



**EUROPEAN COUNCIL
THE PRESIDENT**



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**Letter by President of the European Council
Herman Van Rompuy
on the implementation of the Compact for Growth and Jobs**

In June, we agreed on the Compact for Growth and Jobs. It allows us to focus our efforts and have a coherent approach on priority measures in all areas which contribute significantly to growth. But a key element is implementation; our commitments will not make the Union return to growth unless they are followed by decisive action. Concrete delivery is crucial both for the credibility of our actions in the eyes of the European citizens and for ensuring coherence of the instruments we are developing.

I have kept a close eye on the progress made over the past months, in particular as regards the Single Market. Within the European Council, we have set the objective for all twelve priority levers of the Single Market Act (SMA) to be adopted by the end of the year. As that deadline is drawing closer, the picture is mixed as regards the state of play.

The Danish and Cyprus Presidencies have made intensive and commendable efforts. The standardisation proposal was already adopted. We are also likely to see the adoption by the end of the year of the accounting directive, of dispute resolution for consumers, of venture capital and social entrepreneurship funds and of the unitary patent, provided that the current rhythm is intensified and that there is sufficient flexibility on the side of both legislators.

Other measures of the Single Market Act are however more problematic; in spite of the high level of ambition of the Presidency, progress is slow in some cases and delays now appear likely on a number of priority measures. In the absence of further efforts from all sides, there is a risk that only half of the levers of the SMA will be agreed by December.

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Thus, intensive work and horizontal policy choices are still required on the public procurement package, in order to reach at least a general approach in Council by the end of the year. Progress is also slow on the mutual recognition of professional qualifications, where prospects are fading for an agreement within the Council and for starting negotiations with the European Parliament by the end of the year. On posted workers, the efforts of the Cyprus Presidency to reach a general approach by December require collective support. On these three files, further flexibility and an accelerated timetable on the side of the European Parliament would also be required in order to reach the end-year target set by the European Council.

The Trans-European Networks for transport, telecommunications and energy represent another set of priority files for the single market, which is linked to the progress in negotiations on the Multiannual Financial Framework. On transport and telecommunications TENs in particular, the current work timetable of the European Parliament may entail negotiations running into early 2013.

Nevertheless, if we muster sufficient political will, agreement could be reached on most of these files towards the end of the year or early next year. Finally however, a delay is all but certain regarding e-signature, due to upstream delays in the presentation of the proposal; since this measure is important for the digital single market, work should progress rapidly towards its adoption as early as possible in 2013.

As we are preparing to welcome the second Single Market Act of the Commission, I would appeal to all of you for further efforts from all Member States and from the European institutions to assist in the efforts of the Cyprus Presidency and conclude the measures of the first Single Market Act as soon as possible. Each of these levers is relevant for growth, but their articulation increases manifold the overall impact of the package, and increases our collective chances for a rapid economic recovery and a more competitive Europe.

Many other measures of the Compact for Growth and Jobs represent urgent priorities; the modernisation of Europe's copyright regime including the facilitation of licensing and the adoption of the 'two-pack' are but two examples. We also need to accelerate the implementation of the agreed 120 billion euro package to boost the financing of the economy, in particular as regards the capital increase of the European Investment Bank and the mobilisation of structural funds to support growth, employment, competitiveness and convergence, including within the next Multiannual Financial Framework. There should be concrete follow-up steps to the Commission's Employment package and to the commitment to strengthen the vacancies portal EURES.

Given the crucial importance of the Compact for Growth and Jobs, we will take stock of its implementation at the coming European Council meeting. In this context I support the initiative of the Cyprus Presidency to hold a discussion on the overall implementation of European Council conclusions at the October General Affairs Council. In line with this approach and drawing on the conclusions of these discussions, I will continue to bring to your attention regularly an assessment of progress in priority areas ahead of our upcoming meetings.