growth. This report and the accompanying annex take stock of progress and highlight where efforts must be redoubled in order to promote growth and jobs.

With Europe's growth prospects still uncertain and unemployment at unacceptable levels, particularly among young people, decisive action to unlock Europe's growth and employment potential is more urgent than ever. Fast-acting, pro-growth measures are an essential complement to the ongoing work to tackle the root causes of the crisis, to return public finances to health, to put in place the tools to reinforce the coordination of economic policies, to safeguard financial stability and to deepen the Economic and Monetary Union.

The implementation of the Compact for Growth and Jobs is a shared responsibility. By undertaking essential reforms at national level, as described in the Commission's proposed Country-Specific Recommendations, Member States can take a decisive step towards a more competitive, dynamic and flexible European economy. The EU supports and complements these reforms in a variety of ways, from the ongoing work to unlock the full growth potential of the single market to financial support from the EU budget, Europe's growth and investment fund.

In every area of the Compact, the Commission has presented clear strategies and proposals geared to growth and jobs. The priority now is implementation. As this report illustrates, some of the Commission's proposals have been adopted but many others have not yet been agreed or are still to be implemented. These delays mean that business opportunities are lost and that much needed jobs are not created.

The MFF is a particular case in point. It represents an investment fund of almost one trillion euro (EUR 960 billion) which, if agreed, will provide a much-needed boost to the European economy as from 1 January 2014. However, without a final agreement between the European Parliament and the Council on the MFF and on all the investment programmes that implement it, the funding will not get to where it is needed, when it is needed.

The Compact reflects a European consensus on what needs to be done. Now a consensus is needed to follow up and implement the actions that have been agreed upon without delay. The Commission will continue to bring forward the right proposals and to work with Member States to bring European and national efforts together in a partnership for growth.

Reforming the European economy

Reforming and modernising the European economy remains central to the Europe 2020 growth strategy and is a prerequisite for future prosperity and stability. Through the European Semester, the Commission works together with the Member States to identify the top reform priorities and to ensure that the deep interdependence between national economies is taken fully into account.

The Commission has highlighted the top priorities for reform through its Annual Growth Survey and Country-Specific Recommendations for 2013. The experience of implementation in 2012 was mixed: the Commission's analysis shows that Member States could do more to help themselves get back to growth and move Europe beyond the crisis. Progress has been made but to varying degrees and the pace of reform does not yet reflect the scale of Europe's growth and competitiveness challenges. The priorities for reforms in 2013 therefore remain the same as in 2012: pursuing differentiated, growth-friendly fiscal consolidation; restoring normal lending to the economy; promoting growth and competitiveness for today and tomorrow; tackling unemployment and the social consequences of the crisis; and modernising public administration.

Strong endorsement of the Country-Specific Recommendations by the June European Council must be followed swiftly by formal adoption by the Council and immediate and determined implementation at national level.

Unlocking the growth potential of the Single Market

The single market is a unique and powerful engine of growth. The Commission has put forward two ambitious single market reform packages which have the potential to take the single market to the next level. However, progress has so far fallen short of expectations.

The Commission has now tabled all 12 of the priority proposals from the Single Market Act I. The European Council set a deadline of December 2012 to agree them at European level. To date, only 7 have been agreed. These include the unitary patent which, once implemented, will reduce the cost of obtaining patent protection in the EU by up to 80%, boosting innovation and contributing to economic growth. However, 5 measures with huge potential to boost the economy are still pending after the deadline. These include key proposals on public procurement, on which agreement between the European Parliament and Council is within reach. The potential benefits to the EU economy are significant: for example, if the cost of public procurement contracts subject to EU directives could be reduced by 5% by 2020, EU GDP and employment could increase by 0.1% - 0.2%.

Acceleration is also required on the 12 measures comprising the Single Market Act II. Most of these proposals are on the table and the Commission will present the remainder in the coming weeks. To meet the 2014 deadline, a huge effort is required by all concerned. Agreement on key proposals such as the reform of insolvency rules, the fourth railway package, product safety and high-speed broadband infrastructure will require intensive work and strong political will.

Of course, agreement at EU level is not the end of the story. Much of the untapped potential of the single market lies in a failure to implement properly and expeditiously what has been agreed. For example, the implementation of the services directive has already boosted EU GDP by 0.8% but Commission analysis shows that if Member States were to abolish the remaining restrictions, the potential economic gain is three times bigger – about 2.6% of EU GDP. A renewed focus on implementation at national level is therefore an essential part of Europe's growth strategy. The Commission set out a number of practical steps to improve the governance of the single market and the implementation of the services directive in June 2012.

Achieving a Digital Single Market

The European Council set a deadline for achieving a Digital Single Market by 2015. Studies estimate that full implementation of the Digital Agenda for Europe could increase GDP by 5%, or €1500 per person, over the next eight years, through measures including the improvement of e-Skill levels in the labour force and reforming the framework conditions for the internet economy. Up to one million digital jobs risk going unfilled by 2015 without pan-European action. Moreover, 1.2 million jobs could be created through infrastructure construction. This could rise to 3.8 million new jobs throughout the economy in the long term. The stakes are therefore very high.

With the 2015 deadline fast approaching, acceleration is required on the measures currently under consideration in the European Parliament and Council, such as the modernisation of certain key areas of copyright such as collective rights management and proposals on high-speed broadband infrastructure and e-identification and e-signatures. The digital strand of the Connecting Europe Facility will, once agreed, also help to catalyse broadband investment and the development of digital services.

The Commission will make further proposals to establish a single market for telecommunications ahead of the October meeting of the European Council.

Completing the Internal Energy Market

The May European Council underlined the importance of delivering a fully functioning, interconnected and integrated Internal Energy Market by 2014 to intensify price competition, end energy isolation of certain regions and to enable a coordinated response to supply crises.

However, implementation is behind schedule. For example, as the Commission stressed in its recent Communication on Completing the Internal Energy Market, the Third Energy Package which entered into force in 2009, is yet to be implemented in many Member States. On-going work on the cost of the absence of an integrated European energy market for gas suggests that the benefits of the full implementation of the third energy package in 2015 compared to 2012 (base case) could reach EUR 8 billion per year. These benefits could reach EUR 30 billion per year if Europe had a fully integrated market. In electricity, the benefit of integration would be annual cost savings of up to EUR 35 billion.

Completing the European gas and electricity networks is a prerequisite for completing the internal energy market and so public and private investment should be stepped up. Estimates suggest that up to EUR 1 trillion in investment is required by 2020. A rapid agreement on the Connecting Europe Facility will provide a powerful catalyst for these investments.

Completing the European Research Area

Lasting economic recovery requires a world-leading research and innovation capacity, built on a strong public science base, capable of bringing excellent results to market to tackle the major issues affecting the lives of European citizens. Building an Innovation Union is central to creating a vibrant economy fuelled by ideas and capable of competing in new markets for knowledge-intensive products and services, and creating growth and quality jobs. To achieve this, Europe must increase the efficiency, effectiveness and excellence of its public research system.

An ambitious timetable has been set out for the completion of the European Research Area (ERA) by 2014. Commission estimates suggest that the combination of the completion of the ERA and the implementation of the EU's new research and innovation funding programme – Horizon 2020 – could give rise to an extra 1% of growth and almost 1 million more jobs per annum by 2030.

Important progress has been made. For example, the unitary patent was adopted by 25 Member States under reinforced cooperation. However, Europe is still some way from a unified research area. The European Parliament and the Council must now agree urgently on the new Horizon 2020 and COSME programmes to support investment in research and innovation within the next MFF. The Commission's Communications on Key Enabling Technologies and on Modernising Industrial Policy also require thorough follow-up at EU and national level.

The Commission will report on the completion of the European Research Area and on investment and reform in the innovation economy for the October meeting of the European Council.

Investing in growth

The EUR 120 billion investment package outlined in the Compact is in place but has not yet been used to its full potential.

Following a further commitment of EUR 54.2 billion in March of this year, the Commission has now made the entire EU cohesion policy budget – EUR 346 billion – for the 2007-2013 programmes available to support growth and job creating projects in the Member States. The Commission has also worked closely with Member States, for example through the Youth Employment Action Teams, to ensure that this funding is targeted at the top growth priorities. More than EUR 39.2 billion – or 11% of the total funds – was reprogrammed by the end of May 2013 to support the most pressing needs. The Commission also approved reductions in national co-financing requirements for some Member States to ensure that EU funding continues to flow even when national budgets are under stress.

The ability of EU structural fund investments to reenergise the European economy depends both on the delivery of high quality projects in the Member States and on the availability of credits for the Commission to make the payments when they fall due. Member States should therefore focus on the full implementation of the current programmes and the European Parliament and Council should agree on the amending budget for 2013 without delay.

The next Multiannual Financial Framework is due to begin on 1 January 2014. The preparation of the next generation of programmes is a golden opportunity to put the EU structural and investment funds to work both to boost growth and jobs in the immediate term and to galvanise the national reform process. A delay to the new programmes would be highly damaging for confidence and so a final agreement on the next MFF and the programmes implementing it is an urgent priority.

The decision to increase the capital of the EIB by EUR 10 billion has been a positive step for financing the real economy and restoring growth and confidence. The objective of the capital increase is to increase the EIB's overall lending capacity by EUR 60 billion. This will unlock up to EUR 180 billion of additional investment, spread across the EU, including in the most vulnerable countries. The Commission has been working closely with the EIB to implement the capital increase and to agree on priority areas (reflecting the Europe 2020 objectives) where the increased lending will be targeted. The Commission is also working with the EIB to develop Joint Instruments to support lending to SMEs.

Tax policy for growth

An enlightened tax policy and efficient tax systems can be an important driver of growth and social justice and can facilitate essential fiscal consolidation. This is why the reform of tax systems figures prominently for many Member States in the Country-Specific Recommendations. More effort is required to shift the tax burden away from labour towards less distortive tax bases such as consumption, environment and property taxes, to broaden tax bases, and to address tax compliance issues and to improve the efficiency of tax administration.

In view of the closer integration of the European economies and the accompanying high volumes of cross-border transactions, these national reforms must be accompanied by ever closer cooperation between national tax administrations. The Commission has proposed an extension of the current system of automatic information exchange to cover the full range of income by 2015. This will be particularly important for the fight against tax fraud and evasion, for which an action plan has been proposed, including proposals for strengthening cooperation between the Member States.

The recent agreement on the savings tax mandates for negotiation with third countries was a welcome step but agreement on the revisions to the Savings Taxation Directive must follow and progress has been too slow on many of the Commission's key proposals, such as the Common Consolidated Corporate Tax Base, and energy taxation.

It is also time to accelerate the on-going work on the Financial Transaction Tax. This will help to ensure that the financial sector makes a fair contribution to the costs of the crisis.

Creating jobs and a genuine European labour market

The Commission has presented several initiatives in order to boost labour mobility and to help create a genuine European labour market. For example, in October 2012, the Commission adopted a decision for modernising the EURES network and has also adopted a Directive to help workers exercise their rights in the context of freedom of movement aiming at supporting workers' integration into their new societies. Very recently, the Commission adopted a Decision to formalise the existing network of Public Employment Services that would contribute to strengthening the coordination at EU level of employment policies.

High unemployment, particularly among the young, is one of the greatest economic and social challenges facing Europe. As described in the accompanying report on youth employment, youth unemployment has reached unacceptably high levels and urgent action at both national and European level is required to help get young people back into the labour market, education or training.

The Commission adopted a Youth Employment Package last December presenting a proposal for a Youth Guarantee. The Council has agreed the Youth Guarantee, which should now be implemented at national level. This will be supported by the EU structural funds. To be ready for the beginning of 2014, swift agreement is needed on the new structural fund regulations and on the EUR 6 billion Youth Employment Initiative. Member States and the Commission are finalising their Partnership Agreements and Operational Programmes for the next period, which should ensure that funding is concentrated on the top growth and job-creating priorities.

Furthermore, the Communication on education and skills should be followed up at EU and national level and more progress is needed on mobility-friendly measures such as those on the portability of pension rights and the recognition of professional qualifications in order to help build a genuine European labour market.

Harnessing the growth potential of trade

Much progress has been made in recent months to exploit the growth potential of trade. In addition to ongoing negotiations with a number of key international partners, negotiations will be launched shortly with the US now that the draft negotiation directives submitted by the Commission have been agreed. These negotiations have huge potential in terms of growth and jobs: an EU-US trade deal would be the biggest ever negotiated and could add around 0.5% to the EU's annual economic output.

Work on the Commission's proposal on access to third country public procurement markets still requires agreement from Council and Parliament and should be accelerated. This measure would help to ensure that all companies (both European and non-European) are on an equal footing when it comes to competing for business in the EU's lucrative public procurement market.

Creating the right regulatory framework for growth

Smart regulation is a joint responsibility of the Commission and the Member States. From its state-of-the-art impact assessment system to the evaluation of existing EU legislation, the Commission has stepped up its efforts to ensure that the EU pursues its objectives in a way that does not create undue burdens for Europe's businesses, citizens and public administrations. In turn, the European Parliament and Council must be vigilant when amending Commission proposals and Member States should refrain from creating additional burdens when implementing European rules.

The Commission has made a range of proposals for the reduction of administrative burden - especially for SMEs - and has already delivered on its target of cutting 25% of the administrative burden stemming from EU legislation. The measures adopted at EU level by December 2012 are worth EUR 30.8 billion in annual savings for businesses. However, the full burden reduction potential of the Commission's proposals is closer to EUR 41 billion and so there is more work to be done in the European Parliament and Council.

The Commission's REFIT programme and the SME scoreboard will ensure that burdens are kept under constant review, while the Commission will follow-up on the concerns raised by SMEs through the 'Top 10' exercise, as announced in the accompanying Communication.

Improvements to the regulatory framework also include the Entrepreneurship 2020 Action Plan which must be followed up at EU and national level. It is important that the ambitious Commission proposals are maintained in the Council and fully implemented in the Member States.

Deepening EMU and promoting financial stability

Stability is a precondition for sustainable growth. Completing the architecture of the Economic and Monetary Union (EMU), particularly the Banking Union, will be essential for underpinning future growth and preventing the re-emergence of imbalances.

The implementation of the Single Supervisory Mechanism and rapid progress on the Commission's forthcoming proposal for a Single Resolution Mechanism are both vital building blocks in this process. The Commission has set out a comprehensive vision for the deepening of the EMU in the Blueprint for

a Deep and Genuine EMU and has subsequently elaborated on how stronger ex ante policy coordination and a Competitiveness and Convergence Instrument could be introduced.

It is important that momentum is maintained on all these fronts to ensure that Europe's economic recovery is built on the strongest possible foundations.

One year after the Heads of State or Government decided on the Compact for Growth and Jobs, the European consensus between the Member States and the European institutions must be translated into concrete results in terms of growth and jobs. The Commission will continue to play its role to the full and calls upon:

- the European Council to reaffirm the urgency of delivering on every aspect of the Compact for Growth and Jobs;
- Member States to pursue their reform efforts with courage and determination, in line with the Country-Specific Recommendations to be agreed in July 2013; and
- the European Parliament and the Council to accelerate adoption of those proposals with the most growth-enhancing potential.

Progress in implementing the Compact for Growth and Jobs

Action	What has Commission contributed?	Agreed at EU level?			What happens next?
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REFORMING THE EUROPEAN ECONOMY

Europe 2020 strategy / European Semester/ implementing new tools for economic governance / peer pressure	Annual Growth Survey 2013	11/2012	✓		Country-Specific Recommendations for 2013 to be endorsed by June European Council, adopted by Council in July and implemented at national level.	
	Alert Mechanism Report	11/2012	✓			
	Country-Specific Recommendations for 2013	05/2013	✗			
'Two-pack'	Legislative proposals	11/2011	✓	03/2013	Implementation	

DEEPENING THE SINGLE MARKET

Single Market Act I, deadline end 2012						
– European Standardisation System	Legislative proposal	06/2011	✓	10/2012	Implementation	
– Unitary patent protection	Legislative proposal	04/2011	✓	12/2012	Implementation	
– Venture Capital Funds	Legislative proposal	12/2011	✓	03/2013	Implementation	
– Social Investment Funds	Legislative proposal	12/2011	✓	03/2013	Implementation	
– Alternative Dispute Resolution	Legislative proposal	11/2011	✓	04/2013	Implementation	
– Simplification of Accounting Directives	Legislative proposal	10/2011	✓	06/2013	Formal adoption	
– Energy Taxation Directive	Legislative proposal	04/2011	✗		Political agreement required	
– Professional qualifications	Legislative proposal	12/2011	✓	06/2013	Formal adoption	
– Public procurement	Legislative proposal	12/2011	✗		Political agreement required	
– Posting of workers	Legislative proposal	03/2012	✗		Political agreement required	
– E-identification and signatures	Legislative proposal	06/2012	✗		Political agreement required	

Overall State of Play: ■ On track ■ More effort required ■ No / little progress

Action	What has Commission contributed?	Agreed at EU level?	What happens next?
Infrastructure			
– TEN-Energy	Legislative proposals	10/2011	✓ 04/2013 Implementation
– TEN-Transport			✓ 06/2013 Formal adoption
– Telecoms			x Political agreement required.
Single Market Act II, deadline Q2 2014			
– Reform of insolvency rules	Legislative proposal	12/2012	x Political agreement required
– 4 th Railway Package	Legislative proposal	01/2013	x Political agreement required
– Market surveillance and product safety	Package	02/2013	x Political agreement required
– Upgraded EURES portal	COM autonomous act	11/2012	✓ Implementation
– High-speed broadband infrastructure	Legislative proposal	03/2013	x Political agreement required
– Third Energy Package	Legislative proposals	09/2007	✓ 07/2009 Implementation
– Long-term investment funds	Legislative proposal	Q2 2013	x Commission proposal under preparation
– Maritime transport	Package	Q2 2013	x Commission proposal under preparation
– Single European Sky	Package	06/2013	x Political agreement required
– Electronic payment services	Legislative proposal	Q3 2013	x Commission proposal under preparation
– E-invoicing in public procurement	Legislative proposal	Q2 2013	x Commission proposal under preparation
– Banking services	Legislative proposal	05/2013	x Political agreement required
Improving Single Market Governance	Communication, Report, Scoreboard	2012	n/a Follow-up at EU and national level
Implementation of Services Directive	Communication	06/2012	n/a Follow-up at EU and national level

Action	What has Commission contributed?	Agreed at EU level?	What happens next?
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ACHIEVING A DIGITAL SINGLE MARKET BY 2015

Digital Agenda / completion of Digital Single Market	Mid-term review	12/2012	✓		Follow-up at EU and national level. Discussion in European Council October 2013	Yellow
E-identification and signatures	Legislative proposal	06/2012	✗		Political agreement required (part of SMA I)	Red
Modernisation of copyright regime						
– Orphan works	Legislative proposal	05/2011	✓	10/2012	Implementation	Green
– Collective Rights Management	Legislative proposal	07/2012	✗		Political agreement required	Yellow
– Future of copyright	Communication	12/2012	n/a		Follow-up at EU and national level. Follow up to Commission review to be announced in 2014	Yellow
E-invoicing in public procurement	Legislative proposal	Q2 2013	✗		Commission proposal (part of SMA II)	Yellow
High-speed broadband infrastructure	Legislative proposal	03/2013	✗		Political agreement required (part of SMA II)	Yellow
Connecting Europe Facility	Legislative proposal	10/2011	✗		Political agreement required	Yellow

COMPLETING THE INTERNAL ENERGY MARKET BY 2014

Completing the Internal Energy Market	Communication	11/2012	✓		Follow-up at EU and national level	Yellow
Third Energy Package	Legislative proposals	09/2007	✓	07/2009	Implementation (part of SMA I)	Yellow
Connecting Europe Facility	Legislative proposals	10/2011	✗		Political agreement required	Yellow
Energy Taxation Directive	Legislative proposal	04/2011	✗		Political agreement required (part of SMA I)	Red
TEN-Energy	Legislative proposal	10/2011	✓	04/2013	Implementation (part of SMA I)	Green
Energy efficiency	Legislative proposal	06/2011	✓	10/2012	Implementation	Green

Overall State of Play:

 On track

 More effort required

 No / little progress

Action	What has Commission contributed?	Agreed at EU level?	What happens next?
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COMPLETING EUROPEAN RESEARCH AREA BY 2014

Strengthening the European Research Area	Communication	07/2012	✓		Follow-up at EU and national level, Commission to report on progress ahead of October European Council	Yellow
Investment in research and innovation (Horizon 2020 and COSME)	Legislative proposals	11/2011	✗		Political agreement required	Yellow
Key enabling technologies (KETs)	Communication	06/2012	✓		Implementation through Horizon 2020, structural fund programmes and national programmes	Yellow
Modernising industrial policy	Communication	10/2012	✓		Follow-up at EU & national level. Debates in European Council June 2013 and Feb 2014, implementation progress report Q3 2013	Yellow
Unitary patent protection	Legislative proposal	04/2011	✓	12/2012	Implementation (part of SMA I)	Green

INVESTING IN GROWTH

Increase in EIB Capital by Dec 2012	n/a	n/a	✓		€ 10 billion increase to be reflected in lending programmes. Commission / EIB to report to June European Council on progress	Green
Project bonds	Commission-EIB cooperation agreement	11/2012	n/a		€ 230 million to be mobilised in 2013 for transport, energy and ICT Commission / EIB to report to June European Council on progress	Green
Reprogramming EU structural funds	Action team initiative with Member States	01/2012	✓		€ 39.2 billion reprogrammed; to be implemented at national level	Yellow
Budget 2013	Budget proposal	04/2012	✗		Agreement required on amending budget	Yellow
MFF 2014-2020	Budget proposal	06/2011	✗		Political agreement required	Yellow
Future cohesion policy	Legislative proposal	10/2011	✗		Political agreement required	Yellow

Overall State of Play:

 On track

 More effort required

 No / little progress

Action	What has Commission contributed?	Agreed at EU level?		What happens next?
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TAX POLICY FOR GROWTH

Savings taxation directive	Legislative proposal	11/2008	x		Political agreement required	
Third country negotiating mandates	Proposal for mandate	05/2012	✓	05/2013	Negotiations to start with third countries	
Common Consolidated Corporate Tax Base	Legislative proposal	03/2011	x		Political agreement required	
Tax fraud and evasion	Action Plan and 2 recommendations	12/2012	✓		Follow-up at EU and national level	
Financial Transaction Tax	Legislative proposal	02/2013	x		Political agreement required	

CREATING JOBS AND A GENUINE EUROPEAN LABOUR MARKET

Employment policy	Employment package	04/2012	✓		Follow-up at EU and national level	
Youth unemployment						
– Youth Opportunities Initiative	Communication	12/2011	✓		Follow-up at EU and national level	
– Youth Employment Package (incl. Youth Guarantee)	Communication and proposal	12/2012	✓		Follow-up at EU and national level following Council agreement in February 2013	
– Youth Employment Initiative	Legislative proposal	03/2013	x		Political agreement required	
Education and skills	Communication	11/2012	✓		Follow-up at EU and national level	
Portability of pension rights	Legislative proposal	10/2005	x		Political agreement required	
Posting of workers	Legislative proposal	03/2012	x		Political agreement required (part of SMA I)	
Professional qualifications	Legislative proposal	12/2011	x		Political agreement required (part of SMA I)	

Action	What has Commission contributed?	Agreed at EU level?	What happens next?
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HARNESSING THE GROWTH POTENTIAL OF TRADE

Trade agreements

– US	Proposals for negotiating mandates and negotiation on basis of agreed mandates	03/2013	✓	Mandate agreed 06/2013	Negotiations to be launched	On track	
– Peru and Colombia		Various	Mandates agreed	✓	02/2013	Implementation	On track
– Canada				Negotiations to be finalised	On track		
– Singapore				Agreement to be initialled	On track		
– India				Negotiations to continue	More effort required		
– Japan				Negotiations have started	On track		
– Ukraine				Agreement to be signed dependent on fulfilment of conditions	More effort required		
– Egypt, Jordan, Tunisia				Negotiations to begin	More effort required		
– Morocco				Negotiations have started	More effort required		
– Georgia, Moldova, Armenia				Negotiations to continue	On track		
– Vietnam				Negotiations to continue	More effort required		
– Thailand				Negotiations have started	More effort required		
– Central America				Negotiations to be finalised	More effort required		
Access to third country public procurement markets	Legislative proposal	03/2012	✗		Political agreement required	No / little progress	

Overall State of Play:

 On track

 More effort required

 No / little progress

Action	What has Commission contributed?	Agreed at EU level?		What happens next?
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CREATING THE RIGHT REGULATORY FRAMEWORK FOR GROWTH

Smart Regulation

– EU Regulatory Fitness ('REFIT')	Communication	12/2012	n/a		First results of the REFIT programme to be presented to European Council in June 2013 (Top Ten Consultation), and Oct 2013	
– SMEs and micros	Communication	03/2013	n/a		Follow-up at EU and national level, including via Top Ten Consultation and Scoreboard	
– Cutting administrative burden	Legislative proposals	Various	✓	Partially	Adoption in legislative procedure and implementation at national level	
Entrepreneurship 2020 Action Plan	Action Plan	01/2013	✓		Follow-up at EU and national level	

DEEPENING EMU AND PROMOTING FINANCIAL STABILITY

Deepening EMU

Blueprint and follow up	Blueprint	11/2012				
– Convergence and Competitiveness Instrument	Communication	03/2013	n/a		Discussion at June European Council	
– Ex-ante coordination major economic policy reforms	Communication	03/2013	n/a		Discussion at June European Council	

Banking Union

Single Supervisory Mechanism	Legislative proposals	09/2012	✓	04/2013	Implementation	
Single Resolution Mechanism	Legislative proposal	06/2013	✗		Commission proposal under preparation	
Other measures, including						
Deposit guarantee schemes	Legislative proposal	07/2010	✗		Political agreement required	
Framework for national resolution	Legislative proposal	06/2012	✗		Political agreement required	

Overall State of Play:

 On track

 More effort required

 No / little progress

