



Brussels,
D(2008)

**THE NEXT CYCLE OF THE LISBON STRATEGY
FOR GROWTH AND JOBS (2008-2010):**

***TECHNICAL GUIDANCE ON MEMBER STATE ACTIONS IN THE PRIORITY AREA
'INVESTING MORE IN KNOWLEDGE AND INNOVATION'***

1. CONTEXT

The 2008 Spring European Council in March formally launched the next cycle of the Lisbon Strategy for growth and jobs (2008-2010). The Spring European Council confirmed the four priority areas and agreed a number of new actions. Some of them concern the EU level (in which case they have been integrated into the CLP); others will need to be taken forward by each Member State individually.

In the priority area 'Investing more in knowledge and innovation', the Spring European Council inter alia urged Member States to:

'...set out in their National Reform Programmes how progress towards national R&D investment targets will be achieved and how their R&D strategies will contribute to the realising and better governance of the European Research Area...'

This note provides some guidance and suggestions as to how these actions could be integrated into Member States' revised National Reform Programmes.

2. PROGRESS TOWARDS ACHIEVING NATIONAL R&D INVESTMENT TARGETS

As progress towards achieving the 3 % objective has remained limited so far, the European Council has called upon Member States to increase their efforts and to set out in their revised National Reform Programmes how progress will be achieved towards the R&D investment targets they have set themselves.

Investing more public funds in research will need to go hand in hand with improving the research system (e.g. reducing fragmentation, rewarding excellence) and putting in place the framework conditions (e.g. IPR, standard-setting, promoting interaction within the research triangle) to enhance outcomes and stimulate greater private sector investments. In this way, a virtuous circle will be created in which increased public budgets are accompanied by and driven by ambitious policy reforms.

The Commission suggests that Member States report on this action in the following form :

- Member States are asked to report on their estimates of total public financial effort devoted to supporting R&D, through:

- A forecast of the evolution of total annual direct public funding¹ of R&D for the years 2007, 2008, 2009 and 2010 and if possible up to the year for which they have set their investment target (if such year is after 2010).
- Estimates of the evolution of foregone revenue from fiscal incentives and other indirect measures dedicated to R&D, also for the years 2007, 2008, 2009 and 2010 and if possible up to the year for which they have set their investment target (if such year is after 2010).
- Apart from raising their public investments in R&D, Member States should focus notably on addressing remaining shortcomings of their research systems and on creating a more attractive research and innovation policy framework. Member States are asked to describe the main policy reforms they have undertaken over the last twelve months or intend to undertake in the near future. Member States which received a country-specific recommendation or point to watch should describe in the policy statement which the Spring European Council has invited them to draw up how these measures are expected to address the issues covered by the CSR or PTW.

Please note that the Commission is also transmitting this technical guidance note to the CREST committee inviting national representatives to assist Lisbon coordinators in the provision of the forecasts of public financial effort for the periods mentioned above.

3. CONTRIBUTION OF NATIONAL R&D STRATEGIES TO THE REALISING AND BETTER GOVERNANCE OF THE EUROPEAN RESEARCH AREA

Member States have also been invited by the European Council to set out how their national R&D strategies contribute to the better governance and realisation of the European Research Area.

The Commission suggests that this should be incorporated into Member States' up-to-date NRPs in the form of an overall appreciation of:

- The extent to which a European and international dimension is incorporated into the national and regional policies and measures², and
- The way in which national R&D policy and Community policy interact in general, via the partnership between the Member States and the Commission, to further advance the realisation of ERA and in particular the value of the five ERA initiatives³ for developing national and regional policies³

Member States should illustrate in concrete terms how these aspects translate into the specification and implementation of individual R&D policy measures.

¹ In order to make the data comparable, official Frascati definitions and concepts should be used as much as possible. Direct public funding should be presented as GBAORD projections as well as estimates of GERD financed by government.

² Such as: fostering an increased openness of national research systems and programmes; seeking to optimise cross border links, synergies, spillovers; stimulating co-operation and competition with partners in Europe and beyond.

³ With reference to the ERA initiatives on: researchers' careers and mobility; programme coordination and pooling of resources; joint infrastructures; knowledge transfer and IP management; and international S&T co-operation.