



# Procedure file

Basic information			
INI - Own-initiative procedure	2006/2005(INI)	Procedure completed	
Implementing the Community Lisbon Programme: more research and innovation, investing for growth and employment			
Subject 3.50.01 European research area and policy 3.50.04 Innovation			
Key players			
European Parliament	Committee responsible	Rapporteur	Appointed
	<b>ITRE</b> Industry, Research and Energy		23/11/2005
		PPE-DE <a href="#">DEL CASTILLO VERA Pilar</a>	
	Committee for opinion	Rapporteur for opinion	Appointed
	<b>ECON</b> Economic and Monetary Affairs	The committee decided not to give an opinion.	
	<b>EMPL</b> Employment and Social Affairs		27/10/2005
		PSE <a href="#">MATSOUKA Maria</a>	
	<b>IMCO</b> Internal Market and Consumer Protection	The committee decided not to give an opinion.	
	<b>REGI</b> Regional Development	The committee decided not to give an opinion.	
	<b>CULT</b> Culture and Education		23/01/2006
		PSE <a href="#">BONO Guy</a>	
Council of the European Union	Council configuration	Meeting	Date
	<a href="#">General Affairs</a>	<a href="#">2775</a>	22/01/2007
	<a href="#">General Affairs</a>	<a href="#">2718</a>	20/03/2006
	<a href="#">Economic and Financial Affairs ECOFIN</a>	<a href="#">2716</a>	14/03/2006
	<a href="#">Competitiveness (Internal Market, Industry, Research and Space)</a>	<a href="#">2715</a>	13/03/2006
	<a href="#">Environment</a>	<a href="#">2713</a>	09/03/2006
	<a href="#">General Affairs</a>	<a href="#">2711</a>	27/02/2006
	<a href="#">Economic and Financial Affairs ECOFIN</a>	<a href="#">2707</a>	14/02/2006
	<a href="#">General Affairs</a>	<a href="#">2705</a>	30/01/2006
European Commission	Commission DG	Commissioner	
	<a href="#">Secretariat-General</a>		

Key events			
12/10/2005	Non-legislative basic document published	<a href="#">COM(2005)0488</a>	Summary
19/01/2006	Committee referral announced in Parliament		
30/01/2006	Debate in Council	<a href="#">2705</a>	
14/02/2006	Debate in Council	<a href="#">2707</a>	
27/02/2006	Debate in Council	<a href="#">2711</a>	
09/03/2006	Resolution/conclusions adopted by Council		
13/03/2006	Debate in Council	<a href="#">2715</a>	
14/03/2006	Debate in Council	<a href="#">2716</a>	
20/03/2006	Debate in Council	<a href="#">2718</a>	Summary
30/05/2006	Vote in committee		Summary
01/06/2006	Committee report tabled for plenary	<a href="#">A6-0204/2006</a>	
04/07/2006	Debate in Parliament		
05/07/2006	Results of vote in Parliament		
05/07/2006	Decision by Parliament	<a href="#">T6-0301/2006</a>	Summary
05/07/2006	End of procedure in Parliament		
22/01/2007	Debate in Council	<a href="#">2775</a>	

Technical information	
Procedure reference	2006/2005(INI)
Procedure type	INI - Own-initiative procedure
Procedure subtype	Strategic initiative
Legal basis	Rules of Procedure EP 54
Stage reached in procedure	Procedure completed
Committee dossier	ITRE/6/32142

Documentation gateway					
Non-legislative basic document		<a href="#">COM(2005)0488</a>	12/10/2005	EC	Summary
Document attached to the procedure		<a href="#">SEC(2005)1289</a>	12/10/2005	EC	
Committee draft report		<a href="#">PE370.183</a>	28/03/2006	EP	
Amendments tabled in committee		<a href="#">PE372.213</a>	04/05/2006	EP	
Committee opinion	<b>EMPL</b>	<a href="#">PE370.143</a>	15/05/2006	EP	
Committee opinion	<b>CULT</b>	<a href="#">PE371.981</a>	29/05/2006	EP	
Committee report tabled for plenary, single reading		<a href="#">A6-0204/2006</a>	01/06/2006	EP	

Text adopted by Parliament, single reading	<a href="#">T6-0301/2006</a>	05/07/2006	EP	Summary
Commission response to text adopted in plenary	<a href="#">SP(2006)3801</a>	28/08/2006	EC	
Commission response to text adopted in plenary	<a href="#">SP(2006)3874-3</a>	29/09/2006	EC	

## Implementing the Community Lisbon Programme: more research and innovation, investing for growth and employment

**PURPOSE** : to present a common approach to more research and innovation within the framework of implanting the Community Lisbon programme.

**CONTEXT** : In launching the new Lisbon partnership for growth and jobs, the European Council singled out knowledge and innovation for growth as one of three main areas for action. The 2002 Barcelona European Council set the goal of raising overall research investment in the EU from 1.9% of GDP to approach 3% by 2010, increasing the private funding proportion from 55% to two-thirds. The 3% objective and the follow-up Action Plan for more investment in research have had a mobilising effect on Member States. Nearly all have set targets, which if met would bring research investment in the EU to 2.6% of GDP by 2010. However, instead of rising, EU research intensity is more or less stagnant.

World-wide competition to attract research and innovation investment is growing. In addition to attractive locations such as the US and Japan, new competitors have emerged, such as China, India and Brazil. For the EU to remain competitive and sustain its model of society, far-reaching reforms are needed urgently. Moreover, the scale of competition is such that no Member State can succeed in isolation. Transnational synergies should be fully exploited. This is the only way to boost research and innovation performance and to turn it effectively into more growth and jobs in the EU. A high level of R&D spending and a good innovation performance contribute to more and better jobs. In addition research and innovation are needed to make the EU economy more sustainable, by finding win-win solutions for economic growth, social development and environmental protection.

**CONTENT** : This Communication builds on the Partnership for Growth and Jobs. It addresses the full research and innovation spectrum, including non-technological innovation. It makes explicit the commitments taken by the Community Lisbon Programme, by detailing the measures in support of research and innovation that will be undertaken and that were described there in general terms. It outlines ambitious actions, reaching beyond the 3% Action Plan and innovation policy to date. It strengthens the links between research and innovation, with research policy focusing more on developing new knowledge and its applications and the framework conditions for research, and innovation policy focusing on transforming knowledge into economic value and commercial success. In line with the Commission's better regulation approach, measures with a potential impact on competitiveness will be subject to an impact assessment.

The Action Plan proposed by the Commission is comprised of 4 headings and 19 actions:

### 1) Research and innovation at the heart of EU policies:

- Better regulation for new technology;
- Redeploying State aid towards research and innovation;
- Improved efficiency and use of intellectual property;
- An attractive single market for researchers;
- Using public procurement to foster research and innovation;
- Better and wider use of tax incentives.

### 2) Research and innovation at the heart of EU funding:

- Mobilising public and private resources for key technologies;
- European Structural Funds to drive research and innovation;
- Improving SME access to finance;
- Mobilising national programmes and other sources of funding for European research and innovation.

### 3) Research and innovation at the heart of business:

- Intensified university-industry partnerships;
- Innovation poles and research-driven and industrial clusters;
- Pro-active business support services to stimulate research and innovation;
- Innovation management and social change;
- The potential of innovative services;
- Establishing a European Industrial Research and Innovation Monitoring System and improving intellectual capital reporting.

### 4) Improved research and innovation policies:

- Research and innovation as a priority of the National Reform Programmes for growth and jobs;

- Improved policy analysis instruments;
- Support to policy learning and cooperation (European platforms to share and validate good practice).

The Commission concludes that the National Reform Programmes, developed within the new Lisbon partnership for growth and jobs, should fully embrace research and innovation challenges. Focused Community financial support for research and innovation activities of European interest, guidance for coordinated policy development, and improved platforms for mutual learning, in all areas where transnational cooperation offers strong added value, will support the NRP. In this way, a truly European

Research and Innovation Area will develop, building upon the specific strengths of Member States and their regions.

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The Council examined draft conclusions prepared by the Presidency for the European Council meeting to be held in Brussels on 23 and 24 March.

The European Council will focus on its annual review of the strategy for growth and jobs that it laid down at Lisbon in March 2000 and re-launched last spring, as well as on an energy policy for Europe. It will also review the international situation. As regards the Lisbon strategy, the European Council is expected to highlight the need to implement commitments made last year and to identify priority actions to be implemented before the end of 2007, thus enabling a second phase of the strategy to be launched in the spring of 2008.

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The committee adopted the own-initiative report by Pilar del CASTILLO VERA (EPP-ED, ES) on implementing the Community Lisbon Programme. Pointing out that Europe is still lagging behind the USA and Japan on growth, research and productivity, the report proposed ways to change this, including promoting entrepreneurship, providing adequate research funding and pooling existing knowledge. Other demands made by the committee included: stronger support for European researchers, especially at the start of their careers, the creation of a single market for scientists, improved employment conditions for scientists, measures to stem the brain drain and to foster a culture which celebrates innovation, European prizes for innovation, regional zones of innovation and networking of zones in different regions and countries. MEPs also called for sweeping reform of the EU's state aid rules, shifting subsidies from big, ailing companies to small and innovative businesses. Lastly, they proposed the implementation of a tax credit system to encourage the service sector to take an interest in research findings and their utilisation.

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The European Parliament adopted a resolution based on the own-initiative report drafted by Pilar del CASTILLO VERA (EPP-ED, ES) on the Commission Communication entitled "Implementing the Community Lisbon Programme: More Research and Innovation - Investing for growth and employment: A common approach". It pointed out that Europe lags behind the United States and Japan in terms of growth, research and productivity, failing to capitalise on Information and Communication Technologies (ICT) application or to attract R&D investment into Europe. Accordingly, Parliament urged Member States to promote entrepreneurship from the early stages of education onwards and to strengthen their support for life-long learning by encouraging ICT training amongst both employed and unemployed persons. It noted the Union's delays in implementing the Lisbon Strategy in the area of education and training, and appealed to Member States to take it on themselves to relaunch the Lisbon Strategy.

Parliament recommended several courses of action and, inter alia, stressed the need to do the following:

- to raise the profile of scientific career paths and to promote existing incentives and awards such as the Descartes, Aristotle and young scientist's awards;
- to provide greater support for the best European researchers, especially early-stage researchers, in the form of more attractive working conditions, the reduction of legal, administrative and geographical barriers and the equal treatment of European researchers with their foreign counterparts;
- to combat effectively the EU's brain drain and to put in place all appropriate measures to attract excellence to its territory, among other things by promoting exchange programmes with third countries ? Erasmus Mundus, for example ? aimed at students, researchers, and teachers;
- to institute and promote European prizes for innovation;
- to promote the integration of products, processes and knowledge-based services and the introduction of different support systems into non-technological sectors;
- to support SMEs with regard to their research capacity; SMEs should also be provided with a framework of structural assistance to upgrade their knowledge management and technological resources, enabling them to play an active role in a demand-led innovation market and become involved in technological research and development;
- to support researchers in accessing pre-seed financing which would enable them to fund activities aimed at proving to investors that a new

technology has a certain level of commercial and technical viability;

-to implement a tax credit system to encourage the service sector to take an interest in research findings and their implementation;

-to introduce a "single fund structure" to avoid the double taxation of investors located in one Member State investing through a fund in another;

Parliament noted that the objective of investing 3% of EU GDP in research by 2010 would probably not be achieved. It stressed that improved research and innovation policies must contribute to new employment opportunities through sustainable development, with a focus on eco-innovation and sustainable production (e.g. solar-hydrogen technologies, wind energy, fuel cells, biomass, plant based chemical industry), eco-efficient services (energy conservation, mobility services, re-use and recycling) and sustainable engineering and management methods (e.g. bionics, Integrated Product Policy);

Finally, Parliament noted the need for a Community patent and trademark, and for improved reciprocity between the European, United States' and Japanese patent systems. An integrated Community patent system based on democratic legal standards must be part of an innovation strategy, in which it is essential to ensure a balance between protection of industrial property, dissemination of technical knowledge and free and unrestricted competition. It underlined that the purpose of the protection provided by a patent is the safeguarding of an invention and not the controlling of market sectors. The Council was asked to end the stalemate over the proposed Community patent as far as the language regime is concerned.