

Making Europe Fit for the Future



Annual Report 2008

theLisborcouncil
Europe's Knowledge Economy
Think Tank and Innovation
Network



Table of Contents

1	A Think Tank for the 21 st Century
4	Publications and Research
6	Events and Initiatives
10	Outreach and Engagement
14	Letter from the President
16	Leaders and Advisory Board
20	Financial Highlights 2008

On the cover, from left to right, Janez Potočnik, commissioner for science and research, European Commission; Viviane Reding, commissioner for information society and media, European Commission; Andreas Schleicher, head of the Programme for International Student Assessment (PISA) at the Organisation for Economic Co-operation and Development.

Photography by Bernard Foubert

A Think Tank for the 21st Century

The Lisbon Council is a thought-leading research organisation and solution-oriented innovation platform, operating at the nexus of policy and society.


As Europe enters the second decade of the third millennium, we face unprecedented challenges – and opportunities. Climate change, social change, demographic change, and an unprecedented economic shift from an economy based on land, labour and capital to one based on knowledge, skills and talent.

We at the Lisbon Council believe this moment offers us a unique chance to seize. Put simply, we believe that Europe must once again show the wisdom, foresight and vision of our forefathers, abandoning the cynicism that so often serves as an excuse for inaction and moving instead to define a vision of a modern, prosperous Europe – a Europe that leads the world economically and socially, a Europe that embraces modern challenges with a “can-do” spirit, a Europe where society unites behind ambitious goals including sustainable growth, innovation, prosperity and well-being for future generations – as well as our own.

The Lisbon Council is about making that vision a reality. Formed in 2003, the Lisbon Council is a successful, entrepreneurial endeavour that has come to fill an important policy niche in Brussels and Europe at large. The organisation has emerged as a key voice on leading-edge innovation and societal renewal, a forum that facilitates an open exchange of views on the crucial social and economic trends of our day, a laboratory where ideas that will help Europe successfully navigate the transition to a modern knowledge-based economy can be devised and implemented. Part think tank, part community, the Lisbon Council works at the nexus of politics and society, using its unique platform to develop and implement a modern vision for Europe, a vision based on innovation and thought leadership, a vision that sees the future as a challenge we embark upon with enthusiasm, confidence and conviction.

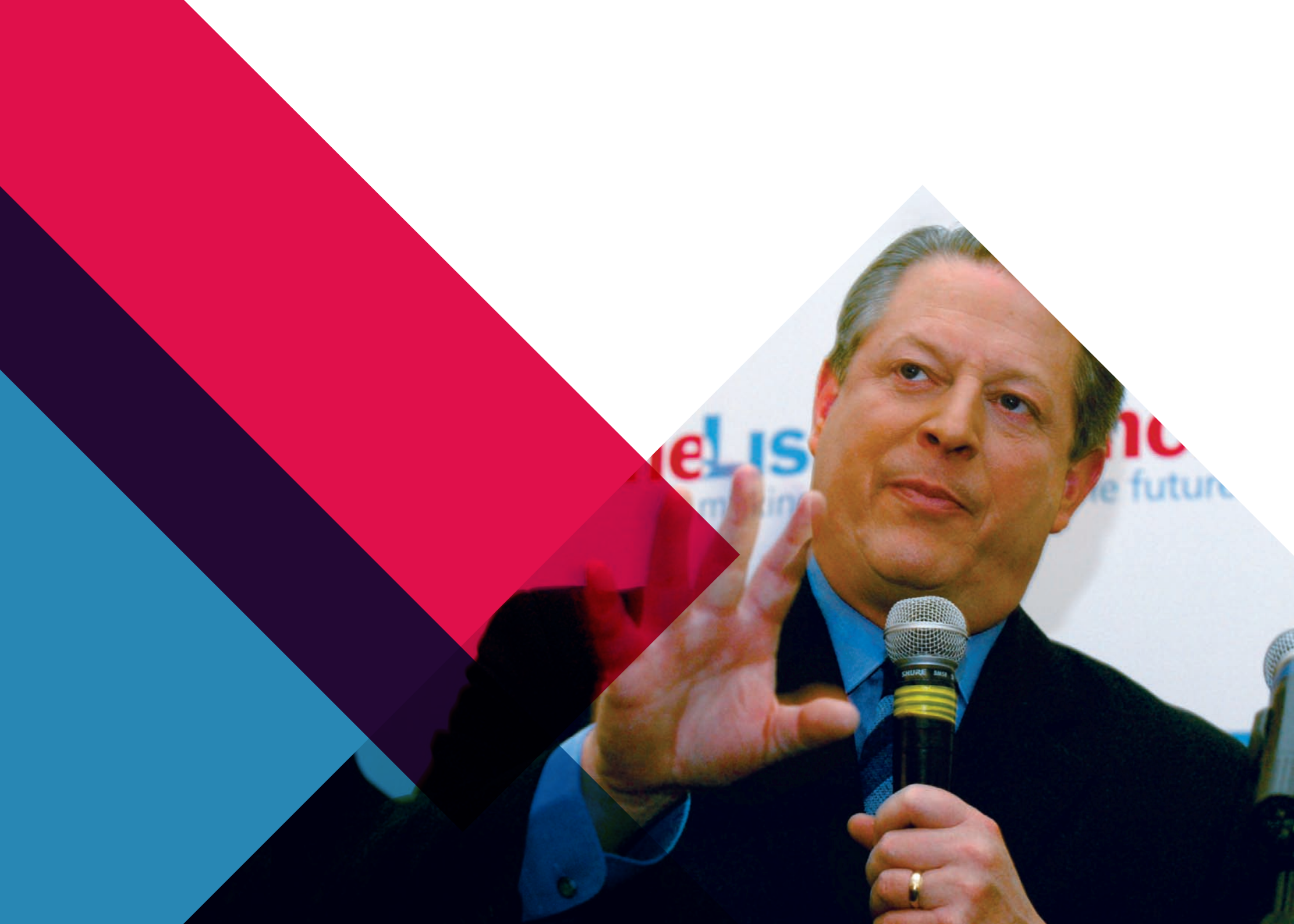
The Lisbon Council, an incisive Brussels-based think tank.

The Economist Magazine



We face a full scale planetary emergency. We are capable of doing damage without even being aware of the amount of damage we are doing. Yet we are also capable of consciousness and awareness and a level of understanding that can lead us to change when we must. And the change that is called for represents an opportunity.

Al Gore, Nobel Peace Prize Laureate 2007 and former vice president of the United States, speaking at a Lisbon Council event



Publications and Research

The Lisbon Council maintains an ambitious, ongoing research programme that seeks to shed light on the key issues of our times.

Through a series of policy briefs and e-briefs – all of which are available for free on the Lisbon Council website at www.lisboncouncil.net – we collaboratively develop modern, innovative insights into the challenges we face, and the solutions at our disposal.

Against this backdrop, we strive to produce cutting-edge indicators and unique insights on the great social and economic issues of our times: innovation and creativity, growth and jobs, social mobility, educational standards, environmental sustainability and more. With these reports, the Lisbon Council seeks to launch a debate not just in the ivory tower meeting rooms of Brussels, but in the public square where opinions are formed and decisions are taken. All policy briefs are accompanied by a far-reaching media strategy, designed to take these policy messages into public fora throughout the world. In 2008, Lisbon Council research appeared prominently in the following news outlets: *BBC*, *The Chronicle of Higher Education*, *CNBC*, *Corriere della Sera*, *El País*, *Der Standard*, *Die Presse*, *ORF* (Austria), *Rzeczpospolita*, *Süddeutsche Zeitung*, *Les Échos*, *Gazeta Wyborcza*, *Financial Times*, *Svenska Dagbladet*, *International Herald Tribune* and more.

Highlights in 2008 include:

- 1) *University Systems Ranking: Citizens and Society in the Age of Knowledge*. This cutting-edge policy brief set out to rank countries based on the quality of their tertiary education system. The respected journal *Global Higher Education* said that the *University Systems Ranking* can be “considered a challenge to the Shanghai Jiao Tong and Times Higher Education ranking.”
- 2) *The 2008 European Growth and Jobs Monitor*. Developed collaboratively with the economics department of Allianz SE, the insurance company, this biannual study aims to evaluate Europe’s leading economies based on their annual performance in six top indicators. German Chancellor Angela Merkel said in an address to parliament that the European Growth and Jobs Monitor “gives us courage to pursue further reform steps,” while European Commission President José Manuel Barroso remarked the European Growth and Jobs Monitor “makes an impressive and invaluable contribution.”

3) *From Why to How: Reflections on the Lisbon Agenda Post-2010*. In this thought-provoking e-brief, published just after the European Council called for a broad reflection on the Lisbon Agenda, Executive Director Ann Mettler made the case for a more innovative, more comprehensive and more citizen-focused policy process. Jean-Pierre Jouyet, minister of state responsible for European affairs in France, called the policy brief “a work of exceptional quality.” The study led to a private bilateral with Christine Lagarde, minister of economic affairs, industry and employment in France, in the margins of the December 2008 Lisbon Coordinators meeting.

All Lisbon Council publications can be downloaded free-of-charge on the Lisbon Council website at www.lisboncouncil.net.

Because social, environmental and economic goals go hand in hand in the 21st century – and because of the mutually reinforcing nature of these three objectives – it is imperative to stay on the ball, to benchmark with and learn from countries that perform better, and to come to grips with the central challenge of our times: embracing change.

From Why to How: Reflections on the Lisbon Agenda Post-2010
by Ann Mettler, executive director of the Lisbon Council





Events and Initiatives

The Lisbon Council is a premier host of high-level Brussels events, bringing together leading EU officials and members of our Europe-wide network.

Through landmark speeches before large audiences or informal, highly interactive working groups, the Lisbon Council shapes every discussion in view of achieving maximum purpose and impact. And drawing on our roots as a think tank, we encourage an open exchange of views and seek to provide a platform that cherishes new ideas and innovative policy prescriptions.

At the heart of the Lisbon Council are five principal advisory bodies: **Innovation Forum**, **Climate Change Action Group**, **Board of Economists**, **New Leaders for Lisbon** and **Zukunftssalon: Forum for the Future**. These bodies convene throughout the year to debate and exchange views on contemporary issues in an informal setting.

Highlights in 2008 include:

Innovation Day. The Lisbon Council stays active throughout the year around a broadly defined innovation agenda – focusing on both economic and social innovation in the search for workable solutions to contemporary challenges. At the annual Innovation Day, participants gather in Brussels for a wide-ranging brainstorming on ways of making the European economy more innovative.

At the annual ***Skills and Human Capital Summit***, participants focus on human capital development – how well is Europe doing vis-à-vis other parts of the world? And just what are the skills we will need for 21st century success? Highlights in 2008 included keynotes from Jan Figel', commissioner for education, training, culture and youth, and Andreas Schleicher, head of the OECD's Programme for International Student Assessment (PISA).

The Growth and Jobs Summit. Held each year on the eve of the European Council Spring Summit, where leaders review progress on Europe's road to social and economic renewal, the annual Growth and Jobs Summit reviews Europe's overall progress on social and economic modernisation. Thought leaders from think tanks, NGOs, business, media and other organisations exchange ideas – and explore ways to contribute to the vast social and economic transformations that still lie before us. Highlights in 2008 included a keynote from European Commission President José Manuel Barroso and the launch of **The 2008 European Growth and Jobs Monitor**.

Investment in human capital in Europe is still clearly inadequate for a 'knowledge-intensive' economy. Europe still needs to enhance the quality and efficiency of its schools and universities as well as to increase incentives for all relevant parties, including firms, to invest in human capital.

From *The 2008 Ludwig Erhard Lecture*, given by Lorenzo Bini Smaghi, member of the executive board of the European Central Bank

Climate Change Action Group. This broad-based body – made up of eco-innovators and environmental leaders – often meets to exchange strategies for both fighting climate change and pushing forward a better, more ambitious climate-change agenda. Highlights in 2008 included a stunning address from Fatih Birol, chief economist of the International Energy Agency, who sketched out the IEA’s vision of the scope of transformation we will need to curb climate change in **The 2008 Robert Schuman Lecture**. The group also met for a private brainstorming with top European climate change negotiators on the eve of the United Nations COP-14 meeting in Poznan, Poland.

Board of Economists. Convening periodically in Brussels, this high-level body of top economists has quickly emerged as a leading sounding board for policy makers, a place where important economic issues can be debated and discussed with the best economic minds that Europe has to offer. Highlights in 2008 included a working group led by Lorenzo Bini Smaghi, member of the board of the European Central Bank, who delivered **The 2008 Ludwig Erhard Lecture**, and met with the Board for an animated debate on the scope and reasons behind the global financial crisis.

Founding Fathers Lecture Series. Throughout the year, the Lisbon Council convenes a regular lecture series, intended to provide a unique platform to contemporary thought leaders where they can lay out their vision of the future. The five principal lectures are **The Robert Schuman Lecture** (devoted to the future of Europe); **The Ludwig Erhard Lecture** (about economic transformation and social renewal); **The Guglielmo Marconi Lecture** (on innovation); **The Jean Jacques Rousseau Lecture** (on Modernising the European Social Model) and **The Jean Monnet Lecture** (on innovation in government).

Zukunftssalon: Forum for the Future. This informal community serves as a platform for progressive, future-oriented leaders from the European institutions, as well as representatives from business, academia and civil society, Zukunftssalons highlight the key economic, social and environmental challenges of our time. They aim to generate knowledge among decision makers and produce innovative solutions, while striving to recognise key trends at an early stage.

Outreach and Engagement

The Lisbon Council is a sought-after interlocutor and collaborator with EU institutions, media, governments, NGOs and business.

Alongside of the advisory bodies, the Lisbon Council conducts an extensive programme of outreach, consulting frequently with national governments, regions and municipalities, universities and innovation clusters.

Among the highlights in 2008 were:

Paul Hofheinz, president of the Lisbon Council, was invited to speak at the spring meeting of Lisbon Coordinators and a high-level conference on the Lisbon Agenda in Romania, attended by President Traian Băsescu. In addition, he served on *L'Esprit de Sel*, a group organised under the chairmanship of Polish MEP Marek Siwiec and made up of young intellectuals and social scientists from six countries, and was also appointed a member of the Steering Committee for the European Integration Chair at ESSCA university in Angers, France. Also, Paul met Christine Lagarde, minister of economic affairs, industry and employment in France, for a one-on-one bilateral in the margins of the December meeting of the Lisbon Coordinators in Paris. Representing the French EU Presidency, Minister Lagarde received the Lisbon Council e-brief **From Why to How: Reflections on the Lisbon Agenda Post-2010**. He also took part in a tri-partite summit in Copenhagen, where he delivered as guest of honour a presentation on skills.

Dr. Peer Ederer, scientific director of the Lisbon Council's *Human Capital Centre*, presented *The European Human Capital Index* to the economics board of the World Bank in Washington, DC.

Tjark de Lange, co-founder of the Lisbon Council, was nominated as a member of the board of Actal, the Dutch Advisory Board on Administrative Burdens. In addition, Tjark was named one of the 200 most influential Dutch by the paper *Volkskrant*, also in recognition of his founding of the Lisbon Council.

Ann Mettler, executive director of the Lisbon Council, addressed the HEC Europe Forum in Chantilly, France, where her policy brief **Consumers and Competition: Unlocking Europe's Drivers of Productivity** won a competition to be presented at the economic seminar. She also served on a jury for a prize on solutions for labour market inequalities faced by youth, organised by the Foundation for the Rights of Future Generations. In addition, she spoke at the 60th anniversary celebration of the Congress of Europe (organised by the European Movement in The Hague), Central and Eastern Europe meeting (organised by the World Bank in Sibiu, Romania), Competition Away-Day (organised by DG Competition and Commissioner

Neelie Kroes), the Trans European Policy Studies Association (TEPSA), and the launch of the Lisbon Scorecard (organised by the Centre for European Reform in Paris). She also delivered speeches at a conference on the Lisbon Agenda organised by the Italian Ministry of Finance and DG Economic and Financial Affairs at the European Commission (Rome), KL Studio 2009 (Amsterdam), European Commission Directors offsite (Oud-Turnhout) and *En Route Vers Lisbonne 2008* (Luxembourg).

Several Lisbon Council principals also took part in the Progressive Governance Summit in London (organised by Gordon Brown); the Skoll Forum on Social Entrepreneurship in Oxford, England and a John F. Kennedy School high-level seminar on Government 2.0 at Harvard University.





Let's finally lay to rest the idea that there is a trade-off between high standards of environmental protection and competitiveness. There isn't. Just look at some of the Nordic countries. We can do well by doing good. Europe must lead the world in the shift to a high-tech, low-carbon economy.

From a keynote address by José Manuel Barroso,
president of the European Commission,
at *The 2008 Growth and Jobs Summit*



Innovation is where our vision, dreams and imagination unite with the very real social and economic challenges we face.

Paul Hofheinz, president, The Lisbon Council

Letter from the President

In-no-va-tion (noun): 1) the introduction of something new; 2) a new idea, method or device; from the Latin, *innovat* – renewed, altered.

What is innovation? Merriam-Webster's tells us it is "the introduction of something new; a new device or novelty." The Oxford English Dictionary says it is "the action or process of innovating; making changes in something established, especially by introducing new methods, ideas or products."

And the Lisbon Council says it is the key to securing Europe's future – socially, economically and environmentally. Innovation is the heart of an open, intelligent approach to policy making, one where values are sacrosanct, methods pragmatic and the status quo is seen not as a sacred cow to defend, but as an interesting point of departure for building something even better. Innovation is where our vision, dreams and imagination unite with the very real social and economic challenges we face. And it is the heart of the Lisbon Council's work, which seeks to create an open, collaborative platform where committed individuals can meet to exchange ideas and engage constructively in evidence-based decision making.

In that sense, 2008 was a banner year for the Lisbon Council. We published three cutting-edge policy briefs (including our *University Systems Ranking*, which Global Higher Education journal praised for "opening a debate about the role and purpose of universities"), kept up a busy programme of outreach and media appearances (including frequent television and print interventions and prominent roles at minister-level meetings), and convened 11 events of our own, including six high-level policy summits, two working groups and three special sessions of our increasingly

active *Climate Change Action Group*. We grew internally, too, introducing a new computer system, expanding our staff and moving into larger offices.

2009 promises to be an interesting year as well. Come what may, the Lisbon Council will remain active in the vital cause of making Europe – and the world – "fit for the future," as our motto proclaims. And while our methods remain flexible and pragmatic, there are some points of departure that endure. We believe deeper involvement in, and awareness of, the particular challenges of making Europe a successful, innovative and "knowledge-based" economy will only increase. And we are determined to ensure that the Lisbon Council remains at the forefront of this debate, using our unique platform to build a "coalition of the willing" committed to a future as healthy, prosperous and innovative as our past.

On behalf of my colleagues, I'd like to thank you for making 2008 such a successful year. As the president of a research- and evidence-based, collaborative platform, I know we wouldn't be where we are today without your passion, commitment and engagement. I thank you for that from the bottom of my heart. The best is yet to come.



Paul Hofheinz
President, The Lisbon Council

Leaders

The Lisbon Council is a collaborative community that draws its ideas and inspiration from many sources. The following people are responsible for shaping the work programme and generating new ideas within the organisation.



Paul Hofheinz
*President and Co-Founder
The Lisbon Council*



Tjark de Lange
*Treasurer and Co-Founder
The Lisbon Council*



Joeri van den Steenhoven
*Member of the Board, The Lisbon Council
Chairman, Kennisland*



Ann Mettler
*Executive Director and Co-Founder
The Lisbon Council*



Stéphanie Lepczynski
*Manager, Projects and Events
The Lisbon Council*



Philipp Schuller
*Co-Director, Human Capital Centre
The Lisbon Council*



Peer Ederer
*Director, Human Capital Centre
The Lisbon Council*



Stephan Willms
*Co-Director, Human Capital Centre
The Lisbon Council*

Managers

Board of Directors



Miroslav Beblavy
*Executive Director and Co-Founder
Slovak Governance Institute, Slovakia*



Paul Hofheinz
*President and Co-Founder
The Lisbon Council*



Olaf Cramme
*Director
Policy Network, United Kingdom*



Tjark de Lange
*Treasurer and Co-Founder
The Lisbon Council*



Ann Mettler
*Executive Director and Co-Founder
The Lisbon Council*



Marcello Palazzi
*President and Co-founder, Progressio Foundation
Member of the Board, Tällberg Foundation*



Peer Ederer
*Director, Human Capital Centre
The Lisbon Council*



Elisabeth Lulin
*President
Aspen Institute, France*



Bernard Spitz
*Secretary General
Les Gracques, France*



Pawel Swieboda
*Director and Co-Founder
DemosEUROPA, Poland*

General Assembly



Joeri van den Steenhoven
*Member of the Board, The Lisbon Council
Chairman, Kennisland*



Jörg Tremmel
*Director and Founder, Foundation for the
Rights of Future Generations, Germany*

Advisory Board

The Lisbon Council Advisory Board provides expert guidance and strategic input on the ongoing work programme and future direction of the organisation. The Advisory Board includes distinguished individuals from all walks of life, contributing to the Lisbon Council's belief in collaborative innovation and multidisciplinary design.

Isaac Getz
*Professor of Innovation Management,
ESCP-EAP European School of
Management, France*

Lykke Friis
*Prorector, University of Copenhagen,
Member, Reflection Group on the Future
of Europe, Denmark*

Soumitra Dutta
*Roland Berger Chaired Professor in
Business and Technology, Dean of External
Relations, INSEAD, France*

Jesús Caldera Sánchez-Capitán
*Executive Vice President, Fundación Ideas,
Spain*

Christian Bason
Director, MindLab, Denmark

Martin Baily
*Senior Fellow, Brookings Institution
Former Chairman of the Council of
Economic Advisors, USA*

Esko Aho
*Executive Vice President,
Corporate Relations and Responsibility,
Member of the Group Executive Board,
Nokia Corporation, Former Prime
Minister, Finland*

Jean-Pierre Lehmann
*Founding Director, Evian Group,
Professor of International Political
Economy, IMD, Switzerland*

Christophe Leclercq
Publisher and Founder, EurActiv

Jules Kortenhorst
*Chief Executive Officer,
European Climate Foundation*

Marina Hoffmann
*Head of Communications, Dansk Metal,
Denmark*

Larry Hirst
*Chairman, Europe, Middle East and
Africa, IBM, France*

Michael Heise
*Chief Economist, Allianz SE,
Germany*

Belén Goñi
*Secretary General, Innovation Agency
of Navarra, Spain*

Enrico Giovannini
*President, Italian National Statistics
Institute (ISTAT), Italy*

Jörg Monar
*Professor and Director of Political and
Administrative Studies, College of Europe*

Roger Liddle
*Chair, Policy Network,
United Kingdom*

William W. Lewis
*Director Emeritus,
McKinsey Global Institute*

Douglas Rediker
Director, Global Strategic Finance Initiative, New America Foundation, USA

Maria João Rodrigues
Professor of European Economic Policies, Institute of European Studies, Université Libre de Bruxelles, Professor of European Economic Policies, Institute for Strategic and International Studies, University of Lisbon, Special Adviser on the Lisbon Strategy for Growth and Jobs, Portugal

Mark Spelman
Global Managing Director, Strategy, Chairman, Institute for High Performance, Accenture, United Kingdom

Sören Stamer
Entrepreneur, Former CEO and Founder CoreMedia, USA and Germany

Žiga Turk
Professor, University of Ljubljana Secretary General, Reflection Group on the Future of Europe, Slovenia

Andreas Schleicher
Head of Indicators and Analysis Division, Department of Education, OECD

Albrecht Sonntag
Professor, European Integration, École Supérieure des Sciences Commerciales d'Angers (ESSCA), France

Gregor Woschnagg
Advisor, Federation of Austrian Industries (IV), Former Permanent Representative of Austria to the EU, Austria

Diogo Vasconcelos
Chairman, Digital Europe, Distinguished Fellow, Cisco, United Kingdom

Harry Verhaar
Senior Director, Energy and Climate Change, Philips, Netherlands

Linnar Viik
Associate Professor and Member of the Board, Estonian Information Technology College, Member of the Board, European Institute of Innovation and Technology (EIT), Estonia

The Lisbon Council is an independent, non-partisan think tank. Membership in the Advisory Board does not imply acceptance of any comment, statement or view that might be expressed by the Lisbon Council or any of its associates.

Financial Highlights 2008

Income and Expenditure*

	2007	2008
Income	€468,500.00	€480,177.45
Donations	358,500.00	330,177.45
Grants	110,000.00	150,000.00
Expenditure	(€483,817.88)	(€487,704.76)
Office	55,119.05	69,968.95
Administration	172,151.86	267,757.76
Travel	18,365.09	11,429.23
Events	125,538.64	85,983.27
Publications	101,454.47	33,655.56
Depreciation	11,188.77	18,909.99
Surplus/deficit	(€15,317.88)	(€7,527.31)
(reserves)		
Surplus/deficit brought forward	0.00	0.00
Surplus/deficit carried forward	0.00	0.00

Statutory Auditor

Vanstreels, De Bom Van Driessche and Co. (Meise, Belgium)
Accounts prepared by Vandenbranden Accountants BVBA (Grimbergen, Belgium)

Environmental responsibility

The Lisbon Council supports sustainability across the board – in the environment, in public finances and in social security systems. As part of our commitment to environmental sustainability and in an effort to reduce

our carbon footprint, the Lisbon Council furnishes its office with MBDC-certified “cradle-to-cradle” technology and offsets all greenhouse gas emissions stemming from its office operations and travel. As a result of these actions, the Lisbon Council carries the status of “carbon-neutral organisation.” For more information, visit www.c2ccertified.com and www.myclimate.org.

Acknowledgements

The Lisbon Council would like

Balance Sheet**

	2007	2008
Assets	€98,915.05	€75,122.70
Fixed assets	€17,896.22	€28,550.46
Net equipment	17,723.90	18,522.99
Net furniture	172.32	10,027.47
Current assets	€81,018.83	€46,572.24
Accounts receivable	74,500.00	45,107.24
Cash or equivalents	5,182.19	1,230.00
Deferred charges	1,336.64	235.00
Liabilities	(€98,915.05)	(€75,122.70)
Retained earnings	(€37,561.75)	(€30,034.44)
(reserves)		
Current liabilities	(€61,353.30)	(€45,088.26)
Accounts payable	(61,250.03)	(39,334.68)
Salaries payable	0.00	(1,550.71)
Bank	0.00	(4,202.87)
Current account	(103.27)	0.00

to thank the European Commission’s Education, Audiovisual and Culture Executive Agency for an operating grant in 2008 under its programme “support for organisations active at the European level in the field of active European citizenship.”

In addition, we extend our gratitude to the following organisations for their support in 2008: Accenture, Allianz SE, Electronic Data Systems (EDS, an HP company), Google, IBM, Kapp Netherlands, Oracle,

Philips, Royal Dutch Shell, Siemens, Swift and Tesco. Thanks as well to Salesforce.com for database support through Salesforce.com Foundation’s non-profit assistance programme.

The Lisbon Council is an independent, non-partisan association. Financial or other support for the Lisbon Council does not imply acceptance or endorsement of any view, opinion or statement expressed by the Lisbon Council or any of its individual members or associates.

*covering the 12-month period ending 31 December 2008

**as of 31 December 2008

Jacques Van den Abeele
Révisieur d'Entreprises
Vanstreels, De Bom
Van Driessche and Co.
Oude Vilvoordsebaan, 21
B-1860 Meise, Belgium

The Lisbon Council asbl
IPC-Résidence Palace
155 rue de la Loi
B-1040 Brussels, Belgium

Report from the auditor concerning the financial year ended on 31 December 2008 of The Lisbon Council for Economic Competitiveness and Social Renewal asbl

In accordance with the legal and statutory requirements, we report to you on the performance of the reporting assignment, which has been entrusted to us by Mr. Paul Hofheinz, president of The Lisbon Council for Economic Competitiveness and Social Renewal asbl. This report contains our opinion on the true and fair view of the financial statements as well as the required additional statements and information.

Unqualified audit opinion on the financial statements

We have audited the financial statement for the year ended on 31 December 2008, prepared in accordance with the financial reporting framework applicable in Belgium, which shows a balance total of €75,122.70 and a loss for the year of €7,527.31.

Management is responsible for the preparation and the fair presentation of these financial statements. This responsibility includes: designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the legal requirements and the auditing standards applicable in Belgium, as issued by the Institute of Registered Auditors (*Institut des Réviseurs d'Entreprises / Instituut der Bedrijfsrevisoren*). Those standards require that we plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement, whether due to fraud or error.

In accordance with the above-mentioned auditing standards, we considered the association's accounting system, as well as its internal control procedures. We have obtained from management and from the association's officials the

explanations and information necessary for executing our audit procedures. We have examined, on a test basis, the evidence supporting the amounts included in the financial statements. We have assessed the appropriateness of accounting policies and the reasonableness of the significant accounting estimates made by the association as well as the overall financial statement presentation. We believe that these procedures provide a reasonable basis for our opinion.

In our opinion, the financial statements for the year ended 31 December 2008 give a true and fair view of the association's assets and liabilities, its financial position and the results of its operations in accordance with the financial reporting framework applicable in Belgium.

Additional statements and information

The compliance by the association with the Law of 27 June 1921 related to not-for-profit associations, international not-for-profit associations and foundations is the responsibility of management.

Our responsibility is to supplement our report with the following additional statements and information, which do not modify our audit opinion on the financial statements:

- Without prejudice to formal aspects of minor importance, the accounting records were maintained in accordance with the legal and regulatory requirements applicable in Belgium.
- There are no transactions undertaken or decisions taken in violation of the association's statutes or the Law of 27 June 1921 related to not-for-profit associations, international not-for-profit associations and foundations that we have to report to you.
- The appropriation of results proposed to the general meeting complies with the legal and statutory provisions.

So drawn up in Meise on 29 January 2009



With the legal representative,
Jacques Van den Abeele, révisieur d'entreprises

www.lisboncouncil.net

The Lisbon Council for Economic Competitiveness and Social Renewal asbl

IPC-Résidence Palace

155 rue de la Loi, 1040 Brussels, Belgium

T. +32 (0)2 647 9575 F. +32 (0)2 640 9828

twitter: @lisboncouncil

info@lisboncouncil.net



Education and Culture DG

'Europe for Citizens' Programme

With the support of the European Union: Support for organisations that are active in the field of active European citizenship.