Basic information

2008/2334(INI) INI - Own-initiative procedure	Procedure completed
Report on a European Economic Recovery Plan **Subject** 2.60.03 State aids and interventions 5.03 Global economy and globalisation 5.20.01 Coordination of monetary policies, European Monetary Institute (EMI), Economic and Monetary Union (EMU)	

Key players

European Parliament

Committee responsible	Rapporteur	Appointed
ECON Economic and Monetary Affairs	FERREIRA Elisa (PSE)	19/11/2008

Committee for opinion	Rapporteur for opinion	Appointed
DEVE Development	The committee decided not to give an opinion.	
INTA International Trade	The committee decided not to give an opinion.	
BUDG Budgets (Associated committee)	GARRIGA POLLEDO Salvador (PPE-DE)	14/01/2009
EMPL Employment and Social Affairs	MORIN-CHARTIER Elisabeth (PPE-DE)	02/12/2008
ENVI Environment, Public Health and Food Safety	The committee decided not to give an opinion.	
ITRE Industry, Research and Energy	The committee decided not to give an opinion.	
REGI Regional Development	The committee decided not to give an opinion.	19/01/2009

Council of the European Union

Council configuration	Meetings	Date
General Affairs	2925	2009-02-23

	Economic and Financial Affairs ECOFIN	2931	2009-03-10
	Employment, Social Policy, Health and Consumer Affairs	2930	2009-03-09
	Employment, Social Policy, Health and Consumer Affairs	2916	2008-12-16
	Competitiveness (Internal Market, Industry, Research and Space)	2929	2009-03-05

European Commission

Commission DG	Commissioner
Economic and Financial Affairs	ALMUNIA Joaquín

Key events

Date	Event	Reference	Summary
26/11/2008	Non-legislative basic document published	COM(2008)0800	Summary
16/12/2008	Debate in Council		Summary
15/01/2009	Committee referral announced in Parliament		
05/02/2009	Referral to associated committees announced in Parliament		
11/02/2009	Vote in committee		Summary
17/02/2009	Committee report tabled for plenary	A6-0063/2009	
23/02/2009	Debate in Council		Summary
05/03/2009	Resolution/conclusions adopted by Council		Summary
09/03/2009	Debate in Council		Summary
10/03/2009	Resolution/conclusions adopted by Council		Summary
11/03/2009	Decision by Parliament	T6-0123/2009	Summary
11/03/2009	Results of vote in Parliament		
11/03/2009	Debate in Parliament		
11/03/2009	End of procedure in Parliament		

Technical information

Procedure reference	2008/2334(INI)
Procedure type	INI - Own-initiative procedure
Procedure subtype	Strategic initiative
Legal basis	Rules of Procedure EP 55
Stage reached in procedure	Procedure completed
Committee dossier	ECON/6/71636

Documentation gateway

European Parliament

Document type	Committee	Reference	Date	Summary
Committee draft report		PE418.250	15/01/2009	
Amendments tabled in committee		PE419.871	29/01/2009	
Committee opinion	EMPL	PE418.157	10/02/2009	
Committee opinion	BUDG	PE418.302	10/02/2009	
Committee report tabled for plenary, single reading		A6-0063/2009	17/02/2009	
Text adopted by Parliament, single reading		T6-0123/2009	11/03/2009	Summary

European Commission

Document type	Reference	Date	Summary
Non-legislative basic document	COM(2008)0800	26/11/2008	Summary
Commission response to text adopted in plenary	SP(2009)3244	06/10/2009	

Report on a European Economic Recovery Plan

2008/2334(INI) - 09/03/2009

The Council held a public policy debate on the present financial and economic crisis, and especially its employment implications, in order to prepare the 2009 Spring EU-Summit, on the basis of questions suggested by the Presidency.

Against the background of rapidly deteriorating perspectives on the EU labour markets, Member States agreed that timely, **temporary and targeted measures** are necessary to stimulate employment, to limit as far as possible job losses and to mitigate their social impact.

The Ministers considered that **helping people to keep their jobs**, for example by introducing short time work, and assisting the unemployed to find new ones was crucial in the current economic situation. In addition, the Ministers considered that efforts should, in particular, be targeted towards the **most vulnerable people**, such as less qualified persons and workers with a low income. They underlined the need to stick to the principles of **flexicurity**, but at the same time **warned of its abuse by weakening social rights**.

However, Member States also shared the view that the current crisis could constitute an opportunity for **better matching the offer and the demand on the labour market**. In this respect, Ministers considered it important to reinforce training measures (for example, by using the European Social Fund or when the workers are doing part time work), especially with regard to sectors with an expected potential of creating jobs as environmentally friendly technologies.

All Member States agreed that the short-term measures should be fully in line with the long-term objectives of the Lisbon strategy. Despite the need for short-term measures, the **structural reforms on the labour market should continue**. In this context, some delegations stressed the need to ensure long-term sustainability of public finances.

Furthermore, delegations shared their experiences and gave insights with regard to their own recovery measures, calling for the coordination of these measures at the EU level. They **strongly rejected any attempt of taking the crisis as an opportunity for nationalism and protectionism**.

Several delegations stressed the importance of amending rapidly the rules of the **European Social Funds** and of the European Globalisation Adjustment Fund in order to mobilise their resources faster and make full use of them.

All Member States welcomed the opportunity to further take stock of the developments in employment and social area at the Informal European Employment Summit on 7 May in Prague.

Key messages: the Council adopted the following key messages in the fields of employment and social policy and agreed to transmit them to the Spring European Council:

(1) Employment and social policies in times of economic crisis: the economic and financial crisis is hitting hard and calls for urgent, timely, temporary and targeted measures to stimulate employment, to limit as far as possible job losses and to mitigate their social impact:

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building on solidarity and allowing **social protection systems** to fully play their role as automatic stabiliser, paying particular attention to the most vulnerable and to new risks of exclusion;

- **enhanced coordination between economic, employment and social policies**, taking into account the territorial dimension: in this context, a strong EU coordinated response should mobilise all available instruments, including the Community resources, and fully integrate growth, employment, social inclusion and social protection strategies;
- direct responses to the crisis should be coherent with longer-term objectives and **sound public finances**;
- the reforms and policy mix needed to meet the long-term economic, financial, employment and social and environmental challenges of the EU should be **more coherent and mutually reinforcing**.

(2) Preventing and tackling unemployment while keeping labour market reforms on track: Members States are urged to give immediate priority to:

- **supporting access to employment and easing transitions** within and into the labour market in order to shorten any spell of unemployment. The common principles of flexicurity provide, in this context, useful guidance to further modernise labour markets;
- **reinforcing access to training** and active labour market measures for the unemployed, workers at risk of dismissal and other vulnerable groups in order for them to remain active, improve their employability and ensure they are ready to take-up new job opportunities brought by recovery. In this regard, **lifelong learning strategies** should promote the upgrading of skills;
- **improving anticipation and matching of skills** with labour market needs so as to facilitate transitions towards new business activities generating labour demand;
- supporting employment and job creation through measures to stabilise the economy, promote the **transition towards a low carbon economy** and strengthen investment in research and development as well as in fast-growing sectors;
- avoiding measures that induce **premature withdrawal from the labour force**, such as early retirement schemes or age barriers to training opportunities.

The Council will make every effort to limit the increase in unemployment and to avoid any rise in long-term unemployment. It invites the Employment Committee to further survey labour market trends until signs of recovery become visible.

(3) Strengthened commitment to the social inclusion and social protection objectives: against this background Member States would aim in particular at:

- **pursuing poverty reduction** and social cohesion, through reinforced comprehensive strategies to combat and prevent poverty and social exclusion of children, the emergence of new groups at risk of exclusion such as the young, and new risk situations, including over-indebtedness;
- sustained efforts to **tackle homelessness** as an extremely serious form of exclusion, address the multiple disadvantages facing the **Roma people** and their vulnerability to social exclusion and promote the **social inclusion of migrants**;
- addressing long term adequacy and sustainability of **pension systems** through appropriate reforms, including inter alia the achievement of the Lisbon target of 50% employment rate of older workers and the improvement of the position of low wage earners also in the economic downturn;
- improving efficiency of **healthcare systems** and reducing health inequalities through increased attention to primary care, prevention, promotion, quality and safety, better coordination and effective use of resources including e-health;
- delivering **quality of long-term care**, to ensure healthy and dignified ageing, creating a solid financing basis, improving care coordination, including coordination between health and social care services, and ensuring the availability of skilled human resources;
- supporting informal long-term carers and continuing to **promote active ageing**;
- taking actions to **support people's income**, to mitigate the direct impacts of the financial crisis on households and individuals, while investing in social and health infrastructure;
- pursuing the **monitoring of social impacts of the economic crisis** and of policy measures taken or planned to cushion or limit these impacts;
- enhancing the essential role of the **Social Open Method of Coordination** by mainstreaming social considerations in other policy areas through the strengthening of the social dimension of impact assessments, by devoting increased attention to the quality and continuity of stakeholder involvement and by evidence-based national target-setting, while the decision on setting national quantified targets and their definition remains a core responsibility of the Member States.

Report on a European Economic Recovery Plan

2008/2334(INI) - 16/12/2008

On the basis of a Presidency questionnaire, the Council held a public exchange of views on the social impact of the crisis, the employment situation and monitoring of the implementation of the Social Agenda.

All the delegations welcomed the Commission communication entitled "A European Economic Recovery Plan" and stressed the added value of an approach coordinated at European level.

To prevent the economic crisis from becoming a social crisis, the delegations advocated **employment support measures, taking care not to neglect social protection and to protect the most vulnerable in particular**. In that context, several delegations stressed the advantages of the **flexicurity** approach for which the Council defined common principles at its meeting on 5 and 6 December 2007.

The ministers also argued in favour of **measures to reinforce social cohesion**. The majority of delegations also supported reinforcing the **open method of coordination for social protection and social inclusion**. Several delegations considered that short- and long-term measures should be combined and stressed the importance of having the Member States continue with the reform of their social systems.

The majority of delegations supported the idea of **facilitating payments by the European Social Fund (ESF) and the European Globalisation Adjustment Fund**. Some delegations wanted a monitoring system to be set up to monitor labour market developments in the EU.

Many Member States outlined the measures taken at national level to deal with the economic crisis and advocated maintaining a balance between the European initiative and those national measures. The presidency trio comprising Spain, Belgium and Hungary (the countries holding the EU presidency from the beginning of 2010 to mid-2011) requested the ESPCO Council to adopt conclusions at its next meeting on 9 March 2009 relating to the employment section of the European Economic Recovery Plan and wanted the plan extended to include considerations on social protection and inclusion.

The ministers' public debate followed on from the discussion on the effects of the crisis which took place with the European social partners at the Tripartite Social Summit on 15 October 2008.

The Council also approved the following opinions:

- the Employment Committee opinion on the "European Economic Recovery Plan" and the impact of the financial crisis on EU labour markets;
- the Joint Social Protection Committee-Employment Committee opinion on the Renewed Social Agenda;
- the Social Protection Committee opinion on the Commission communication: A renewed commitment to Social Europe: reinforcing the Open Method of Coordination for Social Protection and Social Inclusion (see COM(2008)0418).

The Council also approved the conclusions of the Social Protection Committee on the application of Community rules to social services of general interest. Moreover, it took note of the report by the "flexicurity" mission and several Commission initiatives:

- the Commission communication: a European Economic Recovery Plan;
- the document on new skills for new jobs: Anticipating and responding to the skills requirements of the labour market, which is to be adopted on 16 December 2008 by the College of Commissioners;
- the proposal amending Regulation (EC) No 1081/2006 on the European Social Fund (ESF) to extend the types of costs eligible for a contribution from the ESF.

Report on a European Economic Recovery Plan

2008/2334(INI) - 10/03/2009

The Council adopted a key issues paper outlining the main policy objectives to be set for 2009 as concerns economic and financial affairs (Ecofin) (see document *6784/1/09 REV 1*).

The paper focuses on the following key issues:

- financial markets: how to stabilise the markets and restore functioning in the short term, and how to develop global financial governance in the longer term;
- European economic recovery plan: implementation of fiscal stimulus plans;
- public finances: consequences of expansionary budgetary policies in the member states, and how to ensure sustainable fiscal and macroeconomic policies.

In view of the ongoing financial and economic crisis, the European Council is expected to:

- take stock of progress achieved in ensuring greater stability and better supervision and transparency of financial markets, and will consider further measures as necessary, particularly in the light of Commission analysis and proposals based on the recommendations of a high-level reflection group chaired by Jacques de Larosierel;
- assess implementation of the European economic recovery plan that it approved in December;
- reiterate the commitment of member states to return to sustainable budgetary positions as soon as possible;
- emphasise the increased importance of making renewed progress in implementing the EU's Lisbon strategy on growth and jobs;

- underscore the determination of member states to adhere to the principles of the EU's single market;
- establish the EU's position with regard to the G-20 summit to be held in London on 2 April 2009.

Report on a European Economic Recovery Plan

2008/2334(INI) - 23/02/2009

The Council examined proposals aimed at providing additional support, under the European economic recovery plan, for investments in the field of energy and infrastructure.

The Council acknowledged the need to reach an agreement on the proposals, which require a joint decision of the European Parliament, the Council and the Commission, as soon as possible and before the parliamentary recess in the run-up to the European elections in June.

The Commission's proposals, which provide for an additional EUR 5 billion investment in energy and infrastructure, consist of:

- a draft regulation with a list of energy projects totalling EUR 3.75 billion, including EUR 2.1 billion for gas and electricity interconnection projects, EUR 1.15 billion for carbon capture and storage and EUR 500 million for offshore wind projects;

- a total of EUR 1.25 billion for rural development, of which two thirds are for broadband internet infrastructure and one third for tackling challenges such as climate change, renewable energies, water management, biodiversity and measures to accompany the restructuring of the dairy sector.

The president of the Council concluded the debate in the following terms:

- as regards the list of projects, many delegations expressed support for the Commission's latest proposals, although further adjustments of certain aspects would still be necessary;
- on financing, use of the margin under the 2008 ceilings of the EU's 20072013 financial framework could not be envisaged. The Permanent Representatives Committee was therefore requested to examine the options available under the EU's budgets for 2009 and 2010.

Report on a European Economic Recovery Plan

2008/2334(INI) - 11/03/2009 - Text adopted by Parliament, single reading

The European Parliament adopted 526 votes to 105 with 22 abstentions, a resolution on the European Economic Recovery Plan. It welcomes the Commission initiative to launch the Recovery Plan as a reaction to the serious ongoing economic downturn, noting that the Community dimension of that proposal amounts to 15 % of the budget for the recovery programme, which needs to be implemented urgently. The top priority of the Recovery Plan must be to stimulate the economy and competitiveness of the EU, and to avoid increased unemployment. Members insist that all financial aid be timely, targeted and temporary, and warn of possible crowding-out effects and dissolution of EU competition policy. They call for a return to sound state finance as soon as possible in order to avoid putting too much burden on future generations. Parliament stresses that temporary exceptions and deviations from Community competition policy must be reversed, and normality restored, in clearly defined time perspectives.

The Recovery Plan must serve the purpose of delivering a fair international agreement to succeed the Kyoto Protocol in 2012, which must give poorer countries the opportunity to escape poverty without fuelling global warming by helping to finance massive investment into adapting to climate change. Parliament recommends, as an essential requirement for effectiveness, that the coordination of national recovery plans allows for each programme to be tailored to each country's specific needs, but taking into account the common interest, the common strategies defined in terms of fight against climate change, and the assurance of the strongest possible multiplier effect, in particular as regards employment.

Members call for **coordinated action** between Member States allowing for general and explicit national bank guarantees covering liabilities, but excluding equity capital, in order to reduce uncertainty in the credit markets and facilitate the functioning of those markets. Parliament invites Member States, and in particular those belonging to the euro area, to examine the possibility of a **major European loan guaranteed jointly** by the Member States.

Safeguarding the savings of, and credit provision for, individuals and undertakings is the overriding justification for the current exceptional public intervention in the financial system. Prime consideration must be given to recovering to normal levels of credit extension by banks when considering any new regulatory environment particularly in the interests of reviving the securitisation process as essential to the recovery of finance for mortgages, car finance and credit card funding. The Commission is asked to produce a clear analysis of the impact of the rescue package on the competitiveness of the financial sector and the functioning of the interbank market.

Parliament goes on to make a series of recommendations for more effective regulatory and supervisory structures. Whilst the European Central Bank (ECB) has no official supervisory mandate, there is a need to enhance its role as regards monitoring financial stability in the euro area. Members recommend that the ECB should be involved in EU-wide macro-prudential supervision of systemically important financial institutions. They regret the absence of clear EU instruments and policies by which to address, in a thorough and timely manner, the asymmetric impacts of the financial crisis among Member States inside and outside the euro area.

Parliament recommends that sufficient access to credit is urgently guaranteed across the EU to SMEs, citizens and those sectors in which a sustainable future is endangered due to the crisis, in particular due to the lack of credit. In the current climate where SMEs face severe cash-flow problems and restricted credit access, public authorities and private clients should respect a maximum 30-day period for payments to SMEs. Members also call for the effective launch of a comprehensive European employment initiative, by ensuring that an undertaking can be set up free of charge anywhere in the EU within 3 days. They make detailed recommendations on boosting employment and want the EU employment initiative include an early intervention in order to reduce the risk of people becoming excluded from the labour market. However, Parliament warns against the undue loosening of the EU competition rules, as this might weaken the internal market.

Parliament goes on to ask the Council to approve the proposal to give all Member States the option to apply a reduced VAT rate for labour-intensive and locally supplied services, and Member States should consider the possibility of reducing labour taxation in lower incomes in order to increase the purchasing power and stimulate demand for retail products.

Members stress the importance of territorial cohesion goals within the framework of proposed stimulus arrangements, given the clear asymmetric impact of the crisis across the European territory, and they call for smart and sustainable structural reforms.

The resolution calls for improved coherence between the present recovery plan at Member State level, the Lisbon Strategy goals and priorities, the integrated policy guidelines and the National Reform Programmes as well as the use of the flexibility facilities granted by the revised SGP. It puts forward a series of suggestions for the Spring European Council in March 2009, including the establishment of a binding framework for Member States within which they consult each other and the Commission before taking major economic policy decisions.

Lastly, Parliament stresses that the current crisis should not be used as a pretext to delay a much needed reorientation of spending towards 'green' investments, but should, rather, be used as an additional incentive to press ahead with such reorientation.

Report on a European Economic Recovery Plan

2008/2334(INI) - 05/03/2009

The Council held a **policy debate on ways of responding to the current economic downturn**, and unanimously adopted the following set of key messages and recommendations to be sent for endorsement by the next European Council in Brussels on 19 and 20 March.

In order to respond pro-actively to the economic downturn, the Council considers that the European Union and Member States must act in a concerted, ambitious and comprehensive manner. The Council therefore proposes a large number of short-term measures to improve the economic conditions for business and contribute to the creation of more jobs.

These measures focus on five priority sectors:

1. a fully functioning internal market without barriers;
2. putting into effect the Action Programme on reduction of administrative burden on businesses;
3. improving the framework conditions for industry, with special focus on innovation and SME competitiveness;
4. enhancing the level and the quality of investment into knowledge and research;
5. strengthening the external dimension of competitiveness.

All of the measures are set out in detail in the annex to the draft Council recommendations.

Report on a European Economic Recovery Plan

2008/2334(INI) - 26/11/2008 - Non-legislative basic document

PURPOSE: to present a European economic recovery plan in response to the current economic crisis.

CONTENT: this European economic recovery plan is the Commission's response to the current economic situation. Given the scale of the crisis we are facing, the EU needs a co-ordinated approach, big enough and ambitious enough to restore consumer and business confidence. It needs to bring together all the policy levers available at EU and national level.

The strategic aims of the recovery plan are to:

- swiftly stimulate demand and boost consumer confidence;
- lessen the human cost of the economic downturn and its impact on the most vulnerable;
- help stem the loss of jobs; and then to help people return rapidly to the labour market, rather than face long-term unemployment;
- speed up the shift towards a low carbon economy.

This European economic recovery plan proposes a counter-cyclical macro-economic response to the crisis in the form of an ambitious set of actions to support the real economy. The Plan is anchored in the Stability and Growth Pact and the Lisbon Strategy for Growth and Jobs. It consists of:

1) An immediate budgetary impulse amounting to EUR 200 billion (1.5% of EU GDP), made up of a budgetary expansion by Member States of EUR 170 billion (around 1.2% of EU GDP), and EU funding in support of immediate actions of the order of EUR 30 billion (around 0.3% of EU GDP). These timely, targeted and temporary measures should be consistent with the flexibility offered in the Stability and Growth Pact.

2) A number of priority actions, grounded in the Lisbon Strategy, and designed at the same time to adapt our economies to long-term challenges, continuing to implement structural reforms aimed at raising potential growth. The Plan sets out a comprehensive programme to direct action to **"smart" investment**. Smart investment means investing in the right skills for tomorrow's needs; investing in energy efficiency to create jobs and save energy; investing in clean technologies to boost sectors like construction and automobiles in the low-carbon markets of the future; and investing in infrastructure and inter-connection to promote efficiency and innovation.

At the same time, the **ten actions for recovery** included in the plan will help Member States to put the right social and economic levers in place to meet today's challenge:

1. **The launch of a major European employment support initiative**: the Commission is proposing to simplify criteria for European Social Fund (ESF) support and step up advance payments from early 2009, so that Member States have earlier access to up to EUR 1.8 billion in order to: i) within flexicurity strategies, rapidly reinforce activation schemes, in particular for the low-skilled, involving personalised counselling, intensive (re-)training and upskilling of workers, apprenticeships, subsidised employment as well as grants for self-employment, business start-up's and ii) refocus their programmes to concentrate support on the most vulnerable, and where necessary opt for full Community financing of projects during this period; iii) improve the monitoring and matching of skills development and upgrading with existing and anticipated job vacancies. The Commission will also propose to revise the rules of the European Globalisation Adjustment Fund so that it can intervene more rapidly in key sectors.
2. **Create demand for labour**: Member States should consider reducing employers' social charges on lower incomes to promote the employability of lower skilled workers. The Council should adopt, before the 2009 Spring European Council, the proposed directive to make permanent reduced VAT rates for labour-intensive services.
3. **Enhance access to finances for business**: the EIB has put together a package of EUR 30 billion for loans to SME's, an increase by EUR 10 billion over its usual lending in this sector. The Commission will put in place a simplification package, notably to speed up its State aid decision-making. It will temporarily authorise Member States to ease access to finance for companies through subsidised guarantees and loan subsidies for investments in products going beyond EU environmental standards.

4. **Reduce the administrative burden and promote entrepreneurship**: Member States should: i) ensure that starting up a business anywhere in the EU can be done within three days at zero costs and that formalities for the hiring of the first employee can be fulfilled via a single access point; ii) remove the requirement on micro-enterprises to prepare annual accounts; iii) accelerate the adoption of the European private company statute proposal; iv) ensure that public authorities pay invoices, including to SMEs, for supplies and services within one month; v) reduce by up to 75% the fees for patent applications and maintenance and halve the costs for an EU trademark.
5. **Step up investments to modernise Europe's infrastructures**: for 2009 and 2010, the Commission proposes to mobilise an additional EUR 5 billion for trans-European energy interconnections and broadband infrastructure projects. To make this happen, Council and Parliament will need to agree to revise the financial framework, while remaining within the limits of the current budget. To give an immediate boost to the economy, the implementation of the structural funds should be accelerated. By the end of March 2009 the Commission will launch a EUR 500 million call for proposals for trans-European transport (TEN-T) projects. In parallel, the EIB will significantly increase its financing of climate change, energy security and infrastructure investments by up to EUR 6 billion per year.
6. **Improve energy efficiency in buildings**: acting together, Member States and EU Institutions should take urgent measures to improve the energy efficiency of the housing stock and public buildings. Member States should set demanding targets for ensuring that public buildings and both private and social housing meet the highest European energy-efficiency standards and make them subject to energy certification on a regular basis. In addition, Member States should re-programme their structural funds operational programmes' to devote a greater share to energy-efficiency investments, including where they fund social housing. The Commission will work with the EIB and a number of national development banks to launch a 2020 fund for energy, climate change and infrastructure.
7. **Promote the rapid take up of green products**: the Commission proposes to reduce VAT rates for green products and services aimed at improving in particular energy efficiency of buildings. It encourages Member States to provide further incentives to consumers to stimulate demand for environmentally-friendly products. In addition, Member States should rapidly implement environmental performance requirements for external power supplies, stand-by and off mode electric power consumption, set top boxes and fluorescent lamps. The Commission will urgently draw up measures for other products which offer very high potential for energy savings such as televisions, domestic lighting, refrigerators and freezers, washing machines, boilers and air-conditioners.
8. **Increase investments in R&D, innovation and education**: Member States and the private sector should increase planned investments in education and R&D (consistent with their national R&D targets) to stimulate growth and productivity. They should also consider ways to increase private sector R&D investments, for example, by providing fiscal incentives, grants and/or subsidies. Member States should maintain investments to increase the quality of education.
9. **Developing clean technologies for cars and construction**: to support innovation in manufacturing, the Commission proposes to launch 3 major partnerships between the public and private sectors:

    - *in the automobile sector, a 'European green cars initiative', involving research on a broad range of technologies and smart energy infrastructures*: this partnership would be funded by the Community, the EIB, industry and Member States' contributions with a combined envelope of at least EUR 5 billion;

    - *in the construction sector, a 'European energy-efficient buildings' initiative:* the initiative should have an important regulatory and standardisation component and would involve a procurement network of regional and local authorities. The estimated envelope for this partnership is EUR 1 billion;

    - *to increase the use of technology in manufacturing, "a factories of the future initiative":* the objective is to help EU manufacturers across sectors, in particular SMEs, to adapt to global competitive pressures by increasing the technological base of EU manufacturing through the development and integration the enabling technologies of the future, such as engineering technologies for adaptable machines and industrial processes, ICT, and advanced materials. The estimated envelope for this action is EUR 1.2 billion.

10. **High-speed Internet for all**: the Commission and Member States should work with stakeholders to develop a broadband strategy to accelerate the up-grading and extension of networks. The strategy will be supported by public funds in order to provide broadband access to under-served and high cost areas where the market cannot deliver. The aim should be to reach 100% coverage of high speed internet by 2010. In addition, and also with a view to upgrading the performance of existing networks, Member States should promote competitive investments in fibre networks and endorse the Commission's proposals to free up spectrum for wireless broadband. The Commission will channel an additional EUR 1 billion to these network investments in 2009/2010.

The European Commission calls on the European Parliament to lend its full support and it calls on Heads of State and Government, at their meeting on 11 and 12 December 2008 to endorse this European Economic Recovery Plan.